WINE MARKET TRENDS & INTELLIGENCE

2024 OUTLOOK FORUM

SIMONE GEORGE
GLOBAL WINE & GRAPE BROKER

CIATTI
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Murray Valley Winegrowers

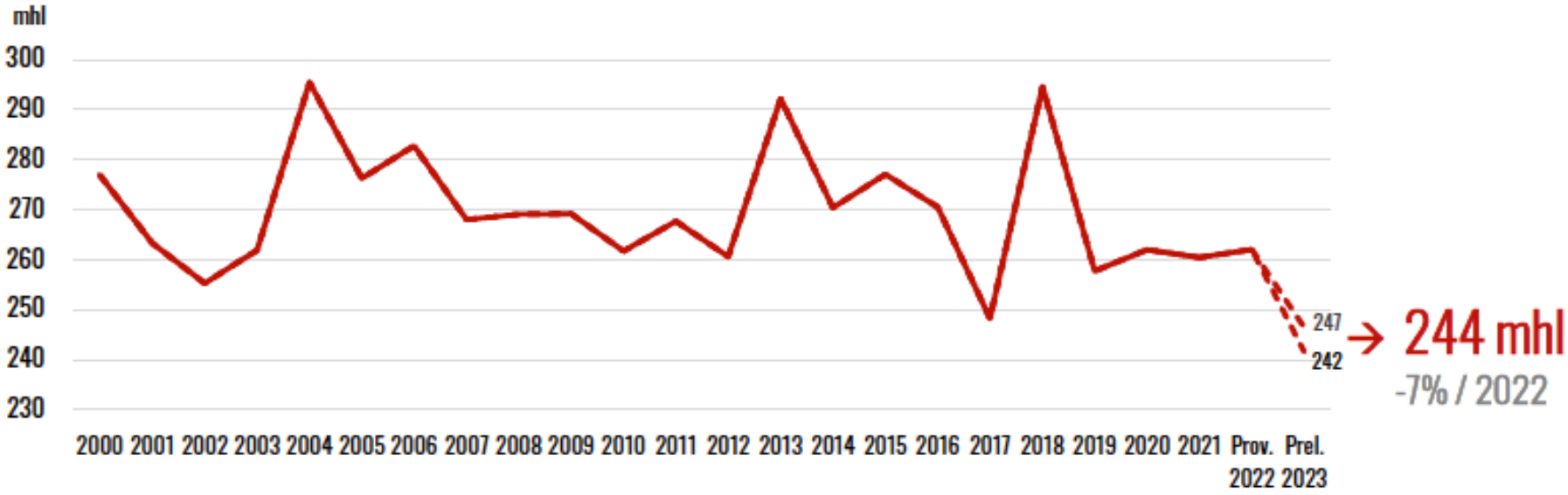
CIATTI COMPANY

- World's largest Grape & Wine Broker
- Formed in 1971
- 10x offices
- 21 brokers, 37 support staff
- Australia, California, Canada, Chile, Argentina, South Africa, France, Germany, Spain & China
- Bulk wine, grapes, concentrate, spirits & evaluation services
- Global Market Report
- Californian Market Report

GLOBAL WINE PRODUCTION

🍇 2023: the lowest crush volume since 1961

Vintage	Production (millions of hectoliters)
2023	244
2022	259
2021	260
2020	259
2019	258
2018	294



OIV State of the Vine & Wine Sector 2024

GLOBAL WINE PRODUCTION

Italy, France & Spain alone make up

48% of the world wine production

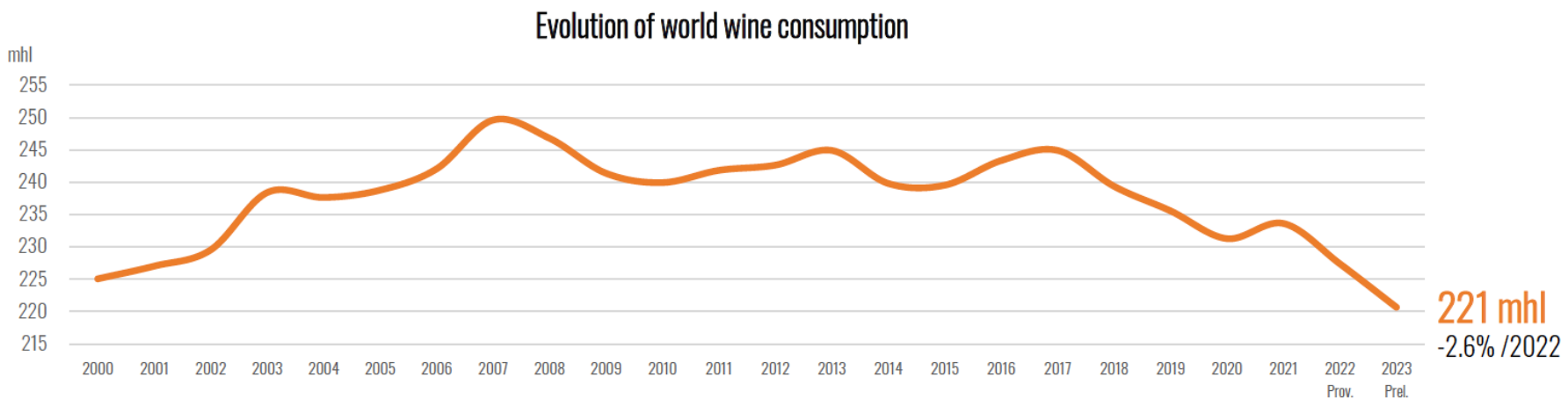
Country	%
France	20%
Italy	16%
Spain	12%
USA	10%
Argentina	5%
Chile	4%
Australia	**4%**
South Africa	4%

OIV State of the Vine & Wine Sector 2024

GLOBAL WINE CONSUMPTION: 2023

- 221 million hectoliters of wine consumed | down 2.6%
- 237 million hectoliters of wine produced
- Excess of 16 million litres

- Health conscious
- Cost of living / inflation
- China: consumption declining since 2018
- COVID
- Increase in population
- Beverage competition

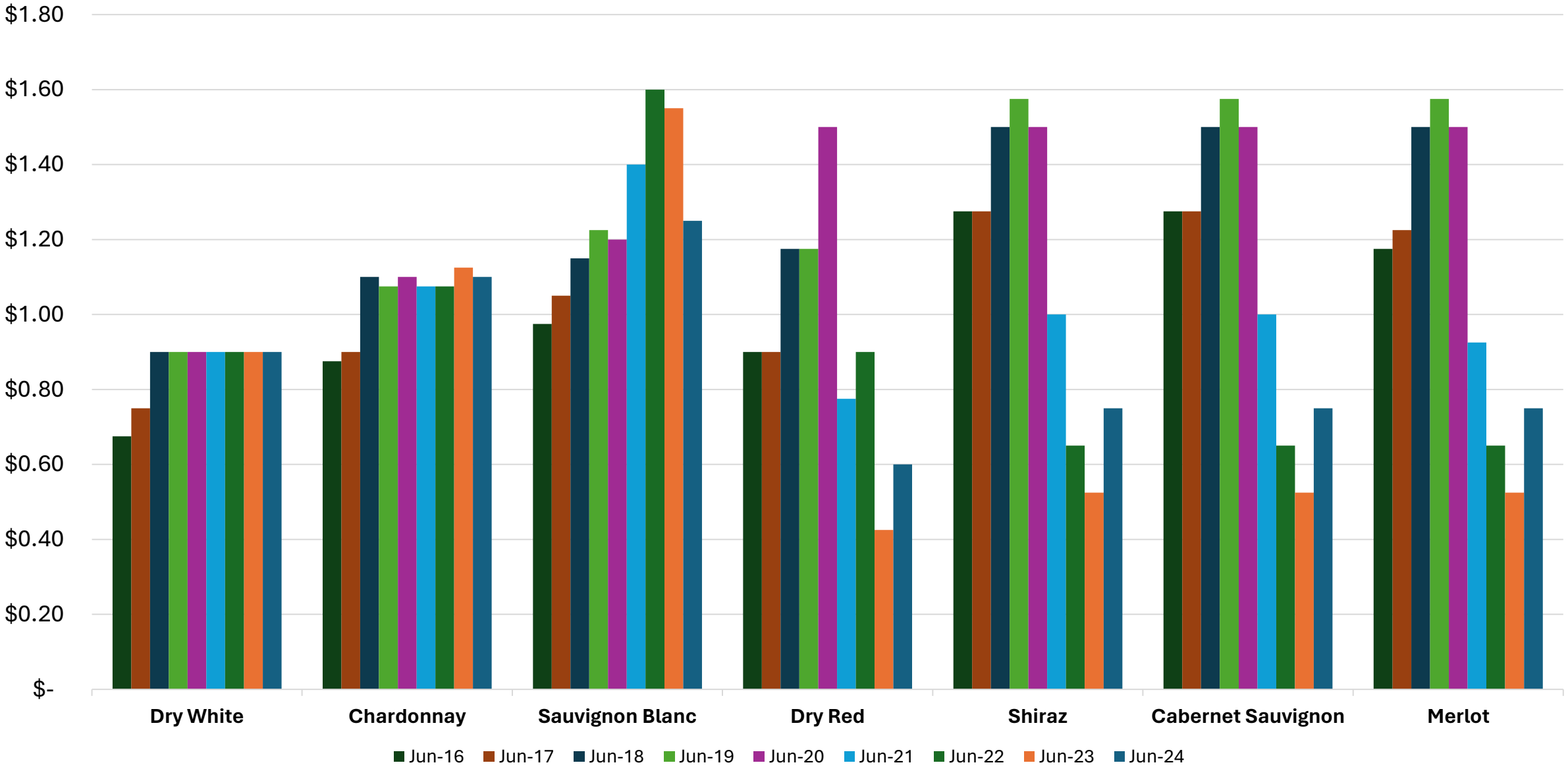


AUSTRALIA

- 2023: 1.32MT | 2024: 1.4-1.5MT?
- China tariffs
- In demand: entry level Dry Red, Shiraz, Cabernet, Merlot
- In surplus: mid range and premium reds
- Pricing: increased since China reopened trade lanes
- Whites stable: Chardonnay, Pinot Gris
- Sauvignon Blanc: plantings coming online in v24
- Vin Expo Hong Kong

Vintage	Variety	AUD / FOB	Trend
2022	Shiraz	$0.60 - 0.75	↑
2022	Cabernet	$0.60 - 0.75	↑
2022	Merlot	$0.60 - 0.75	↑
2023	Shiraz	$0.65 - 0.85	↑
2023	Cabernet	$0.65 - 0.85	↑
2023	Merlot	$0.65 - 0.85	↑
NV	Dry Red	$0.55 - 0.65	↑
2024	Chardonnay	$1.10 - 1.20	-
2024	Pinot Gris	$1.20 - 1.30	-
2024	Sauvignon Blanc	$1.10 - 1.40	↓
NV	Dry White	$0.85 - 0.95	-

Australian Bulk Wine Pricing 2016-2024



CHINA

- **China's Wine Imports - April 2024**
- **Bottled**
- **By Country**

Country	Volume (Litres)	Change (YOY)	Value (AUD)	Change YOY
France	3,394,246	0.18%	$ 69,472,283.09	41.52%
Chile	3,565,911	27.54%	$ 20,911,162.30	12.50%
Australia	462,518	657.36%	$ 15,647,591.40	8189.01%
Italy	1,164,526	23.74%	$ 12,678,849.67	25.58%
USA	397,896	94.19%	$ 9,689,168.87	136.93%
Spain	794,344	-32.50%	$ 5,370,608.59	-30.21%
New Zealand	242,196	-2.58%	$ 3,072,134.07	-2.42%
Germany	306,336	29.64%	$ 3,059,427.76	65.19%
South Africa	311,624	92.91%	$ 1,863,259.19	60.88%

*USD to AUD exchange rate 7Jun24 of $1.49768

CHINA

China's Wine Imports - April 2024
By product: Sparkling - Bottled - Bulk
All countries

Product Type	Volume (Litres)	Change (MOM)	Change (YOY)	Value (AUD)	Change (MOM)	Change (YOY)
Sparkling Wine	534,676	78.87%	51.39%	$ 10,374,532.70	38.69%	106.71%
Wine <2L	11,698,513	38.05%	17.16%	$ 148,640,188.55	59.78%	46.12%
Wine 2-10L	65,829	-82.56%	-58.68%	$ 712,021.03	-75.35%	-16.28%
Wine >10L	9,656,872	-29.25%	21.75%	$ 9,769,207.89	-29.13%	2.61%
Total	21,955,890	-3.70%	19.14%	$ 169,495,950.17	44.64%	44.72%

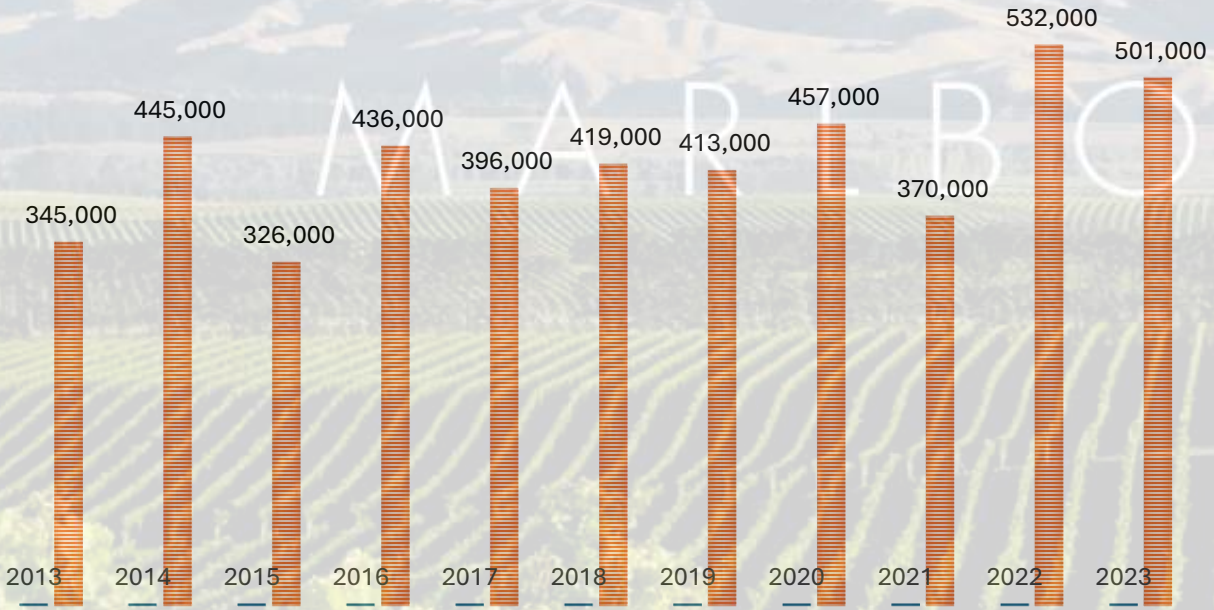
*USD to AUD exchange rate 7Jun24 of $1.49768

CHINA

- Challenging economic conditions
- Consumption at lower price points | little mid-range or premium purchases
- Younger generation drinking less
- How much volume is attributed to Chinese looking for permanent residency?
- Competition from France and Chile (FTA)
- Other countries seeing declines in 2023: France ↓29% | Chile ↓18% | Italy ↓31% | Spain ↓48%
- Total wine imports to China: 2018 - 668 million litres | 2023 – 248 million litres (-420 million litres)
- France is the biggest bottled wine supplier to China
- Chile is the biggest bulk supplier to China

NZ

CRUSH NUMBERS 2013-2023



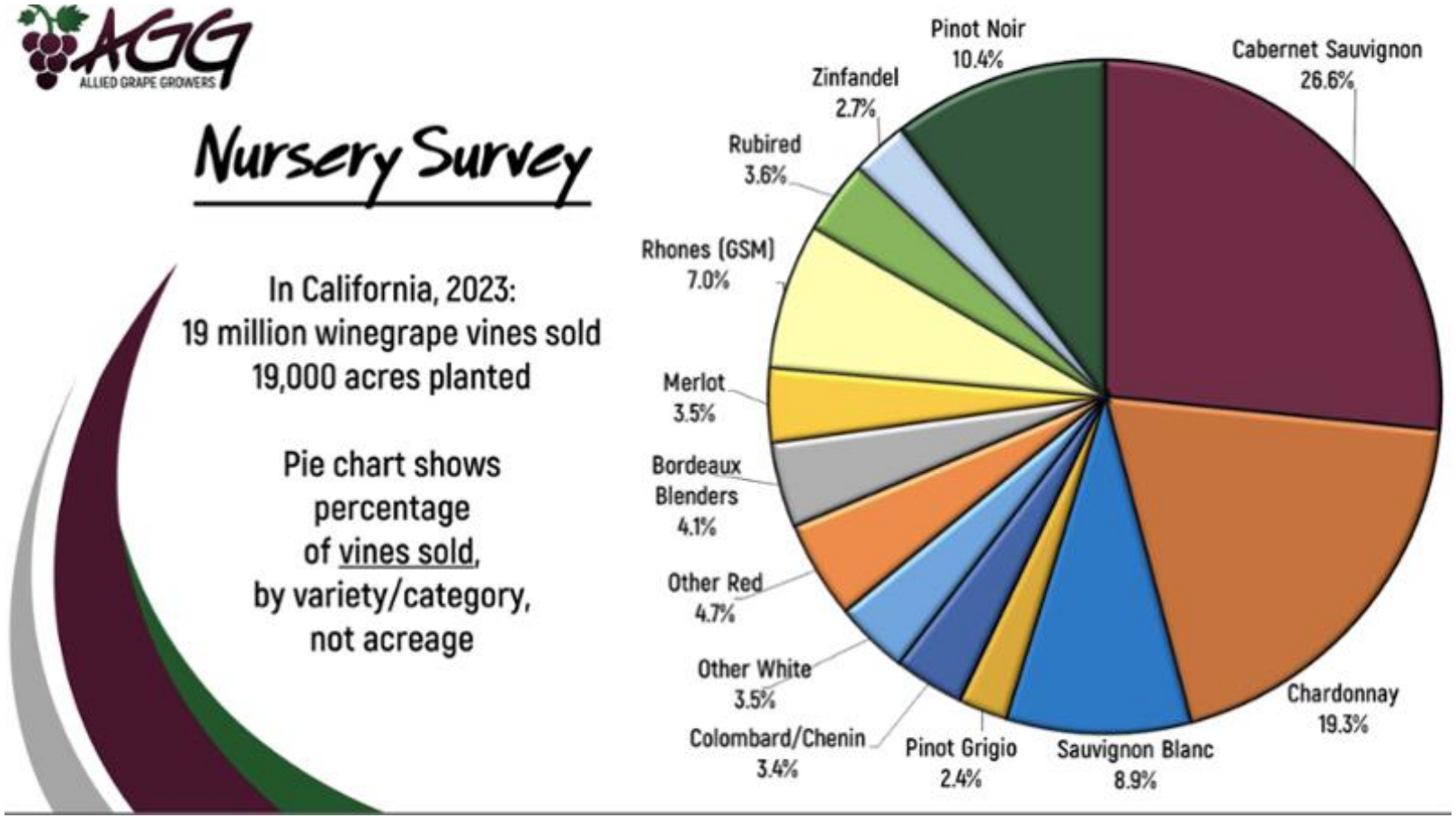
- Good demand for Sauvignon Blanc
- Bulk prices 2023: NZD $2.75-3.25/L
- 2024: NZD $4.30-4.50/L
- Two large vintages in 2022 and 2023
- Large inventory of 2023 SAB
- 2024 vintage: cool spring, reduced berry size
- Crush is approx. 20% down
- Bottled sales to USA
- Export sales NZD $2.06 billion
- NZ-EU FTA | 1st May 2024 | Removal of 5% tariff

USA - CALIFORNIA

- 2023 crop - 3.66 million tons
- Cool spring conditions | late vintage
- Soft consumer demand | retailer destocking
- wine consumption down 8.7% in 2023
- Beverage competition | cannabis | hard seltzers
- Bulk wine market remains sluggish | spot buys
- Whites are growing | red are declining
- Good water availability | snowpack 110% of normal
- 2024 grape market quiet

Vintage	Variety	USD ExW	Trend
2022	Cabernet Sauvignon	$1.29 - 1.49	-
2022	Shiraz	$1.19 - 1.39	-
2022	Merlot	$1.19 - 1.39	-
2022	Dry Red	$1.10 - 1.29	-
2022	Chardonnay	$1.40 - 1.80	-
2022	Pinot Gris	$1.40 - 1.59	-
2022	Dry White	$1.05 - 1.15	-

USA - CALIFORNIA



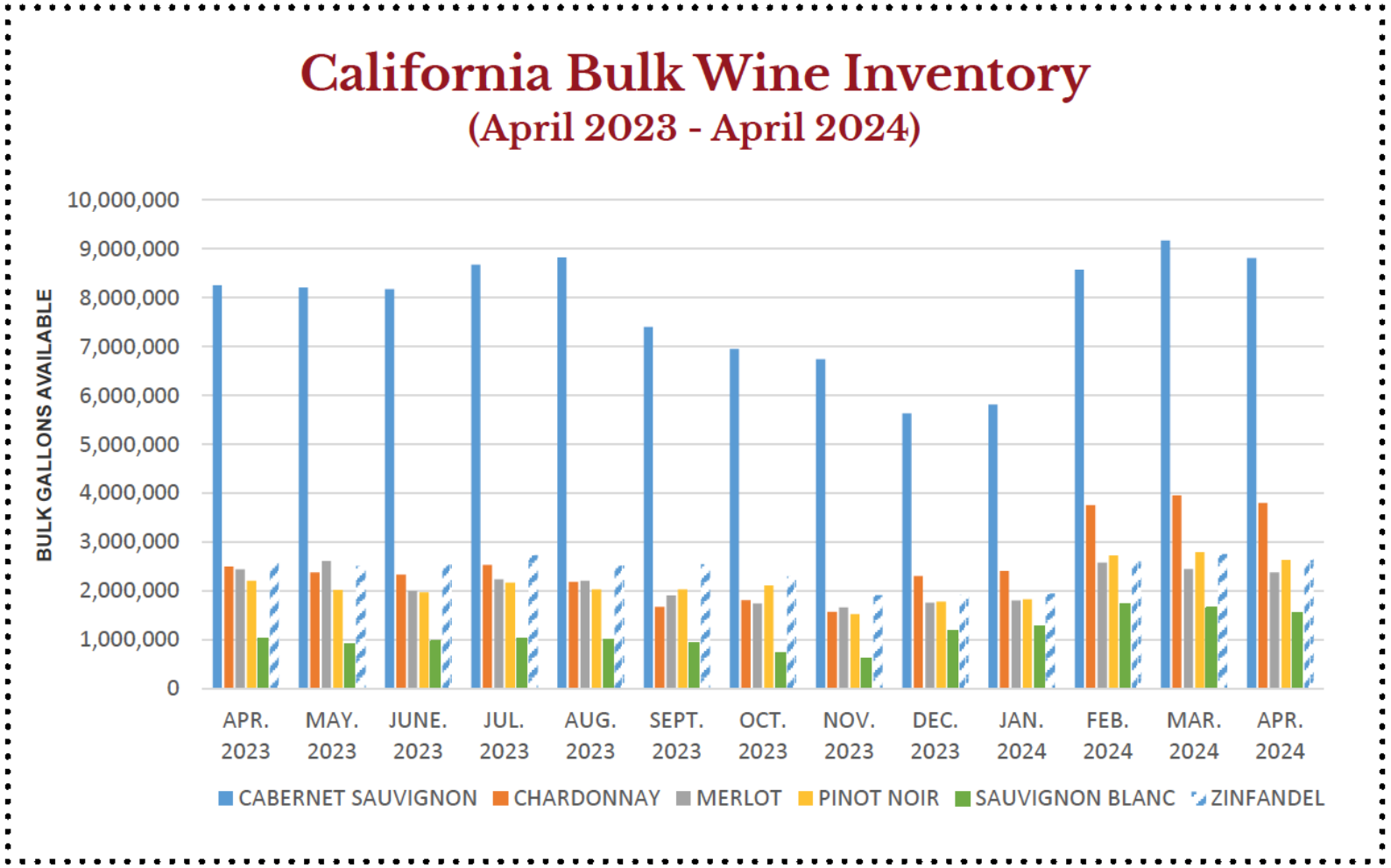
2023 vintage
- excess fruit
- 400,000 tons left on vine
- growers struggling to secure contracts

Vine pull:
- 50,000-100,000+ acres need to be removed

Plantings:
- Cabernet
- Chardonnay
- Sauvignon Blanc

Other crops
- nuts
- citrus
- land leased for solar farms

USA
CALIFORNIA



- Inventory of reds remain long
- 2023 stocks now available
- Good demand for Australian Chardonnay, Sauvignon Blanc & Pinot Gris

ARGENTINA

- 2024 crush size estimate ~1.9 million tons
- 2023 small crush | 1.45 million tons | frost
- China taking some material | 20% import duty
- 250 million litres of carryover stock
- Economic issues | high interest rates 50-130% | low domestic consumption
- Malbec – strong demand | USD $0.75-0.85/L
- Other red varieties slow movement
- White wines – good demand as Spain's availability limited
- Concentrate in demand | USD $1,500/t | Spain short

Vintage	Variety	USD ExW	Trend
2023	Cabernet Sauvignon	$0.90 - 1.10	↓
2023	Shiraz	$0.65 - 0.75	↓
2023	Merlot	$1.20 - 1.50	-
2023	Dry Red	$0.50 – 0.60	-
2023	Chardonnay	$1.00 - 1.10	↑
2023	Sauvignon Blanc	$0.95 - 1.05	↑
2023	Dry White	$0.40 - 0.50	-

CHILE

Vintage	Variety	USD FOB	Trend
2023/2024	Cabernet Sauvignon	$0.40 - 0.55	↑
2023/2024	Shiraz	$0.40 - 0.55	↑
2023/2024	Merlot	$0.45 - 0.55	↑
NV	Dry Red	$0.38 - 0.48	↑
2023/2024	Chardonnay	$0.75 - 0.85	↑
2023/2024	Sauvignon Blanc	$0.75 - 0.85	↑
NV	Dry White	$0.60 - 0.70	↑

- 2024 crush figure expect to be down 20-25%
- Central: wet & cool spring | North & South: drought
- White wines in high demand – Dry White, Sauvignon Blanc & Chardonnay
- White grape demand to GJC + Pisco companies | $↑
- Small 2023 white wine carryover stock
- Vine pull | estimated removal of ~15% in 2023 | ~10% in 2024 | reds only – Tintorera, Syrah, Cabernet | old, low yielding vines
- Chinese demand consistent | Dry Red USD $0.42/L CIF
- Good export demand to Spain, Italy, UK

FRANCE

- 2021 37mHL | 2022 46mHL | 2023 48mHL
- Steady bulk market | Italy & Spain small crops
- Frost in Provence | hail in Chablis/Burgundy | disease pressure in Bordeaux
- In demand: NV white wines, Dry White, Rosé
- Sluggish red wine sales
- Vine pull in Bordeaux | Cabernet & Merlot | 9,300 hectares or ~9% | €6,000/hectare | unkept vineyards = flavescence dorée - bacteria
- Domestic and China – sales not as strong
- Distillation Plan

  2021: 200ML to 320ML €0.58-0.78/L | €215m

  2023: 220ML €0.45-0.65-0.75/L | €215m

Vintage	Variety (VDF)	Euro ExW	Trend
2023	Cabernet Sauvignon	€0.75 – 0.90	-
2023	Shiraz	€0.82 - 1.00	↓
2023	Merlot	€0.75 – 0.90	↓
2023	Dry Red	€0.60 - 0.70	-
2023	Chardonnay	€0.90 - 1.00	↓
2023	Sauvignon Blanc	€0.85 - 1.00	-
2023	Dry White	€0.60 - 0.75	↑
2023	Generic Rosé	€0.60- 0.65	-

ITALY

Vintage	Variety	Euro ExW	Trend
2023	Cabernet Sauvignon	€0.95 - 1.15	-
2023	Syrah	€0.95 - 1.15	-
2023	Merlot	€0.75 - 0.90	-
2023	Dry Red	€0.60 - 0.75	-
2023	Chardonnay	€0.80 - 1.00	↑
2023	Pinot Gris DOC	€1.10 - 1.20	↑
2023	Dry White	€0.60 - 0.75	↑
2023	Prosecco DOC	€1.90 - 2.00	-

- 2021 50mHL | 2022 49mHL | 2023 38mHL
- Drought conditions + disease pressure
- Increase in imports from France & Spain
- Dry White short in supply
- Sales are sluggish – reds
- Prosecco DOC bottlings up 18% versus Apr 2023
- Pinot Grigio DOC bottlings up 22%
- Interest rate stable 4.5% | consumer confidence
- Southern Italy - drought a concern again in 2024

SPAIN

Vintage	Variety	Euro ExW	Trend
2023	Cabernet Sauvignon	€0.52 - 0.62	↓
2023	Syrah	€0.50 - 0.60	-
2023	Merlot	€0.55 - 0.65	↓
2023	Dry Red	€0.38 - 0.45	↓
2023	Chardonnay	€0.75 - 0.82	↓
2023	Sauvignon Blanc	€0.80 - 0.85	↓
2023	Dry White	€0.48 - 0.55	↑
2023	Generic Rose	€0.48 - 0.55	-

- 2021 35mHL | 2022 35mHL | 2023 28mHL
- Good demand for whites and rosé
- High availability of red wines | low prices | package deals
- Short white wine availability
- High demand from spirit producers
- Imports from Chile | mainly whites
- Domestic consumption up 2%
- No frost | good Spring rainfall | 2024 average size
- Vintage 2020 large crop | Emergency Distillation Plan | allocated €90 million | €0.30 – 0.40/L

SOUTH AFRICA

- 2x short crops 2023 1.18MT | 2024 1.0MT
- Smallest crush in 22 years
- Short carryover crop
- Whites in demand – Dry White, PIG, Chenin, Colombard
- Sauvignon Blanc & Chardonnay stable
- Dry Red strong demand in domestic market, plenty of supply
- Water availability good
- Electricity blackouts | 19.9% of the year with zero power
- Good international shipping to Europe

Vintage	Variety	USD FOB	Trend
2023/24	Cabernet Sauvignon	$0.68 - 0.73	-
2023/24	Shiraz	$0.68 - 0.73	-
2023/24	Merlot	$0.68 - 0.73	-
2023/24	Dry Red	$0.49 - 0.54	↑
2023/2024	Chardonnay	$0.68 - 0.73	↑
2023/2024	Chenin Blanc	$0.51 - 0.54	↑
2023/2024	Sauvignon Blanc	$0.68 - 0.76	↑
2023/2024	Dry White	$0.42 - 0.44	↑

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GLOBAL PRICE COMPARISON (USD) NOV20

Dry White				
Argentina	0.30	-	0.35	↑
South Africa	0.35	-	0.39	↓
Spain	0.39	-	0.47	-
Italy	0.41	-	0.53	↑
Chile	0.50	-	0.60	-
Australia	0.62	-	0.70	-
France	0.77	-	0.89	-
California	0.90	-	0.99	-

Chardonnay				
Argentina	0.50	-	0.60	↑
South Africa	0.70	-	0.75	↓
Australia	0.80	-	0.88	↑
Chile	0.85	-	0.95	↑
Italy	0.83	-	1.18	-
Spain	0.95	-	1.06	-
France	1.12	-	1.18	-
California	1.25	-	1.59	-

Shiraz				
Argentina	0.35	-	0.45	-
South Africa	0.72	-	0.78	↓
Chile	0.72	-	0.78	-
Spain	0.71	-	0.89	-
Italy	0.83	-	1.12	-
Australia	0.95	-	1.06	↓
France	0.97	-	1.07	↓
California	1.09	-	1.58	-

Dry Red				
Argentina	0.30	-	0.35	↑
Chile	0.48	-	0.60	-
Spain	0.47	-	0.59	-
Italy	0.53	-	0.71	-
South Africa	0.59	-	0.62	↓
France	0.77	-	0.83	↑
California	0.79	-	1.05	-
Australia	0.84	-	0.91	-

Cabernet Sauvignon				
Argentina	0.50	-	0.60	-
Spain	0.71	-	0.89	-
Chile	0.72	-	0.80	↓
South Africa	0.77	-	0.85	↓
Italy	0.89	-	1.12	↑
France	0.89	-	0.95	↓
Australia	0.95	-	1.06	↓
California	1.09	-	1.85	-

Merlot				
Argentina	0.45	-	0.55	-
South Africa	0.75	-	0.81	↓
Chile	0.75	-	0.85	↑
Spain	0.77	-	0.89	-
Italy	0.83	-	1.07	-
France	0.89	-	0.95	↓
Australia	0.95	-	1.06	↓
California	1.12	-	1.38	-

USD exchange rate: 0.731701

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GLOBAL PRICE COMPARISON (USD) MAY22

Dry White				
South Africa	0.31	-	0.37	↓
Spain	0.40	-	0.44	↑
Italy	0.53	-	0.68	-
Chile	0.70	-	0.75	↑
Australia	0.59	-	0.66	-
Argentina	0.75	-	0.85	↑
California	0.95	-	1.05	-
France	1.00	-	1.11	↑

Chardonnay				
South Africa	0.67	-	0.73	↑
Australia	0.69	-	0.80	-
Spain	0.79	-	0.84	↑
Italy	0.95	-	1.16	-
Chile	1.05	-	1.10	-
California	1.20	-	1.59	-
Argentina	1.50	-	1.70	↑
France	1.48	-	2.11	↑

Shiraz				
Australia	0.42	-	0.55	↓
Spain	0.53	-	0.63	-
Chile	0.68	-	0.72	-
South Africa	0.68	-	0.74	-
France	0.95	-	1.37	-
Italy	0.95	-	1.21	-
California	1.05	-	1.45	-
Argentina	1.10	-	1.20	↑

Dry Red				
Australia	0.38	-	0.49	↓
Spain	0.42	-	0.53	↓
Italy	0.42	-	0.68	↓
South Africa	0.53	-	0.56	-
Chile	0.60	-	0.67	-
France	0.79	-	1.05	-
Argentina	0.85	-	0.95	↑
California	1.00	-	1.15	↑

Cabernet Sauvignon				
Australia	0.42	-	0.55	↓
Spain	0.58	-	0.68	-
Chile	0.65	-	0.75	-
South Africa	0.68	-	0.80	-
France	0.95	-	1.05	-
Italy	0.95	-	1.16	↑
California	1.15	-	1.25	-
Argentina	1.30	-	1.50	↑

Merlot				
Australia	0.42	-	0.55	↓
Spain	0.63	-	0.74	-
Chile	0.68	-	0.75	-
South Africa	0.68	-	0.77	-
Italy	0.79	-	1.11	-
France	0.95	-	1.26	-
California	1.15	-	1.40	↑
Argentina	1.20	-	1.50	↑

USD exchange rate: 0.660782

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GLOBAL PRICE COMPARISON (USD) JUN24

Dry White				
Argentina	0.40	-	0.50	-
South Africa	0.42	-	0.44	↑
Spain	0.54	-	0.60	↑
Australia	0.56	-	0.62	-
Chile	0.60	-	0.70	↑
Italy	0.70	-	0.80	↑
France	0.65	-	0.81	↑
California	1.05	-	1.15	-

Chardonnay				
South Africa	0.68	-	0.73	↑
Australia	0.72	-	0.79	-
Chile	0.75	-	0.85	-
Spain	0.81	-	0.88	↑
Italy	0.86	-	1.08	↑
France	0.97	-	1.24	↓
Argentina	1.00	-	1.10	↑
California	1.40	-	1.80	-

Shiraz				
Chile	0.40	-	0.55	-
Australia	0.46	-	0.52	↑
Spain	0.54	-	0.65	-
Argentina	0.65	-	0.75	↓
South Africa	0.68	-	0.73	-
France	0.88	-	1.08	↓
Italy	0.97	-	1.24	-
California	1.19	-	1.39	-

Dry Red				
Australia	0.36	-	0.42	↑
Chile	0.38	-	0.48	↑
Spain	0.41	-	0.49	↓
South Africa	0.49	-	0.54	↑
France	0.49	-	0.65	-
Italy	0.59	-	0.70	-
Argentina	0.50	-	0.60	-
California	1.40	-	1.80	-

Cabernet Sauvignon				
Chile	0.40	-	0.55	↑
Australia	0.46	-	0.52	↑
Spain	0.56	-	0.65	↓
South Africa	0.68	-	0.73	-
France	0.81	-	0.97	-
Italy	0.97	-	1.24	-
California	1.29	-	1.49	-
Argentina	1.40	-	1.60	↓

Merlot				
Chile	0.45	-	0.55	↑
Australia	0.46	-	0.52	↑
Spain	0.59	-	0.70	↓
South Africa	0.68	-	0.73	-
Italy	0.81	-	0.97	-
France	0.86	-	0.97	↓
California	1.19	-	1.39	-
Argentina	1.20	-	1.50	-

USD exchange rate: 0.659383

SUMMARY

- **Australian red wine - long inventories being allocated quickly | prices increasing**
- **2024 Australian crop size – larger than 2023? | where does this leave us for 2025?**
- **Grape prices in 2025?**
- **Vine pull | exit strategy**
- **China – will they continue to purchase at current rate? | flow on effect**
- **Global oversupply – abundance of options around the world for buyers**

CIATTI

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simone@ciatti.com.au
0407 605 498
www.ciatti.com

Global Market Report

Californian Market Report