

2010 CROP OF WINEGRAPES DOWN 3%

North Coast down 5%, Central Coast up 5%, Northern Interior down 22%, Southern Interior up 5%

For Immediate Release

NOVATO, CA - February 10, 2011 – The Preliminary California Grape Crush Report released today shows the total crop of winegrapes harvested in 2010 was 3.58 million tons, down only 3% from 2009, making 2010 the third largest crop in history after 2009 and 2005.

“Perhaps the most important news for the California wine industry is that Interior region Cabernet Sauvignon production declined by almost 13,000 tons – the equivalent of almost a million cases, while sales of this value priced Cabernet Sauvignon are growing at a fast rate. Some of this shortfall is balanced by a larger crop of Cabernet Sauvignon on the Central Coast.”

- Steve Fredricks, President, Turrentine Brokerage

“The best news for the California wine business was the lighter crop of Chardonnay in the Central Valley, which was down 62,000 tons, or 10.5 million gallons. That decrease should help Chardonnay inventories move towards balance as casegoods sales continue to increase – especially at the value end of the market.”

- Brian Clements, Vice President, Turrentine Brokerage

“Overall, Chardonnay, the largest variety, was down a substantial 10% statewide in 2010 compared to 2009, which is a decrease of 12 million gallons or almost 60 million bottles (over 5 million cases). The lower yields were mostly in the areas supplying value-priced brands which are growing but face competition from low-cost imports.”

- Steve Fredricks, President, Turrentine Brokerage

“Production in the Northern Interior was down 22% compared to a record year in 2009, whereas in the Southern Interior, production increased by 5% due to maturing and newly planted acres. Demand continues to be strong for these grapes priced to produce wines below \$10 per bottle.”

- Erica Moyer, Partner/Broker, Turrentine Brokerage

“The crop of Cabernet Sauvignon grapes - the largest red wine variety - was similar in overall volume to the 2009 crop. Demand is strong for this variety in the interior and on the Central Coast, although not necessarily at sustainable prices. Inventories of bulk wine for sale are also declining. Cabernet Sauvignon in Napa Valley was a roughly average crop, which is bigger than expected. Early reports on quality are very good.”

- Brian Clements, Vice President, Turrentine Brokerage

“According to proprietary research conducted by Turrentine Brokerage, the overall inventory position of the industry is much better today than it was a year ago. Many brands have successfully paired inventories down and are now in need of wine to satisfy growing sales. Wine consumption continued to grow through the recession, but some consumers ‘traded down’ to less expensive wines. We’re starting to see those consumers trade back up – which is good news for wineries and growers.”

- Steve Fredricks, President, Turrentine Brokerage

“The North Coast region experienced a decrease of 5% in crop size overall, which was generally bigger than expected. The growing season was especially challenging in 2010, with relatively cool weather, interrupted by one intense heat spike, and then heavy rains as harvest approached.”

- Audra Cooper, Broker, Turrentine Brokerage

"While the overall industry supply position is balanced for most varieties, there continues to be some excess supply of the most expensive inventory. Many brands at higher price points have seen sales slow because of the recession. As the economy continues to recover and consumer confidence grows, the excess at the high-end is likely to disappear and eventually a shortage will develop."

- Brian Clements, Vice President, Turrentine Brokerage

"Although the winegrape crop was down statewide, we had an above average crop on the Central Coast – up 5% from average. Several red varieties were well above average, led by Cabernet Sauvignon (up 22%), Syrah (up 22%), and Merlot (up 16%). Pinot Noir was down 8% from 2009, but was by far the second largest Pinot Noir crop in history on the Central Coast, due to newly planted acres coming into production. Demand remains strong for grapes and wine on the Central Coast, however average prices are still well below the pre-recession levels.”

- Matt Turrentine, Broker, Turrentine Brokerage

“The lower crop levels are helpful to wineries at the luxury end of the wine business as they continue to balance inventories. Wineries marketing value-priced brands would have liked to see a larger crop to continue to fuel the success of wines retailing under \$10 per bottle.”

- Steve Fredricks, President, Turrentine Brokerage

About Turrentine Brokerage

Turrentine Brokerage, founded in 1973, serves as trusted and strategic advisors to growers, wineries, and financiers and specializes in the strategic sourcing of wine grapes and bulk wine from the major growing areas across the globe. Working with thousands of wineries worldwide, and with over 2,000 growers, this experienced team has negotiated transactions between buyers and sellers valued at more than \$1 billion over the past decade.

CONTACT:

Brian Clements, Vice President / Partner: (707) 495-8151 – specialty - grapes from all of California, especially Napa, Sonoma, Mendocino & Lake Counties

Steve Fredricks, President / Partner: (415) 847-0603 – specialty - grapes and bulk wine from all of California and around the world

Bill Turrentine, Chairman / Partner: (415) 209-9463 – specialty - grapes and bulk wine from all of California and economic analysis

Erica Moyer, Broker / Partner: (209) 988-7334 – specialty – grapes from the San Joaquin and Sacramento Valleys and the Central Coast

Matt Turrentine, Grape Broker: (805) 312-1828 – specialty – grapes from the Central Coast.