



*First and foremost, we hope that you, your friends,
family, and coworkers are all healthy and safe.*

We are all experiencing unprecedented events. Last week, like many of our clients, Turrentine Brokerage employees started working from home in accordance with the Bay Area counties' and statewide mandate. We are fully operational, and we continue to provide service to clients in the brokering of bulk wine, grapes, and cased goods.

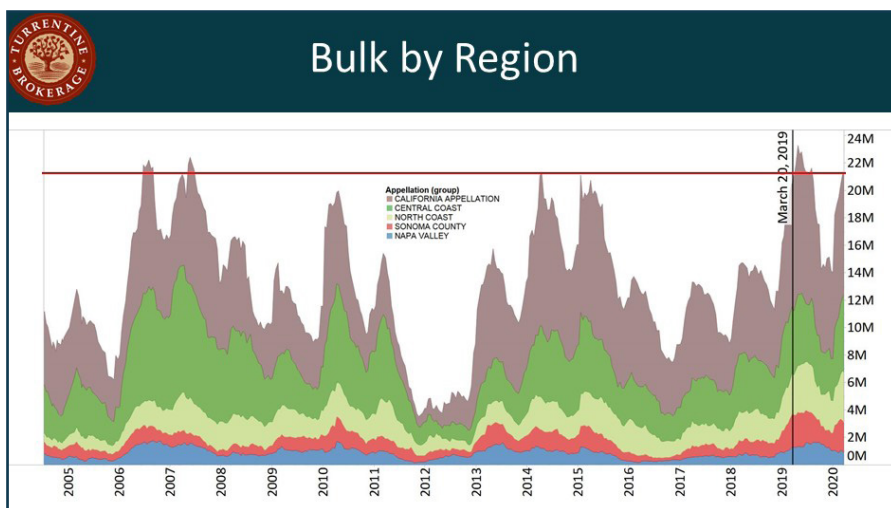
At this time, more than ever, having trusted information to make informed decisions is critical for any business. Turrentine Brokerage has been and continues to provide accurate grape and bulk wine market information to our clients, like you. Our brokers specialize in developing strategies and negotiating deals through the most challenging times. Please don't hesitate to reach out to Turrentine to assist you with bulk wine, grapes and/or strategic brands.

Market Update

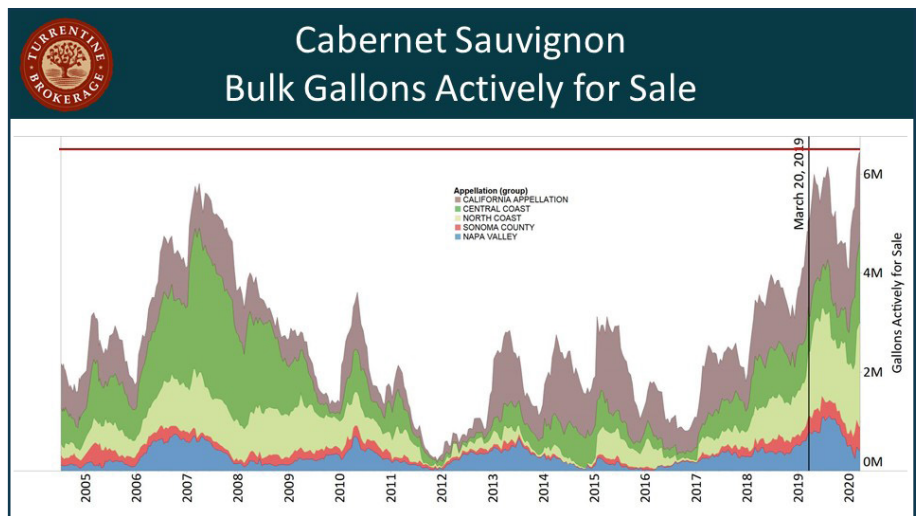
The following supply and demand update on the current market is a baseline during this time. Over the next few weeks, we will have more information as a greater understanding of wine industry impacts are more understood. We have all seen some of the initial increase in retail.

Over the past two weeks, Turrentine has brokered numerous transactions both in bulk wine and grapes. Recent activity includes new buyers on the bulk wine market and a portion of the grape transactions have been one-year resins. Based on recent domestic and world-wide market changes, a few of the recent buyers have decided to reduce volume before finalizing negotiations, while others have delayed their offers while waiting for additional information, which is understandable. At this time, we have not yet seen significant changes in the amount of bulk wine listed actively for sale since the changes over the last two weeks.

As you can see from the bulk wine actively for sale in the following charts, there are similar gallons actively for sale compared to last year at this time. Cabernet Sauvignon still leads in total volume with 6.4 million gallons actively for sale followed by Chardonnay at 2.9 million gallons and with Merlot, Zinfandel and Pinot Noir each hovering around 1.8 million gallons.



While total gallons are similar to last year at this time, the makeup is different. Cabernet Sauvignon statewide has increased 1.4 million gallons despite a 350,000 gallon decrease in Napa Valley Cabernet Sauvignon. The bulk market had been quite active for 2018 Napa Valley Cabernet Sauvignon given the reduction in volume actively for sale. Meanwhile, Merlot is up nearly 600,000 with Pinot Noir down over 600,000 gallons. Despite the increase in Cabernet Sauvignon, there are 34 fewer lots overall than last year, and this can mostly be attributed to activity of purchasing the lots of 2018 Napa Valley, down 88 lots.



Pricing on deals completed in the last few weeks is similar to our previous market update from late-January. We feel it might be better to hold on further price assessment for a few more weeks.

As for the grape market, our brokers will have an update on the status of the growing season in the coming weeks as information on cluster counts and other indicators of crop size become more apparent.

These are rapidly changing times and we are being cautious in reacting to any information. We will continue to work hard to validate and corroborate information to help you make the best decisions possible to operate in this challenging market. We are all in this together and our team at Turrentine Brokerage is as committed as ever to providing the highest level of customer service to you, our clients.



Market Opportunities

Turrentine Brokerage is always working to find opportunities for companies in oversupply or need to buy. We believe firmly in a personalized approach tailored to each client's specific needs and unique position. Give us a call.

Steve Fredricks, President
415.847.0603

Brian Clements, Vice President
707.495.8151

BULK WINE BROKERS

Steve Robertson, Broker/Partner
All California & Interstate Regions
415.827.0110

-
Marc Cuneo, Broker/Partner
North Coast, Interior & International
707.217.1369

-
William Goebel, Broker
Central Coast & North Coast
415.798.5515

-
Bryan Foster
National Sales Mgr of Strategic Brands
707.849.9948

GRAPE BROKERS

Erica Moyer, Broker/Partner
Interior & Monterey County
209.988.7334

-
Audra Cooper, Broker/Partner
Central Coast
805.400.9930

-
Mike Needham, Broker/Partner
North Coast
707.849.4337



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Turrentine Brokerage | 7599 Redwood Boulevard, Suite 103, Novato CA 94945
Tel: 415.209.9463