

Weekly Asado



Wilson Center

Argentina Project

Friday, April 12, 2019

¡Salud!: Drought hangover



Credit: Casa

Rosada

After [two years](#) of drought, 2018 was a breath of fresh air for Argentine wine producers. From 2015 to 2017, Argentine production [declined](#) by 19 percent, contributing to [“historically low”](#) harvests worldwide. Argentine [exports in that period decreased by 17 percent](#). *Weather was not the only headache.* A weaker peso drove up production costs for Argentine producers, just as higher prices and an economic slowdown [dampened](#) domestic demand.

Though Argentina’s drought [continued](#) into 2018, its wine sector experienced a [recovery](#), with [production](#) up 23 percent and [exports](#) rising by the same percentage. In all, Argentine exports of grape products (including wine and grape juice) were the country’s [tenth-largest](#) export category in 2018, with wine sales alone valued at [\\$821 million](#).

The boom was welcome news in Mendoza – the [origin](#) of 67 percent of Argentina’s wine and 85 percent of its [wine exports](#) – and in San Juan, the second-largest wine producing province, which bottles [28 percent](#) of Argentine *vino*. (On April 8, San Juan’s governor,

Sergio Uñac, [spoke](#) at the Wilson Center and highlighted the industry's importance.)

Despite last year's currency crisis, domestic consumption has also picked up.

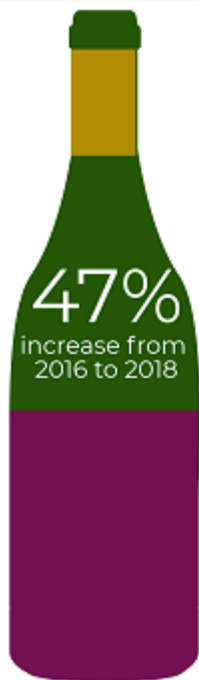
After years of declines, Argentines increased their wine consumption last year by 3 percent. But the long term trend is negative. Per capita wine [consumption](#) in 1970 was 92 liters, compared to only 18 liters [last year](#), as Argentines increasingly choose [beer](#) and [soft drinks](#). For that reason, Argentine winemakers are increasingly focused on exports – and increasingly aware of their disadvantages in the U.S. market, the number-one [importer](#) of Argentine wine. The 2004 [free trade agreement](#) between the United States and Chile allows Chilean wine to enter the U.S. duty-free, whereas Argentine wine faces a tariff of [19.8 cents per liter](#).



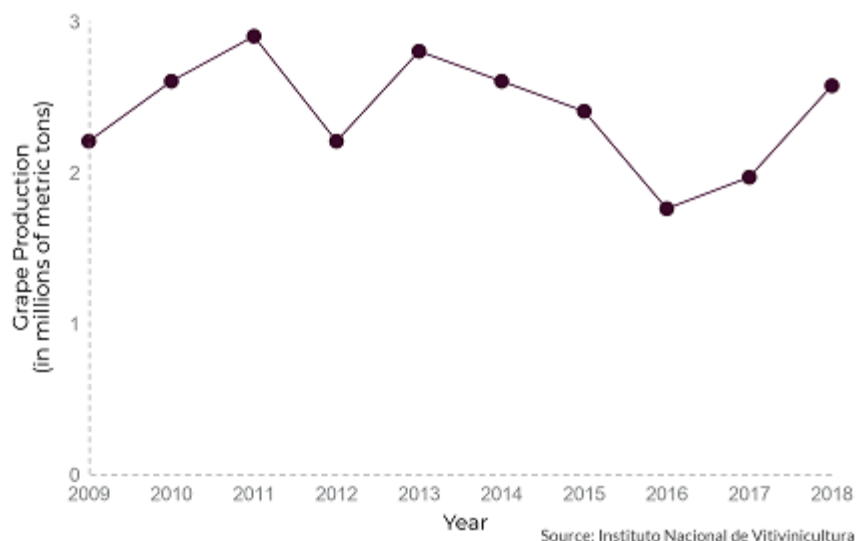
A BOTTLE OF RED

Argentina's winemakers uncorked

GRAPE PRODUCTION



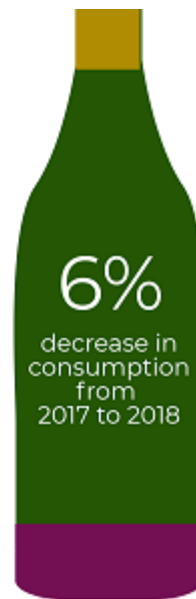
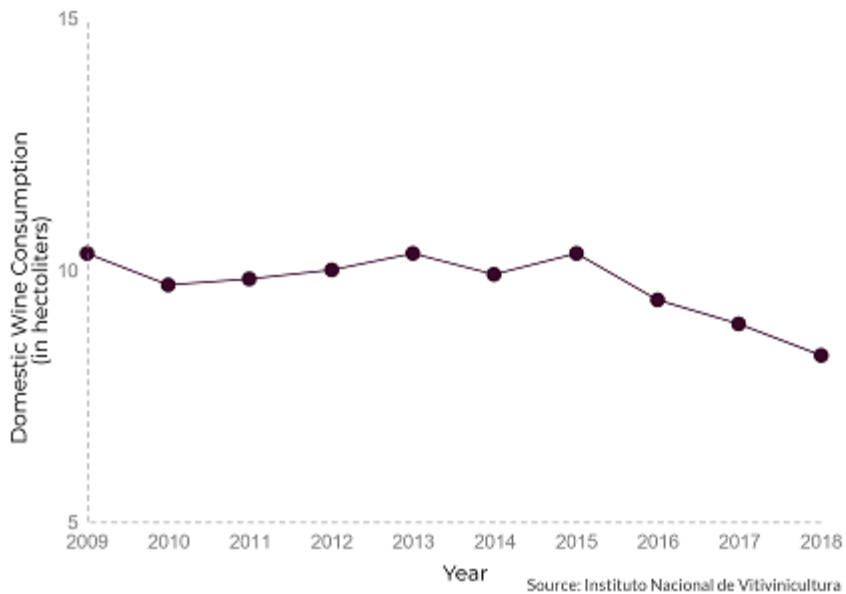
After a sharp decline due to drought, Argentine grape production is recovering.



DOMESTIC CONSUMPTION

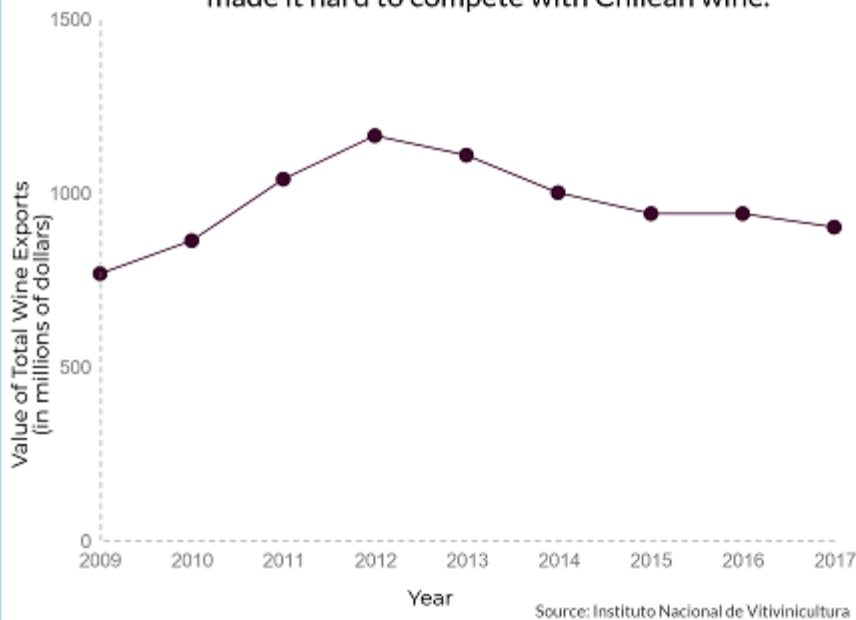
Given higher prices and increased interest in other beverages, domestic consumption of Argentine wine has experienced a slow, but steady decline.





EXPORTS

Wine exports have been generally stable, though relatively high prices due to U.S. tariffs have made it hard to compete with Chilean wine.



By Emma Sarfity



Latin American Program gala



WOODROW WILSON AWARDS LATIN AMERICAN PROGRAM

Honoring Corporate Citizenship and Public Service in the Americas

Tuesday, April 30, 2019

Reception at 6:30 p.m.

Dinner at 7:30 p.m.

The Four Seasons Hotel Miami

[1435 Brickell Avenue](#)
[Miami, Florida 33131](#)

At dinner ceremonies held throughout the United States and abroad, the Wilson Center honors those individuals who through generous philanthropy, thoughtful discussion, and selfless service have made the region and the world a better place for all.

[Please join us in Miami on Tuesday, April 30, 2019, as the Wilson Center's Latin American Program honors four exceptional individuals from Argentina, Colombia, El Salvador, and Venezuela, for their outstanding corporate citizenship and public service in the Western Hemisphere.](#)

There is still time to secure your place at the Wilson Center's Latin American Program Gala at the Four Seasons Hotel in Miami on April 30. To learn about sponsorship opportunities for your company, please write to Anders.Beal@wilsoncenter.org. It should be a fantastic event, and we appreciate your support for our Latin America research and public events.

Tweet: Tweet

For more Argentina insights, and to keep up with Argentina Project events, follow us on Twitter (@ArgentinaProj), where we also highlight our publications and activities – such as our special forum for Argentine presidential candidates, including our April 8 discussion with San Juan Province [Governor Sergio Uñac](#) and last month's conversation with [José Luis Espert](#) – and announce new [podcast episodes](#).

For more election coverage, visit our special **Argentina Elige** [election Web site](#).

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