



In this issue

**Main Article: Nine Mistakes In Wine | 2015 Crop Update | Cyber Supply (New Website!)
Crop Contest Results | Turrentine On The Road | Market Opportunities**

NINE MISTAKES IN WINE

(borrowed from The Wall Street Journal)

by Bill Turrentine



With the S&P 500 near an all-time high and the Nasdaq Composite approaching the 5000 mark for the first time since the dot-com bubble, it may feel like investing is easier than ever. It is times like these when paying attention to what not to do becomes crucial.

How do you become a better investor? Learn the basics. Study the masters. Seek out quality advice.

So says a February 26th column in the Wall Street Journal entitled: '*Feeling Certain*' and *Other Mistakes That Trip Up Investors*. The author goes on to name nine common mistakes investors make.

Grapes and wine, of course, are different from passive investments in stocks, bonds, Real Estate and the like. Vineyards obviously require Real Estate but running a vineyard is also a business with a need for great customer service, product quality, marketing and other complications passive investors don't have to deal with.

Grape buyers must match constantly changing sales projections with production estimates from a variety of sources, while also maintaining or improving wine quality and keeping control of costs.

Growers and grape buyers play the market constantly because they are always trying to balance inventories in a business where consumers change quickly and vineyards change slowly and at great cost.

Growers and wineries, however, do often employ strategies that resemble strategies used in the stock and bond markets, including the core principle of diversification.

In the supply side of the wine business, diversification means working with a variety of grape customers or growers and negotiating a range of contract lengths and pricing mechanisms. So, let's review the nine investor mistakes identified in *The Wall Street Journal* article, highlighted in red, and see how they might apply to the wonderful world of grapes and wine.

1. **Feeling Certain.** Feeling too certain is obviously a mistake in the wine business, which depends on changing consumers and mysterious Mother Nature, not to mention rigid regulators and finicky financiers. Unpredictability increases the importance of flexibility in your supply situation.
2. **Extrapolating the recent past into the future.** Generals tend to fight the last war and growers and grape buyers tend to do whatever they should have done the previous year. In a constantly morphing market, a strategy based on last year is rarely the right one for the current reality.
3. **People selling financial products on commission.** Hey, that's getting personal! But it is true in wine, as it is in the world at large, that you must make sure the people advising you really have your long-term interest at heart and are providing you with the best data available to make critical decisions.
4. **Feeling smarter after the market rises, and,**
5. **Feeling victimized after the market drops.** No one, no matter how smart, will play the market right all of the time. Which is okay. All you really need to do is to play the market better than most of your competitors so that you are not stuck with expensive inventory in slow markets and you have ample, cost-effective inventory when the market is hot.
6. **Impatience.** Type A personalities may blow a gasket, but sometimes you have to wait out the market. You cannot make people buy or sell at a reasonable price just because it seems urgent to you. Too much patience, on the other hand, can also be costly. Sometimes bold decisions are necessary.
7. **Letting partisan views guide your investment decisions.** The wine business equivalent to this investor mistake might include emotional commitments that result in blind spots such as an unwillingness to recognize substantial quality improvements in competing regions.
8. **Worrying about things you can't control.** Currency exchange rates, world-wide crop size, wholesaler consolidation, invasive pests—the wine business is subject to many unknowns. So build flexibility into your plans. Stay informed. Make good use of the spot market for grapes and wines in bulk. And, when you have done these things, relax and play the market as it comes.
9. **Refusing to change your mind when the facts change.** Persistence is a virtue but stubbornness is a vice. The wine business has many moving parts and strategies require constant adjustment. It is usually better to make frequent small updates to your plans rather than waiting until major course corrections become unavoidable and urgent—which usually happens just when the market turns against you.

Managing the sale of vineyard production and balancing the inventories of growing brands are disciplines that are essential to wine business success. They require insight, skill, courage, practice and timely advice on current market conditions and long-term trends. Give our grape and wine brokers a call—they will be happy to help you succeed.

2015 CROP UPDATE

What's happening in the vineyards as harvest approaches? The Turrentine Grape Team (Erica Moyer, Audra Cooper, Mike Needham, Alicia Kump) have highlighted what they are hearing and seeing in the vineyards throughout California.

North Coast

- Most of the North Coast is in bloom or finished at this point, for the early varieties.
- Crop size looks similar to 2014
- Crop is 2 weeks to 10 days ahead of last year. Sparkling wine could start picking in mid-July if we keep tracking the same as we have been.
- There have been isolated spots of frost damage in the North Coast

Sonoma County

- Chardonnay and Pinot Noir finished with bloom
- Cabernet Sauvignon in the middle of bloom
- Earlier red varieties (Merlot, Petite Sirah) over half way through bloom

Lodi/Delta

- Vines are happy and healthy. West of Lodi, some vines got beat up with hail and there were isolated pockets of frost earlier. But all in all, vines are well into set and holding.
- Southern Interior off to an early start and looking to an early harvest!

Central Coast

- Monterey and San Benito Counties came out of the gate early with above normal temperatures but recent cooler temperatures have slowed growth and bloom to a more "normal" season.
- We are 5 days ahead or on par with last year in the Central Coast, which is still early.

San Luis Obispo and Santa Barbara

- The crop is looking lighter than very early crop estimates, primarily for Paso Robles reds but also for Santa Barbara County grapes. That being said, we still expect at least an average crop for Santa Barbara County. Paso Robles is a little more challenging to gauge as crop estimates are all over the board.
- Cabernet Sauvignon could be average to a little on the light side if we do not get decent sizing.

CYBER SUPPLY

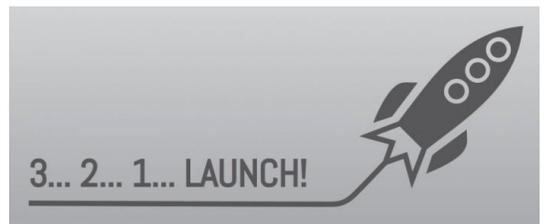
Thousands of tons of grapes, millions of gallons of wine, in your pocket, on your phone or tablet.

Turrentine Brokerage has renovated its website, [Turrentinebrokerage.com](http://www.turrentinebrokerage.com), to put the markets for grapes and wines in bulk at your service 24/7.

The site clearly presents market listings, analysis and commentary to help you make the best supply-side decisions, when and how you want.

Turrentine Brokerage's famous Market Update newsletter and individual broker bios are also available on the site. Check it out and put the world of grapes and wines in bulk at your fingertips.

Tell us what you think of our new website. One person will be randomly selected to win a case of Caymus Cabernet Sauvignon wine! Go to www.turrentinebrokerage.com. Just hit the **SAY HELLO** tab on our website to send us an email.





CROP CONTEST RESULTS ARE IN...

It was a tight race for the 2014 harvest, but the smoke has cleared and it's time to announce the winners of our infamous guess-the-tonnage sweepstakes. Congratulations to the winners! Each winner receives an official engraved plaque along with a bottle of champagne, compliments of Turrentine Brokerage.



Niels Udsen

	NAPA	SONOMA	CENTRAL COAST	LODI	STATE TOTAL
CHARDONNAY	Gary Glass, Mendocino Wine Co.	Chris Louton, St. Francis Winery	Adam Lee, Siduri Wines	Mike Shoup, Sin Nombre! Vineyards	Corey Beck, Francis Coppola Winery
CABERNET SAUVIGNON	Jeff Lopes, Lopes Vineyard	Gerry Turgeon, Trout Gulch Vineyards	Michael Brughelli, Turn Key Wine Brands	Jon Ruel, Trefethen Family Vineyards	Alex Cose, Vin Quest
MERLOT	Niels Udsen, Castoro Cellars	Megan Hill, Lambert Bridge Winery	Claudio Basei, Cacciatore Fine Wines and Olive Oil	Craig Rous, Bear Creek Winery	Janet Sasaki, Sasaki Vineyard
ZINFANDEL	Warren Bogle, Bogle Vineyards Inc.	Jacob Mauney, Duckhorn Wine Co.	Will Nord, Nord Vineyards	Bruce Fry, Mohr-Fry Ranches	Dan Waddington, Waddington Ranch Vineyards



Claudio Basei

TURRENTINE ON THE ROAD

There will be a Turrentine table at the Sonoma Co. Winegrowers Annual Grower Seminar, Tradeshow & BBQ on Friday, June 5th.

Brokers **Marc Cuneo, Neil Koch and Alicia Kump** will be there to answer any questions, so be sure to stop by and say Hi.

The event is at **SRJC's Shone Farm**. Join 300 of your neighbors, friends, co-workers, and over 50 exhibiting sponsors at one of the year's largest gatherings of Sonoma County growers. Go to www.sonomawinegrape.org for more information.



KEEP YOUR EYES PEELED...

Look for the 2015 Turrentine Outlook: Forecasts and Strategies for a competitive advantage coming early June. Go to our website for more information on The Turrentine Outlook.



BULK WINE MARKET OPPORTUNITIES

AVAILABLE

- >2013/2014 CA/Lodi Cabernet Sauvignon: 58 lots, 1.5 million gallons.
- >2014 Sonoma County Cabernet Sauvignon: 15 lots, 100,000 gallons
- >2014 North Coast Cabernet Sauvignon: 39 lots, 450,000 gallons
- >2013/2014 Central Coast Chardonnay: 64 lots, 780,000 gallons
- >2013 North Coast Merlot: 17 lots, 190,000 gallons
- >2013/2014 Central Coast Pinot Noir: 63 lots, 730,000 gallons
- >2014 Sauvignon Blanc all AVA's: 67 lots, 450,000 gallons
- >2013 CA/Lodi Zinfandel: 35 lots, 700,000 gallons

BULK WINE (continued)

NEEDED

>2013/2014 Napa Valley Cabernet Sauvignon: 1/2 load size +

>2013/2014 CA/Lodi Petite Sirah: load sizes +



GRAPE MARKET OPPORTUNITES

AVAILABLE

>North Coast: Lake County Sauvignon Blanc, truckload quantities available

>Santa Barbara County Petite Sirah, truckload quantities

>Paso Robles Red Blenders

>Paso Robles Cabernet Sauvignon

BULK WINE BROKERS	GRAPE BROKERS
Steve Fredricks (415) 847-0603 President/Partner Bulk Wine	Brian Clements (707) 495-8151 Vice President/Partner WineGrapes
Steve Robertson (415) 827-0110 Broker/Partner, Bulk Wine <i>All California & Interstate Regions</i>	Erica Moyer (209) 988-7334 Broker/Partner, Grapes <i>Interior & Monterey County</i>
Marc Cuneo (707) 217-1369 Broker, Bulk Wine <i>North Coast, Interior & International</i>	Audra Cooper (805) 400-9930 Broker/Partner, Grapes <i>Central Coast</i>
William Goebel (415) 798-5515 Broker, Bulk Wine <i>Central Coast & North Coast</i>	Mike Needham (707) 849-4337 Broker, Grapes <i>North Coast</i>
Neil Koch (415) 686-6669 Broker, Bulk Wine <i>North Coast & Interior</i>	