

Preliminary Winegrape Crush Report is 4.007 Million Tons

by Turrentine Brokerage
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For Immediate Release

Novato, CA – The California Department of Food and Agriculture’s *Preliminary Grape Crush Report* for 2017 has been released. It is a critical barometer for the wine and grape industry, containing tons crushed and prices of wine grapes sold during the 2017 harvest. The *Crush Report* provides growers and wineries insight into the inventory position for the California wine business as a whole, and influences market dynamics for the current bulk wine market as well as the upcoming 2018 harvest.

Key Insights by Region

	Tons Crushed 2017	Tons Crushed 2016	Net Gain/Loss	Equivalent Gallons	% Change	2017 %Δ to 5Y Avg
North Coast	482,509	511,970	(29,461)	(4,861,000)	-6%	-9%
Central Coast	540,727	509,728	30,999	5,115,000	6%	5%
Northern Interior	976,217	1,031,577	(55,360)	(9,134,000)	-5%	3%
Southern Interior	1,978,607	1,922,764	55,843	9,214,000	3%	1%

	Tons Crushed 2017	Tons Crushed 2016	Net Gain/Loss	Equivalent Gallons	% Change	2017 %Δ to 5Y Avg
Chardonnay	613,990	675,885	(61,895)	(10,213,000)	-9%	-13%
Cabernet Sauvignon	599,833	566,574	33,260	5,488,000	6%	17%
Pinot Noir	262,590	253,995	8,595	1,418,000	3%	10%
Merlot	254,958	268,969	(14,011)	(2,312,000)	-5%	-14%

Zinfandel	364,188	416,615	(52,427)	(8,651,000)	-13%	-12%
Pinot Grigio	252,394	243,736	8,658	1,429,000	4%	28%

General/Statewide

“Mother Nature was the equalizer in the 2017 grape crush. The year began with bountiful rainfall, but was followed by scorching heat in June and Labor Day, only increasing the overall crush by 25,000 tons from the 2016 harvest. Had California not experienced such extreme and extended heat in June and September, California could have set a record crush.” -Erica Moyer, Grape Broker & Partner, Turrentine Brokerage

“In 2017, the wildfires in Northern and Southern California were big news throughout the world. Lives were lost, lives were changed and many structures destroyed. They were truly horrible events to those affected. Fortunately, for the California wine business nearly all the grapes were harvested before the fires started having very little effect, if any, on 2017 wine quality.” -Brian Clements, Vice President & Partner, Turrentine Brokerage

“The overall Chardonnay crop is the smallest since 2011, 614,000 tons down 9% from the previous year and down 13% from the 5 year average, most likely keeping the market for grapes and bulk wine steady.” -Steve Fredricks, President & Partner, Turrentine Brokerage

“Cabernet Sauvignon statewide was up 6% over the previous year; largely contributed by new plantings over the past five years in the coastal regions. Had it not been for the heat waves that rocked the state over Labor Day this crop could have been even larger.” -Audra Cooper, Grape Broker & Partner, Turrentine Brokerage

North Coast

“As we expected, most district average prices for popular varieties have experienced increases that continue to set records throughout Napa and Sonoma. Even with the increases, we are currently experiencing an active spot market for those same varieties in the first quarter of 2018.” -Brian Clements, Vice President & Partner, Turrentine Brokerage

“The Sonoma County Chardonnay crop yielded 60,919 tons in 2017. Which was down 19% from the 2016 crop and the lowest amount of tons produced there since 2011.” -Mike Needham, Grape Broker & Partner, Turrentine Brokerage

“As Turrentine Brokerage projected, due to seasonal events, the 2017 Napa Valley Chardonnay crop was down 21% to 20,596 tons from 2016 which is the lowest tonnage in two decades. The bulk wine and grape markets continue to be very active.” -Brian Clements, Vice President & Partner, Turrentine Brokerage

“District average pricing for Sonoma County Chardonnay set another record at \$2,316/ton, and the tons were down 19% (61,000 tons); which is a challenging situation for both buyers and sellers, as evidenced by the active market for bulk wine and 2018 grapes.” -Brian Clements, Vice President & Partner, Turrentine Brokerage

“District average pricing for Napa Valley Cabernet Sauvignon has been steadily increasing since 2010. The 2017 district average price was \$7,421 which was an increase of 7% from 2016 and the crop was similar to last year. Demand continues to drive the luxury end of the market and Napa Valley Cabernet Sauvignon continues to be the most expensive Cabernet Sauvignon anywhere in California.” -Mike Needham, Grape Broker & Partner, Turrentine Brokerage

“With new acres coming into production, Lake County Cabernet Sauvignon produced 19,737 tons in 2017 which is a 26% increase in tonnage from 2016 and a 41% increase in production over the five-year average.” -Mike Needham, Grape Broker & Partner, Turrentine Brokerage

“The 2017 Sonoma County Pinot Noir crop was up 1% over 2016 to 42,969 tons. The crop, most likely, would have been larger if it wasn't for seasonal factors during the growing season. The district average price of \$3,904/ton which is up 7% from 2016 sets another record in 2017. While good news for growers, this puts financial pressure on wineries and their case good programs.” -Brian Clements, Vice President, Turrentine Brokerage

Central Coast

“For the second year in a row, the total crop of Cabernet Sauvignon in District 8, of which is largely from Paso Robles, saw a record crop of 79,516 tons, a 15% increase from 2016 and a whopping 51% over the five year average. The increase in supply will give ample opportunity for growing and developing brands.” -Audra Cooper, Grape Broker & Partner, Turrentine Brokerage

“District average price for most major varieties in District 8 increased, which is confusing to what actually occurred on the spot market. This past year was the tale of two markets, the first half of the calendar year experienced strong pricing, and as the season progressed, spot market prices decreased for almost all varieties in this district.” -Audra Cooper, Grape Broker & Partner, Turrentine Brokerage

“Grenache and Syrah going into Rosé wine programs have been on the rise over the past three vintages. With strong demand, availability of inventory has been tight for growing and new emerging programs. Mother Nature and new plantings coming into production helped remedy this by giving the Central Coast a larger crop, an increase of 4.2% in fact.” -Audra Cooper, Grape Broker & Partner, Turrentine Brokerage

“Both Pinot Noir and Chardonnay in District 8 experienced strong demand and a slightly lighter crop than last year, with both being down 3% from 2016. District average prices reflected a lack of significant change and signifies the stability of the grape market in San Luis Obispo and Santa Barbara Counties for these varieties.” -Audra Cooper, Grape Broker & Partner, Turrentine Brokerage

“District average prices bumped up in District 7, Monterey and San Benito Counties, for Chardonnay and Pinot Noir. Chardonnay rose 3% and Pinot Noir rose by 4%. Even with the extreme heat during Labor Day, Chardonnay experienced an increase total tons of 7% and Pinot Noir, remained basically the same as 2016 with, up only 1%, or 378 tons.” -Erica Moyer, Grape Broker & Partner, Turrentine Brokerage

Lodi & Interior

“The two periods of extended and extreme heat, in June and Labor Day, adversely impacted Chardonnay and Cabernet Sauvignon in the Lodi/Delta regions, reducing tonnage on Chardonnay by 17%. Even with new acres coming into production, the total tons of Lodi Cabernet Sauvignon crushed was below 2016 by 1% or 1,915 tons. It is important to note that the Lodi/Delta regions are the largest crush districts for

Chardonnay and Cabernet Sauvignon in California.” -Erica Moyer, Grape Broker & Partner, Turrentine Brokerage

“Lodi Zinfandel, feeling the pain of pressure from new acres of premium red blenders and a declining category, experienced a decline of price of 12% from \$735 per ton to \$650 per ton.” -Erica Moyer, Grape Broker & Partner, 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 \$2 billion over the past decade.

Turrentine Brokerage is available to provide comment and analysis on this report and its probable impact on growers, wineries and consumers. Turrentine Brokerage will have its experienced team of grape and wine brokers and analysts available all-day Friday, February 9th and throughout the following week for comment and questions.

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