

24th-28th November, Rho – Fiera Milano (Milan Exhibition Centre)

**SIMEI AND ENOVITIS 2009:
WITH HIGH INTERNATIONAL RATES**

Over 850 exhibitors from 28 nations in an indoor area of 100,000 square metres: these are the figures for the 2009 SIMEI, the International Exhibition of Machinery for Wine-making and Bottling and ENOVITIS, the International Exhibition for the Techniques of Wine Growing and Olive Growing, to be held from 24th to 28th November at the Rho halls of Milan Exhibition Centre. Despite a slight decrease in the number of stands, international participation is not only strong, it is even slightly yet significantly higher than at the previous events. This shows the international recognition for these two consolidated specialised trade fairs that are considered to be strategic to the industry, and above all not to be missed.

An important result at such a critical time for the worldwide economy.

That's not all. In terms of visitors, SimeI and Enovitis look set to keep up the upward growth that has characterised the two exhibitions from one to the next. This year, thanks to the hard work by the organising secretariat, on their own and in collaboration with the Italian Trade Commission and Promos (the special company associated with Milan Chamber of Commerce for international business), visits have been arranged for high profile delegations of foreign operators (cellar managers and experts, private vine growing and wine making companies, drinks manufacturing companies, etc.) from: the Czech Republic, Georgia, Slovakia, Poland, Hungary, Rumania, Bulgaria, Russia (Krasnodar area), Kazakhstan, South Africa, USA, Canada, Chile, Vietnam, Israel, Turkey, India, Brazil and Argentina.

"Quality, the environment and safety will be, as they already are - as Marzio Dal Cin, Chairman of Anformape (the National association of suppliers of oenology machinery, accessories and products) pointed out – the most important future guidelines for all companies in the food processing industry, including wine and drinks".

Hence for five days the key theme will be technological innovation, but above all "quality". "Quality" that, today more than ever, is to be considered a wide-reaching, complex term: quality of the products, quality of the production process, quality of the values that characterize both the ability to create technological innovation and to do business in a responsible, eco-sustainable and ethical way.

SIMEI and ENOVITIS aim to meet all these requirements with a wide range of products on show and a rational layout of the Italian and foreign exhibitors in the various halls as well as opportunities for debate and discussion, training and information.

Accompanying the exhibitions there will in fact be events focusing on the sustainable development of production, attention to the environment and consumer safety.

The ideal location is the innovative SimeI-Enovitis Forum set up to stimulate the exchange of ideas among industry players on this theme in an area of over 2,000 square metres in Hall 11. This Hall also hosts the international press and foreign delegations and will be the venue for a variety of other events. It will also be where the Wine bar and the Oil bar are located, areas for socialising and relaxing as well as providing a high profile testing ground for assessing the quality of a wide range of products.

Conferences

One of the events on the programme on Wednesday 25th November (9.30 am - 1.00 pm Gemini Room, Conference Centre) is the international conference "Sustainable viticulture and oenology: addresses, technology and future" organized by the Italian Union of Wines and sponsored by the OIV with the scientific consultancy of prominent experts in the industry from Italy and abroad. Attilio Scienza will be moderating the conference, looking at current vineyard management to understand what the new key elements are to optimise the eco-sustainability of production: from the contribution of genomics and genetic improvements to agronomic operations and mechanic processes. From the vineyard to the cellar, attention will be focussed on the use of energy and the treatment of production waste. At the fore, various case histories.

Viticulture will be the theme of the debate on the first day of the exhibition too - Tuesday 24th November (3.00 pm SIMEI-ENOVITIS Forum Room - Hall 11) - with the conference: "Higher quality and lower costs. Vine growing and wine making according to Telecom Italia (by Deca).

On Wednesday 25th (10.00 am - 1.00 pm at the SIMEI-ENOVITIS Forum Room - Hall 11) the technical conference organised by the Italian Union of Wines in collaboration with Assovetro will be held. The title of the conference is "Glass, environmental sustainability and product quality.

Glass opts for environmental sustainability and focuses on product quality and recycling".

Glass at the fore in terms of product quality and eco-sustainability and its use in various markets on a national and international level. In particular a specifications agreement will be presented for bottles, demonstrating how the productive chain - producers and suppliers - is increasingly open to joint plans to guarantee product quality and consumer safety. The topics dealt with include, of course, recycling, controls, training and some case studies.

On Thursday 26th November (1.00 pm - SIMEI-ENOVITIS Forum Room - Hall 11) the drinks market will be in the limelight. Market developments, packaging solutions, brand protection services: these are the three sections of the workshop - to be held in English and Italian - organised by Cape Decision. The objective of the event is to provide business owners and managers with a comprehensive overview of the Italian and international beverage markets, with specific insights into innovation and growth opportunities. The meeting, entitled "Marketing and Technology Insights for the Beverage and Liquid Food Industry" will be held at: 1.00 pm.

Friday 27 November will be the turn of oil (11.00 am - 1.00 pm SIMEI-ENOVITIS Forum Room - Hall 11) with a conference organised in collaboration with the CNO (the National Association of Olive Growers) entitled "HIGH QUALITY" extra virgin olive oil: a new market segment".

Extra virgin olive oil is still perceived as a commodity and hence there are objective difficulties in getting consumers to accept significant and justifiable differences in prices in the same "extra virgin" category. It is therefore necessary to create a new tool, to be discussed during the conference, that will enable Italy to re-establish its competence in the field of extra virgin olive oils by introducing a more limited category that could be summarised as "High Quality"

Wine bar e Oil bar

As in other years, throughout the five days of the event there will be the opportunity to taste and appreciate over 100 prestigious labels. Some of the best names in Italian wines from all regions of Italy will be present at the Wine Bar from 24th to 28th November at the Rho halls of Milan Exhibition Centre. The free wine tastings will be run by ONAV (the National organisation of Wine Tasters) who will be disclosing the secrets of the nectar of Bacchus in 4 languages. The wines, offered by members of the Italian Union of Wines, the Association of young Italian wine-making entrepreneurs and the association of Women and Wine will range from reds to whites, including rosés, sweet wines and sparkling wines..

Alongside the Wine Bar will be the Oil bar, created to promote awareness of the world of Italian extra virgin oil and managed by qualified personnel from the Onaoo (National organisation of olive oil tasters). An opportunity to appreciate the variety and wealth of aromas, scents and tastes of over 90 different products from the whole of Italy.

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PACKAGED WATER: WORWIDE CONSUMPTION IS CONTINUOSLY GROWING WESTERN EUROPE AND NORTH AMERICA ARE SLOWING DOWN

All over the world more than 560 billion litres of cold non-alcoholic beverages are drunk (waters, soft drinks and juices). Packaged waters are steadily improving their incidence, thanks to a higher growth rate and now they have outpaced carbonated soft drinks that historically had the consumption leadership in the sector of non-alcoholic commercial drinks. Global Drinks (Zenith International) has estimated output & consumption for 2008 at 218 billion litres of packaged water worldwide, with a 4.5% increase in comparison with a year earlier. The per capita consumption has reached 32.3 litres/year. The comparatively lower growth in consumption (versus the previous years) is a consequence of the combined pressure of the economic slowdown and the increased public concern for the environment. The world per capita consumption is now 32 litres/year, but with strong differences among the various areas.

The highest per capita consumption of bottled water is registered in Western Europe and in North America, with more than 100 litres/year. The Asian and African countries are instead reporting much lower per capita consumption, but they show the most exploding growth rates and thus, it is exactly in these areas (hosting 89% of the world population) that the future competition balances of the worldwide market will be played. Between the two big blocks there are Middle East and Latin America, with per capita values around 60 litres/year and strong expansion rates. In Europe and in North America there is a prevalence of "spring waters" (mineral or spring waters that, being pure from the spring, need not to be treated), whereas, in the other geographical areas, there is a predominance of treated water, which is cleared by appropriate purification processes. This is due to the fact that North America and especially Europe are richer in natural springs.

On the basis of the figures of Beverage Marketing Corporation, the first five most important national markets are concentrating over 50% of the worldwide volumes. At the top of the world ranking, BMC has placed the US market (33 billion litres), followed by Mexico, China and Brazil. According to other sources, China should already have conquered the second position. The Italian market, which ranked third in 2003, is now in the fifth-sixth position worldwide, with total consumption volumes amounting to 11.5 billion litres in 2008. For many years the Italian market maintained the world leadership in the per capita consumption of packaged waters, but now, according to BMC data, Italy has been surpassed by Mexico, which, however, represents a mix of products, in which there is a prevalence of "treated" water in big containers. It is to be stressed that Italy and Mexico are among the big markets, where bottled water is sold at very low prices.

Italy is now side by side with another emerging market, Indonesia, the third most populated country in the world. In Europe, Germany is leading together with Italy. The German market had now achieved overall volumes similar to the Italian ones (between 11 and 12 billion litres on an annual basis), but with lower per capita (138 litres against 196 in Italy). The French market (7 billion litres) and the Spanish one (6 billion litres) are following. The North European countries are instead showing low per capita consumption (UK included), but, however, they are surpassing the other European countries in the consumption of warm drinks (tea and coffee).

With regard to the mix of products, Europe is characterized by a strong predominance of mineral and spring waters, whereas the consumption of "treated waters" represents less than 10% of the total volumes. Moreover, there is a prevalent consumption of still waters, except in the Eastern countries and Germany, where, however, still (not carbonated) waters are expanding at very rapid rates. In many European countries there has been a development in the segment of added waters (flavoured or also enriched with functional ingredients, such as vitamins, oxygen, herbal extracts, etc.). On the basis of the analyses of Zenith International, the market of added waters (flavoured or also enriched with functional ingredients) in Western Europe is estimated at about 2 billion litres (4% of the total consumption in packaged waters).

The big multinational beverage companies "discovered" packaged water very late, perhaps because, in the past, this product was considered of scarce industrial and economic value and less interesting as a marketing object. The first multinational companies that understood the business opportunities of bottled water have been Nestlè and Danone, which entered the sector of mineral waters in the end of the years '60, conquering the main French springs. Afterwards, these two big European companies carried out a strategy of international development, by acquiring many water companies and labels in all continents and achieving the world leadership. In the years '90, the two big beverage multinational companies, Pepsico and Coca-Cola, entered the sector too. Since then, also the two American groups started a resolute strategy of international development in the packaged water business, which enabled them to be among the four international market leaders. Nevertheless, these four big players represent only a third of the total worldwide market, in which today the national and regional producers are still prevalent and often express leadership positions at local level.

The year 2008 marked a reversal in the consumption trend of packaged water in Italy. The global production of mineral and spring waters in Italy is estimated at 12.3 billion litres, registering a decrease of about 1% versus 2007. Exports (net of imports) amounted to about 980 million litres and, thus, the inland consumption of mineral and spring waters is estimated at 11.3 billion litres, with a per capita consumption corresponding to 192 litres/year. In addition, a separate estimation regards the "treated" packaged waters and the other "waters destined for human consumption" without ministerial recognition, representing a production and consumption segment of around 200 million litres. Globally, the consumption of Italian packaged (mineral, spring and treated) waters amounts to about 11.5 billion litres with an overall per capita of about 196 litres/year. Undoubtedly, the problematic meteorological year has negatively affected consumption, but also the economic situation of general recession may have led to more prudent purchasing behaviours.

In Italy about 200 springs of mineral and spring waters are operating, but the market shows a certain concentration with the first four producing groups (Sanpellegrino Nestlè Waters, San Benedetto, Oliveto/Rocchetta and Ferrarelle) that are taking up a little more than 54% of the total market and the first 8 groups (the above ones plus Fonti di Vinadio, Norda, Spumador and Gaudianello) absorbing 72% of the total output, other 7 large/mid-sized groups are following, with over 200 million litres produced yearly, (Fonti del Vulture - Coca-Cola Group, Lete/Prata, Sangemini, Santacroce, Pontevecchio, Industrie Togni and Sorgenti Emiliane). With regard to brands, the situation is even more unsystematic. No brand has a volume share higher than 10%. The private labels of the large-scale retail trade are growing and are now globally covering a quantity share between 8 and 9% on the total modern retail. Only a dozen of brands have reached an actual territorial coverage in all Italian regions, with a total volume quota of 50% on the total market; the rest is split up among the over 300 regional and local brands.

PACKAGED WATER CONSUMPTION WORLDWIDE

Continents	Consumption billions of litres 2003	Consumption billions of litres 2008	Variations 2008/03	Per capita consumption 2008 (litres)
West Europe	46.3	46.9	+1.3 %	116 litres/year
East Europe	10.3	15.1	+46.6 %	38 litres/year
North America	25.1	36.5	+45.4 %	107 litres/year
Latin America	27.6	36.0	+30.4 %	62 litres/year
Middle East	10.9	16.4	+50.5 %	57 litres/year
Australasia	33.3	60.3	+81.1 %	16 litres/year
Africa	3.4	7.1	+108.8 %	8 litres/year
WORLD TOTAL	156.9	218.3	+39.1 %	32 litres/year

NON-ALCOHOLIC DRINKS: CONSUMPTION IS MOVING TOWARDS LIGHT, NATURAL AND FUNCTIONAL BEVERAGES

According to the estimates of Global Drinks, the consumption of carbonated soft drinks in 2008 amounted to about 209 billion litres, corresponding to a per capita consumption of more than 31 litres/year, whereas the consumption of natural (still) drinks is estimated at 70 billion litres, equal to a per capita consumption of 10-11 litres/year. Behind these global figures there are consumption situations and market trends that are very different, according to product categories, as well as to geographical areas. In general, a certain difficulty can be observed in the maintenance of volumes of carbonated soft drinks, with a consumption switch towards low-calories beverages (without sugars), natural (still) and functional drinks (enriched with energetic ingredients, mineral salts, vitamins, etc.)

The North American and Western European countries are registering the highest per capita consumption levels with regard to carbonated soft drinks, but this market has entered the maturity phase. The high consumption of carbonated sugar-sweetened soft drinks is more and more often indicated by nutritionists as one of the causes of children's obesity. In any case the orientation of consumers towards a safer and healthier diet leads them to prefer other simpler, non-alcoholic drinks to traditional carbonated soft drinks, such as, for example, natural (still) beverages or c.d. drinks enriched with functional ingredients, aiming at preserving health and at encouraging wellness. However, in the sweet beverage sector, a switch of preferences is reported towards sugar-free soft drinks.

The only segment within carbonated soft drinks that shows a clear growing trend, even in the economically developed countries, is that of Energy Drinks, a new type of functional beverage (caffeine-based or with addition of other energizing ingredients), which has been capable of finding its own characterization with a particular acceptance by the young people target. Today the global market of energy drinks is estimated at around 4 billion litres (they were half as much in 2003), with annual development rates of 14%.

Among the natural, non-alcoholic beverages, a good success was achieved by the ready-to-drink pre-packaged ice teas, especially in the countries of Pacific Asia (Japan on top), where even the more recent ready-to-drink pre-packaged coffees have become quite popular. Sport drinks (beverages enriched with mineral salts) have instead been invented in the USA, in connection with the sport world and, in consideration of a specific and distinctive positioning, they have found a good acceptance also in many markets outside the United States, mainly among sports people. Finally, still fruit-based soft drinks are the result of a certain fruit mania that has developed from the years '80, especially in the most developed markets and that brought about a search for innovative flavours and special mixes, so that these products appear like the "New Age" beverages.

The sector of soft drinks is that in which global competition is extreme and in which the highest levels of concentration are reported. Two big groups, Coca-Cola and PepsiCo, are dominating the international framework, always attaining the two top positions in almost all the most important national markets, with an overall share usually over 50% of the market and sometimes even achieving three quarters of the total. Nevertheless, the sector is rich in companies that have been able to cut out their own role at a specialist or territorial level.

In Italy the market of refreshing beverages (carbonated soft drinks, ice teas and coffees, sport & energy drinks) can be estimated at around 3,850 million litres in 2008, corresponding to a per capita consumption of about 65 litres/year. In any case, carbonated drinks represent the historically more consolidated and predominant part of the market with a global consumption slightly exceeding 3 billion litres and a per capita of 51 litres, largely lower than the European average. The most consumed flavour is cola, with almost 60% of the total, followed by orangeade, lemon-lime and fizzy lemon drinks. Among typical Italian flavours, chinottos and aromatic fizzy soft drinks are to be mentioned, besides the aperitifs, also belonging to the Italian tradition. In Italy there is even a growing interest towards sugar-free sodas; this segment should already have reached 7% of the total volumes of carbonated soft drinks.

The sector of still drinks has grown thanks to the exploit of ice tea (Italians are among the strongest European consumers, with a per capita of 11 litres/year); today ice tea represents the third most consumed beverage in Italy after cola and orangeade. On the market we can find normal fruit flavoured tea, green tea, decaffeinated ice tea and light ice tea. Italy also highlights a good consumption of sport drinks (about 2 litres per capita), whereas, with regard to energy drinks, Italian consumption is still under the European average, but rapidly developing.

The competition set-up in Italy is characterized by the presence of big multinational and national groups, as well as of many small and mid-sized producers. The first five positions are held by Coca Cola, Sanpellegrino, San Benedetto and Pepsico and Spumador that are globally absorbing more than three-fourths of the market. Other positions of specialties leadership have to be mentioned, such as Ferrero (Estathè) and Campari (citrus beverages). However, Coca-Cola dominates the scene with a market share exceeding 40%. Coca-Cola operates in Italy by two bottling companies: Coca-cola HBC (with competence all over Italy, except in Sicily) and Sibe (with competence in Sicily).

NON-ALCOHOLIC DRINKS CONSUMPTION WORLDWIDE - 2008

<i>Continental Areas</i>	CONSUMPTION BILLIONS OF LITRES			PER CAPITA CONSUMPTION LITRES		
	Carbonated	Still	TOT	Carbonated	Still	TOT
EUROPE	45.5	12.2	57.7	57	15	72
AMERICA	108.1	23.3	131.4	132	29	161
MIDDLE EAST	8.4	1.6	10.0	29	5	34
AUSTRALASIA	36.3	32.1	68.4	10	9	19
AFRICA	10.3	0.9	11.2	11	1	12
Total	208.6	70.1	278.7	31	11	42

BEER: GROWING CONSUMPTION IN EASTERN EUROPE AND EASTERN ASIA. WESTERN EUROPE AND NORTH AMERICA ARE ON THE DECREASE

Despite the outbreak of the financial and economic crisis, even in 2008 the world beer market succeeded in recording a rise. According to the data of the last Barthe Report, the worldwide beer output and consumption reached 1,816 million hl in 2008, with a 1.6% increase in comparison with the previous year, which turned out to be lower than the average growth rates (about 3% per year) of the recent past. However, consumption slowed down on several large markets, particularly in the last quarter of the year. The world's beer per capita consumption consolidated its positions at around 27 litres/year. For the first time in the last few years, Europe is showing a drop in production and consumption, appearing to be at a standstill also in the North American and Australian markets.

In the last decade there has been a strong switch in consumption from the Western European and North American markets to the emerging markets in Eastern Asia and Eastern Europe. In the last 5 years, the Asian beer output grew by 30% attaining 572 million hl, thus exceeding the volumes of the American continent (544 million hl in 2008) and shortly aiming at getting ahead Europe (586 million hl). For the moment the African continent remains in a more marginal position (only 10 litres per capita consumption), also in consideration of a social-economic situation of extreme poverty, but with some areas of particular liveliness, like the historical South African market and the amazing Nigerian market. Finally, Oceania shows high per capita consumption like Europe, but it counts for little in terms of total volumes, considering the scarce population.

The world's per capita consumption amounted to around 27 litres/year, but with strong differences among the various areas. The per capita consumption remains high (between 60 and 70 litres/year, versus a worldwide average of 27 litres/year) in countries having a more ancient consumption tradition, such as Europe, USA, Canada and Oceania, but Asia and Africa, just because they start from lower per capita values, are the areas that will ensure the future development of the sector. China has been at the top of the ranking of the beer world leaders for several years (410 million hl output in 2008): thanks to its huge population and its more dynamic development rate, even if its per capita consumption is only 32 litres per year, China has now surpassed the historical leadership of the US market (today ranking second with an annual production of 232 million hl). In the last 8 years China has almost doubled its output and consumption, whereas the US consumption is at a standstill, recording the same values as the beginning of the century (a little more than 230 million hl).

In Europe the historical leadership in output and consumption belonged to Germany (103 million hl, with a per capita consumption of 111 litres), which, however, has recently been outpaced by Russia, that, in the meantime, has become the third biggest beer world market, with an output of 114 million hl (they were only 55 hl in the year 2000). Nevertheless, in 2008, due to the economic recession, even the Russian market became stagnant, affecting the whole production of the continent and reducing the volumes versus 2007. In general, the most consolidated markets in Western Europe have sagged, whereas the growth forecasts concern the Eastern markets. In terms of per capita consumption, a considerable variation is registered among the different markets: from 158 litres in Czech Republic, 100-110 in Germany, Austria and Ireland, to go down to 80-90 litres for UK, Poland, Spain, Belgium and Denmark, to 30-31 litres in Italy and France and 12 litres in Turkey. These remarkable differentiations in the per capita consumption are related to the various historical habits of the different areas, to the unlike dietary and gastronomic traditions, to the different economic availability, but also to the various legislations that may favour or hold back beer consumption.

The world beer output is rather variegated. However, the international competition framework is marked by an intense concentration process that has strengthened in the last few years. On the basis of the world ranking by "The Barthe Report", at end of 2008, the first 10 beer producers were absorbing more than 63% of the total worldwide output, but the first four ones alone concentrated 46% of the total. In the last two years the concentration process has become more marked thanks to some extended operations of merger & acquisition, among which the acquisition (by Carlsberg and Heineken) of the British group Scottish & Newcastle, the merger in the USA between the beer activities of SABMiller and those of Molsom and, last, the acquisition of the American group Anheuser-Busch by the Belgian group Inbev, creating the new mega-group AB-Inbev. At the top of the world ranking of the manufacturers are from the top: AB-Inbev, SabMiller, Heineken and Carlsberg. Among the first ten world producers there are now three Chinese groups; C. R. Breweries, Tsing Tao and Yanjing.

With regard to the Italian market, Assobirra forecasts for 2008 are quite negative: consumption amounted to 17.8 million hl, with a 4% reduction versus 2007 and thus, per capita consumption fell to 29.4 litres/year, which represents the lowest level in the last six years. Besides the unfavourable meteorological year and the economic crisis (affecting especially non-domestic consumption), Assobirra reports an excessive tax load on products. Even the inland output experienced a drop in the volumes, but more reduced, thanks to the export boom. In 2008 Italy produced 13.3 million hl beer, with a 1.4% decrease versus 2007. On the other hand, exports rose to 1.5 million hl, with a 41% increase.

The Italian market is supplied by national productions (66%) and for a good 34% by imported beers. Italy is actually the European country that imports the most part in proportion to the total consumption. It must be taken into account that at least other 3 million hl beer produced in Italy regard foreign brands that are manufactured on licence in this country (Heineken, Tuborg, Carlsberg, Kronenbourg, Miller G. D. and others). Germany alone exports over 3.4 million hl beer on the Italian market with a 58% share on the total, steadily growing in the last few years.

The Italian production system refers to eight beer industrial companies (except craft microbreweries) managing 15 factories, based in different regions in Northern and Southern Italy. The market leaders are the branches of the biggest worldwide beer multinational companies, namely in importance order: Heineken, SabMiller, AB-Inbev and Carlsberg, which control on the whole more than 65% of the total volumes. The craft breweries represent an independent segment, strongly developing. According to the census by Infobirra Italia 2008-09, this sector shows a situation structured on 270 production units, scattered in all Italian regions, with an overall output exceeding 150,000 hl per year.

Ranking fifth among the manufacturers, the group Forst-Menabrea has consolidated its share at around 4.4%. Owing to some factory divestitures of the big groups, new companies have been created in the last years, among which Birra Castello in Friuli that, subsequently, has also acquired the brewery Pedavena.

A third of the Italian beer consumption is imported from abroad and in this field the leader is AB-Inbev group that, through its Italian branch, sells almost all the most important international brands of the group. The Danish group Royal Unibrew is ranking second with regard to beer exports, operating by its controlled company Ceres Italia and covering a volume of around 500,000 hl, followed, with about 450,000 hl exported beers, by the Dutch group Bavaria, operating in Italy with its subsidiary company Bavaria Italia.

WORLD BEER PRODUCTION (millions hl)						
Continents	2004	2005	2006	2007	2008	Procapite 2008
TOTAL EUROPE*	528	544	569	592	586	72 l/year
TOTAL AMERICA	492	503	522	532	544	60 l/year
ASIA	440	466	508	557	572	14 l/year
AFRICA	71	74	79	85	92	10 l/year
OCEANIA	21	21	22	21	22	69 l/year
World total	1,522	1,598	1,700	1,787	1,816	27 l/year

*Turkey included – Processing on Barth Reports data

FRUIT-BASED DRINKS: A SECTOR DRIVEN BY PRODUCT AND PACKAGING INNOVATION

Juices and nectars, as drinks with high fruit content, are in the average more expensive than simple soft drinks and this fact, together with a lower promo-communication support (in comparison with the highly advertised carbonated drinks), implies a more reduced market size. According to the figures of Global Drinks, the output and consumption of nectars and juices worldwide is estimated at about 41 billion litres, corresponding to a per capita of little more than 6 litres/year. In the last few years the sector has developed with average rates around 3% yearly. The competition of the new natural drinks with lower fruit content surely stole consumption to the traditional juices; however the segment has been able to maintain a positive growth rate thanks to its steady product and packaging innovation.

The geographical distribution of consumption highlights an evident separation between the richest and the poorest areas, with a clear correlation between disposable income and consumption. The rich geographical areas (North America and Western Europe), even if representing only 11% of the total population, are absorbing more than the half of the world consumption of juices and nectars, with per capita values considerably higher compared with the Third-World areas, which, however, have higher growing potential.

Juices are drinks with 100% fruit content, without added sugars, whereas nectars are drinks containing at least 25% fruit with addition of sugars. The whole juices represent the prevailing part in the consumption of fruit-based drinks worldwide (in the first position orange and apple), whereas in many Eastern European countries, but also in Italy, nectars are more popular. However, the sector of nectars shows a better growth trend in comparison with that of whole juices. More recently, other natural fruit-based drinks have developed, with a fruit content lower than 25% (the c.d. juice drinks –natural juice drinks), which the international research institutes tend to consider separately, within the larger category of natural drinks. These fruit-based drinks cover a worldwide consumption of around 15 billion litres and they undoubtedly stole a share part of traditional juices.

Juices and nectars have defended themselves by developing a steady innovation in the offering of products. In the field of nectars, many functional specialties (i.e. enriched with vitamins, salts, fibres, etc.) have developed, achieving a good consumption success in all main national markets. Another emerging segment is that of “smoothies” (“shakes”), centrifuged fruit-based drinks, with a particular consistency and softness, due to the content of fruit paste or purée, sometimes mixed with milk or yoghurt. These drinks now represent important shares of the sector of fruit-based drinks in the North American markets and they had a good success also in many European national markets. Within the segment of juices, in recent years, there has been a development of fresh c.d. juices, obtained by immediate fruit squeezing or frozen juices, without using concentrates.

Organic juices and nectars have to be considered separately: their content is made up of fruit and sugars from organic cultivations. Nevertheless, these juices are representing only a market niche, even if steadily growing.

The record in the per capita consumption of juices and nectars belongs to the Germans (over 37 litres/year juices & nectars). However, Germany, historical consumption leader in Western Europe, in some years exceeding a per capita of 40 litres/year, is now starting to show a slightly decreasing trend. The German industry of fruit drinks refers to a huge structure of 400 producing companies with 7,500 employees and a global turnover of 4 billion euro. In Europe, the other nations having high consumption are the North European ones, with per capita consumption exceeding 25 litres/year, but also some Eastern European countries (Russia, Poland, and Ukraine) highlight consumption levels over 20 litres/year. In this ranking Italy stands out for the lowest European per capita consumption (15 litres), higher only than that of Portugal and those of some Eastern countries (Romania, Czech Republic, Slovak and Hungary).

Today the field of juices and fruit-based drinks is still reporting a situation of large production leakage. However, the entry into the sector of the big non-alcoholic beverage manufacturers and the international development of some large groups of agro-industrial origin has brought about a certain concentration process even in this sector. Among the companies that have globally approached the market of juices, again we find the two American multinational Coca-Cola and Pepsico, but with much lower overall shares, in comparison with those they have in the field of carbonated drinks. The two American companies are taking up about 20% of the total world market. In Europe, besides the groups Pepsico and Coca-Cola, other groups are emerging that were able to well develop their own business and to reach a penetration into several national markets: among these, the German group Eckes-Granini, the Italian Conserve Italia, the Austrian companies Rauch and Pfanner, the Spanish Leche Pascual and Maspex Wadowice in Poland.

In Italy the market of fruit drinks indicates a total consumption of around 890 million litres in 2008, slightly on the decrease versus 2007, with a per capita consumption of about 15 litres/year. The 100% juices, introduced starting from the years '80, represent 15% of the total consumption today, whereas in almost all other countries of Western Europe they are the most consumed product category. On this front, Italy shows a significant delay in comparison with the other European countries, owing to the fact that, on the Italian market, some key consumption opportunities have never enough developed, such as, for example, breakfast, which, instead, in the highly-consuming countries represents the main consumption occasion during the day.

Until the end of the years '70 glass bottles were the only type of container for juices and nectars, whereas today they cover only 21% of the total volumes. Surely there has been a development factor with the introduction of coated cardboard, at first used for milk and later on successfully introduced into the sector of fruit juices. Today coated cardboard represents 58% of the total volumes. In the last period, the new Pet bottles in special versions have started to become popular (barrier and multi-layer Pet or with new, high-barrier polymers) that can ensure a good protection to the product; this type of container has now exceeded 20% of the total volumes.

In Italy some fifty companies are operating as manufacturers and/or distributors of juices and fruit drinks; some of them are very small, such as the producers of apple juices in Alto Adige or the farms specialized in the production of organic nectars. The Italian production is generated by few big manufacturers: Conserve Italia (absolute leader with a share around 30% of the total market, with the brands Yoga, Derby and Valfrutta), Parmalat (Santal), Zuegg, La Doria, Fruttage. A fourth of the sales are imported from abroad, mainly from Austria, where the three most important operators are coming from: Rauch, Pfanner and Pago. The market of juices and fruit-based natural drinks has been recently penetrated by some groups that traditionally used to operate in the sector of soft drinks, such as Coca-Cola, San Benedetto and Spumador. In the large-scale retail trade, the market leader is now the “private label” (the distributor’s private brand), which seems to have achieved a volume share of 30% on the total sales on this channel.

JUICES AND NECTARS CONSUMPTION WORLDWIDE

Continents	Consumption 2003 (billion of litres)	Consumption 2008 (billion of litres)	Variations 2008/03	Per capita consumption 2008 (litres)
West Europe	10.0	10.6	+6.0	25
East Europe	3.7	6.5	+75.7	16
North America	10.4	9.7	-6.7	28
Latin America	2.7	3.5	+29.6	6
Middle East	0.9	1.4	+55.5	5
Australasia	5.6	7.4	+32.1	2
Africa	1.1	1.8	+63.6	2
WORLD TOTAL	34.4	40.9	+18.9	6

Processing on Global Drinks data

GLASS CONTAINERS PRODUCTION, TRADE, RECYCLING - 2008

In 2008 the **general production of glass containers** (bottles for drinks, for personal hygiene and cleaning products, food and household jars) totalled 3.835.239 tons, thereby showing a **1,21%** increase on 2007.

Considering a longer time span, the trend in production since 2002 shows an overall increase of 3,75%. Included in hollow glass, the quantity of **bottles** for food and drink (mineral waters, wines, oils, etc.) produced came to 3.266.982 tons, showing a **1,23%** increase compared to the previous year. On the other hand there was a decrease in the production of **bottles** for the pharmaceutical, cosmetics and perfumery industries which recorded 148.577 tons, down **2,62%** on 2007.

There was however a significant increase in the production of **food jars** that totalled 258.788 tons, recording a **7,52%** increase compared to the previous year.

Finally, the **household** segment (articles for the dining table), with 160.892 tons, decreased by **4,64%** compared to the previous year.

GLASS CONTAINERS

Year	2002	2003	2004	2005	2006	2007	2008
Tons	3.696.655	3.718.610	3.756.169	3.716.509	3.721.288	3.789.249	3.835.239
Annual increase	----	+0,6%	+1,02%	-1,06%	+0,12%	+1,82%	+1,21%

Variation in trend from 2002 to 2008: +3,75%

GLASS CONTAINERS FOR PACKAGING ONLY

Year	2002	2003	2004	2005	2006	2007	2008
Tons	3.522.486	3.542.486	3.582.777	3.543.333	3.549.041	3.620.522	3.674.347
Annual increase	----	+0,57%	+1,14%	-1,11%	+0,17%	+2,02%	+1,48%

Variation in trend from 2002 to 2008: +4,3%

As far as **exports** are concerned, in 2008 the glass containers segment (bottles for drinks, bottles for personal hygiene and cleaning products, jars) showed a 4.5% increase for a value of approximately 11 million Euros, while the household bottles/jars recorded a decrease of approximately 27% equal to 36 million Euros.

With a production of packaging only (bottles for drinks, bottles for personal hygiene and cleaning products, jars) of 3.674.347 tons in 2008 (+1,48% compared to 2007), the Italian glass industry recycled 1.390.683 tons, that is an increase of 6,6% compared to the 2007 results, right in line with the planned objective.

In 2008 one out of two bottles was made out of recycled glass in Italy 76% of the quantities recycled, equal to 1.390.375 tons, came from the national separated collection of waste glass packaging guaranteed by the inhabitants that recorded a 7% increase compared to 2007.

Based on the data processed by Co.Re.Ve. (the Consortium for Glass Recycling), considering the fact that the quantity produced for consumption in 2008 was 2.139.000 tons, in ten years from when the Ronchi Decree was first enforced, the **percentage of recycled glass containers** has gone from the initial 39% in 1998 to 65% in 2008. Consequently, **the objective of 60% established for 2008 by the Decree 152/06** was by far exceeded (achieved in 2007, one year ahead of time), although the quantity of waste used by the glass factories was in fact higher than what was collected nationally, considering the quantities of waste imported. This shows the great potential of the glass recycling industry and the great attention paid by glass factories to this important raw material.

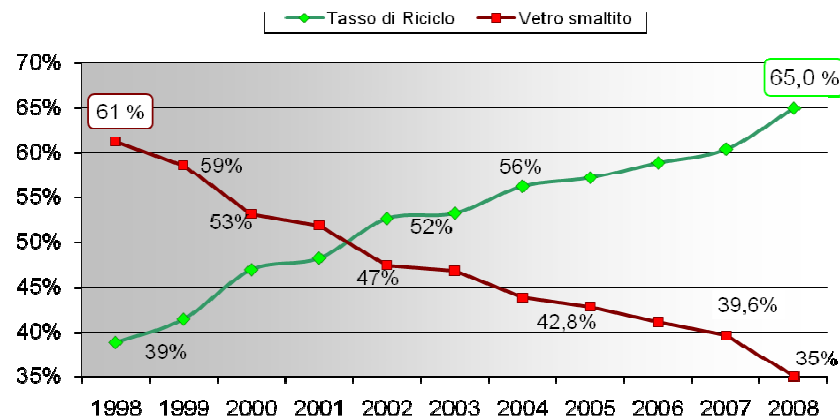
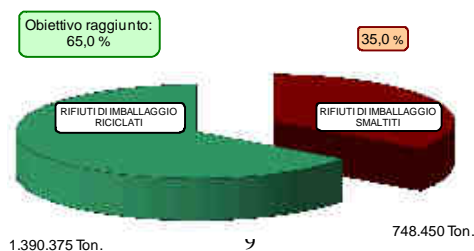
Objective achieved

Packaging waste recycled

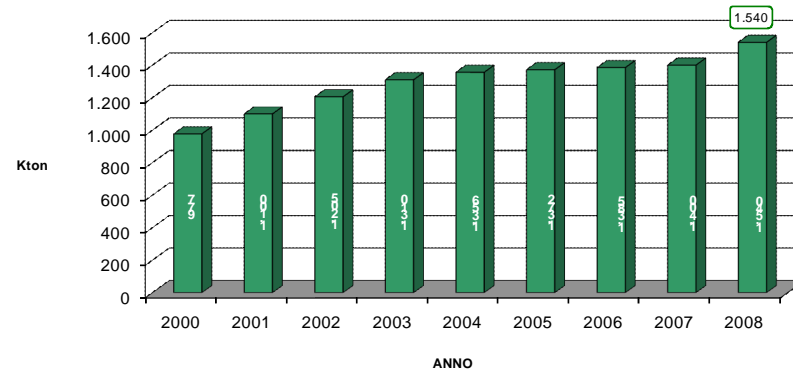
Packaging waste dumped

Recycling percentage

Dumped glass



Separated Refuse Collection



In 2008 **the national separated collection** of glass packaging waste increased by approximately 10% compared to the previous year, totalling 1.540.000 tons, a quantity that would be much higher if there were an environmental policy that set out standards to rationalise the separated refuse collection systems.

Glass recycling is an important resource for the economy of Italy, both in terms of the environment and in terms of energy. A recent estimate of the economic, environmental and social impact of the glass collection-recycling system in Italy from 2000 to 2007 shows this to be a case of excellence. In the period taken into consideration, the collection and recycling of glass waste generated profits of 1.2 billion Euros, including 440 million Euros directly due to the work by CoReVe.

Energy savings from the recycling of glass packaging, that were 100% recyclable in 2008, totalled approximately 283.068 TEP (tons of equivalent petroleum) equal to approximately 2.066.129 barrels of petroleum. (A composition of the vitrifiable mixture with 50% of the waste allows for energy savings of over 8% of the energy necessary to melt the corresponding raw materials). These savings also led to a **total reduction of CO₂ equivalent emissions of approximately 1.865.761 tons over the year, corresponding to the emissions from the use of approximately 1.036.533 small engine Euro4 cars for one year** (with an average of 15.000 Km).

The use of glass waste in the vitrifiable mixture makes it possible to obtain a product with the same characteristics of a product made with natural raw materials only, thereby guaranteeing the same conditions of inertia, without releasing or absorbing hygiene with the content, impregnability and inviolability.

(Source Assovetro)

Data and Statistics – 2008 trade
**Vineyard machinery and equipment that keep up
the “made in Italy” quality mark in the world**

The entire industry recorded exports of 1.4 billion Euros, a 17% increase on the previous year (almost 2 billion Euros). The segments that contributed in particular to the positive results were the large-sized atomizers, foggers and dusters segment, the grape harvesters segment and above all the 59-75 kw wheeled tractors segment

With the current global economic situation, that became decidedly delicate and difficult in 2009, the results achieved by vineyard machinery and equipment in 2008 kept up the made in Italy quality mark in the world, although there were still a few slight signs of weakness and limited critical points in some goods categories that had increased continuously over previous years in terms of value. According to the Istat data available (January-December 2008), the entire industry recorded exports of 1.4 billion, Euros, a 17% increase on the previous year (almost 2 billion Euros). With imports for a value of approximately 111 million Euros – more or less the same as the previous year – the 2008 balance sheets for the industry show net assets of almost 1,3 billion Euros.

The 59 to 75 kw wheeled tractors segment, that also includes those used for vineyards, recorded extremely lively trade figures: exports rose by almost 67% in 2008, to the tune of over 890 million Euros, practically doubling the total amounts for the years 2006 and 2007 (453 and 535 million Euros respectively).

The segments that particularly contributed to the positive results were the large-sized atomizers, foggers and dusters segment that recorded figures up 20% on 2007, the grape harvesters segment that, with end of year results at almost 2 million Euros in terms of value (+600%, a tremendous improvement on 2007), well recovered the losses suffered in 2007 (924,000 Euros and 276,000 Euros) and even exceeded the previous years (1.7 million Euros in 2005, 1.8 in 2004, 1.3 in 2003). Imports, however, of these machines, remained high, equal to 5 million Euros, although they have shown a gradual reduction since the record year of 2006 (almost 7 million Euros). The trade figures in terms of value for the industry do seem to point to a constant trend towards the mechanisation of vineyards.

Not such brilliant results were achieved on the other hand by 37-59 kw tractors. Although they represent the second item of Italian exports in this industry (412 million Euros), the decrease which began in 2006 continued. There were critical points in the areas of small atomizers, foggers and dusters as well as hoeing machines and both suffered a 6% reduction on 2007.

Country Details

Looking more in detail at the countries where Italian vineyard machinery and equipment was exported in 2008, it can be seen that the European countries – first and foremost France, Germany, Spain, but also Poland, Austria and some eastern European countries such as Bulgaria, Hungary and the Czech Republic – confirmed their position as the leading markets as in previous years with generally upward trends. Of note, especially for certain categories, such as tractors, were exports to countries such as the USA, Morocco and Turkey.

As regards the leading segment for Italian exports, that is 59-75 kw wheel tractors, worthy of mention are the two-figure increases in Australia (purchases for almost 24 million Euros compared to 8 in 2007 and 9 in 2006), New Zealand and Canada. Interesting results can be observed in countries such as Japan and Kazakhstan and Angola too. There was also a newcomer in terms of Italian exports in 2008 which was Cuba that purchased machinery and equipment to the value of 1.3 million Euros). As for the grape harvesters segment, in 2008 Italy managed to take over market shares in countries where it had not registered any trade figures at all either in 2006 or in 2007, that is Brazil, Uruguay, the Lebanon, Austria, Switzerland, Cyprus and Mexico. Finally exports to France, Chile and Croatia recorded signs of a recovery.

Data and statistics – 2008 Trade
**Bottling and Oenology
Exports of “made in Italy” technology remain “sound”**

Just a minor decrease on 2007 figures that did not even reach 2%. Moreover, imports were lower (393 million compared to 418 million in the previous year) showing net assets of over 1.3 billion Euros. Again in 2008 the leading exports segment was that of machinery to “fill, close, cork, label and capsulate” that alone, with a value of 1.12 billion Euros, accounted for over 65% of total trade

Over 1.7 billion Euros: this is the positive result recorded by exports in 2008 from some of the major items in the industry specialised in technology applied to oenology and bottling. In a year when the first signs of the economic recession, which continued to develop in 2009, began to be felt, the decrease on 2007 figures did not even reach 2%. Furthermore, imports were lower (393 million compared to 418 million in the previous year) showing net assets of over 1.3 billion Euros.

From bottling and preparation machinery and equipment to filtering machinery, to barrels, kegs, casks and vats, trade in 2008 was once again healthy, lively as in previous years when it had grown constantly. (exports recorded in 2003 were for a value of 1.2 billion Euros).

Again in 2008 the leading exports segment was that of machinery to “fill, close, cork, label and capsulate” that alone, with a value of 1.12 billion Euros, accounted for over 65% of total trade. Despite a slight reduction on 2007 figures (-2%), this sector did in fact increase its trade figures in terms of value (over 1 billion Euros) showing an obvious drop in imports (down almost 11% on 2007).

One segment that remained substantially stable was that of devices for filtering and purifying drinks. With a value of 249 million Euros the segment stood as the second most important item as regards the turnover of the entire industry. This segment is actually closely related to imports (almost 213 million Euros, accounting for over 54% of total Italian imports), although it did record a reduction of approximately 9% in 2008.

However, the segment where foreign trade was particularly dynamic in 2008 was that of machinery for the preparation and production of drinks. This actually recorded a striking 124% increase compared to 2007, that is a market share to the tune of 14.6 million euro (compared to 6.5 in 2007), and machinery for cleaning and drying bottles increased too (almost 50 million Euros; +22% on 2007).

It is interesting to see the results of a segment like that of barrels, kegs, casks and vats too. Although very much dependent on imports, this segment continued with its gradual yet constant growth (+10%).

There were however reductions in turnover in the segment for devices for filtering and purifying drinks (23 million Euros in 2008, -18% compared to 28 in 2007 and -28% taking into consideration the 32 for the previous year). There were also some critical points for presses for wine and other drinks that totalled 69 million Euros in exports, that is -8% compared to 2007 when it totalled 75.

Country details

Looking more in detail at the countries where Italian machinery and equipment were exported in 2008, France, Germany and Spain confirmed their positions as the leading markets as in previous years. Worthy of note, especially for certain categories, were exports to countries such as the United Kingdom and Switzerland as well as the USA and Australia.

Turkey and Russia, that had given excellent results in the recent past, generally maintained good positions, despite a downward trend in terms of machinery imports. Other countries worthy of mention are Middle Eastern countries (Qatar, the Arab Emirates, Kazakhstan, Azerbaijan, Iran for example) as well as North Africa, Algeria first and foremost (in 4th position for example among the importing countries as regards machine parts for filtering and purifying) followed by Egypt, Tunisia, Libya.

As far as the segment for filling, closing, labelling and capsulating is concerned, that as already mentioned accounted for more than half the value of Italy's exports, the top ten world markets for exports were: USA, France, Russia (albeit down by 21% compared to 2007), China (down by almost 10%), Spain (that recorded a significant 56% reduction and what's more, halved investments in the wine and drinks press segment too), Germany, Brazil, Turkey, Mexico and the United Kingdom. Growth in India was interesting too, increasing from an average of 13 million Euros in 2006/2007 to 24 million in 2008, whereas Thailand went from 5 to 17 million and Argentina from 10 to 21. Here worthy of note is Algeria, whose purchases rocketed from 5 to 13 million (+137%) and Qatar that from 2.000 Euros made investments for 8 million.

Analysis of the machinery and equipment for the industrial production or preparation of drinks is remarkable. The leading markets in this segment with striking 3-figure increases were Russia (+1.300%), Columbia (+2.700%), Iran and Guatemala.

A worldwide analysis
Grape harvest 2009:
in Europe and in the World

Wine production in the European Union should globally achieve between 168 and 170 million hectolitres, with a slight increase versus 2008 (+2%). Overseas, Australia and South Africa are on the decrease, New Zealand is stable, California and Chile are up

Europe

France (+)

On 1st September, the output estimates in France issued by Agreste amount to 48 million of hectolitres, +12% versus the 2008 harvest (the poorest since 2000), but 5% lower compared with the five-year period average. All categories of wines reported a growth: Aoc +9%, Vdqs +59%, Vins de pays +2%. With regard to the regions, only the regions of Champagne (-4%), Alsace (-4%) and Languedoc-Roussillon (-2%) registered a decrease, whereas all other areas are experiencing a strong recovery, starting from Bordeaux (+28%), Charentes (+29%), Loire (+39%). Burgundy is stable (+1%).

Spain (-)

The harvest 2009 is on the decrease in Spain, where, according to the Agriculture Ministry, the forecast of 38.9 million hectolitres indicates a -6% versus the 41.5 million of last year. The situation is diversified in the various regions: a marked drop took place in the main producing regions - Catalonia (-15%), Extremadura (-15%) and especially in Castile-La Mancha (-10%), which fell from 23 million hl in 2008 to 20.7 in 2009, thus considerably affecting the estimate for this year. This was counterbalanced by an increase in other areas: from the top, Aragon (+35%), Navarra (+15%) and Canary Islands (+14%); Galicia (+6%), La Rioja (+5%), Castile y Leon (+2%), Valenciana (+3%). A drop was instead recorded in Andalusia (-4%).

Portugal (+)

The harvest expected in Portugal is on the increase. According to the estimates issued by the Institute da vinha e do vinho, the produced wine volume will reach 6.1 million hectolitres, +9% versus 2008, but always -10% in comparison with the average of the last five years. Harvest is up in all regions, except Tejo (-5%). In Minho +5%, Douro +14%, Dao and Bairrada +15%, Alentejo +14%, Madeira +3%.

Germany (=)

For the moment, the harvest in Germany is regular. According to the estimates of the Deutsches Weininstitut, it should not diverge from 10 million hectolitres, the same quantity produced in the two previous years. The harvest has already closed for Müller Thurgau and the other grapes for sparkling wine base, whereas, for the late varieties, such as Riesling, and the red ones, it will close in the first weeks of October.

Austria (-)

The harvest is registering a 13% reduction in Austria, but the figure is compared with the result of an extraordinarily rich 2008. According to the first projections spread by Statistik Austria, about 2.6 million hectolitres will be produced, of which 1.5 million (-3.5%) in Southern Austria, 761,000 in Burgenland (-1.7%), 165,000 in Styria (-14%) and 20,000 hl in the region of Wien (-4%).

Hungary (=)

According to the forecasts of the National Council of Wine-Making Communities, wine production in Hungary should be almost the same as last year's, amounting to about 3.5 million hectolitres. The expected quality is good, largely improved versus 2008.

Slovenia (=)

According to the estimates of the Agriculture Ministry, no variations should be expected in the quantity of wine produced in Slovenia in 2009, totalling around 900,000 hectolitres, of which 40% for private consumption. The expected quality is better than the one obtained last year.

Romania (+)

According to the forecast of the National Society of the Vineyard and Wine (Pnvv), wine production will be around 6 million hectolitres, 5-10% more in comparison with the average of the last few years. The good performance is due to the climatic conditions that were very favourable for vine-growing, especially in the region of Dobrogea, and thanks to the investments of the past years in the reconversion and restructuring of vineyards (a yearly renovation average of about 3,000 hectares).

United Kingdom (=)

The preliminary forecasts provided by the British Association of Wine Producers are estimating a quantity of 20,000 hectolitres, a stable amount, of which about 95% coming from English vineyards and the rest from Wales.

Switzerland (=)

Even if not belonging to the European Union, we also include Switzerland in this analysis. The Swiss datum is not final, but, however, it shows a stability situation: according to the Federal Statistics Office, the harvest estimate varies in a range between 1.05 and 1.2 million hectolitres, against a 2008 production of 1.07 million.

World

Australia (-)

According to the figures of the Winemakers' Federation of Australia, the 2009 harvest is showing a 7% downturn, with 1.71 million tons versus 1.83 million of 2008 and a five-year period average of 1.79 million tons, but, however, exceeding the market demand. The quality of grapes is good, despite the difficulties experienced in some regions owing to drought and high temperatures. The red-berry grapes confirm their leadership (52% of the total). Shiraz is, again from this year, the most widely cultivated vine variety (23.6%), followed by Chardonnay (23.4%), Cabernet Sauvignon (14.5%), Merlot (7%) and Semillon (4.5%).

New Zealand (=)

According to the New Zealand Winegrowers Report 2009, producers and wineries have worked to bring the harvest in pace with the market demand. As a result of this effort, the year 2009 has attained a quantity of 285,000 tons, in line with the harvest 2008. The average yield is 9.2 tons per hectare, decreased in comparison with the value of 9.7 tons/hectare of 2008. The Sauvignon blanc from the Marlborough area represented 57% of the harvest, with 161,000 harvested tons (+5% versus 2008). Globally, however, the production of the Marlborough area went down 1%. The output of Pinot Noir, the second most widely cultivated variety, dropped by 16% totalling 27,000 tons. This value reflects a yield fall, especially in Marlborough and Central Otago.

South Africa (-)

The output estimate concerning 2009 provided by Sawis amounts to 1.3 million tons of grapes, representing an 8.5% downturn versus 2008. The wine production in 2009 (including concentrated juices, wines for brandy and wine distillates) should thus reach 10 million hectolitres (1.2 million less than in 2008). The most remarkable drop, compared with 2008, regards Orange River (36%). With the exception of the Klein Karoo area, harvests have decreased in all districts. A very good quality is expected.

Argentina (-)

According to the final report of Instituto nacional de vitivinicultura, the harvest 2009 in Argentina shows a significant reduction in comparison with the quantities of 2008. The harvest totalled 21.7 million quintals (of which 14.3 million coming from the Mendoza area and 5.8 from San Juan), amounting to 11.7 million hectolitres of wine and 3.8 millions of musts. The decrease (of 24% versus 2008, but even of 30% considering the output potential of the country), - seen as positive as it will allow to sell off surplus stocks and positively support the prices of Argentinian products, - has been caused by the meteorological conditions, which were characterized by very intensive heat waves and very low humidity. Decreases were registered all over the country; the only area recording a recovery in 2008 has been the Southern part, which, last year, was instead penalized by frost problems.

Chile (+)

The Servicio Agrícola y Ganadero del Chile issued the official and final figures concerning the 2009 harvest. The production attained almost 10 million hectolitres, reporting a 15.4% rise versus 2008 (8.7 million hl). With almost 8.6 million hl, the category of origin wines (according to the local regulations on the matter) represents 87% of the whole Chilean output and records a 25% increase in comparison with the previous year (6.9 million hl); a marked drop (-37%) is registered by table wines (2.6% of the total) and by those without designation (-7.5%). The latter represent 10% of the total with a production of 1 million hl. In the category of designation wines, almost 40%, i.e. 3.35 million hl, have a Cabernet Sauvignon base; Sauvignon Blanc, with 14.4%, ranks second, followed by Merlot (13.3%) and Chardonnay (11.2%).

California (+)

According to the data of the American Agriculture Ministry, in 2009 the wine grape harvest should achieve 3.30 million tons, registering an 8% upturn versus the 2008 campaign. The final figures will be available in March.

Survey by Ismea – Unione Italiana Vini

GRAPE HARVEST 2009: QUALITY IS NEWS

Definitely good, with widespread peaks of optimum. 46.5 million hl estimated, a substantially stable quantity versus 2008, which drives Italy to the second position in the ranking of producing countries, with France recovering the leadership and Spain confirming its third position.

If the forecasts of early September are confirmed, with the 2009 harvest Italy will regain its second position in the ranking of producing countries, led by France – except in the last year. The expected Italian output for the 2009 harvest should indeed amount to 46.5 million hl, according to the results of the second harvest survey, carried out jointly by Ismea and Unione Italiana Vini in the first week of September. According to these estimates¹ updated 1st August, the French production should reach 48.1 million hl, with a 12% recovery in comparison with the scarce performance of 2008, which compelled France to cede its leadership in the ranking to Italy. The third position is again held by Spain, for which the Agriculture Ministry of Madrid estimates 39.9 million hl, i.e. 4% less on an annual basis.

Coming back to Italy, the forecasts are substantially confirming the production result of 2008 which, according to Istat, amounted to 46.3 million hl and the operators' expectations of late summer are only slightly reduced. The output growth was limited also by the grubbing-up of vineyards, voluntary or with bonus, in conformity with the new Ocm that concerned about 11,600 hectares on the whole Italian territory. Moreover, it is more and more common for wine-growers to resort to cluster thinning essentially to improve the quality of productions, to the detriment of quantity.

Indeed, the news in this campaign is, most of all, quality, expected to be good practically everywhere and in many areas even achieving peaks of optimum. The large water reserves, accumulated during one of the rainiest winters of the last years, have compensated for the cold weather and the lack of rain during the summer. No particular event has thus been registered on the phytosanitary front.

Wine and must output in Italy (thousands of hectolitres)

	2007	2008	2009*	Var.% 2009*/2008
Piedmont	2,724	2,480	2,600	+5
Valle d'Aosta	18	17	19	+5/+10
Lombardy	1,099	1,250	1,220	0/-5
Trentino Alto Adige	1,221	1,140	1,200	+5
Veneto	7,799	8,119	8,330	0/+5
Friuli Venezia Giulia	1,029	1,014	990.4	0/-5
Liguria	89	71	75	+5
Emilia Romagna	6,253	6,340	6,660	+5
Tuscany	2,824	2,800	2,890	0/+5
Umbria	998	843	950	+10/+15
Marche	757	871	810	-5/-10
Latium	1,840	1,797	1,930	+5/+10
Abruzzi	2,205	3,054	2,830	-5/-10
Molise	319	319	280	-10/-15
Campania	1,652	1,768	1,950	+10
Puglia	5,668	6,949	6,250	-10
Basilicata	221	208	218	+5
Calabria	406	445	460	0/+5
Sicily	4,574	6,180	6,180	=
Sardinia	862	582	625	+5/+10
Italy	42,559	46,245	46,470	=/+1

* Ismea/Uiv estimates for 2009 updated 7 September 2009 - Istat source

¹ Source: Service of statistics and forecasts of the French Ministry of Food, Agriculture and Fishing