

# Release of The Turrentine Outlook Issue 16, Providing Insight into the Changing Supply Dynamics of the Wine Business

by Turrentine Brokerage  
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For Immediate Release

**Novato, CA** – The Turrentine Brokerage team is proud to announce the release of Issue 16 of *The Turrentine Outlook: Forecasts and Strategies for a Competitive Advantage*©. The information in *The Turrentine Outlook* sets a foundation that illustrates the long-term cycles of the market, and is designed to be supplemented with specific advice and strategy for your individual situation. This publication draws upon Turrentine Brokerage’s real world experience and unique supply data to analyze changes in supply and demand for eight key varietals in the major regions across California and internationally. The report also suggests strategy options for a competitive advantage.

Highlights in this issue include:

* The potential impacts on the wine and grape markets from:
  + The increased volume of wines and grapes sourced from northern interior to compete on store shelves above $10.00 per bottle
  + Consolidation and distribution
  + Land use restrictions and accessibility to water
* Factors strengthening the market and those weakening the market
* Supply and demand driven analysis for Cabernet Sauvignon, Pinot Noir, Chardonnay, Merlot, Pinot Grigio, Zinfandel, Petite Sirah and Muscat varieties

**Excerpt from Central Coast Chardonnay**

“Grapes from the Central Coast, including Crush Districts 6, 7 and 8, account for roughly 25% of the Chardonnay crushed in California and are extremely important because they supply brands covering the full spectrum of price points. The 2015 crop was 31% below 2014, bringing inventories much more into balance in the short-term. The market for 2016 grapes was more active early in the year, especially in the cooler regions of Monterey County and Santa Barbara County. The bulk market was also more active than in the previous three years.

The current perception of the 2016 crop is for an average crop with early projections based on counts of two clusters per shoot; however, there are singles out there as well. The winter of 2015-2016 provided more water than in recent years, and should be enough to properly farm throughout the 2016 growing season. In the long-term, the political effects from the drought have resulted in increased farming regulations, leading to even more scrutiny on water use, increased farming and development costs, and delays.

It seems likely that consumer demand will continue growing at a healthy clip from $8.00 up to $15.00 per bottle. The competition for consumers purchases in this price-point, however, will also be strong. In particular, it is hard to predict the outcome of the continued and concerted efforts to use more northern interior Chardonnay grapes and wine in order to supply a larger percentage of the Chardonnay sold in this price range. With this competitive development, it is difficult to know if the production of Central Coast grapes as well as the production of Chardonnay from competing regions will surge ahead of demand or if growing demand will match, or even exceed, the growth in supply. Growers will want to redouble their work on quality to help justify the premium paid for cool region Central Coast Chardonnay while still keeping control of costs. Brand owners will want to keep tinkering with the puzzle of how to best deliver stupendous perceived quality to the consumer at a highly competitive price.

# The Turrentine Outlook©

*The Turrentine Outlook* is produced by a team of wine industry veterans with an understanding of both strategic and tactical actions necessary to capture a competitive advantage in the marketplace. This report draws upon a robust pool of information, both proprietary and public, that has been refined and corrected in accordance with expert opinion and real world practice. The Turrentine Outlook delivers data snapshots for eight key varieties by region and forward looking analysis that are not available anywhere else, thus shedding a revealing light on supply dynamics.

Supply and demand is analyzed with the help of multiple graphs including: bearing vs. non-bearing acres and tons crushed, spot market versus district average grape prices, bulk wine availability, collateral values of wines in bulk, tons and values of grapes grown by district, international pricing and estimated price per gallon landed in California duty paid, and Turrentine Wheel dynamics for each variety at various price points.

About Turrentine Brokerage

Turrentine Brokerage, founded in 1973, serves as a trusted and strategic advisor to growers, wineries, and financiers, specializing 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 last decade. Widely recognized as the leading expert in wine business supply cycles, Turrentine Brokerage provides unique insight into the complex market dynamics that can make or break growers, brands, and financiers.

**Contact**

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