

**A**  
Allied

**G**  
Grape

**G**  
Growers

# "State of the Industry"

California Grape Supply  
and the Winegrape Market-  
What to expect as we move forward...

Jeff Bitter  
February 8, 2023

**A**  
**Allied**

**G**  
**Grape**

**G**  
**Growers**

**Board of Directors**

**Chairman of the Board**  
Michael Naito,  
Madera/Kerman

**Vice Chairman**  
Paul Lanfranco,  
Kerman/Biola

**Secretary**  
Jeff Cederlind, Turlock

**Treasurer**  
Timothy Norgard, Ukiah

**Directors**  
Roland Hatterle, Lodi  
Brian Capp, Napa/Solano  
Ralph Olson, Easton

**Staff**

**President**  
Jeff Bitter

**Directors & Managers**  
Chad Clark,  
North Coast Director

Karl Lehman,  
Central Valley Director

Irene Ybarra  
Accounting &  
Administration Manager

Kevin Rogers  
North Coast Manager

Kyle Collins,  
North Valley Manager

Michael Haddox  
Central Coast Manager

**Field & Administration Support**

Alesia Zion  
Accounting & HR

Pam Bond,  
North Coast

Joe Osterman  
North Valley

Ed Nikssarian  
Central Valley

Tim Mendonca  
Central Valley

Marcia Silva  
Administration

**Main Office:**  
(559) 276-7021



**Winter Report - 2023**

**Apprehension**

According to *Oxford Languages* (Google's on-line dictionary), the definition of the word apprehension is "anxiety or fear that something bad or unpleasant will happen." Interestingly, this word is one we have been using to describe the actions (or lack thereof) of most grape buyers contemplating future grape purchases since the end of the 2022 harvest.

In 2021, it seemed that the second the last grape was delivered, wineries throughout the state were tripping over themselves to procure supply for 2022 and beyond. We negotiated (and renegotiated) hundreds of grape purchase agreements starting in November of 2021, with sales activity remaining strong throughout the winter and into the spring of 2022. The 2022 grape market ended up cleaning up very nicely for almost 100 percent of the varieties and regions, stimulated by the April frost and that horrendous heat wave the week of Labor Day.

Grape buyer attitudes this post-harvest have exhibited much more, well..... apprehension. Why the apprehension all the sudden? What exactly are the buyers anxious about or fearful will happen to them that is bad or unpleasant? Given the state of the economy, there's likely a number of things that are on their minds when it comes to market stability. We know the majors: inflation, recession, interest rates and generally waning consumer confidence over the last year.

On top of that, we have "state of the wine world" issues regarding grape/wine supply and demand. The majors here are the strength of the U.S. dollar, the China/Australia debacle, Europe's ever-declining consumption and South America's current hunger to dump red wine. And then we consider the "state of the consumer." The majors here are no alcohol/low alcohol trends, alternative drinks preferences, dominating spirits categories, and an "indifferent-to-wine" Gen Z and younger Millennial crowd (ages 21 to mid-30s).

Failing to provide any tailwind, 2022 California wine shipments were flat - again. That means the only way to grow in this environment is to steal someone else's share. It's harder to take something from someone than it is to grow along side them. Throw the never-forecasted-to-end war in Ukraine as some icing on the headwind-cake and suddenly the newly developed apprehension posture seems a bit more understandable.

Most of these same challenges (or threats) actually existed a year ago, but somehow today it feels more unstable. The biggest factor contributing to buyer apprehension may be something that wasn't even mentioned in the laundry list of factors that's grape price.

# Definition of Apprehension

**A**

**Allied**

**G**

**Grape**

**G**

**Growers**

"Anxiety or fear that something bad or unpleasant will happen"

# Why Apprehension?

- Economic Pressures
  - ✓ Interest Rates
  - ✓ Inflation (increasing costs)
  - ✓ Recession Potential
  - ✓ Waning Consumer Confidence

**A**

**Allied**

**G**

**Grape**

**G**

**Growers**

# Why Apprehension?

- Global Pressures
  - ✓ Strength of US Dollar
  - ✓ Declining World Consumption
  - ✓ "Long" Southern Hemisphere
  - ✓ Conflict in Ukraine

**A**

**Allied**

**G**

**Grape**

**G**

**Growers**

# Why Apprehension?

- Consumer/Beverage Market Pressure
  - ✓ No/Low Alcohol Popularity
  - ✓ Alternative Drink Options
  - ✓ Demographic/Generational Concerns
  - ✓ Lack of Industry Growth (Volume)

**A**

**Allied**

**G**

**Grape**

**G**

**Growers**

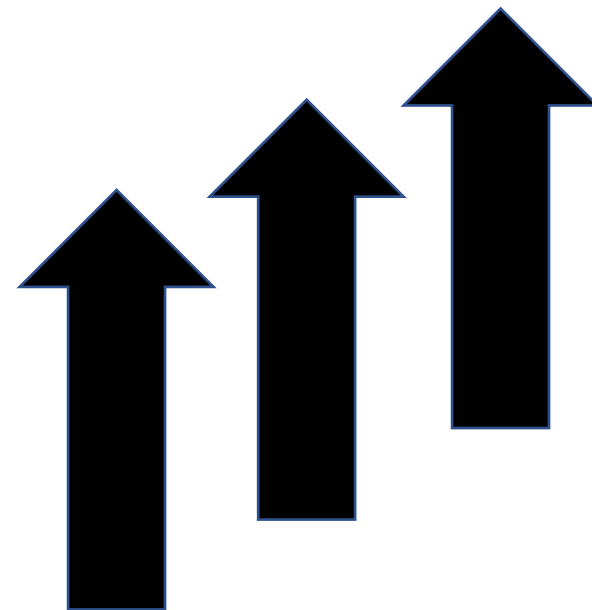
# Why Apprehension?

**A**  
Allied

**G**  
Grape

**G**  
Growers

Grape Prices Are



...and supply is generally tighter

# Why Apprehension?

**A**

**Allied**

**G**

**Grape**

**G**

**Growers**

and also, there's the news.....



Home / News / Wine News / US Wine Market Flattens Out

# US Wine Market Flattens Out

SECTIONS CITIES

BOOZE | JANUARY 18, 2023 11:35 AM

## Younger People Are Making Wine According to a New Survey

Gen Z and Millennials

US wine sales figures show that younger drinkers still make up a significant portion of the market.

W. Blake Gray

# The Wine Industry's Economic Challenges

## Exploring the Impact of Inflation and Market Changes

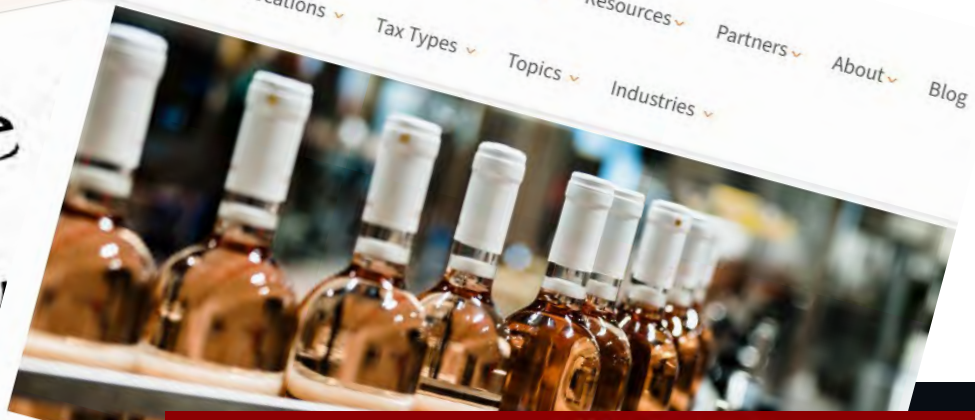


E-Edition News Obituaries

JUST IN



Share: Gail Co



NEWS

## What Can You Expect from Wine in 2023?

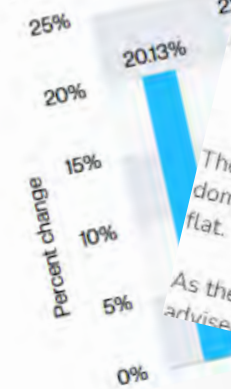
Wines sales are slowing; the big question is how long the dip will last.

What will wine offer in 2023? Sales are slowing, but inflation is still a concern.

## Wine Consumption in the US

January 19, 2023 | Filed under Daily Data | Post

Figure 13: Change in US Wine Consumption



The total U.S. wine market is likely to see a decline in domestic wines gaining a little more market share.

As the ongoing fight for market share continues, wineries are advised to be pragmatic in their growth strategies.

## Economic, Labor Shortages Heighten Market Challenges

by Andrew Adams  
Jan 10, 2023

# Wine's Decline: Marketing Idiots or Something Else?

Thoughts on the new "State of the Industry" Report and the youngsters that hate wine



...y sources

So, there's lots of  
"glass-half-empty"  
talk these days...

**A**  
Allied

**G**  
Grape

**G**  
Growers

# Wine Market

**A**  
**Allied**

**G**  
**Grape**

**G**  
**Growers**

- Lots of data out there; don't be confused by terms:
  - "U.S. wine market" (often includes imports)
  - "Wine" shipments (might include sake, cider, flavored, etc.)
  - "California winery" (could include foreign sourced wine)
- Volume stable, but value is up (Premiumization)
- Channel shifting back to "on-premise" increases value
- Highest end of the market continues to perform strong
- "Middle market" very crowded and VERY competitive
- 11K+ Wineries, 25K+ brands & 300K+ SKUs estimated in US
- Anything below \$11/bottle is continuing to decline
- DTC has been off lately but on track with multi-year growth

What's been securing  
supply/demand stability?

Three short crops

**A**  
**Allied**

Anchoring pessimism regarding weather/perils

Modest planting rates

**G**  
**Grape**

"Reduced" impact from imports

More contracted grapes, less on spot market

**G**  
**Growers**

Common Theme: Supply Limitation

.....And what's threatening supply/demand stability today?

Economic uncertainty

**A**  
Allied

Global competition/pressure of various kinds

**G**  
Grape

No material proof of a growing consumer base

**G**  
Growers

"Under-performance" of the largest wineries

Common Theme: Demand Pessimism

**A**  
**Allied**

**G**  
**Grape**

**G**  
**Growers**

The current state of our grape market is a function of challenged demand being offset by limited supply.

Moving into the data.....

Annual Nursery Survey Review

**A**  
Allied

and

**G**  
Grape

Vineyard Removal Estimates

**G**  
Growers

# Nursery Survey Participants



Wonderful  
nurseries™



**A**  
Allied



**G**  
Grape



**G**  
Growers





## 2023 Survey of Grapevine Nurseries

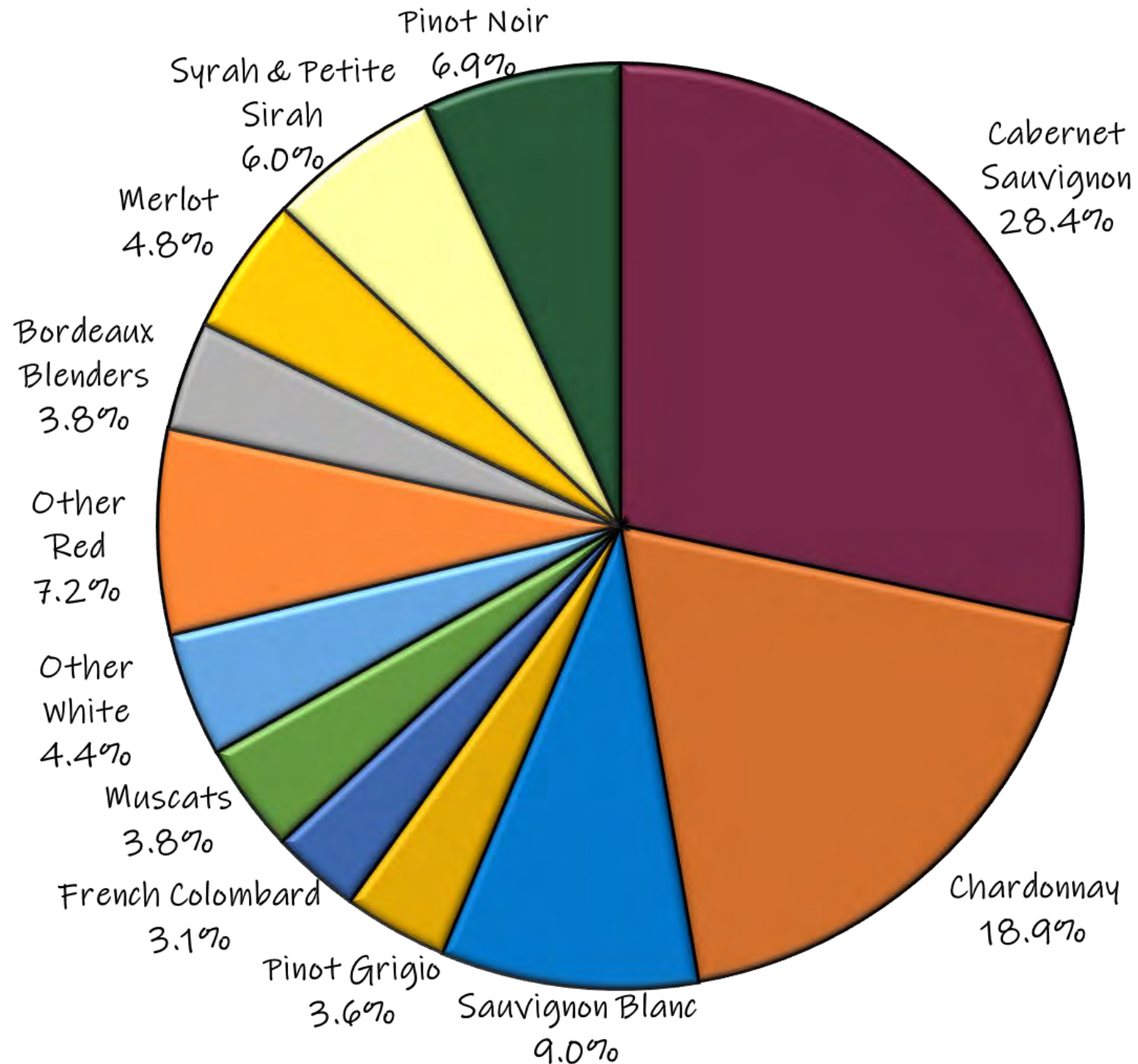
**A**  
**Allied**

11 nurseries  
18 million vines sold  
20,000 acres planted

**G**  
**Grape**

Chart shows  
percentage  
of all vines sold,  
by variety/category

**G**  
**Growers**



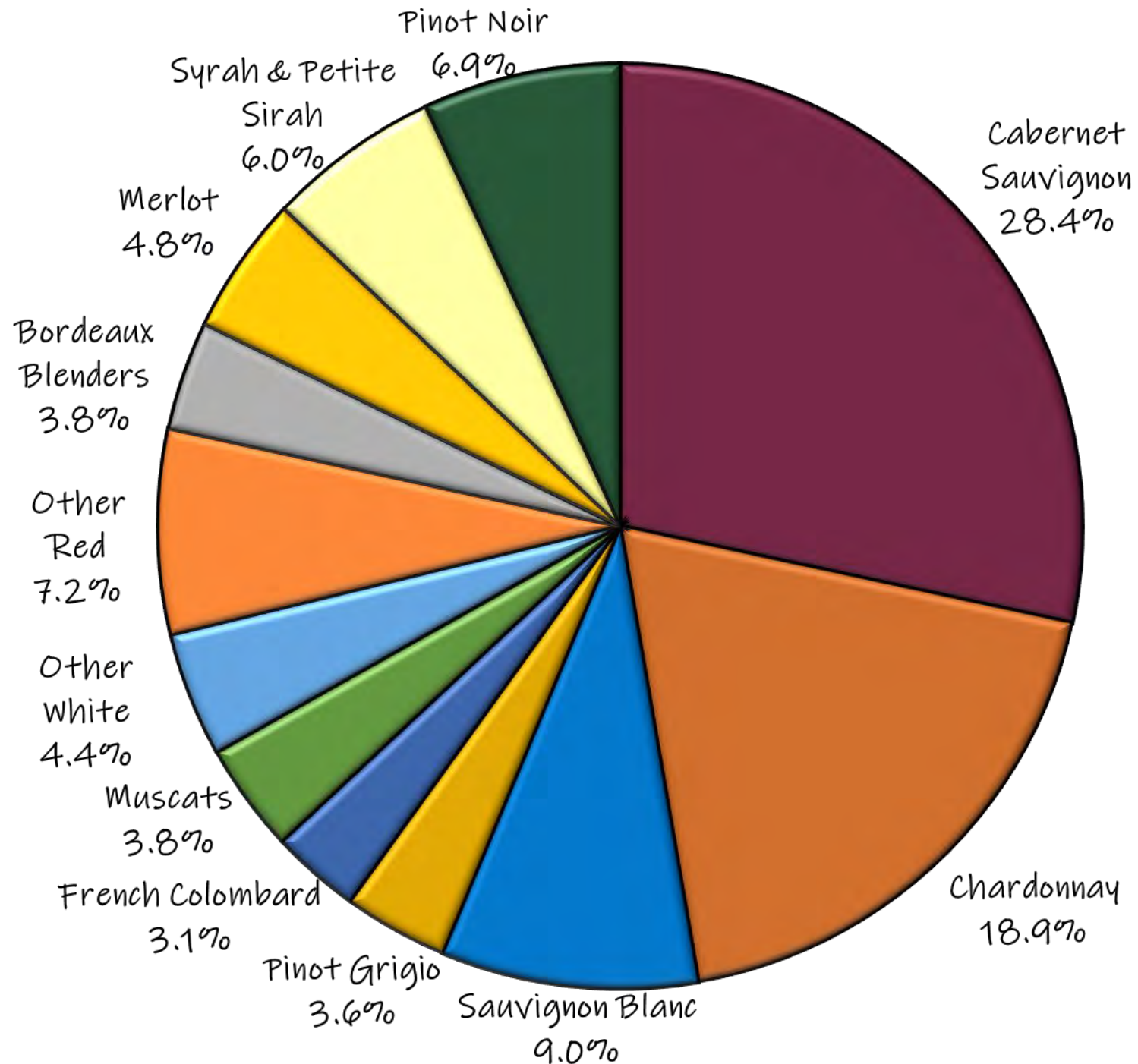
## 2023 Survey of Grapevine Nurseries

- 43% White, 57% Red
- Cabernet Sauvignon and Chard still King & Queen
- Pinot Noir pulls back significantly once again
- Merlot, Syrah and Petite Sirah plantings continue to be relatively strong
- SB planting increases significantly again, more than doubling in 2022

**A**  
**Allied**

**G**  
**Grape**

**G**  
**Growers**



**A**  
**Allied**

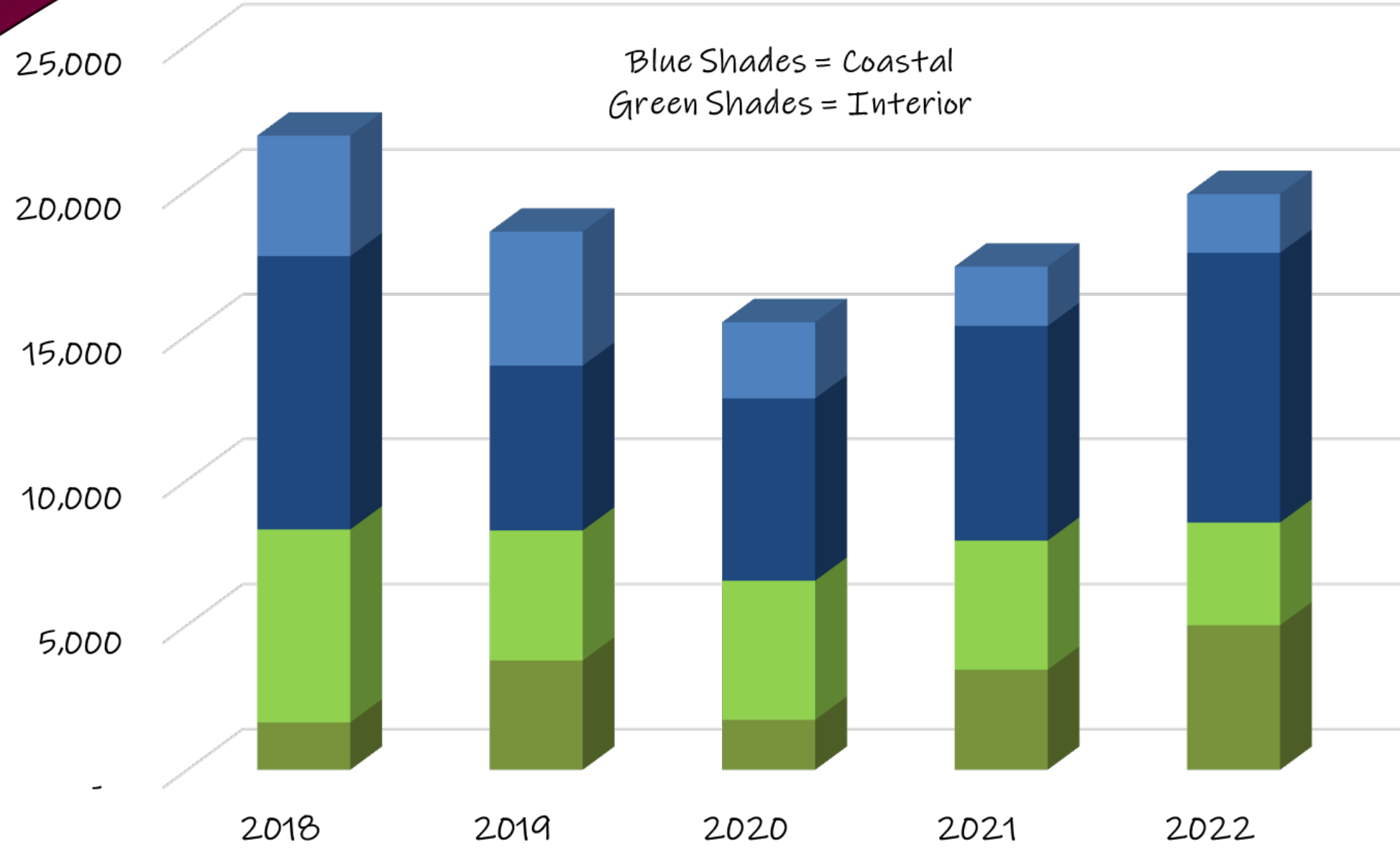
**G**  
**Grape**

**G**  
**Growers**

2022  
Plantings as a  
percentage of  
bearing acres,  
by variety  
and category

	<b>Acres Planted 2022</b>	<b>% of Bearing 2021</b>
Chardonnay	3,868	3.8%
Sauvignon Blanc	1,744	8.4%
Muscats	958	6.6%
French Colombard	784	3.3%
Pinot Grigio	886	2.9%
Cabernet Sauvignon	5,043	4.5%
Bordeaux Blenders	592	4.0%
Syrah & Petite Sirah	1,263	3.8%
Pinot Noir	1,308	2.6%
Merlot	995	2.5%
Zinfandel	569	1.2%
Rubired	19	0.1%
All Others	1,835	2.9%

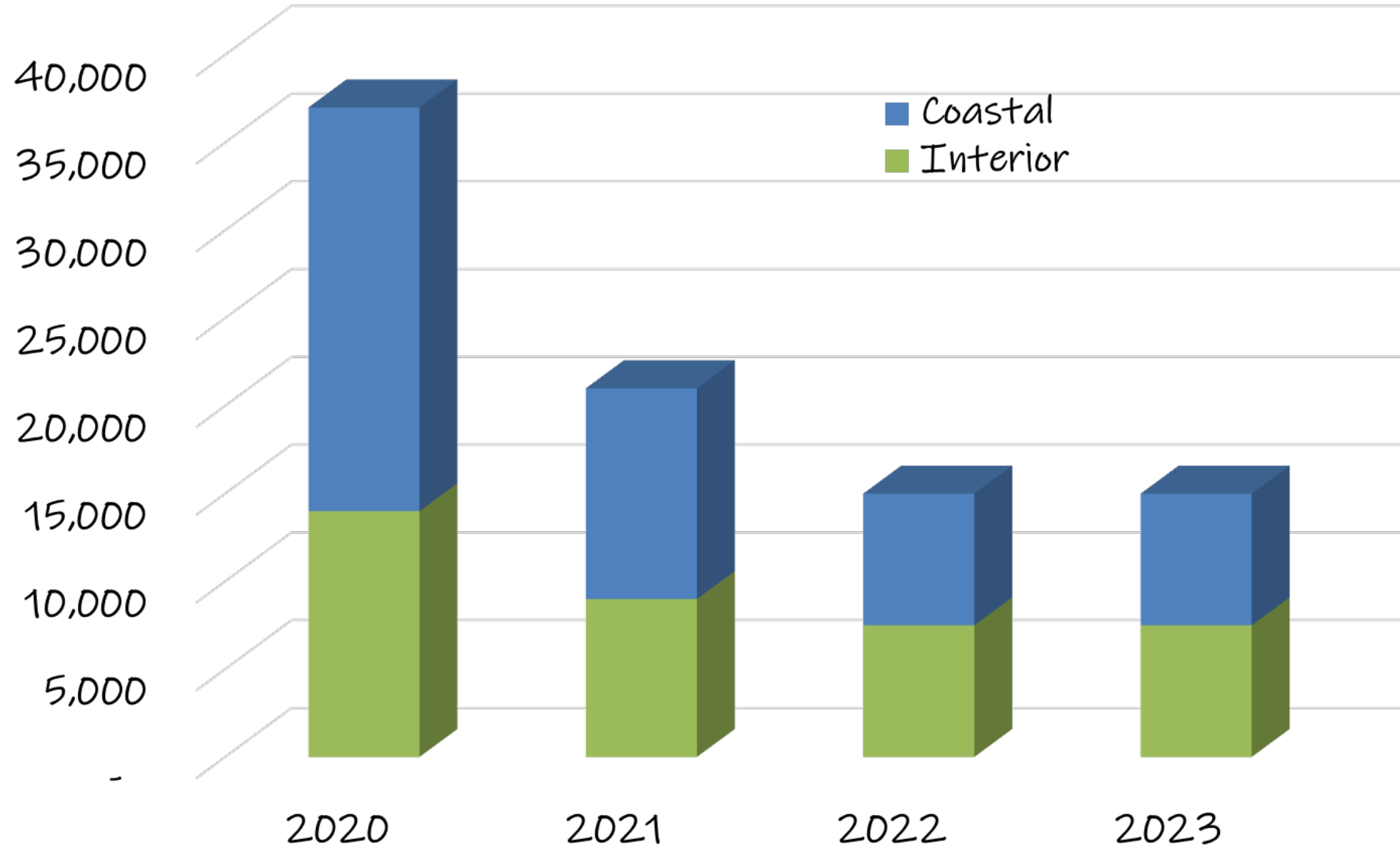
Estimated Categorical Breakdown of Winegrape Acres Planted



**A**  
**Allied**  
**G**  
**Grape**  
**G**  
**Growers**

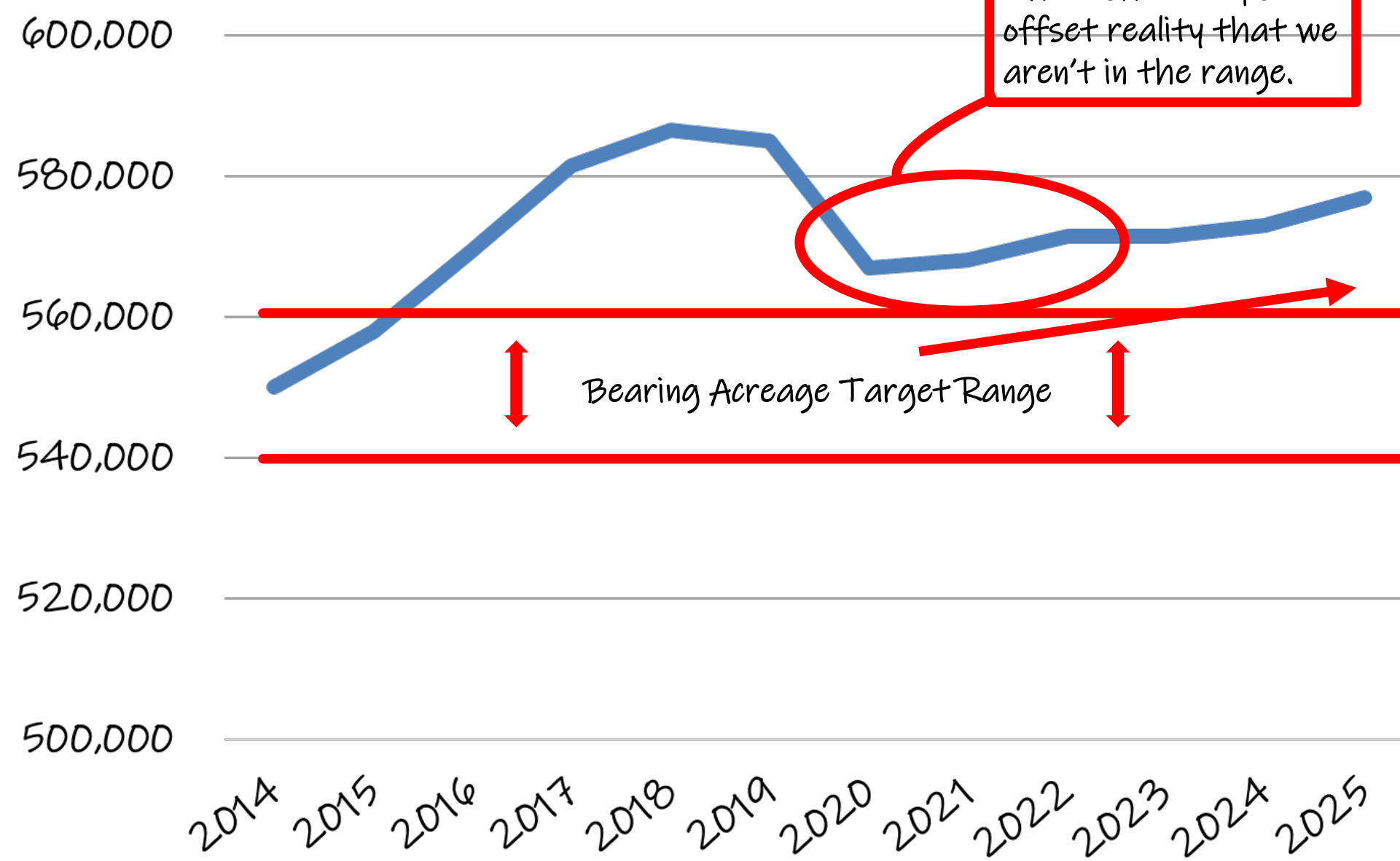
Retail bottle price segment    ■ <\$6    ■ \$6-11    ■ \$11-25    ■ >\$25

# Estimated/Forecasted Pre-harvest Vineyard Removals, 2020-2023 (In Acres)



**A**  
**Allied**  
**G**  
**Grape**  
**G**  
**Growers**

# Estimated/Forecasted Bearing Winegrape Acres CALIFORNIA



**A**  
**Allied**  
**G**  
**Grape**  
**G**  
**Growers**

Three short crops offset reality that we aren't in the range.

Bearing Acreage Target Range

**A**  
**Allied**

**G**  
**Grape**

**G**  
**Growers**

*California  
Production  
& Yield*

Crop Year	California Winegrape Tons Crushed/Estimated	Estimated California Bearing Winegrape Acres	Estimated Winegrape Tons/Acre
2014	3,894,397	550,000	7.1
2015	3,704,571	558,000	6.6
2016	4,031,147	569,500	7.1
2017	4,015,792	581,500	6.9
2018	4,281,112	586,500	7.3
2019*	3,890,253	585,000	7.0
2020*	3,410,886	567,000	6.6
2021	3,631,749	568,000	6.4
2022 Est.	3,714,750	571,500	6.5
2023 Est.	4,000,500	571,500	7.0
2024 Est.	4,011,000	573,000	7.0
2025 Est.	4,039,000	577,000	7.0

\*2019 & 2020 yields estimated due to grapes left unharvested

**A**  
**Allied**

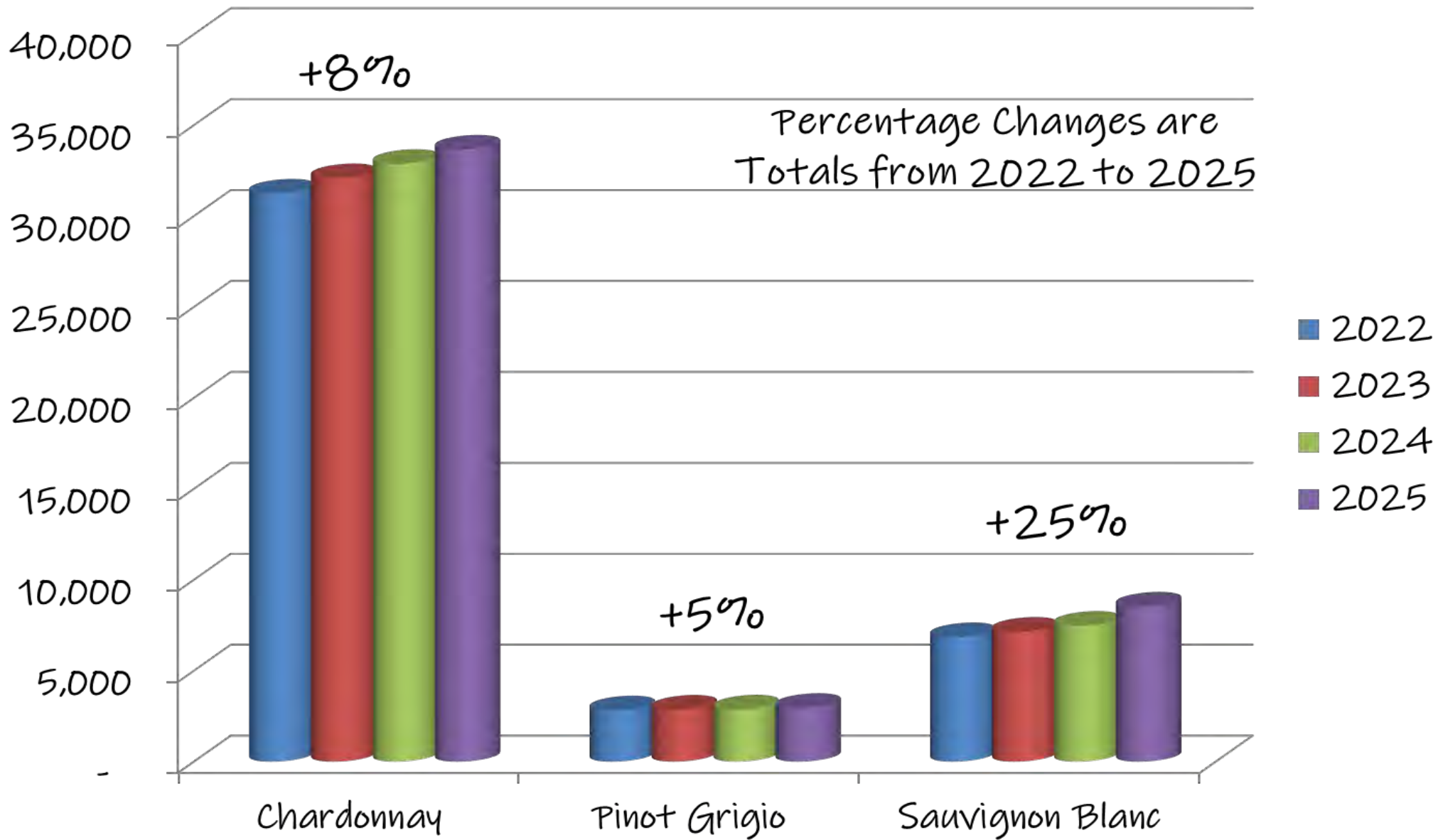
**G**  
**Grape**

**G**  
**Growers**

Forecasted Bearing Acres,  
by Variety and Price Point.....

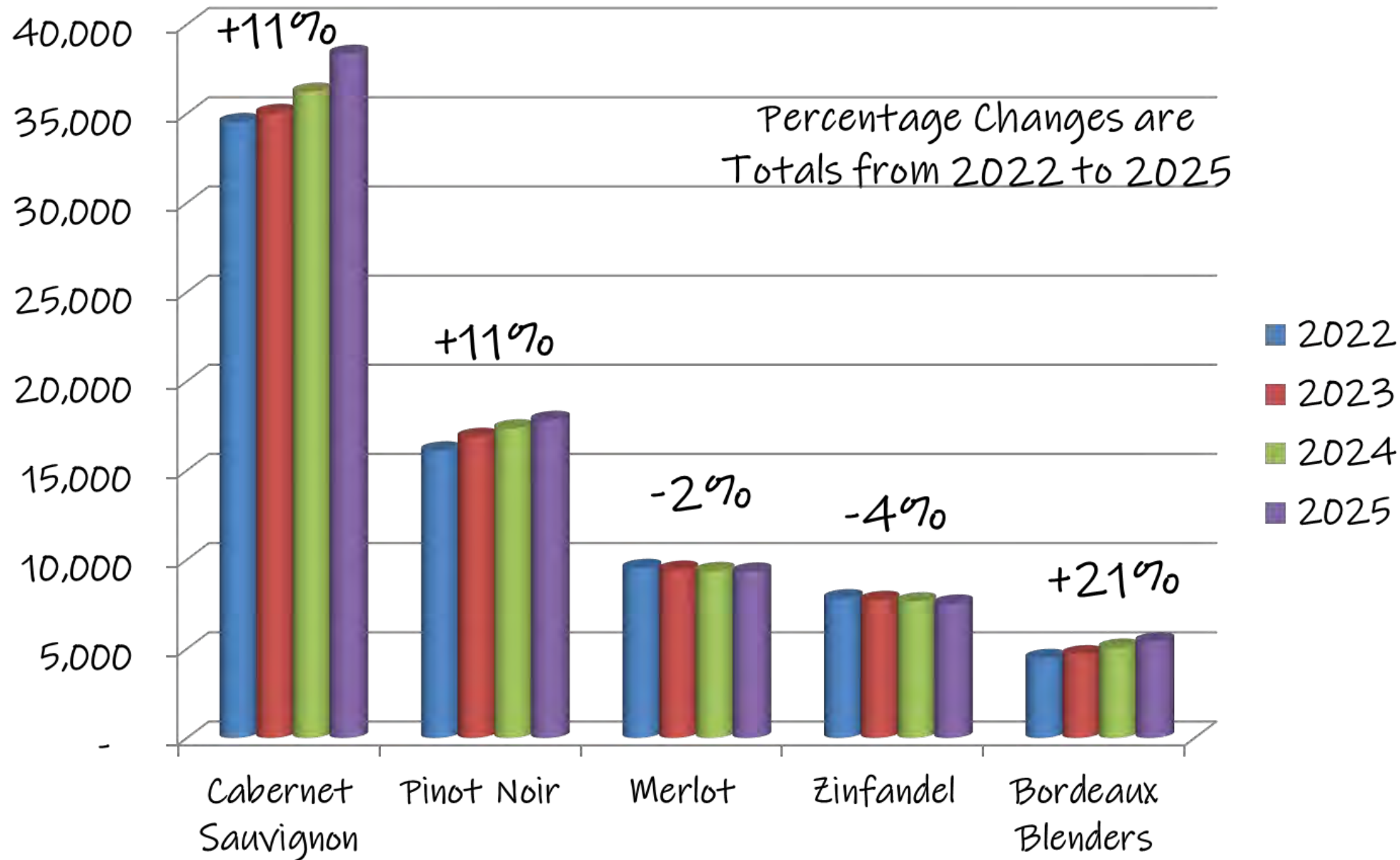


### Estimated California White Winegrape Bearing Acreage (for regions likely producing wines \$11-25/bottle)



**A**  
**Allied**  
**G**  
**Grape**  
**G**  
**Growers**

Estimated California Red Winegrape Bearing Acreage  
(for regions likely producing wines \$11-25/bottle)



**A**  
**Allied**

**G**  
**Grape**

**G**  
**Growers**

# Comments and Considerations

For Regions Likely Producing Grapes for Wines \$11-25

- ✓ Continuing opportunities exist to provide lower cost supply for wineries producing wines >\$25
- ✓ Simultaneous growth in supply and demand can create imbalance, making for unpredictable markets
- ✓ With Pinot Noir widely felt to be in oversupply, focus shifts back to Cabernet Sauvignon, Chardonnay and now Sauvignon Blanc
- ✓ Vineyard expansion continues to be mostly tied to private investment money and wineries, but not independent growers

**A**

**Allied**

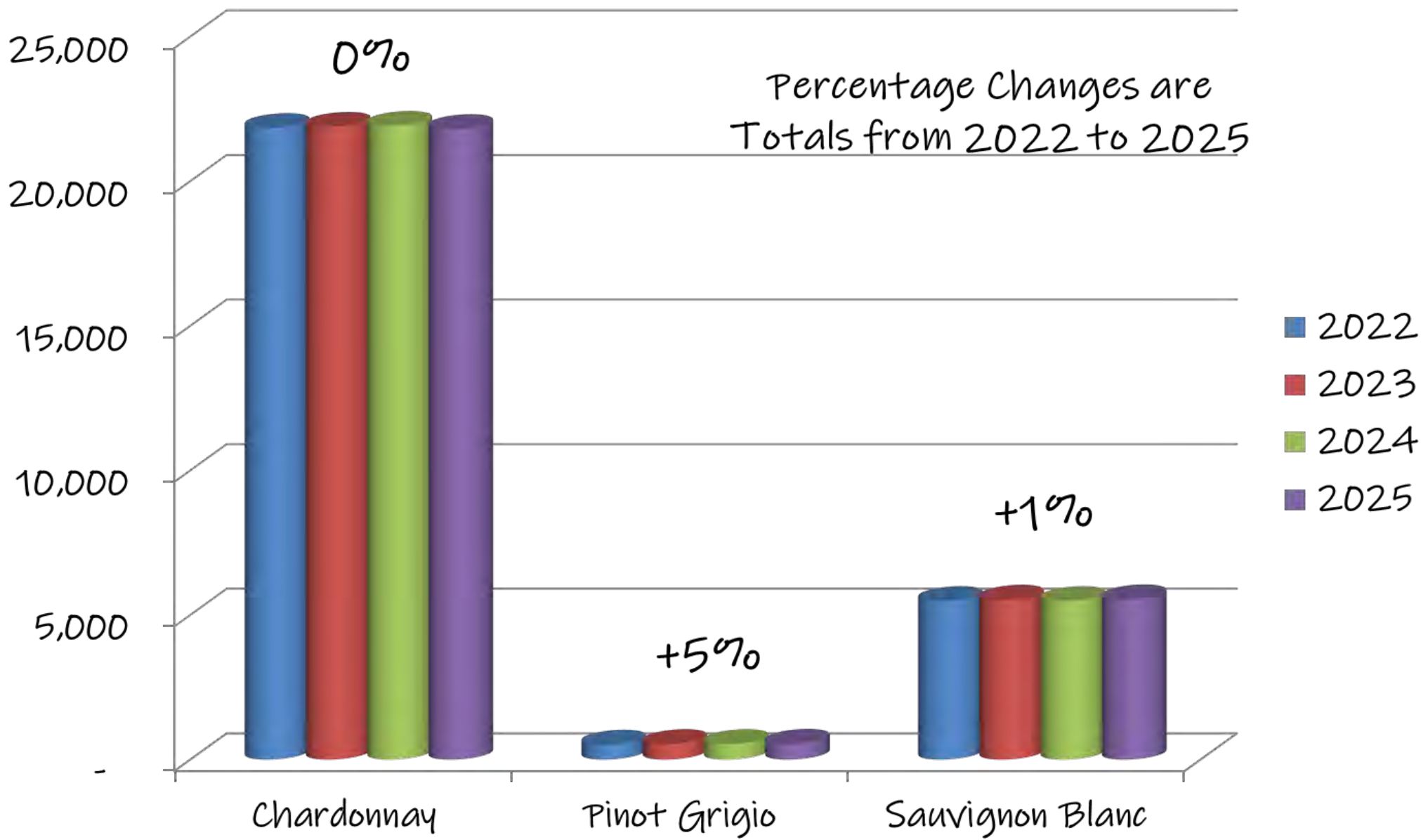
**G**

**Grape**

**G**

**Growers**

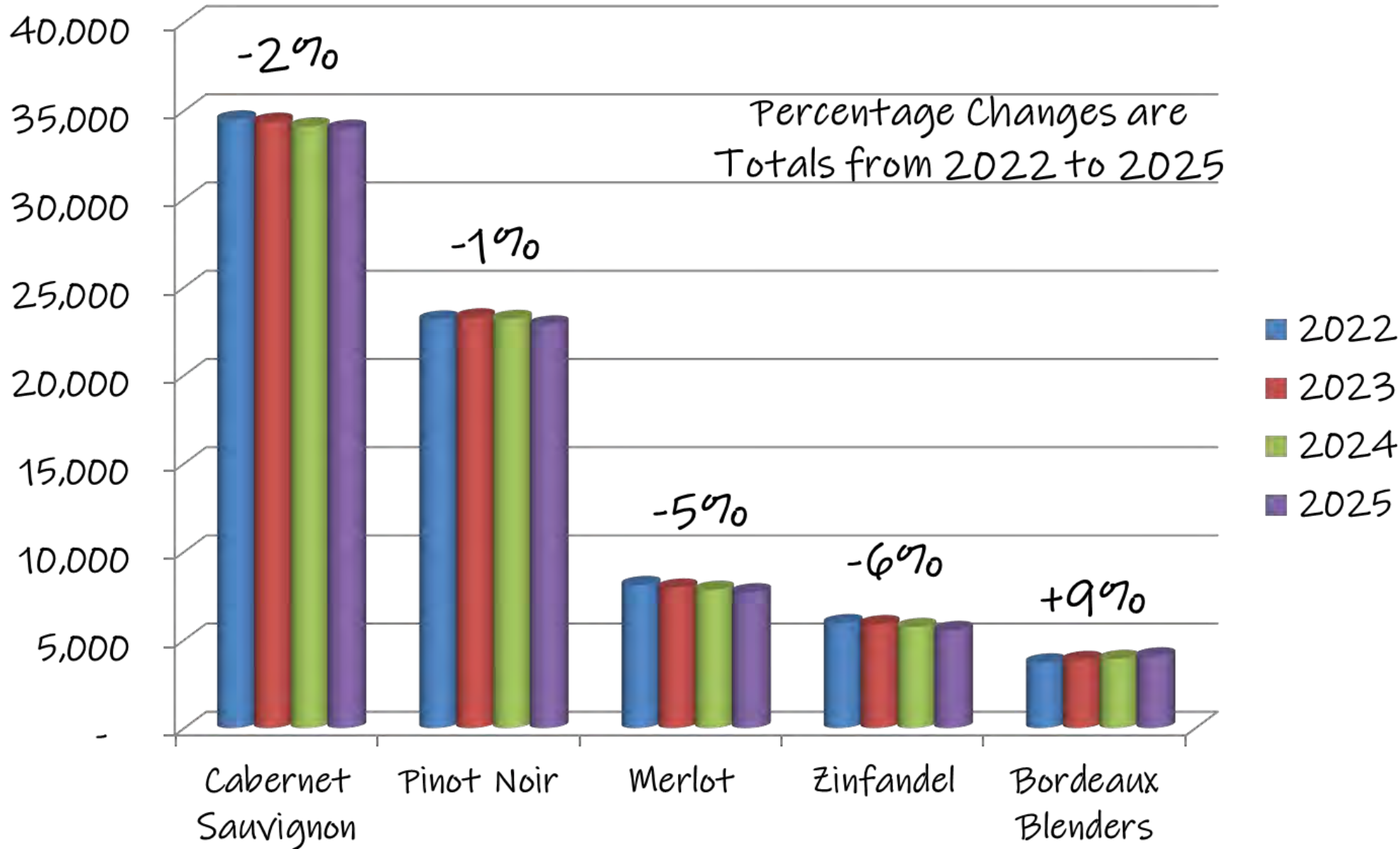
# Estimated California White Winegrape Bearing Acreage (for regions likely producing wines >\$25/bottle)



**A**  
**Allied**  
**G**  
**Grape**  
**G**  
**Growers**

Estimated California Red Winegrape Bearing Acreage  
(for regions likely producing wines >\$25/bottle)

**A**  
**Allied**  
**G**  
**Grape**  
**G**  
**Growers**



# Comments and Considerations

For Regions Likely Producing Grapes for Wines >\$25

- ✓ AVA-based programs continue to move to “coastal” or even “California” due to rising grape cost and limited supply
- ✓ Overall acreage will not be increasing; grape demand/pricing will be mostly driven by smaller, high-end programs/labels
- ✓ Pressure for production to homogenize around a few key varieties within regions will continue – mostly shifting to reds
- ✓ Drastic changes in the economy or stock market are of concern

**A**

**Allied**

**G**

**Grape**

**G**

**Growers**

Wrapping it up:  
conclusions & cautions

**A**  
Allied

**G**  
Grape

**G**  
Growers

## In General.....

- ✓ The winegrape market might be frustrating in 2023
  - hot/cold, up/down, start/stop
- ✓ “Apprehension” is currently tempering buyer response outside of Napa and Sonoma
- ✓ Opportunities exist side-by-side with challenges
- ✓ Planting remains moderate, concentrated in growth areas
- ✓ An above-average crop would cause market disruption

**A**

**Allied**

**G**

**Grape**

**G**

**Growers**



# 2023 Annual Grower Seminar



**Chad Clark**

**Director of North Coast Operations**

**Allied Grape Growers**

**(707) 328-8017**

**[chad@alliedgrapegrowers.org](mailto:chad@alliedgrapegrowers.org)**



# 2023 Annual Grower Seminar



**-2022 Crop Review**

**-2022 Price Review**

**-2023 Contract Options**

**-2023 Word on the Streets**



# 2023 Annual Grower Seminar

## -Crop Review-

### 2022 Estimated Tonnage vs. 2022 Delivered Tonnage (% change)

	North Coast Totals	Suisun Valley & Green Valley of Solano
CS	-23%	1%
CH	-12%	5%
PN	-24%	N/A
SB	-8%	-2%
ZN	-24%	-14%
PS	-8%	-9%
AVG	-16%	-4%

-AGG total North Coast tonnage was down 16%

-Suisun Valley & Green Valley of Solano were down only 4%

-Double digit shortage in most varieties for all North Coast counties

-Frost/Winter kill, EXCESSIVE HEAT and water deficiency

-Solano County had **least** amount of combined **tonnage shortfalls**



# 2023 Annual Grower Seminar

## -Price Review-



County	Variety	2021 TABLE 8	% Chg Yr 18	2021 TABLE 10	% Chg Yr 18	2022 TABLE 8	% Chg Yr 18	2022 TABLE 10	% Chg Yr 18
MENDOCINO	CHARDONNAY	\$ 1,312.38	14.58	\$ 1,387.20	11.82	\$ 1,145.47	(19.74)	\$ 1,151.02	(19.40)
MENDOCINO	CHENIN BLANC	\$ 1,261.34	8.12	\$ 1,516.16	5.61	\$ 1,114.08	5.22	\$ 1,114.08	7.24
MENDOCINO	SAUVIGNON BLANC	\$ 1,426.28	2.77	\$ 1,487.65	1.44	\$ 1,307.80	(9.18)	\$ 1,307.80	(9.51)
MENDOCINO	CABERNET SAUVIGNON	\$ 1,979.01	12.17	\$ 1,876.10	13.67	\$ 1,784.35	(11.33)	\$ 1,730.47	(17.34)
MENDOCINO	CARIGNANE	\$ 1,812.27	14.83	\$ 1,618.62	13.85	\$ 1,404.17	(15.99)	\$ 1,451.71	3.82
MENDOCINO	DRENA CHE	\$ 2,191.57	20.82	\$ 2,206.41	22.09	\$ 1,812.20	(15.98)	\$ 1,907.25	(11.44)
MENDOCINO	MERLOT	\$ 2,419.82	18.88	\$ 2,424.41	18.48	\$ 2,211.24	(9.24)	\$ 1,993.84	(18.30)
MENDOCINO	PETITE SIRAH	\$ 2,062.84	14.81	\$ 1,877.15	13.23	\$ 1,740.99	(16.93)	\$ 1,746.12	(17.93)
MENDOCINO	PINOT NOIR	\$ 2,879.82	3.37	\$ 2,713.02	17.59	\$ 2,678.51	(5.19)	\$ 2,763.48	(9.41)
MENDOCINO	SANGIOVESE	\$ 2,025.47	2.87	\$ 2,039.97	3.35	\$ 1,969.09	(3.63)	\$ 1,865.57	(9.47)
MENDOCINO	SYRAH	\$ 1,814.34	20.05	\$ 1,884.81	14.78	\$ 1,684.63	(11.32)	\$ 1,851.08	(13.31)
MENDOCINO	ZINFANDEL	\$ 1,787.24	9.00	\$ 1,749.37	7.43	\$ 1,548.80	(12.49)	\$ 1,626.60	(6.78)
LAKE	CHARDONNAY	\$ 1,308.18	11.29	\$ 1,309.08	18.04	\$ 1,175.49	(10.23)	\$ 1,125.49	(13.38)
LAKE	SAUVIGNON BLANC	\$ 1,280.54	8.82	\$ 1,232.38	11.16	\$ 1,113.22	(10.74)	\$ 1,108.80	(11.58)
LAKE	CABERNET FRANC	\$ 2,280.91	11.62	\$ 2,403.06	14.13	\$ 2,094.42	6.84	\$ 2,105.63	(6.38)
LAKE	CABERNET SAUVIGNON	\$ 2,151.54	28.18	\$ 2,118.37	32.20	\$ 1,881.67	(11.73)	\$ 1,919.32	(12.44)
LAKE	MERLOT	\$ 1,845.68	13.53	\$ 1,506.87	57.22	\$ 1,077.30	(45.95)	\$ 957.80	(136.94)
LAKE	PETITE VERDOT	\$ 2,280.75	11.84	\$ 2,270.48	(11.16)	\$ 2,012.48	(12.32)	\$ 2,585.58	14.33
LAKE	PINOT SIRAH	\$ 1,951.57	30.84	\$ 1,838.76	2.25	\$ 1,493.81	(21.94)	\$ 1,664.18	0.19
LAKE	SYRAH	\$ 1,745.82	15.42	\$ 1,200.20	6.89	\$ 1,113.48	(14.07)	\$ 1,171.35	3.85
LAKE	ZINFANDEL	\$ 1,851.71	28.80	\$ 1,671.08	20.49	\$ 1,282.55	(17.34)	\$ 1,309.31	(13.42)
SONOMA	CHARDONNAY	\$ 2,273.26	(1.57)	\$ 2,281.10	(1.54)	\$ 2,309.84	(4.24)	\$ 2,396.24	(4.18)
SONOMA	DRENA CHE	\$ 2,316.87	(22.44)	\$ 2,777.78	(24.63)	\$ 2,627.28	80.32	\$ 1,900.00	144.80
SONOMA	FRENCH COLOMBARD	\$ 1,311.79	(7.78)	\$ 1,314.79	(7.73)	\$ 1,422.58	7.11	\$ 1,422.58	7.11
SONOMA	GRACIS BLANC	\$ 1,311.79	9.32	\$ 1,314.79	3.24	\$ 2,613.22	(12.28)	\$ 2,701.75	(11.35)
SONOMA	MARSAUNE	\$ 2,547.14	13.62	\$ 2,408.11	6.48	\$ 2,261.84	(14.65)	\$ 2,261.84	(8.25)
SONOMA	PINOT GRIS	\$ 1,326.10	1.62	\$ 1,331.91	1.04	\$ 1,241.24	(1.04)	\$ 1,344.57	(8.38)
SONOMA	ROUSSAINE	\$ 3,480.87	35.02	\$ 2,877.23	17.08	\$ 3,589.13	(10.93)	\$ 3,331.50	(16.23)
SONOMA	SAUVIGNON BLANC	\$ 1,729.23	11.48	\$ 1,798.00	12.28	\$ 1,550.83	(14.83)	\$ 1,550.49	(18.31)
SONOMA	SEMILLOW	\$ 2,857.08	4.35	\$ 2,874.67	4.89	\$ 2,546.39	1.92	\$ 2,551.89	0.81
SONOMA	TYROUSSEAU GRIS	\$ 2,870.48	1.68	\$ 2,810.48	1.68	\$ 2,460.03	(2.47)	\$ 2,468.00	(21.49)
SONOMA	VERMENTINO	\$ 2,480.57	0.51	\$ 2,337.72	1.62	\$ 2,388.44	0.51	\$ 2,300.43	4.05
SONOMA	VOGNIER	\$ 2,389.70	(2.52)	\$ 2,471.00	0.89	\$ 2,704.18	0.29	\$ 2,803.89	(4.85)
SONOMA	ALICANTE BOUSCHET	\$ 3,381.84	8.84	\$ 3,360.85	0.51	\$ 3,060.74	(3.49)	\$ 3,067.14	0.90
SONOMA	BARBERA	\$ 1,325.80	(2.58)	\$ 1,333.37	(2.80)	\$ 1,422.58	4.98	\$ 1,391.28	(126.07)
SONOMA	CABERNET FRANC	\$ 3,210.46	10.21	\$ 3,288.00	11.33	\$ 3,546.12	(7.02)	\$ 3,231.85	(14.17)
SONOMA	CABERNET SAUVIGNON	\$ 2,785.18	7.24	\$ 2,574.73	10.09	\$ 2,517.82	(17.59)	\$ 2,335.14	(131.42)
SONOMA	CARIGNANE	\$ 2,816.85	8.78	\$ 2,663.12	9.00	\$ 2,401.19	(4.78)	\$ 2,442.68	(4.78)
SONOMA	DRENA CHE	\$ 3,080.80	18.68	\$ 2,930.08	38.25	\$ 2,600.30	(18.55)	\$ 2,145.42	(21.42)
SONOMA	MALBEC	\$ 3,048.57	12.78	\$ 2,942.44	17.27	\$ 2,703.49	(11.12)	\$ 2,509.19	(17.26)
SONOMA	MERLOT	\$ 1,387.35	20.85	\$ 1,300.42	28.24	\$ 1,619.88	(18.02)	\$ 1,308.35	(124.17)
SONOMA	MOURVEDRE	\$ 3,186.24	8.75	\$ 3,063.34	17.83	\$ 2,984.50	(13.33)	\$ 2,591.34	(28.46)
SONOMA	PETITE VERDOT	\$ 3,546.28	(0.47)	\$ 3,330.85	13.30	\$ 3,217.32	(5.26)	\$ 3,367.18	(14.40)
SONOMA	PINOT SIRAH	\$ 2,396.93	8.92	\$ 2,272.00	8.47	\$ 2,784.14	(12.64)	\$ 2,715.90	(13.81)
SONOMA	PRINNY NOIR	\$ 1,326.10	8.67	\$ 1,344.35	14.29	\$ 1,253.09	(17.53)	\$ 1,248.89	125.11
SONOMA	SAGBANTINO	\$ 2,716.16	7.18	\$ 2,618.51	(11.69)	\$ 2,621.56	(11.69)	\$ 2,900.80	4.35
SONOMA	SANGIOVESE	\$ 2,480.01	17.82	\$ 2,451.90	8.63	\$ 2,174.28	(11.24)	\$ 2,354.84	(7.28)
SONOMA	SYRAH	\$ 2,883.24	13.30	\$ 2,825.07	18.14	\$ 2,584.58	(8.78)	\$ 2,379.71	(18.66)
SONOMA	ZINFANDEL	\$ 3,123.65	13.72	\$ 3,103.88	20.71	\$ 2,769.47	(11.85)	\$ 2,571.14	(17.81)
NAPA	CHARDONNAY	\$ 1,248.00	8.21	\$ 1,171.30	8.67	\$ 1,036.32	0.18	\$ 1,260.80	0.85
NAPA	PINOT GRIS	\$ 1,740.32	(11.43)	\$ 1,722.64	(12.18)	\$ 1,884.88	4.58	\$ 1,962.12	5.35
NAPA	SAUVIGNON BLANC	\$ 2,880.84	8.84	\$ 2,600.19	7.61	\$ 2,480.17	(11.01)	\$ 2,411.27	(22.05)
NAPA	SEMILLOW	\$ 3,176.43	7.15	\$ 3,185.92	5.89	\$ 3,109.57	0.67	\$ 3,905.73	(11.78)
NAPA	CABERNET FRANC	\$ 2,214.64	28.04	\$ 4,458.92	34.19	\$ 7,417.08	(18.88)	\$ 7,047.18	(25.77)
NAPA	CABERNET SAUVIGNON	\$ 6,672.82	24.81	\$ 6,012.20	28.87	\$ 6,509.87	(18.04)	\$ 6,212.42	(21.02)
NAPA	CHARDONNAY	\$ 4,078.01	5.72	\$ 4,060.23	6.88	\$ 3,885.88	(9.88)	\$ 3,885.83	(11.78)
NAPA	MALBEC	\$ 6,186.80	39.72	\$ 5,221.42	58.28	\$ 4,425.28	(27.18)	\$ 3,880.70	(206.04)
NAPA	MERLOT	\$ 3,984.55	21.62	\$ 3,983.21	28.28	\$ 3,284.40	(18.85)	\$ 3,113.42	(28.98)
NAPA	PETITE VERDOT	\$ 7,082.47	88.45	\$ 6,241.08	88.78	\$ 4,538.84	(28.84)	\$ 4,484.71	(161.23)
NAPA	PINOT SIRAH	\$ 4,186.80	13.80	\$ 4,180.14	13.82	\$ 3,676.43	(6.29)	\$ 3,872.43	(8.45)
NAPA	PINOT NOIR	\$ 2,826.08	8.97	\$ 2,829.27	7.29	\$ 2,479.09	(10.98)	\$ 2,488.28	(19.13)
NAPA	SANGIOVESE	\$ 4,956.69	32.43	\$ 4,182.12	74.17	\$ 4,040.83	(8.94)	\$ 3,369.66	(461.13)
NAPA	SYRAH	\$ 4,248.11	14.88	\$ 4,278.12	18.17	\$ 3,705.82	(8.37)	\$ 3,818.28	(18.88)
NAPA	ZINFANDEL	\$ 4,433.11	10.36	\$ 4,410.81	9.38	\$ 4,019.80	(7.41)	\$ 4,082.87	(9.78)
SOLANO	ALBARINO	\$ 881.34	(2.02)	\$ 881.34	(4.88)	\$ 875.84	(12.21)	\$ 889.82	(8.85)
SOLANO	CHARDONNAY	\$ 1,200.38	14.15	\$ 1,248.38	16.11	\$ 884.34	(8.11)	\$ 907.28	(8.47)
SOLANO	PINOT GRIS	\$ 671.28	7.37	\$ 671.28	7.48	\$ 625.18	(11.22)	\$ 624.53	(11.31)
SOLANO	SAUVIGNON BLANC	\$ 888.10	0.48	\$ 888.08	0.48	\$ 881.47	(11.12)	\$ 881.38	(118.45)
SOLANO	VOGNIER	\$ 826.13	16.01	\$ 880.31	37.43	\$ 542.33	(21.58)	\$ 494.94	(26.09)
SOLANO	CABERNET FRANC	\$ 7,578.28	(18.20)	\$ 7,578.88	(10.23)	\$ 7,050.00	1.30	\$ 7,350.00	7.30
SOLANO	CABERNET SAUVIGNON	\$ 2,010.24	10.52	\$ 2,000.50	10.53	\$ 1,818.90	(10.91)	\$ 1,818.00	(18.60)
SOLANO	MERLOT	\$ 1,782.40	8.44	\$ 1,782.40	0.80	\$ 1,780.47	3.80	\$ 1,779.29	3.80
SOLANO	PETITE SIRAH	\$ 1,730.68	(3.02)	\$ 1,886.40	(3.81)	\$ 1,710.03	2.41	\$ 2,019.01	2.18
SOLANO	PINOT NOIR	\$ 842.54	(8.82)	\$ 843.00	(1.88)	\$ 848.82	(8.19)	\$ 857.23	(4.84)
SOLANO	SYRAH	\$ 1,876.05	(8.98)	\$ 1,881.16	(7.14)	\$ 2,018.81	(3.47)	\$ 2,025.77	(9.02)

**% Change  
2021 vs 2020 WDA**

- Minimal price reductions
- Pricing increases included mostly main varieties.
- CB, PG & FC reported decreases in price (small base).
- What will we see "if" WDA boundaries are shifted?



# 2023 Annual Grower Seminar

## -Contract Options-

### Term Options:

- fixed term OR evergreen OR mixture of both
- grower/winery “out option” in year 1?

### Price Options:

- fixed OR fixed annual increase OR adjust based off index

### Harvest Options:

- hand OR machine OR “on the vine”

### Delivery Options:

- macros/gondolas, roadside/grower delivery
- in county or out of county (bonus?)

### Brix/pH/TA Options:

- min/optimal/max, bonus/penalty (pre/post harvest?)

### Smoke Exposure Clause:

- n/a OR zero tolerance OR pay scale based off lab analysis
- pre or post harvest? Independent accredited lab? Full panel?



# 2023 Annual Grower Seminar

-the word on the streets-

- Early 2023 Napa/Sonoma grape market is **extremely** active
- Projected **“AVG” crop** for **2023...** when is the **BIG** one coming?
- CH, SB, PN, MER, CS (Napa) and ZN **activity** in Napa/Sonoma
- **Alternative variety** markets continue to build **strength** (organic/no synthetics) but at mostly smaller productions
- **Planting opportunities** are available (**variety, price & location dependent**)
- Wineries have been open and receptive to discussing **price increases** to **cover additional farming costs**
- **Multiyear terms** (3+ yrs) are **common** in current negotiations (w/ 1-time out options on new partnerships)
- Wineries **spreading** smoke exposure **risk** throughout Coastal regions



# 2023 Annual Grower Seminar

## -Suisun Valley & Green Valley of Solano - Marketability

- **Marketability: family-owned** farms/ranches/wineries, real farmers, **welcoming** atmosphere, massive **qualitative** potential (w/both production style vyds & mountainous areas), **condensed** growing area, **climate variation** from south to north, several **alt** & mainstream varieties with great **growth potential**, **new** and **fresh** wineries/replants/new plantings, **close** to Napa, etc, etc...
- Opportunity to “**write your own story**” for the region...
- **The word is out...** Suisun Valley & Green Valley of Solano have arrived and are **here to STAY**
- **BRANDING!** What is the “brand” we are creating in Suisun Valley and Green Valley of Solano? ...how do we execute this plan?
- The current **face** of Suisun Valley and Green Valley of Solano is **changing**, how do we **capture** every potential **opportunity** (both winery buyers and consumers)... **rising tides raise all ships!**



# 2022 Annual Grower Seminar



**Chad Clark**

**Allied Grape Growers**

**(707) 328-8017**

**[chad@alliedgrapegrowers.org](mailto:chad@alliedgrapegrowers.org)**

