



# The Next Chapter

*by Steve Fredricks*

One thing that's certain in the wine business: change. We are constantly adapting to unpredictable consumer trends, unexpected weather patterns, variable crop sizes, and fluctuations in the cycles of supply and demand. Change is also something to which we adapt here at Turrentine. After 18 years with Turrentine Brokerage, we have bittersweet emotions about saying goodbye to partner and broker Erica Moyer.

Erica's accomplishments are plentiful. During her time with us, Erica brokered thousands of deals for millions of tons. She has been a great advisor on market dynamics to Turrentine clients near and far—during all phases of the cycles. She has successfully resolved issues that can arise between clients, and has helped many clients achieve great success.

She will retire from Turrentine Brokerage at the end of April 2021 and start a new chapter in her life. We certainly asked Erica to stick around, as we know her impact on our business has been incalculable. In the end, she wanted to channel her energy toward new adventures. All of us at Turrentine have greatly appreciated our time working alongside Erica. We will miss her as part of our team.

We wish her and her husband Jerry the best, and congratulate Erica on the next chapter of her life.

## Evolution of Territories

Erica's retirement creates change and opportunities with our grape brokers' territories.

For starters, Mike Needham, born and raised in Linden, will become our new California Interior Grape Broker. Mike began his career in the San Joaquin Valley working for the Lodi Winegrape Commission. After graduating from California State University, Fresno, Mike farmed 2,000 acres of grapes at three different sites in the Lodi/Linden area. Mike has extensive experience in the wine industry—not just in the North Coast, where he has been a broker for Turrentine since 2012. He also knows what winery buyers look for in a relationship. He understands winery operations, as he was the General Manager at Madrigal Winery in Calistoga.

Through his work at Turrentine, Mike has gained an expert understanding of the market dynamics, including current market trends. He said he is eager to start a new chapter in his career at Turrentine brokering in the Interior, and is excited for the opportunity to work with the region's growers and wineries. He is looking forward to getting reacquainted with the clients he already knows, and meeting and working with clients who he does not already know.

In February, we introduced Christian Klier to our team as a North Coast Grape Broker. Christian has deep ties to the land in the North Coast; the ties go back many generations. He has been hard at work since Day No. 1 on the job, closing deals, and meeting all of our clients.

Audra Cooper, our long-time partner and broker, is now the grape broker throughout the Central Coast. As many of you know, Audra started with Turrentine in 2006, was our North Coast Grape Broker in 2010 until June of 2012, and then moved to the Central Coast as our lead grape broker. Audra grew up on the Central Coast and began her career in the wine industry working for GO Farming in 2001. She is passionate about working with growers and wineries throughout the Central Coast, and takes great pride in making this great growing region her home.

As a team, our goals are to provide you the best service and information possible and to improve continually. We are working hard to make sure that happens. Please contact us with any questions you may have.

## Market Update

Bulk gallons available continue to grow for Cabernet Sauvignon which has kept the total gallons available fairly flat since late-February. Most varieties, however, have begun their seasonal decline. The addition of 2020 gallons of all varieties to the market has slowed and is now outpaced by the sale of 2019 and 2020 vintage wines. Red wines continue to lead the market in sales, sustaining the momentum dating back to late summer of last year. The number of gallons listed on the market so far this year are lower than they have been since 2012 following the light 2011 harvest and corresponding transition to shortage. While the number of gallons actively for sale in 2021 is beginning to decrease, the number of lots being listed are still increasing. This highlights two dynamics: Continued consumer sales in larger retail and the continued challenging sales for smaller and medium wineries in on-premise.

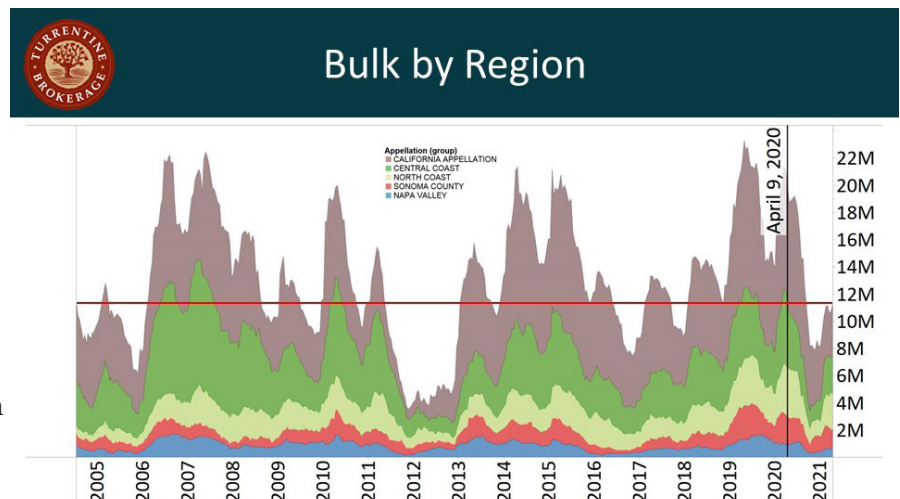
Bulk wine and grape market activity have not changed in any significant way since our February Market Update newsletter. The volume of grapes and wine that are moving continues to be to companies and brands at the value-end and from \$10 to \$20 per bottle retail. This market activity has shifted the range of price upward for supply of these tiers. There is still downward pressure on the ultra-premium and luxury tiers, due to continued sluggish on-premise sales.

A few key items about the bulk market:

- Demand is still strongest for Cabernet Sauvignon and premium red blenders.
- Higher prices are bringing additional gallons for sale to the bulk market.
- Demand continues to shift toward 2020 wines, but 2019 vintage red wines are still the most sought-after vintage.

A few key items we mentioned about the grape market in February that are worth repeating now:

- There are still opportunities for Paso Robles Cabernet Sauvignon grapes, but a number of tons have



already been committed for 2021.

- Russian River Valley Pinot Noir has remained active.
- San Joaquin Valley supply of all varieties are limited and contracts have been signed for a great majority of vineyards beyond 2021.

In the following table, the left side denotes an active market where wine and grapes are on the market for a shorter time and there are more buyers. The right column comprises moderate to slower markets where there are still several lots and/or fewer buyers at this time.

| <b>Bulk</b>                                     |  |
|---|--|
| <b>Active Markets</b>                           | <b>Less Active Markets</b>                       |
| CA Cabernet Sauvignon '19 and '20, \$8 and less | Sonoma Cabernet Sauvignon '19 and '20            |
| Paso Robles Cabernet Sauvignon '19 and '20      | Lake/Mendocino Cabernet Sauvignon '19 and '20    |
| Napa Valley Cabernet Sauvignon '19 and '20      | Central Coast/North Coast Chardonnay '19 and '20 |
| RRV and Sonoma Chardonnay '20, \$13.50 and less | Central Coast/North Coast Pinot Noir '20         |
| CA Chardonnay '20                               | Napa/Sonoma Sauvignon Blanc '20                  |
| Premium red blenders '19 and '20                |  |
| Lodi Zinfandel '19 and '20                      |  |

| <b>Grapes</b>                              |                                |
|--|--------------------------------|
| <b>Active Markets</b>                      | <b>Less Active Markets</b>     |
| All San Joaquin Valley varieties           | North Coast Cabernet Sauvignon |
| Russian River Valley and Sonoma Chardonnay | Central Coast Chardonnay       |
| Russian River Valley Pinot Noir            | Central Coast Pinot Noir       |
| Paso Robles Cabernet Sauvignon & Merlot    |                                |
| Napa/Sonoma/North Coast Sauvignon Blanc    |                                |
| Paso Robles Petite Sirah and Petit Verdot  |                                |
| North Coast Merlot                         |                                |

We personalize our advice to every customer's unique situation, but the one bit of advice that is universal regardless of market conditions is not to assume. Situations can change quickly and there are many dynamic variables currently on both the supply and demand side. Despite the consistency of market trends in recent months, check with us early and often to make sure you don't miss an opportunity.

Bud break is happening now. Over the next few weeks, we will receive early reports on crop size and will note its impact on market trends. For additional personalized market insights, please contact your broker. We are here to help you succeed.

# 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.

## **Bulk Market Opportunities Needed**

Paso Robles Cabernet Sauvignon '19 and '20  
Napa Valley Cabernet Sauvignon '19  
California floral varieties '20  
California Cabernet Sauvignon and red blenders '19

## **Available**

Lake, Sonoma, Napa Sauvignon Blanc '20  
North Coast Zinfandel '20  
Central Coast Pinot Noir '20  
North Coast Cabernet Sauvignon

## **Grape Market Opportunities Needed**

Central Coast Sauvignon Blanc  
Westside Paso Robles Zinfandel  
Paso Robles Petite Sirah  
Central Coast White Riesling  
Interior generic whites and florals





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