



Preliminary Crush Report is 3.9 Million Tons

by Turrentine Brokerage

February 10, 2015

For Immediate Release

Novato, CA – The California Department of Food and Agriculture’s *Preliminary Grape Crush Report* for 2014 has been released. It is a critical barometer for the wine and grape industry, containing tons crushed and prices of wine grapes crushed during the 2014 harvest. The *Crush Report* provides growers and wineries insight into the inventory position for the California wine business as a whole, and influences market dynamics for the current bulk wine market as well as the upcoming 2015 harvest.

The 2014 Preliminary Grape Crush Report, as released by the National Agriculture Statistics Service, announced a California statewide winegrape crop of 3.91 million tons. The total crush of wine grapes declined in 2014 from 2013 some 340,000 tons or about 58 million gallons. Overall, this decline is a healthy thing for the wine business, which has ample inventories to feed growth after two previous years of larger than average crop yields.

About Turrentine Brokerage

Turrentine Brokerage, founded in 1973, serves as trusted and strategic advisors to growers, wineries, and financiers and specializes in the strategic sourcing of wine grapes and bulk wine from the major growing areas across the globe. Working with thousands of wineries worldwide, and with over 2,000 growers, this experienced team has negotiated transactions between buyers and sellers valued at more than \$2 billion over the past decade.



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Turrentine Brokerage is available to provide comment and analysis on this report and its probable impact on growers, wineries and consumers. Turrentine Brokerage will have its experienced team of grape and wine brokers and analysts available all day Tuesday, February 10th and throughout the week for comment and questions.

Contact

Brian Clements	Vice President	(707) 495-8151	Grapes throughout CA, especially Napa, Sonoma, Mendocino & Lake Counties
Steve Fredricks	President	(415) 847-0603	Grapes and bulk wine throughout CA and global import/export
Erica Moyer	Grape Broker	(209) 988-7334	Grapes from the San Joaquin and Sacramento Valleys
Audra Cooper	Grape Broker	(805) 400-9930	Grapes from the Central Coast
Mike Needham	Grape Broker	(707) 849-4337	Grapes from the North Coast

Key Insights by Region

General/Statewide

“The total crush of California wine grapes declined some 340, 000 tons or about 58 million gallons in 2014 from 2013. Overall, this decline is a healthy thing for the wine business, which has ample inventories to feed growth after two previous years of larger than average crop yields. Red wine grapes crushed dropped by approximately 300,000 tons. Zinfandel, which is crushed for both red and pink wine, claimed 115,000 tons of the reduction. Merlot also fell, down 65,000 tons or approximately 11,000,000 gallons. Both decreases are beneficial due to the inventories in tank and bottle from the previous few years. White wine grape varieties were down 54,000 tons. The strongest varieties overall, including Cabernet Sauvignon, Pinot Noir, Pinot Grigio and Chardonnay, all dropped a little from 2013 but still exceeded their average production for the last five years. This should insure adequate supply to fuel sales growth. Grape pricing tended to soften in the least expensive areas of the state and to firm up in the more expensive areas, reflecting a slow but steady shift to more expensive wines as consumers open their wallets a little further as the economy strengthens. This kind of trend always causes some imbalances but is positive for the wine business as a whole as growth is concentrated in wines that have margins sufficient to justify the huge capital investments required to grow grapes and make and market wine.”

-Steve Fredricks, President, Turrentine Brokerage



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North Coast

“Despite the third year of good yields, and a soft market for grapes in other parts of the state, the North Coast grape market held up well this year. This is likely due to a strengthening economy that has encouraged consumers to cautiously trade upscale in their wine purchases. Chardonnay prices slipped a little bit in Lake and Mendocino Counties despite a lower crop but increased in both Sonoma County and Napa Valley. The average price for Cabernet Sauvignon grapes increased in all North Coast districts even though production increased 6% in Sonoma County and 5% in Napa Valley. Even Merlot, which has struggled to maintain market share on the retail shelf, managed to eke out a slight increase in price in the North Coast, supported by a lighter crop and demand for use as a blender for Cabernet Sauvignon.”

-Brian Clements, Vice President, Turrentine Brokerage

“Sonoma County Pinot Noir tonnage fell 14% compared to 2013 but still produced the third biggest crop in Sonoma history with 47,000 tons. The average price moved up 5% to a new record of \$3,254 per ton, which indicates that wineries have pretty good confidence in consumer demand. The Sonoma County Chardonnay crop was only 1% shy of the record volume of 2013. The average price for Sonoma County Chardonnay inched up 3% to \$1969 per ton.

Lake and Mendocino counties experienced a drop in tonnage for all major varieties this year compared to an above average 2013 crop. The strongest variety in the North Coast was, of course, Cabernet Sauvignon, which climbed in price a notable 11% and 17%, respectively, in these two counties. Cabernet Sauvignon prices also increased in Sonoma (4%) and Napa Valley (7%).”

-Mike Needham, North Coast Grape Broker, Turrentine Brokerage

Central Coast

“Paso Robles growers and wineries have planted Cabernet Sauvignon the last few years but lower yields per acre have obscured the contribution of new production this year. Partially because of the drought, total district 8 Cabernet Sauvignon production sank 9% or about 800,000 gallons. District 8 Chardonnay (which includes Santa Barbara Co as well as San Luis Obispo Co.) was down 17% (over 1.6 million gallons) and district 8 Merlot was off a whopping 23% (940,000 gallons).”

-Audra Cooper, Central Coast Grape Broker, Turrentine Brokerage

“With Monterey County Pinot Noir coming on strong, the Central Coast secured its position as the biggest Pinot Noir producer in California. Central Coast districts 6, 7 and 8 produced a total of over 90,000 tons, or 15 million gallons, in 2014 compared to 66,000 tons, or 11 million gallons, from North Coast districts 1, 2, 3, and 4 (plus 35% of district 5 which is partially in the North Coast). This bountiful Central Coast Pinot Noir harvest is great news for a number of hot brands in the \$12.00 to \$20.00 per bottle retail price.”

-Erica Moyer, Interior and Central Coast Grape Broker, Turrentine Brokerage



Lodi & Interior

“After two large harvests in 2012 and 2013, Zinfandel production in Lodi dropped 30% or 54,000 tons (which is almost nine million gallons) from 2013. The average price, however, climbed 4% to \$731 per ton. Most of the Lodi tonnage was harvested for red Zinfandel. Tonnage also dropped in the other big district for Zinfandel production: district 13, which fell 17% in production and 15% in price. Much of this tonnage goes into White Zinfandel programs.”

-Erica Moyer, Interior and Central Coast Grape Broker, Turrentine Brokerage

