



Immediate Release
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Suisun Valley Grape Growers Association

*Creates a strong Strategic Plan, taking it from present market conditions into
a solidly structured future*

SUISUN VALLEY: Evaluating its past based on experiential learnings, in order to shape a focused, productive, and prosperous future, the Suisun Valley Grape Growers Association (SVGGA) has astutely defined new relevant goals and budgetary projections.

Suisun Valley is undergoing a major Renaissance that, only a year ago, no one could have possibly imagined. The SVGGA's aggressive, forward-thinking strategic plan and line-item budgeting have become a necessity, in order to meet the requirements of their quickly evolving growth pattern's demands. This proposal was created and based not only on their past needs (including what it's taken in order to meet those requirements), but it's also based upon changing market conditions during their initial three years of Association presence. This constructed plan establishes a straight-forward direction for sustainable market performance, serving the members well into the year 2011 and beyond.

Market situations that are being taken into account, as the association members shape their future:

Global winery consolidation has been highly focused to the commodity side.

IN THE VINEYARDS: This globalized commodity status has allowed major, old-line buyers to source freely at the worldwide bulk juice level, and that's at the absolute lowest price available. This has created a serious, competitive disadvantage with respect to California production costs, causing the \$10 and under commodity wines to be less viably feasible, not only in California vineyards, but also on any sustainable basis. Even coastal appellations are no longer regarded as sustainable for commodity programs.

AT THE WINERIES: Consolidated commodity facilities have significantly reduced the numbers of grape buyers, and thus these conglomerates take more control of commodity grape pricing.

SVGGA is an organization whose members are committed to growing ultra premium wine grapes.
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BENEFITS OF THESE CHANGES: Wine quality levels continue to improve, which requires even more advanced improvements in vineyards. Also, there's been an explosion of small artisan wineries, with very different quality and quantity needs that have surfaced. Another interesting shift is the major expansion of Midwest and East Coast wineries that are popping up in the US market. While these grape buyers have historically been focused on locally available hybrid varieties, they're now beginning to seek out European grapes to meet their customers' demands.

- Coastal premium growers have opted to custom crush their grapes over selling them at distressed commodity level pricing.
- This is bringing higher levels of new premium to luxury bulk wines into market program acquisitions by many previous winery grape buyers, who considered these grapes as less desirable for their programs.
- Externally, SV's awareness levels and quality perceptions are being significantly elevated from non-existent to existent levels, as industry alliances have helped elevate the status and awareness of Suisun Valley's AVA, a direct result of multiple years of effort by SVGGA.
- The potential of expansion of "in-valley" wineries becomes more favorable with new players entering Suisun Valley.

Challenges still to be met are that while positive, external perception growth is benefiting Suisun Valley in a big picture way; locally it's still yet to catch up in a more regional manner. Internally, grape demand remains relatively flat and significantly out of balance to supply. Political issues have also clouded a unified approach within SV. The Suisun Valley Fund is aging and moving into the second half of its defined life.

SVGGA created a SWOT analysis, in order to take an appropriate forward and successful plan of action. Their situation conclusions are that the Association has demonstrated cohesiveness and viability; and, they're now ready to set forth the requirements of long term self sufficiency. The internal funding mechanisms of greater consequence must evolve into something that will continue to serve their growth.

They recognize a need for agricultural zoning and policy reform, which is critical to the economic viability for many growers. This shift in thinking will allow for more diversified marketing approaches, will enhance farm revenues, and will encourage SV growers to grow grapes that will meet standards of excellence.

Expansion of appellation wines from Suisun Valley will be critical for gaining the integrity of this "specialized grape demand" pricing for Suisun Valley fruit. Evolution of this demand will be attained under significant quality requirement. That, in turn, will provide for setting superior pricing and receiving appropriate fees.

Suisun Valley will continue to share its growth and changes as an AVA. This is just the first in a series of its quickly evolving renaissance through strategic thinking and planning.

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