



In this issue

**Grape Crop Update | Bulk Wine Update | 2016 Crop Contest | Turrentine Outlook
Bulk Wine Market Opportunities | Grape Market Opportunities**

GRAPE CROP UPDATE

NORTH COAST

The crop at this point is looking a little bit better than a year ago for most varieties in the North Coast (there are a few exceptions). Most growers have fewer clusters per vine, but the set is better this year (less shatter). We are also seeing fewer shot berries in the clusters, from a year ago. Most cluster weights are heavier than last year but not by much. So the overall crop is looking fairly average. For every story of a grower with a nice looking crop there is the neighbor with a below average looking crop, counter balancing each other.



Mike Needham

Harvest is almost ready to start. Sparkling houses might start picking by the last weekend in July in the North Coast, and should be in full swing by the first week of August. This puts the harvest very close to where we started a year ago and 2015 was probably the earliest harvest for most growers and wineries on record.

Some are expecting the total grape crush to be 4.0 million. That could be optimistic....just sayin....

Yah, the Muscat crop could be large, and maybe too, French Colombard and Rubired, and yes, there are new acres coming into production, BUT, is that production enough to offset the shatter and the impact of the heat? Maybe not.



Erica Moyer

LODI/DELTA

The crop is looking about the same as 2015, at best, for Chardonnay, Cabernet Sauvignon, Merlot, Zinfandel. A lot of small bunches and small/loose bunches. There are a few outlier vineyards that have strong expected yields, but those vineyards are the exception rather than the rule.

Harvest will begin for "bubbles, blush and rose," the last week of July beginning of August, then expect to be in full swing. Will the harvest be compressed with reds coming on early as whites are finishing up????

SAN JOAQUIN VALLEY

Grape trucks of Pinot Grigio have been rolling up the valley for a couple of weeks and Chardonnay is next up, as harvest has begun in the South San Joaquin Valley. Of the blocks that have been harvested, it is a mixed bag from lighter than last year to heavier than last year, which equals production being flat.

NORTHERN CENTRAL COAST

After a disastrous 2015 harvest, the Pinot Noir and Chardonnay crop looks better than 2015, but that is not saying much. Production will be nowhere near the 2014, 2013 harvest, as Growers (and Wineries) are "hoping" for average yields.

CENTRAL COAST

The Central Coast winegrape crop once again looks to be on the light side overall, but there is quite a bit of variability across all varieties. Cluster weights are better than last year, but not by a landslide.

Paso Cabernet Sauvignon looks to be a below average crop, but thankfully it looks better than last year and it may surprise everyone with not being drastically light (less shatter and improved berry sizing). We are just starting to see veraison really take off in Cabernet. Stay tuned!

Chardonnay, too, looks to be below average in most of the cooler areas and average in the warmer spots.

Pinot Noir yields are hit and miss, clusters seem to be on the smaller side, the count is decent, and sizing is moderate in general. That said, Pinot Noir is almost 100% through veraison and is coming on fast.

Harvest will be upon us before we know it; the start of sparkling harvest is 10-14 days out and early white varieties are likely to begin in the mid to latter half of August.

Inventory in the Central Coast is quite limited at this point. Varieties that are still struggling



Audra Cooper

in the market are Merlot and Zinfandel, although availability of both of these varieties are lower than we have seen them in several years.

BULK WINE UPDATE

INTERIOR

As harvest gets under way bulk demand remains consistent for quality wines, primarily 2015 Cabernet Sauvignon and Pinot Noir. In the last few months Buyers have turned their focus from 2015 and 2014 wines to contracts for 2016 and beyond. Recent sales of 2015 Cabernet Sauvignon have been in the \$6.50 to \$8 per gallon range. Recent sales of 2015 Interior Pinot Noir lots have been in the \$7 to \$8.50 per gallon range.

Interior Chardonnay demand is moderate, which is an improvement and supply actively for sale is moderate.

Sellers would like to clear out tanks of the remaining gallons of older vintage Merlot, Zinfandel, or older style blenders, but those wines are competing directly with newer available gallons of Petite Sirah and Petit Verdot, which are preferred for adding color and intensity to a blend. There continues to be very little bulk demand for dry red or dry white programs at the super value bottle price point.



Marc Cuneo

NORTH COAST

We have seen the usual Summer slowdown in the bulk market in the last few weeks due to vacations, wine makers preparing for harvest, and we are also seeing a slow down in the market due to higher asking prices. In Napa Valley, supply of 2014 and 2015 wines continue to become available and asking prices continue to escalate. As they have escalated more buyers hold off purchases. Recent sales of 2014 Napa Valley Cabernet Sauvignon wines have been in the \$40 per gallon range and reserve quality or sub appellation have been in the \$55 to \$65 per gallon range. There are very few gallons of Sonoma County Cabernet Sauvignon available and demand continues to exceed supply. Recent sales have been in the \$25 to \$30 per gallon range.

Lake County and Mendocino County Cabernet Sauvignon volume actively for sale is down and recent sales are consistently in the \$18 to \$20 per gallon range. Demand for dark red blenders in the North Coast has slowed as a result of blends being completed and bottled and wineries focusing on harvest. In summary, buyers of North Coast wines have seemed to slow purchases or increased the search for wines from other regions due to higher asking prices.

Pinot Noir in Sonoma County continues to sell quickly when available and priced right. Asking prices have increased, but buyers remain conservative in chasing Pinot Noir at a high price vs. Napa Valley Cabernet Sauvignon. Supply remains limited.



Steve Robertson

CENTRAL COAST

Activity remains steady in the Central Coast for 2015 and 2014 bulk red wines, but continues to be slower for the whites. Cabernet Sauvignon continues to be a focus for most buyers, but limited availability and asking prices above \$20 per gallon continue to hold the market back. Buyers are also actively sourcing Cabernet Sauvignon in other regions and have increased their focus to contracts for 2016 wines. Merlot demand remains soft for varietal programs and buyers interest has been directed toward darker red varieties from the Central Coast and Northern Interior such as Petite Sirah, Petit Verdot and Malbec. Some good Merlot opportunities are available.



William Goebel

We have moved Central Coast 2015 Chardonnay in the last few weeks for deals priced below \$10 per gallon.

In a change from a few months ago there are some good opportunities for 2015 and 2014 Central Coast Pinot Noir.

OREGON and WASHINGTON

After coming off large back to back crops, Oregon has continued to have excess 2015 Pinot Noir and Pinot Grigio. With limited tank space available, many wineries are motivated to move their additional wines before the 2016 harvest begins. Due to these factors, an opportunistic winery outside of Oregon could take advantage of the market conditions. Truckload volumes of Willamette Pinot Noir have moved in the \$12 to \$15 per gallon range.



Neil Koch

We have some Washington clients offering contracts on 2016 Cabernet Sauvignon, Merlot and Syrah with the ability to increase volumes in 2017.

IN SUMMARY...

The markets are dynamic and every client has a different need, so please call and talk to your Turrentine Broker to get an update on the dynamics that are most important to you. With our broad base of understanding and experience in the market, Turrentine Brokerage will come up with creative ways to help you, even in challenging markets.

2016 Crop Contest

Click to enter your best guess!

New Grand Prize & Category:

2016 Statewide Total Wine Grapes

Winner receives a YETI Tundra Ice Cooler

NEW GRAND PRIZE!



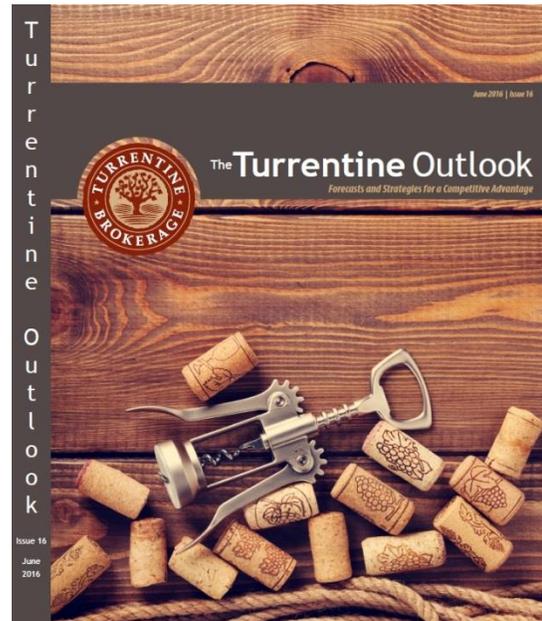
Enter your crop estimates in our annual contest
Chardonnay, Cabernet Sauvignon, Merlot, and Zinfandel in
Napa, Sonoma, Central Coast, Lodi/Delta, and Statewide

We have added a new Grand Prize category to our popular annual Crop Contest! Closest guess without going over wins a new YETI Tundra Ice Cooler. For more details and to enter your best guess in the 2016 Crop Contest, [click here](#)

THE TURRENTINE OUTLOOK, Insight into the Changing Supply Dynamics of the Wine Business

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. [More Information](#)





BULK WINE MARKET OPPORTUNITIES

AVAILABLE

- >2014/2015 CA/Lodi Cabernet Sauvignon: 32 lots
- >2015 Central Coast Pinot Noir: 14 lots
- >2015 Central Coast Chardonnay: 21 lots
- >2014/2015 CA/Lodi Zinfandel: 36 lots
- >2015 North Coast Zinfandel: 10 lots
- >2015 Paso Robles Zinfandel: 8 lots
- >2014/2015 Central Coast Merlot: 43 lots
- >2015 California Sauvignon Blanc: 5 lots
- >2012/2013 North Coast Dry Reds

NEEDED

- >2015 Napa Valley & Sonoma County Cabernet Sauvignon & Merlot
- >2015 Paso Robles Cabernet Sauvignon
- >2015 Sonoma County Chardonnay & Pinot Noir



GRAPE MARKET OPPORTUNITIES

AVAILABLE

- >Clarksburg Cabernet Sauvignon, 50 tons
- >Clarksburg Malbec, 50 tons
- >Clarksburg Tannat, 50 tons
- >Clarksburg Tempranillo, 100 tons
- >Clarksburg Teraldego, 50 tons

- >California Grenache, 100 tons
- >Lodi Sauvignon Blanc, 24 tons
- >North Coast Syrah, truckload quantities
- >North Coast Merlot, truckload quantities
- >Paso Robles Grenache, 1 Truckload
- >Paso Robles Cabernet Sauvignon, 4th leaf, rocky soil, machine picked, may consider hand-picked, 140 tons.
- >Westside Cabernet Sauvignon, will sell to multiple buyers or all volume to one buyer, 3-4 truckloads.

BULK WINE BROKERS	GRAPE BROKERS
Steve Fredricks (415) 847-0603 President Bulk Wine	Brian Clements (707) 495-8151 Vice President Grapes
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/Partner, 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>	



VISIT OUR WEBSITE

Turrentine Brokerage, 7599 Redwood Blvd., Suite 103, Novato, CA 94945