

Bulk wine market update May 2022

Source: Ciatti Global Market Reports and historic data

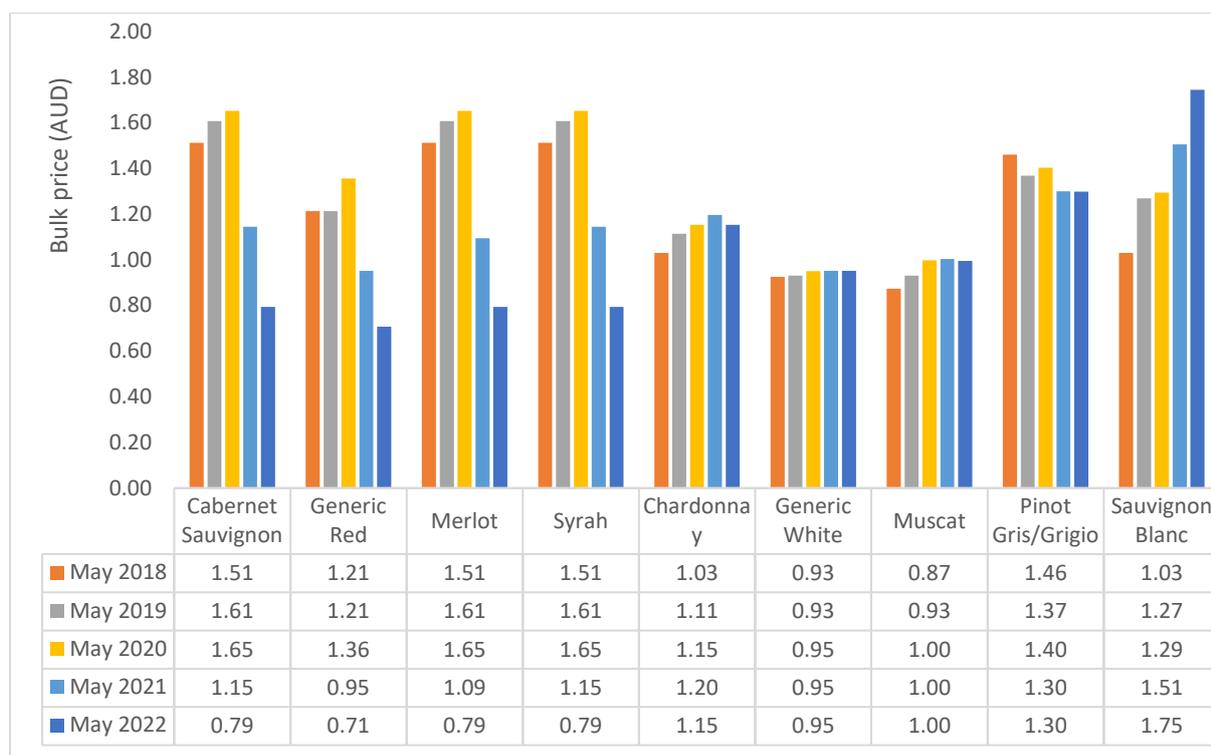
Summary

Global conditions have not improved for Australian wines in the past month, based on Ciatti bulk wine offer prices, except for Sauvignon Blanc. Prices are holding up better in AUD than in USD as the AUD has declined in the past 12 months from around 0.776 in May 2021 to 0.693 in May 2022. This gives Australian wine exporters a relative advantage compared with 12 months ago.

Detail

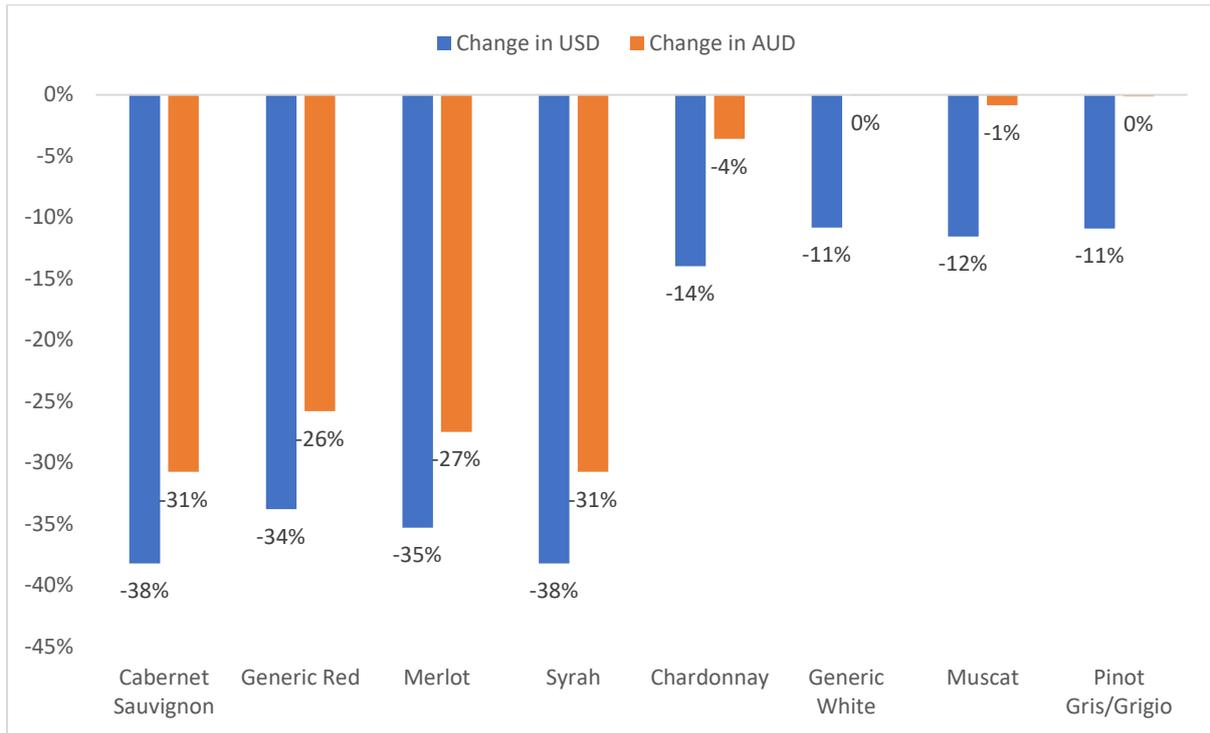
Australian bulk wine prices continue to show a strong price differential between red and white varieties on the global market. The bulk wine offer prices for all major red varieties, including previously strong generic red, are much lower than in any of the past 4 years in the same month (May), whereas the whites have all held up well against previous years, while Sauvignon Blanc is at its highest ever reported value. Sauvignon Blanc from the 2022 vintage came onto the global market for the first time in May, after being unavailable for the several months.

Figure 1 Bulk wine prices for Australian wine by variety – year-on-year comparison (May)



The relative weakness of the Australian dollar means that prices have held up better when measured in AUD than in USD. Figure 2 shows the percentage decline in prices by variety in May 2022 compared with 2021. Prices in AUD for white varieties have been static, except for Sauvignon Blanc which is up 16 per cent. Prices for red varieties have declined by less in AUD than in USD (using a monthly average exchange rate).

Figure 2 Change in bulk wine prices for Australian wine by variety in May (past two years)

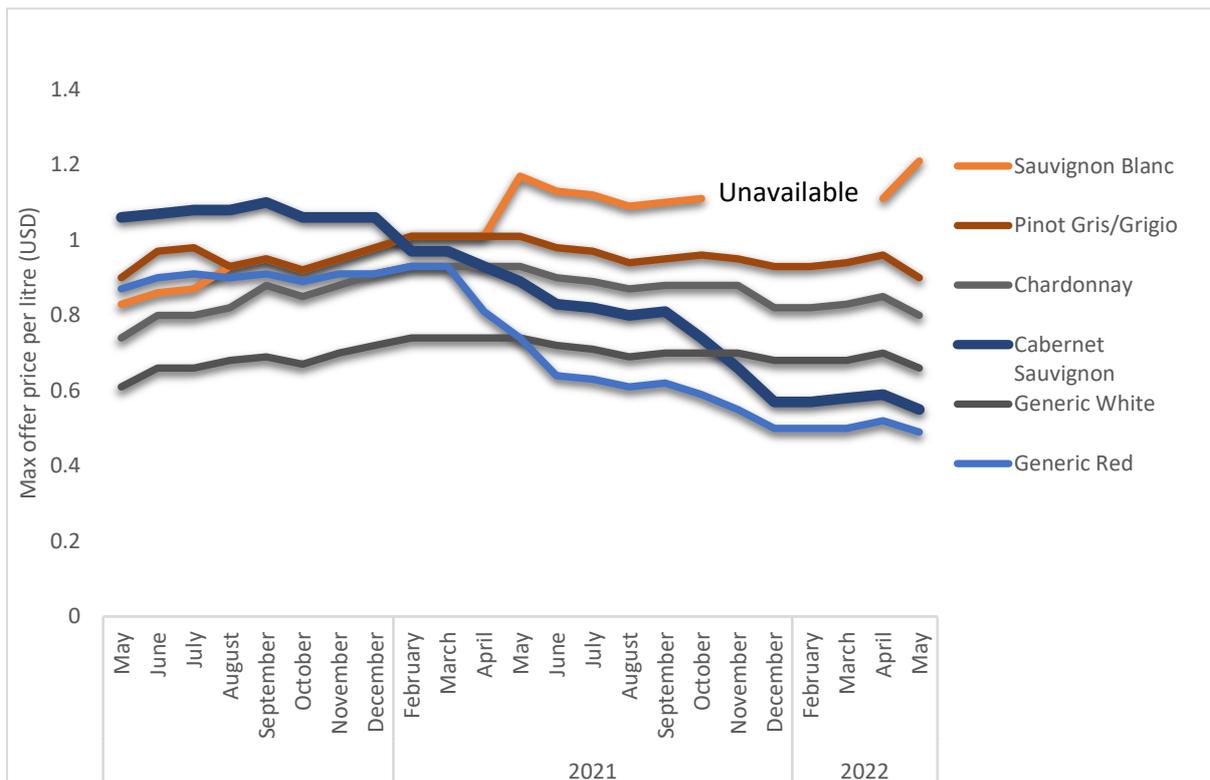


Source: Ciatti

Note: prices for Shiraz and Merlot are the same as for Cabernet Sauvignon.

After plateauing in late 2021, prices for all Australian bulk wines except Sauvignon Blanc declined in May compared with April 2022 in USD, just ahead of the release of the 2022 vintage (Figure 3).

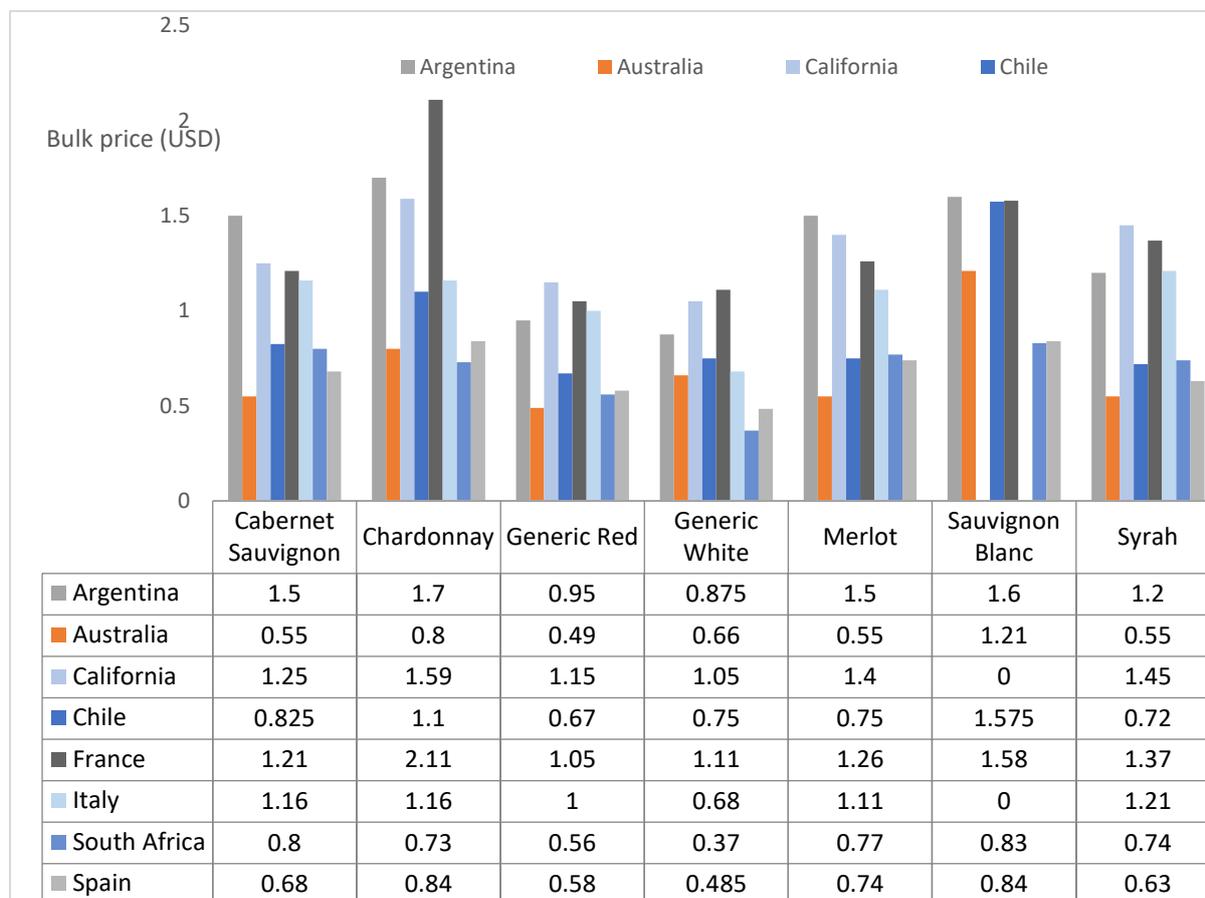
Figure 3 Monthly trend in bulk wine prices for Australian wines by variety (past two years)



Source: Ciatti

Australian red wine varieties had the lowest average offer prices in May 2022 of the major wine-producing countries (Figure 4).

Figure 4 Comparison of maximum bulk wine offer prices by country (May 2022)



Source: Ciatti

Report prepared by Wine Australia – May 2022.

Prices are the high price per litre reported by Ciatti. These are offer prices and do not necessarily accurately reflect sales value.

Further information: market.insights@wineaustralia.com or <https://www.ciatti.com/ciatti-reports/>