



Consorzio Aceto Balsamico di Modena

Press Release

2011 GRAPE HARVEST: THE POOR HARVEST HITS HARD THE BALSAMIC VINEGAR OF MODENA SECTOR

The Consortium reports difficulties in sourcing raw materials, prices are soaring

Modena, November 2, 2011. The 2011 grape harvest has been good in terms of quality - although not exceptional - but in terms of output it presents some very worrying aspects, as reported by "ASSOENOLOGI" - the Italian Enologist society: this has been the scarcest grape harvest in the last 60 years, with a reduction of more than 15% in volume. To find a similar poor result one must go back to 1948, when the reported wine production was a mere 4.08 billion liters. The disappointing results are in part due to climatic conditions, but also to the structural changes introduced in the industry with measures such as the eradication of the vineyards and the so-called 'green harvest' which rewards the destruction of unripe grapes before the summer season, when it is not yet possible to know the weather trends and one cannot predict if the final output will be enough to meet the demand and ensure stable market conditions.

The situation is particularly difficult for some sectors that are involved in processing products deriving from wine and grapes, in particular Balsamic Vinegar of Modena, a product that has shown decades of strong growth due to a high demand, especially from abroad.

Balsamic Vinegar of Modena is made from grape must and wine vinegar which are subtracted from the general wine market. "Normally we represent a good outlet for wine-makers who can sell to us their surplus quantities - Giorgio Bentivogli, Technical Manager of the Consortium of Balsamic Vinegar of Modena says - however this year the harvest has been very small and cellars are empty, also due to the high demand for wine by alcohol producers, and the tendency to take stock of wine to protect against a possible, negative harvest also in 2012

All of this leads to a very sudden and unexpected rise in prices for grape must and wine vinegar. "The price increase for grape must are in the region of 30-50% and the rise for wine vinegar of about 40%. this will determine in the short term an increase in prices for Balsamic Vinegar of Modena at a time when the economic situation has already reduced profits for the manufacturers, who therefore can no longer partially absorb these increases.

The main concern of the Consortium is not so much about the effects on the consumption of the product, because it believes that the level of the retail price of a bottle of Balsamic Vinegar of Modena are sufficiently small as to not influence the frequency of purchase (about 5 Euros / liter for everyday quality), but it is worried about the impossibility for the manufacturers to meet the requirements of the market due to the shortage of raw materials on the market.