



TURRENTINE

GRAPES & WINE

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Not the Hard Way

I often take a back route home from work, winding through the West Marin countryside. As the autumn days grow shorter, it is already getting dark as I make my way past vineyards and dairies and through redwood groves. I know the road well and could easily complete the twilight journey without turning on my headlights. But why would I? If I drove without lights I could probably make it safely forty-nine out of fifty times. Sooner or later, however, I would



fail to see a deer or a large branch in the road. I'd feel pretty stupid, especially as I tried to explain to my wife what happened to the car - and to the poor deer.

So it is when buying and selling grapes or wines in bulk. You may know every curve in the grape and wine business but nevertheless it's only prudent to switch on the best headlights that you can find and illuminate the unpredictable factors which will, sooner or later, intrude on your path.

Turrentine Brokerage is happy to serve as your "headlights" in the markets for grapes and wines in bulk. Those companies which buy and sell all the time and know every bend in the road, are usually the ones who most appreciate our function of shedding light on the long-term trends, the current market and the details of their particular transactions. These clients know the markets as well as

anyone in the business and could get safely through their grape and bulk wine transactions much of the time. They are wise enough to know, however, that there are always things in a changing market that they don't know and they would like to learn those things - but not the hard way.

So, Turrentine Brokerage is not merely an efficient way to make the most connections and document transactions; we are also an early warning system against the unexpected, against the equivalent of deer and branches in the road. You could do grape and bulk wine deals without this illumination - but why would you?

-Bill Turrentine

Market Update

Take a look at the three charts below for Cabernet Sauvignon, Chardonnay and Pinot Noir, which compare 2014 tons crushed (estimates) and current bulk inventories to the situation last year at this time. The following charts illustrate, at a glance, the dynamics of the grape and bulk wine markets coming out of the 2014 harvest. Yields per acre appear to be generally down from last year, but an increase in productive acres will help boost both interior and Central Coast tonnages. Quality appears to be good for the third consecutive year, which could increase pressure on the nearly 4 million gallons of 2012 wine available on the bulk market.

Cabernet Sauvignon - Current situation compared to last year			
	2014 Est. Tons Crushed	Bulk Inventories	Bulk Demand
Napa Valley	↘	↘	Strong
Sonoma County	↘	↘	Strong
Other North Coast	↘	→	Strong
Central Coast	↗	↗	Moderate
Northern Interior	↗		
Southern Interior	↗	↗	Weak to Moderate

Cabernet Sauvignon volume crushed in the North Coast appears to be smaller than last year, but still above historical averages. Many wineries were happy to take in Cabernet tonnage in excess of contract maximums in each of the past three vintages, reflecting strong consumer demand for bottles priced above \$15.00. Yields are lighter in Paso Robles, but increased tons in Lodi and Monterey may offset this reduction-at least for some brands.

Chardonnay - Current situation compared to last year			
	2014 Est. Tons Crushed	Bulk Inventories	Bulk Demand
Napa	→	↗	Moderate
Sonoma	↘	→	Moderate
Other North Coast	↘	↗	Weak
Central Coast	↗	↗	Weak
Northern Interior	↘		
Southern Interior	↘	↘	Weak

The Chardonnay crush also appears smaller than last year but still above average. Bulk market demand for Chardonnay, however, continues to drop since last year in the wake of three large harvests. Strong yields in Lodi, the Delta, and Monterey may make up for lower yields in southern

interior Chardonnay, which suffered from poor water quality and extended heat. Bulk inventories continue to rise, but remain well short of 2009 levels, when a large harvest coincided with a flood of Australian Chardonnay.

Pinot Noir - Current situation compared to last year			
	2014 Est. Tons Crushed	Bulk Inventories	Bulk Demand
Napa	↘	↗	Moderate
Sonoma	↘	↗	Moderate
Other North Coast	↘	→	Moderate
Central Coast	→	↗	Weak
Northern Interior	↗		
Southern Interior	→	↘	Weak

The combination of multiple years of remarkable yields and increased production from newly bearing acres in key regions has provided *beaucoup* Pinot Noir. Consumer sales are strong, but pricing is competitive, resulting in lower spot market grape prices in most areas for the 2014 harvest. Bulk demand has also dropped from last year while supplies have ballooned from 100,000 gallons in 2011 to the current level of 1.1 million gallons, mostly from the Central Coast and Sonoma County.

Crop Contest Underway



Turrentine Brokerage is holding its annual Crop Contest.

Make your best prediction at www.TurrentineBrokerage.com of total tonnage (in listed varieties) and you may be awarded a beautiful plaque, international acclaim and a bottle of sparkling wine!
All entries must be in by **December 5th** to be eligible.
Good Luck!

Events

ROOTSTOCK planting new ideas for the future

Turrentine will be at **Booth #231** at this year's Rootstock conference at the Napa Valley Fairgrounds on **Thursday November 13th**. We will have a lively crew, filling the whole spectrum from Bulk Wine to Wine Grapes: **Mike Needham, Steve Robertson, William Goebel, Alicia Kump & Kelly Mahoney**. Stop By!



Turrentine Bulk Wine Broker **Marc Cuneo** will be a featured speaker at the *2014 State of the Industry Financial Roundtable* sponsored by Moss Adams.



Not to be missed is this year's North Coast Wine Industry Expo on **Thursday December 4th** at the Sonoma Fairgrounds in Santa Rosa. **Booth # 128** in the Grace Pavilion is where the Turrentine brokers will be gathering. **Steve Robertson, Mike Needham, Marc Cuneo & William Goebel** will be available to discuss the coming year and what it may bring for the 2015 harvest.

Bulk Wine Available

- 2012/2013 Central Coast Barbera: 10 lots
- 2012/2013 Central Coast Cabernet Sauvignon: 42 lots
- 2012/2013 Paso Robles Cabernet Sauvignon: 18 lots
- 2013 CA/Lodi Cabernet Sauvignon: 34 lots
- 2013 Sonoma County Chardonnay: 22 lots
- 2013 Central Coast Chardonnay: 29 lots
- 2013 CA/Lodi Malbec: 8 lots
- 2012 Napa Merlot: 13 lots
- 2013 Monterey County Pinot Noir: 23 lots
- 2013 Santa Barbara County Pinot Noir: 13 lots
- 2013 Sonoma County Pinot Noir: 38 lots
- 2013 CA/Lodi Petite Sirah: 9 lots
- 2013 Napa and Sonoma Sauvignon Blanc: 23 lots
- 2012/2013 CA/Lodi Zinfandel: 70 lots
- 2014 North Coast Sauvignon Blanc: 17 lots



Bulk Wine Needed

- 2012/2013 All North Coast AVA's Cabernet Sauvignon: 1/2 load size +
- 2014 CA/Lodi Pinot Grigio: load sizes +

Bulk Broker Contacts	Grape Broker Contacts
<p>Steve Fredricks (415) 847-0603 President/Partner</p>	<p>Brian Clements (415) 495-8151 Vice President/Partner</p>
<p>Michael Robichaud (415) 686-0858 Senior Broker/Partner, Bulk Wine <i>Throughout California</i></p>	<p>Erica Moyer (209) 988-7334 Broker/Partner, Grapes <i>Interior and Monterey County</i></p>
<p>Steve Robertson (415) 827-0110 Broker/Partner, Bulk Wine <i>California and Interstate Regions</i></p>	<p>Audra Cooper (805) 400-9930 Broker/Partner, Grapes <i>Central Coast</i></p>
<p>Marc Cuneo (707) 217-1369 Broker, Bulk Wine <i>North Coast and International</i></p>	<p>Mike Needham (707) 849-4337 Broker, Grapes <i>North Coast</i></p>
<p>William Goebel (415) 798-5515 Broker, Bulk Wine <i>Central Coast</i></p>	

Turrentine Brokerage
www.turrentinebrokerage.com
415-209-9463
7599 Redwood Boulevard, Suite 103
Novato, CA 94945