




FOR IMMEDIATE RELEASE

2017 California Winegrape Crushed 4M Tons

(February 9, 2018, San Rafael, CA) – The California Department of Food and Agriculture Preliminary Grape Crush Report was released today. The information provided in this report gives understanding for the California wine and grape industry professionals. Information provided in this preliminary report shows the California Grape Crush Report crushed 4.007M tons. The report also reveals the overall crush was up less than 1% from the 2016 harvest, and the average winegrape price was up 1.5% to \$775.09/ton. A more in depth look shows that Cabernet Sauvignon, Pinot Noir, Pinot Gris had their largest crushes ever.

Ciatti’s experienced brokers will be available for further details, comments & analysis on the 2017 California Grape Crush Report. Please call 415-458-5150.

 CIATTI GLOBAL WINE & GRAPE BROKERS	2016 Tons	2017 Tons	16-17% Δ	2016 Prices	2017 Prices	16-17% Δ
Red Wine	2,280,155	2,242,983	-1.6%	\$944	\$993	5.1%
White Wine	1,751,416	1,764,152	0.7%	\$619	\$596	-3.6%
Chardonnay	675,966	613,990	-9.2%	\$939	\$971	3.4%
Pinot Gris	243,742	252,393	3.5%	\$595	\$581	-2.4%
Riesling	41,275	37,220	-9.8%	\$736	\$746	1.4%
Sauvignon Blanc	107,734	106,487	-1.2%	\$1,052	\$1,101	4.6%
Cabernet Sauvignon	566,487	599,833	5.9%	\$1,501	\$1,568	4.5%
Merlot	268,762	254,958	-5.1%	\$802	\$802	0.0%
Petite Sirah	105,042	97,362	-7.3%	\$1,025	\$1,018	-0.7%
Pinot Noir	254,192	262,590	3.3%	\$1,851	\$1,929	4.2%
Syrah	108,407	100,210	-7.6%	\$788	\$831	5.5%
Zinfandel	416,648	364,188	-12.6%	\$641	\$622	-3.0%
Totals Statewide	4,031,571	4,007,136	-0.6%	\$806	\$820	1.8%

Quotes provided by Ciatti Global Wine & Grape Brokers

- 1) The demand continues for Pinot Noir in all districts not only in grapes, but bulk wine too. The California Crush Report confirms that Pinot Noir grew 8,398 tons, the equivalent of 545,870 cases. This increased case load is moving freely through sales channels.

- 2) After four years of vineyard replanting and new vineyards developments around the state, the 2017 Cabernet Sauvignon harvest at 599,833 tons reveals that this variety will only continue to grow. The premium coastal regions dominated in the percentage increase 9.7% versus the Valley.
- 3) Coming into August 2017 the crop was looking average or better than crop estimates, but continuous days of extreme heat contributed to a light crop. This is most evident is in Chardonnay tonnages from the Lodi down 18%, Modesto down 15%, and Fresno down 6% from the 2016 vintage.
- 4) In 2017 the state recorded its second lightest Zinfandel crop in recent years down 13% overall to a total of 364,188 tons. Although 90% of the total production comes from the interior regions almost all areas saw a decrease in tons. Madera/Fresno who's crop is almost entirely destined for a struggling white zin market dropped for the second year in a row to a total of 142,302 tons (-11%). Demand for red Zinfandel was also lagging with most of the state's production coming from Lodi which totaled 124,181 tons, the largest decrease down 15%. Zinfandel appears to be losing acreage due as it struggles with profitability.
- 5) As expected the average price per ton price for Cabernet Sauvignon is going up in Sonoma & Napa, 1.8% and 7.7% respectively. A major driver for the price increases can be contributed to long term grape contracts to securing premium wine supply.
- 6) The San Luis Obispo (Paso Robles) / Santa Barbara 2017 tonnage increased 15.2%, the equivalent of 683,540 cases. All indications point to non-bearing acres coming into production.
- 7) Chardonnay has not seen an increase in bearing acres for the last 10 years, holding strong at 91,300. There are 3,200 non-bearing acres poised to come on line soon though. Chardonnay saw a price increase of 11% from 2015 to 2016, and the price has risen another 4% to \$921.77 per ton in 2017. Thriving brands and Coastal wineries looking to ameliorate cost of expensive Coastal fruit as way to reduce cost and improve margins.
- 8) The last two vintages have seen historic highs on both grape and bulk wine prices on most all varietals in Coastal appellations. Given that the 2017 harvest yielded about in line with a 5 year average of 4M tons, there may not be the price relief if we had seen a bigger vintage. This will force certain wineries and brands to seek alternative sourcing from new appellations in order achieve a sustainable margin.
- 9) In 2017 Bulk imports are up 26%, and imported case goods are up 4%, 2017 interior grape prices increased approximately 2% and interior tonnages decreased approximately 1% from 2016, the door opens wider for imports.

About CIATTI GLOBAL WINE & GRAPE BROKERS

The Ciatti Company is the world's largest and most comprehensive bulk wine and grape brokerage. Aside from its home base in San Rafael, California, seven additional offices around the world provide clients the kind of information and intelligence that today's competitive global wine industry demands.

The company, founded in 1972, has deep roots in the wine industry, both in California and the countries in which the company operates. The current partnership includes industry professionals with over 135 years of collective experience including: John Ciatti, Greg Livengood, Glenn Proctor, John White, Chris Welch and Steve Dorfman.

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