



# Suisun Valley Grower Seminar

*State of the Industry – 2024*

Jeff Bitter & Chad Clark  
Allied Grape Growers  
February 6, 2024

*TWO Parts...*



**Initial Response  
(Defensive)**

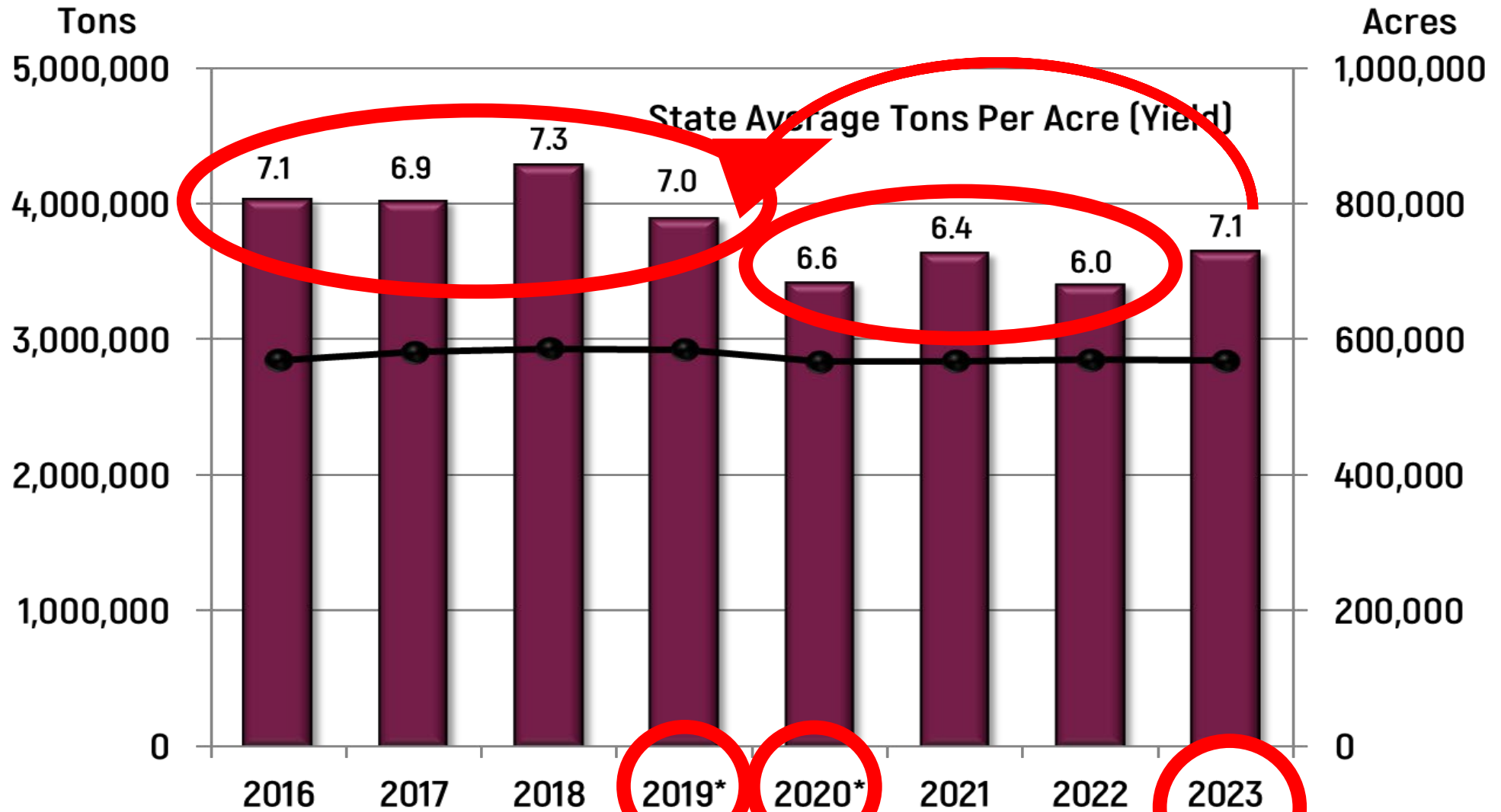
**How do we process  
the issue?**

**Eventual Action  
(Offensive)**

**What do we do  
about it?**

# California Winegrape Crush, Yield & Acreage

■ California Winegrape Crush      ● Estimated California Bearing Winegrape Acres



\*For crop years 2019, 2020 and 2023, yield was estimated due to material amounts of unharvested grapes.

# Estimated California Winegrape Plantings and Removals 2018-2023

Acres

40,000

35,000

30,000

25,000

20,000

15,000

10,000

5,000

-

Newly Bearing

Removals

18,000 net bearing acre  
reduction since 2018

2018

2019

2020

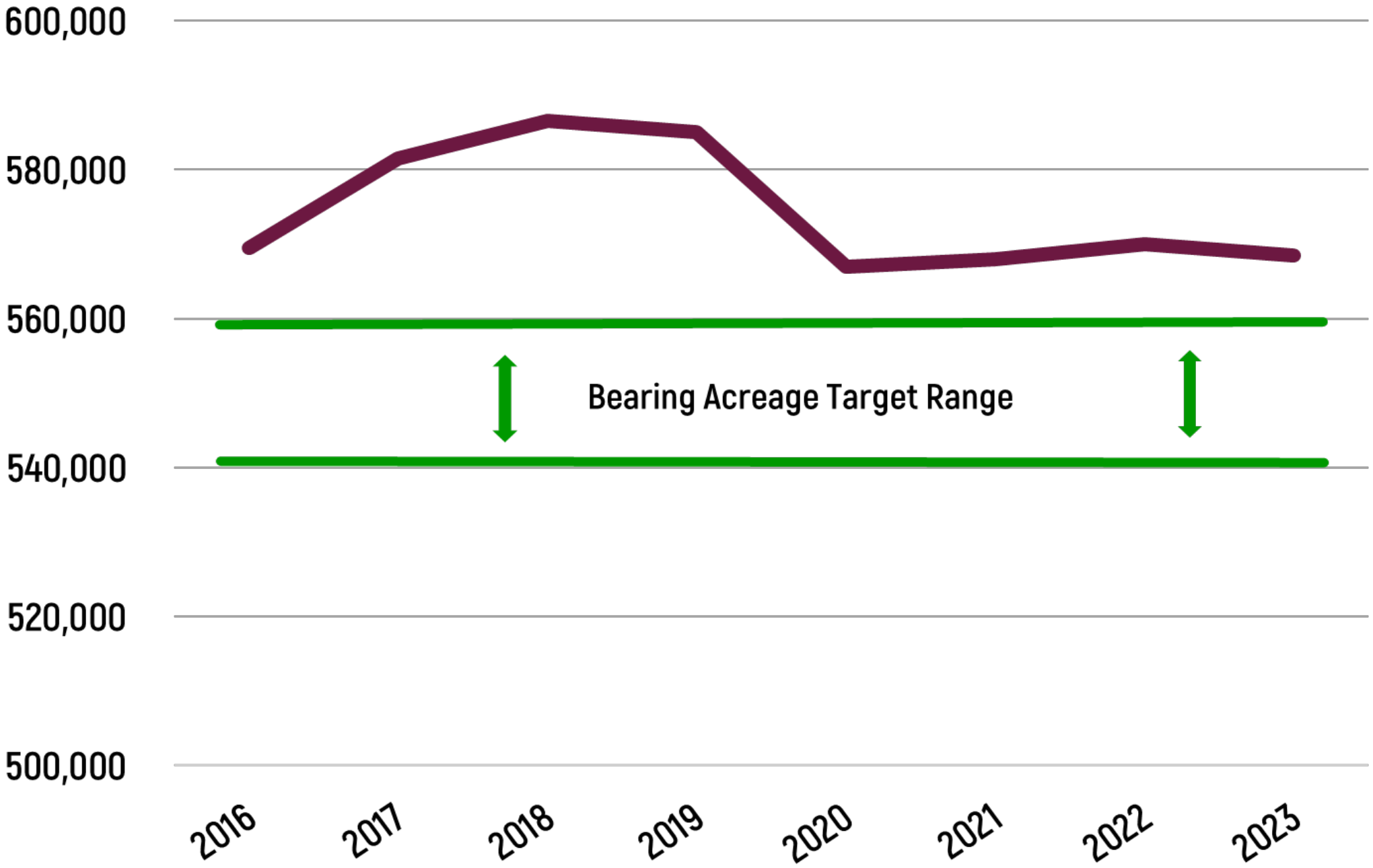
2021

2022

2023



# Estimated California Bearing Winegrape Acres





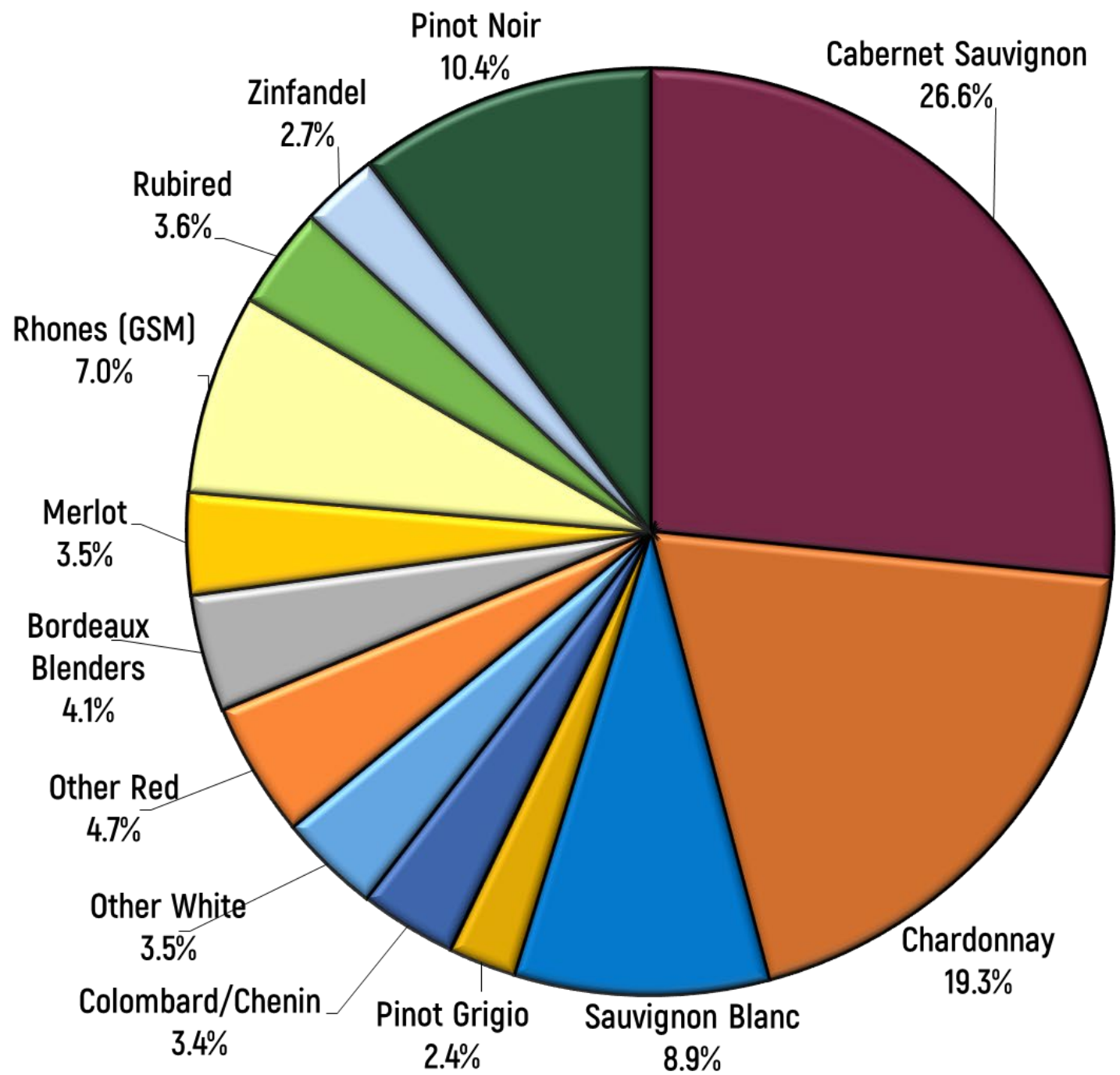
*Vine Sales and Planting*  
*2023*



# Nursery Survey

In California, 2023:  
19 million winegrape vines sold  
19,000 acres planted

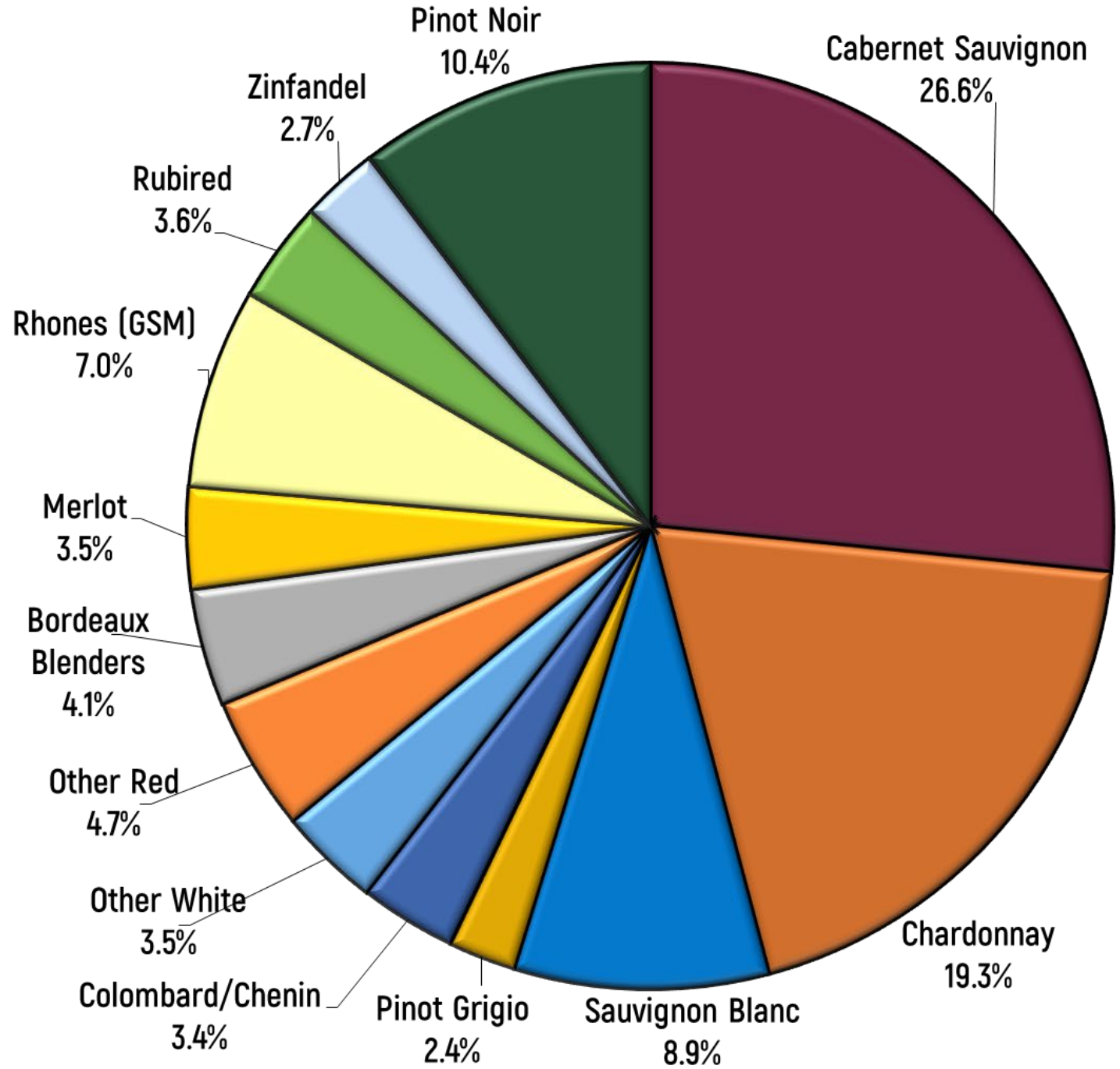
Pie chart shows  
percentage  
of vines sold,  
by variety/category,  
not acreage





# Nursery Survey

- 37% White, 63% Red
- Cabernet Sauvignon and Chardonnay remain King & Queen
- Sauvignon Blanc plantings significant once more
- Rhones, Rosés or Reds?







California Winegrape Acreage	Acres Planted 2023	% of Bearing 2022
Chardonnay	3,807	3.6%
Sauvignon Blanc	1,591	7.1%
Pinot Grigio	588	2.0%
Colombard/Chenin	856	3.3%
Muscats	114	1.1%
Cabernet Sauvignon	4,618	4.1%
Bordeaux Blenders	745	5.3%
Merlot	652	1.7%
Rhones (GSM)	1,414	6.4%
Rubired	920	5.6%
Zinfandel	614	1.3%
Pinot Noir	1,828	3.6%
All Others	1,486	2.0%
<b>Total:</b>	<b>19,233</b>	<b>3.4%</b>

# California Acreage

Planting impact:

Growth - 

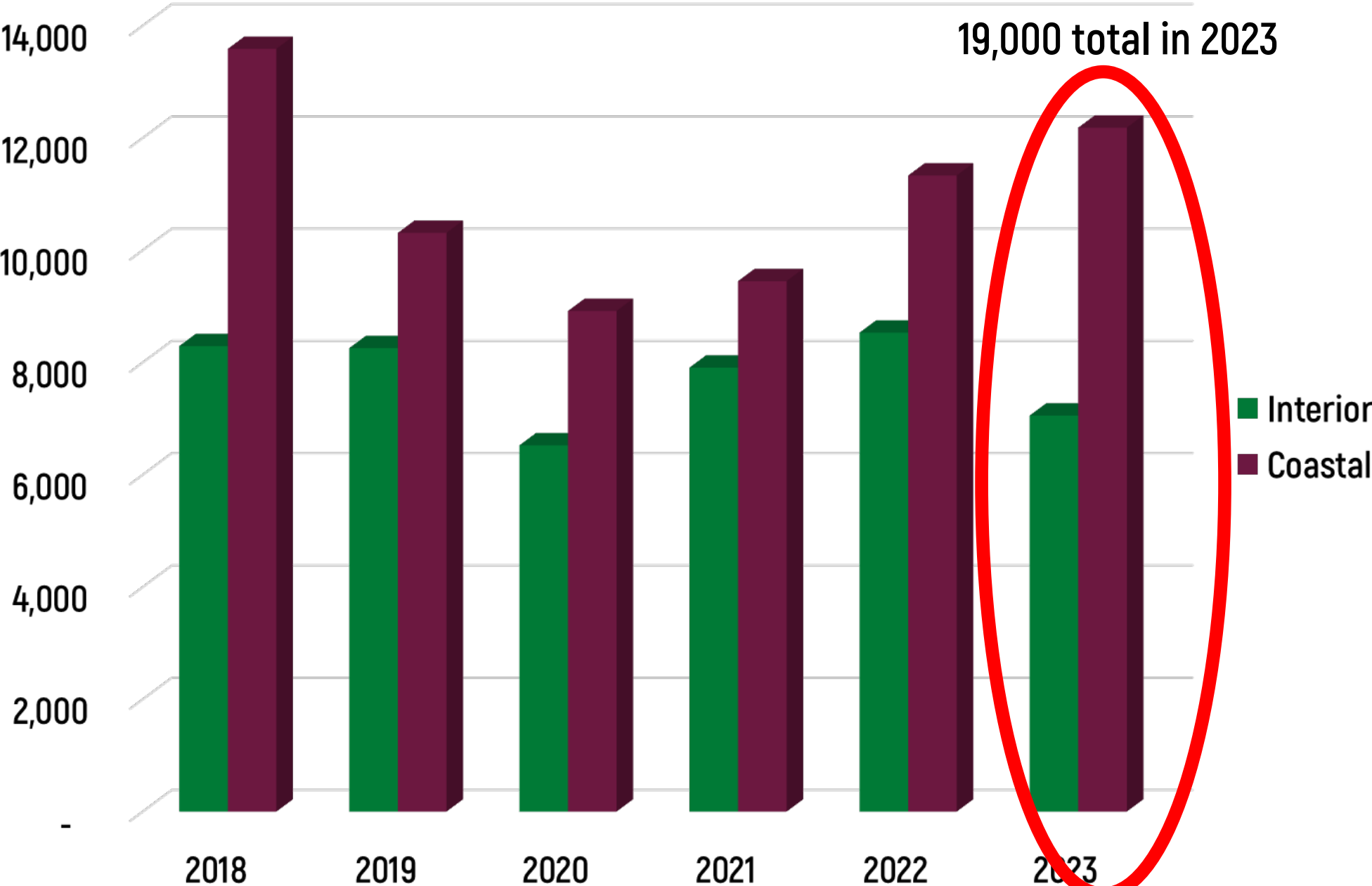
Stability - 

Contraction - 

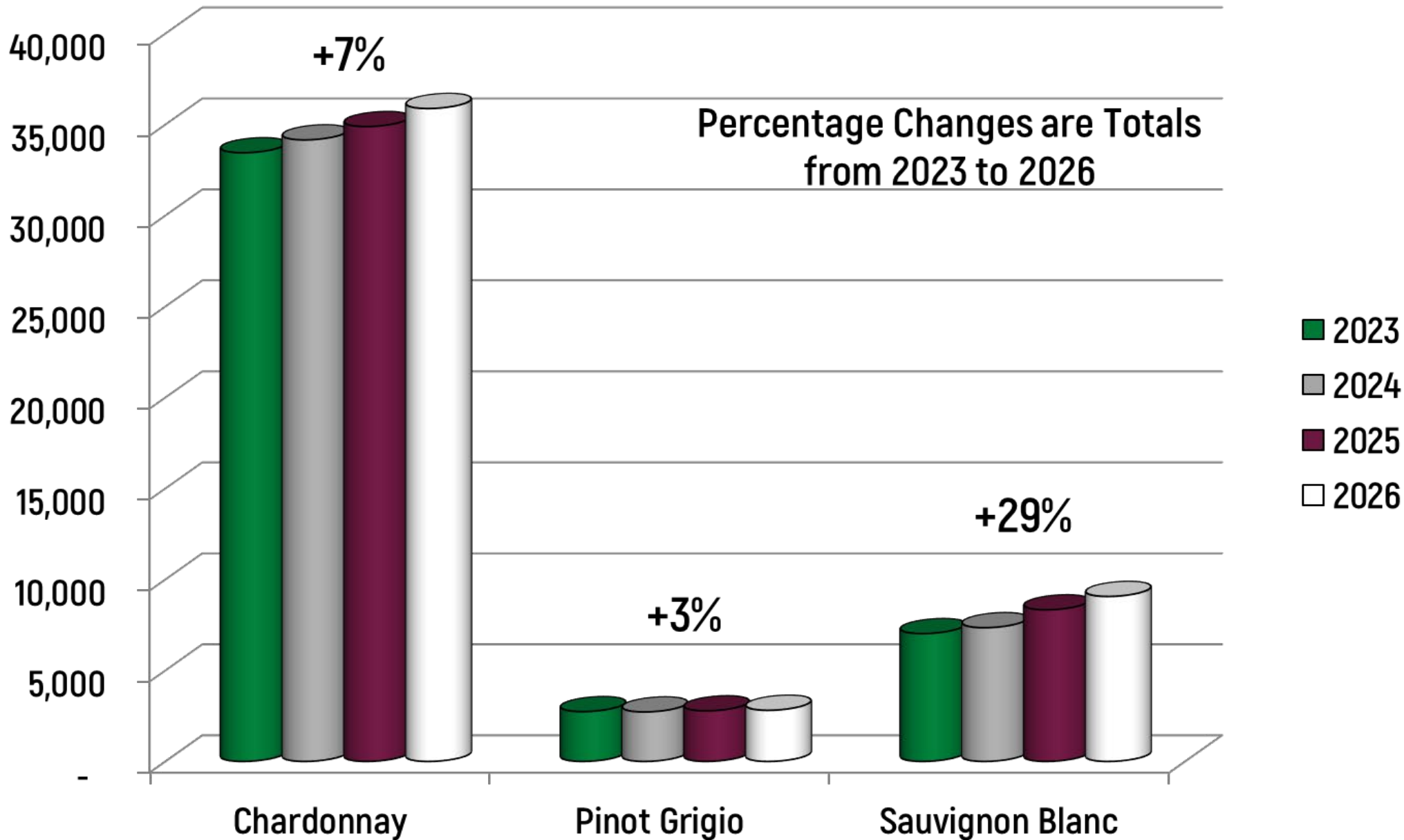
Remember, this is a one-year snapshot



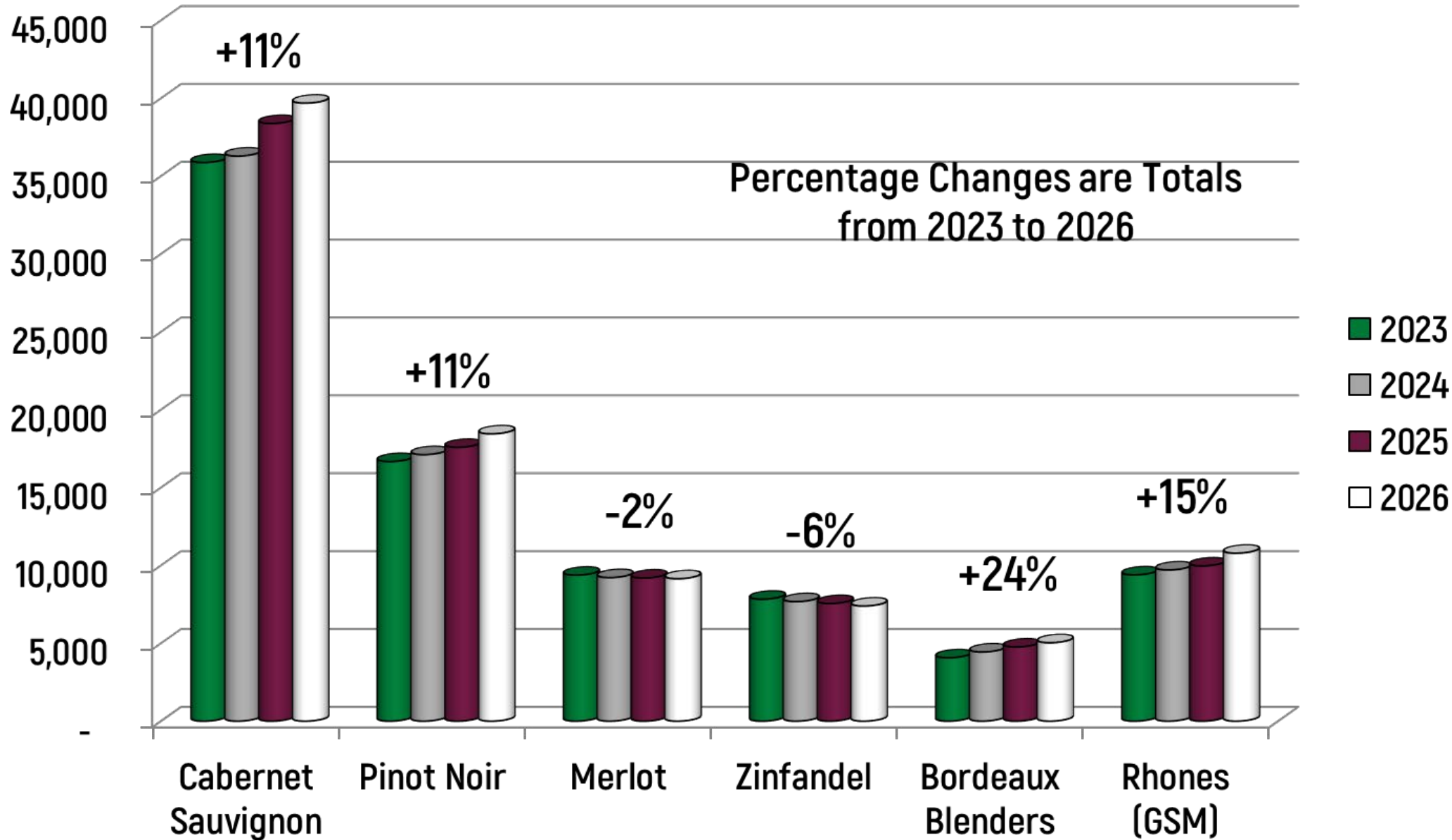
# Estimated Breakdown of California Winegrape Acres Planted



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



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





# Evaluating Segment \$11-25/Bottle (Coastal Regions Excluding Napa/Sonoma)

- *Considerations:*
  - ✓ High concentration of new plantings in this segment in recent years.
  - ✓ Anticipate growth, but older vineyards need to be removed.
- *Planning for equilibrium:*
  - ✓ Removal of +/-15,000 acres recommended in this region, as follows:
    - 1) Cabernet Sauvignon (+/-5k acres) – 75% from Central Coast
    - 2) Pinot Noir from Monterey and Santa Barbara (3-4k acres)
    - 3) Other reds, including aged Merlot and Syrah (+/-3k acres)
    - 4) Aged Chardonnay in Mendo, Monterey and SB (+/-2k acres)
    - 5) Zinfandel, concentrated in Mendocino and Paso (+/-1k acres)
    - 6) Other whites – Riesling, Gewurztraminer, aged SB (+/-1k acres)

How can I get my  
message across?

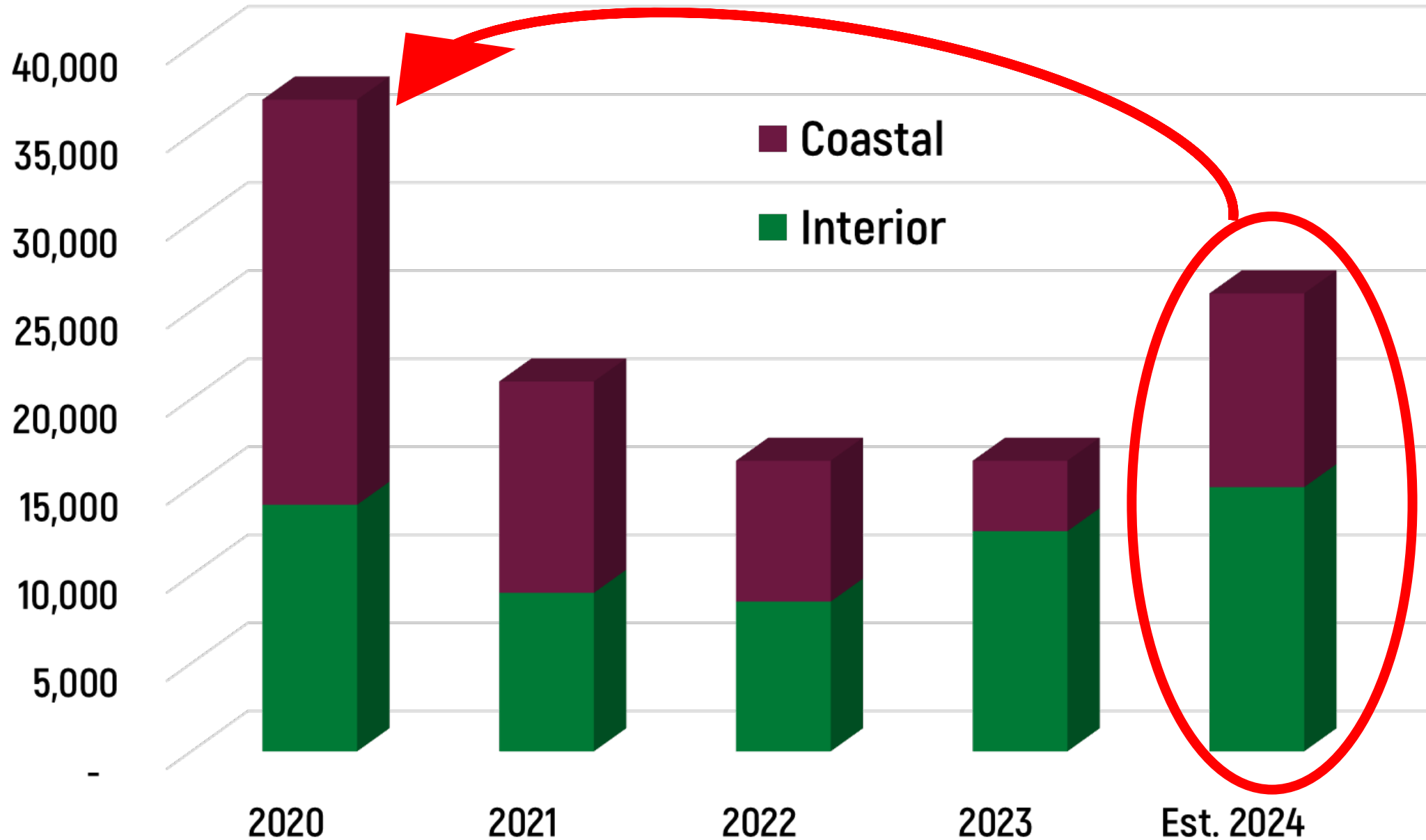




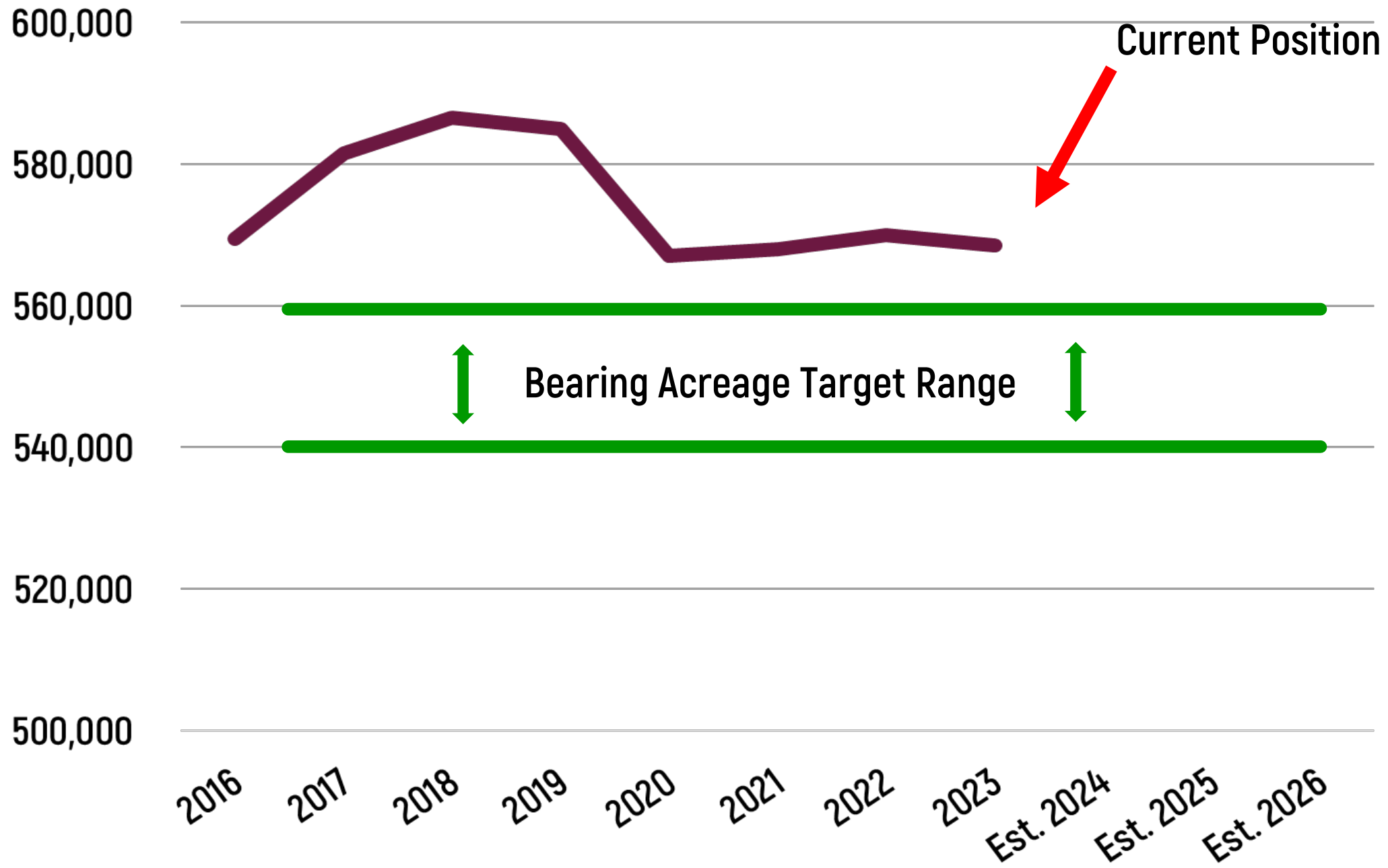
*If in doubt....  
Pull it out!!!*



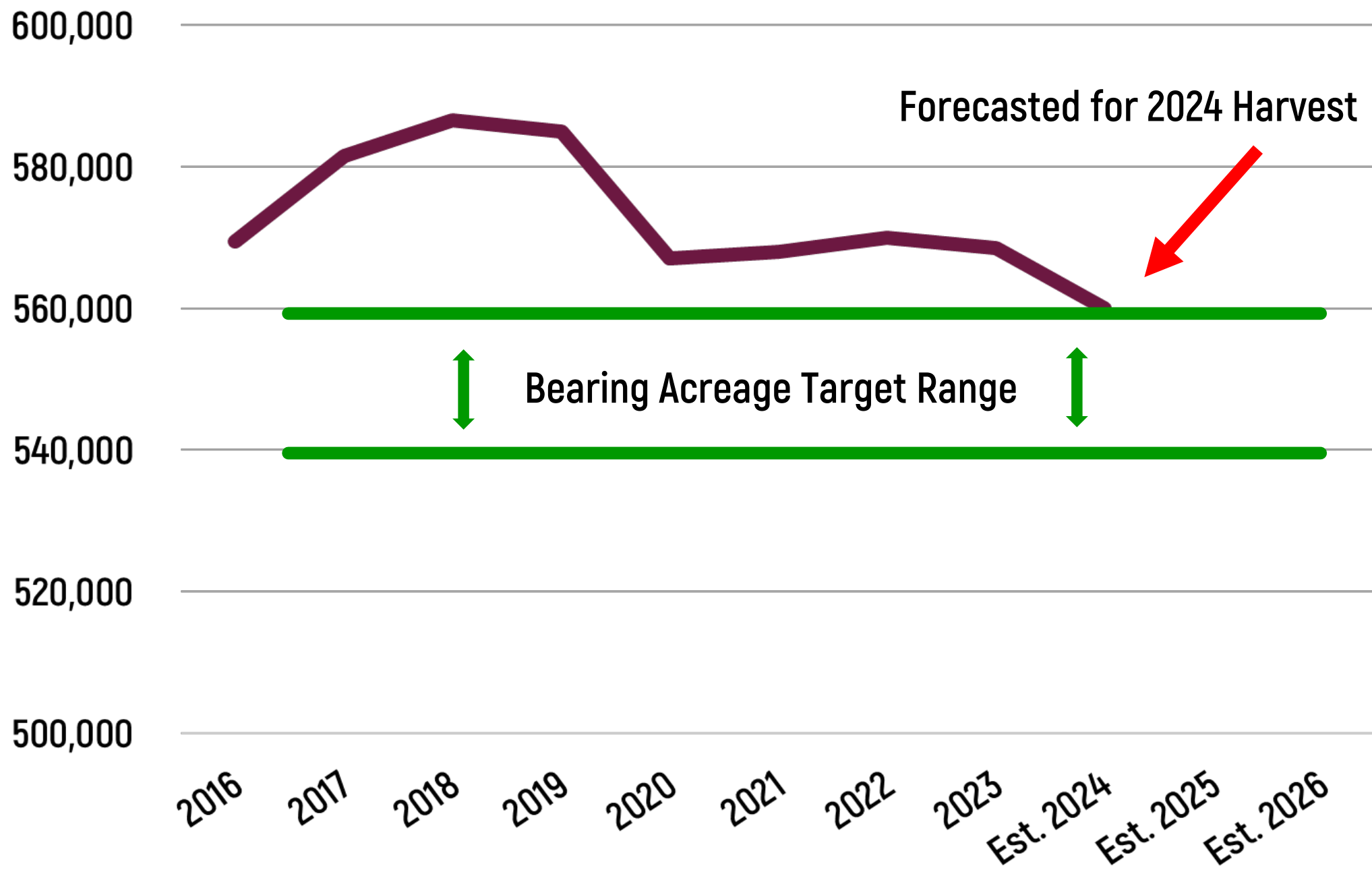
# Estimated/Forecasted Pre-harvest Winegrape Removals California: 2020-2024 (In Acres)



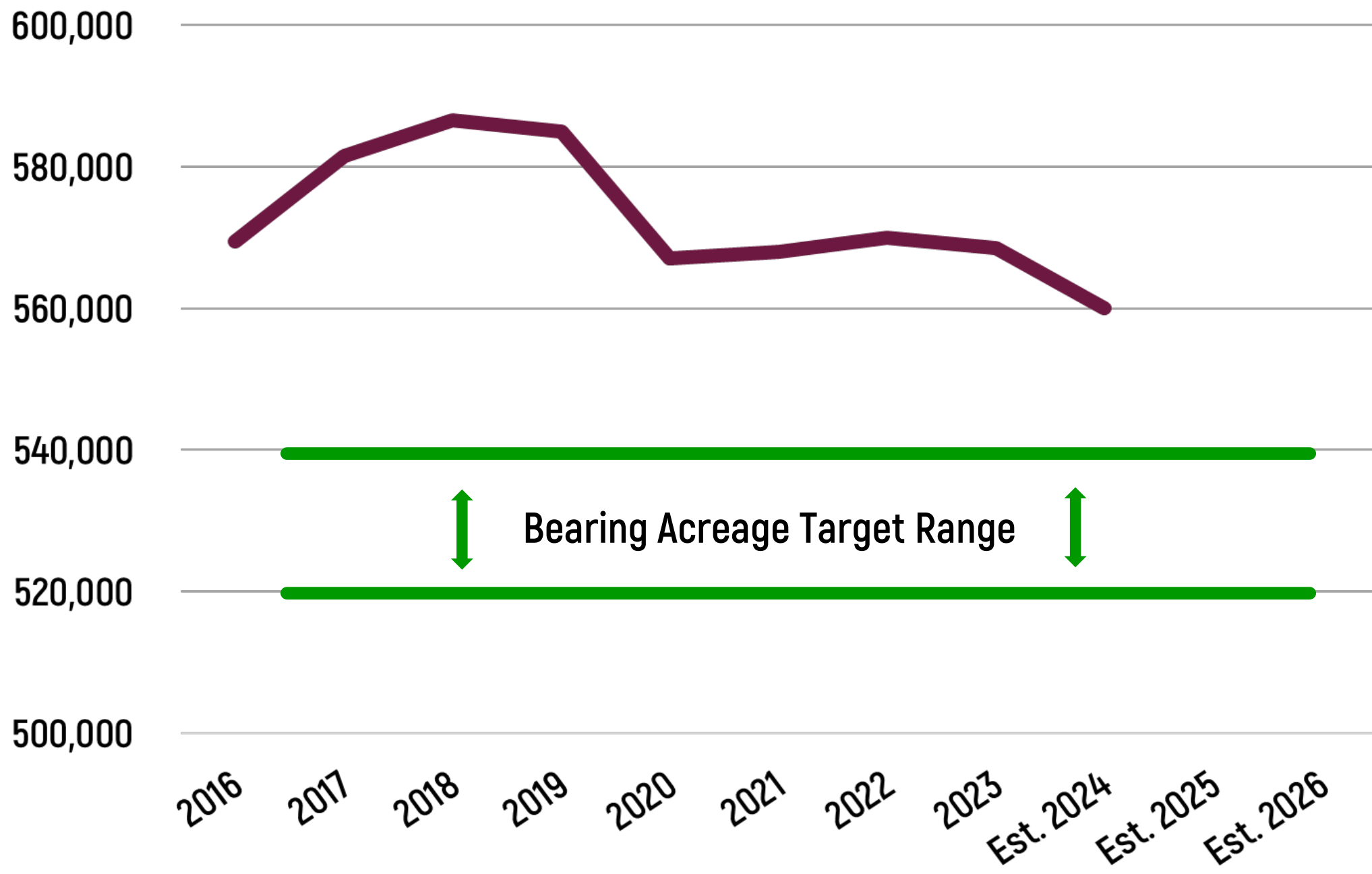
# Estimated California Bearing Winegrape Acres



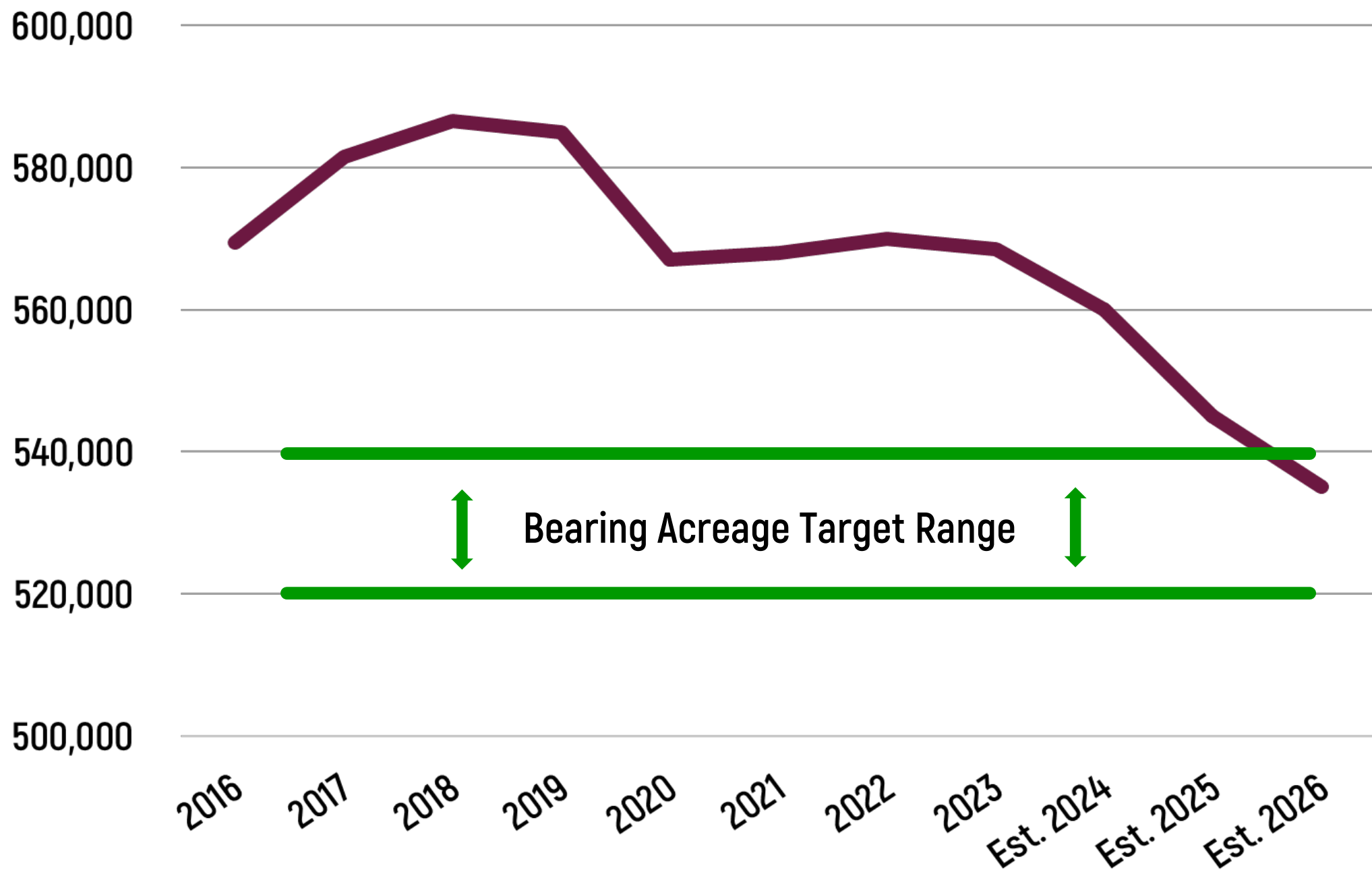
# Estimated California Bearing Winegrape Acres



# Estimated California Bearing Winegrape Acres



# Estimated California Bearing Winegrape Acres



# Summary and Conclusions

- The California wine industry continues to be structurally oversupplied (too many acres), but weak wine shipment performance since 2022 has magnified our issue.
- We are not “over-planting”; we are “under-removing”.
- Plantings in 2024 and 2025 are expected to moderate significantly, but that doesn’t help us today; we need to adjust bearing acreage.
- WE HAVE TO HAVE A.....**REACTION**.....to our situation.
  - +/-50,000 acres need to be removed to reduce our bearing acres by 30,000 (almost 20,000 acres are newly bearing in 2024).
- Oversupply manifests itself in the spot market.



# 2024 Annual Grower Seminar

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# 2024 Annual Grower Seminar

**-2023 Tonnage Review**

**-2023 Price Review**

**-2024 Market Activity**



# 2024 Annual Grower Seminar

-Tonnage Review-

## AGG 2022 Delivered Tonnage vs. AGG 2023 Delivered Tonnage (% change)

	North Coast Totals	Suisun Valley & Green Valley of Solano
CS	-11%	-18%
CH	22%	-26%
PN	17%	N/A
SB	20%	32%
ZN	9%	7%
PS	11%	26%
<b>TOTAL</b>	<b>11%</b>	<b>-3%</b>

-AGG North Coast total tonnage UP 11%

-Suisun Valley & Green Valley of Solano down 3%

-Double digit **tonnage increases** in most varieties for most North Coast counties.

-Late and long growing season caused several blocks to not meet minimum contract parameters coupled with a heavier season didn't allow for additional winery space even if winery could use tonnage.





# 2024 Annual Grower Seminar

## Price Review-Weighted Avg Pricing (North Coast)

County	Variety	2022 TABLE 8	% Chg Td 8	2022 TABLE 10	% Chg Td 10	2021 TABLE 8	% Chg Td 8	2021 TABLE 10	% Chg Td 10
MENDOCINO	CHARDONNAY	\$1,398.22	6.42	\$1,371.10	6.38	\$1,313.81	14.70	\$1,288.87	11.98
MENDOCINO	CHENIN BLANC	\$2,111.84	7.40	\$2,091.38	8.77	\$1,968.39	8.40	\$1,922.80	5.99
MENDOCINO	SAUVIGNON BLANC	\$1,484.53	4.07	\$1,483.63	5.36	\$1,426.44	2.78	\$1,408.10	1.46
MENDOCINO	CABERNET SAUVIGNON	\$2,013.16	1.72	\$2,014.53	1.88	\$1,979.19	12.18	\$1,977.41	13.74
MENDOCINO	CABERNET SAUVIGNON	\$1,743.06	7.42	\$1,743.48	7.11	\$1,622.69	15.57	\$1,627.80	14.50
MENDOCINO	GRENAACHE	\$2,195.80	0.14	\$2,196.27	(0.47)	\$2,192.70	20.99	\$2,215.61	22.80
MENDOCINO	MERLOT	\$1,463.59	3.34	\$1,457.56	2.61	\$1,416.24	18.92	\$1,421.84	19.10
MENDOCINO	PETITE SIRAH	\$2,038.92	2.12	\$2,041.21	3.73	\$1,990.58	14.55	\$1,967.95	12.70
MENDOCINO	PINOT NOIR	\$3,102.15	(9.07)	\$3,240.89	(3.00)	\$3,104.34	4.37	\$3,306.65	18.80
MENDOCINO	SANGIOVESE	\$2,048.53	1.16	\$1,988.57	(2.57)	\$2,025.12	2.85	\$2,038.89	9.39
MENDOCINO	SYRAH	\$1,851.88	(2.77)	\$1,859.13	(2.34)	\$1,914.91	20.08	\$1,903.77	15.31
MENDOCINO	ZINFANDEL	\$1,802.47	0.85	\$1,789.24	3.22	\$1,792.56	8.71	\$1,733.28	6.43

LAKE	CHARDONNAY	\$1,406.04	8.79	\$1,389.81	4.89	\$1,292.43	9.95	\$1,305.96	16.04
LAKE	SAUVIGNON BLANC	\$1,308.02	6.82	\$1,324.60	7.10	\$1,224.46	9.99	\$1,236.78	11.57
LAKE	CABERNET FRANC	\$2,311.92	1.29	\$2,327.34	(4.20)	\$2,292.58	11.11	\$2,429.91	15.37
LAKE	CABERNET SAUVIGNON	\$2,287.27	6.61	\$2,227.50	5.20	\$2,145.46	34.80	\$2,117.34	10.32
LAKE	MERLOT	\$1,851.56	22.24	\$1,826.13	21.27	\$1,614.66	114.18	\$1,505.87	57.22
LAKE	PETIT VERDOT	\$2,143.63	(4.73)	\$2,068.76	(8.77)	\$2,249.94	11.80	\$2,267.52	(11.27)
LAKE	PETITE SIRAH	\$2,053.30	6.43	\$1,963.15	1.45	\$1,929.24	29.15	\$1,935.12	2.16
LAKE	SYRAH	\$1,654.96	(5.29)	\$1,929.07	(3.69)	\$1,747.33	15.45	\$2,002.25	6.99
LAKE	ZINFANDEL	\$1,481.48	(10.40)	\$1,792.54	10.08	\$1,653.38	28.93	\$1,628.44	17.21

SONOMA	CHARDONNAY	\$2,431.29	8.31	\$2,432.55	6.85	\$2,286.97	(0.88)	\$2,276.62	(10.96)
SONOMA	CHENIN BLANC	\$2,247.74	17.27	\$2,247.74	(19.08)	\$1,916.67	(32.44)	\$2,777.78	(20.63)
SONOMA	FRENCH COLOMBARD	\$1,419.01	9.84	\$1,419.01	9.84	\$1,291.87	(9.19)	\$1,291.87	(9.19)
SONOMA	GRENAACHE BLANC	\$3,060.41	7.59	\$2,897.64	14.34	\$2,844.48	8.83	\$2,534.19	6.72
SONOMA	MARSHANNE	\$2,507.88	0.34	\$2,485.36	13.63	\$2,569.12	13.60	\$2,548.51	12.98
SONOMA	PINOT GRIGIO	\$1,740.61	(8.68)	\$1,894.77	1.88	\$1,855.29	1.92	\$1,859.82	1.40
SONOMA	ROUSSANNE	\$3,368.77	(4.01)	\$3,267.43	2.96	\$3,509.65	35.55	\$3,173.38	36.11
SONOMA	SAUVIGNON BLANC	\$1,896.60	9.62	\$1,899.17	10.26	\$1,730.17	11.56	\$1,713.43	12.69
SONOMA	SEMILLON	\$2,770.51	3.84	\$2,714.35	1.17	\$2,668.13	4.78	\$2,683.06	5.14
SONOMA	TRUSSEAU GRIS	\$2,879.66	14.71	\$2,897.64	15.42	\$2,510.48	1.68	\$2,510.48	1.68
SONOMA	VERMENTINO	\$2,575.29	4.78	\$2,434.57	4.14	\$2,400.57	0.51	\$2,337.72	1.82
SONOMA	VOGNIER	\$2,881.42	7.90	\$2,835.51	8.91	\$2,670.48	(1.20)	\$2,603.60	0.37
SONOMA	ALICANTE BOUSCHET	\$3,492.58	30.81	\$3,600.91	7.57	\$2,669.92	(12.77)	\$3,254.45	5.08
SONOMA	BARBERA	\$3,345.32	1.71	\$3,288.34	1.58	\$3,289.09	(3.90)	\$3,237.24	43.16
SONOMA	CABERNET FRANC	\$4,192.45	8.72	\$4,034.58	13.49	\$3,856.19	8.68	\$3,554.92	9.99
SONOMA	CABERNET SAUVIGNON	\$2,919.62	7.04	\$2,823.87	1.97	\$2,727.62	8.33	\$2,769.21	18.44
SONOMA	CABERNET SAUVIGNON	\$2,872.04	6.81	\$2,825.64	7.46	\$2,634.83	7.41	\$2,623.41	7.84
SONOMA	GRENAACHE	\$3,083.24	(0.71)	\$3,083.24	3.50	\$3,105.29	18.01	\$2,978.85	37.50
SONOMA	MALBEC	\$3,218.66	4.44	\$3,213.27	7.33	\$3,081.91	14.00	\$2,963.77	19.31
SONOMA	MERLOT	\$2,055.81	4.77	\$2,030.74	5.86	\$1,962.17	21.14	\$1,918.41	27.44
SONOMA	MOURVEDRE	\$3,478.31	9.20	\$3,323.88	6.82	\$3,185.23	6.73	\$3,111.64	20.08
SONOMA	PETIT VERDOT	\$3,791.31	7.44	\$3,777.49	12.83	\$3,528.91	9.67	\$3,342.76	13.04
SONOMA	PETITE SIRAH	\$3,258.74	7.01	\$3,210.86	7.82	\$2,998.50	8.87	\$2,977.74	3.84
SONOMA	PINOT NOIR	\$3,678.70	4.47	\$3,694.47	5.79	\$3,526.20	8.46	\$3,492.19	14.55
SONOMA	PINOT NOIR	\$2,902.96	(7.52)	\$2,460.86	(0.73)	\$2,715.83	3.18	\$2,616.53	(12.08)
SONOMA	SAGRANTINO	\$2,607.34	4.33	\$2,487.18	19.59	\$2,498.94	4.30	\$2,497.88	7.00
SONOMA	SANGIOVESE	\$3,037.91	5.88	\$3,176.12	10.24	\$2,869.76	11.87	\$2,826.64	18.79
SONOMA	SYRAH	\$3,306.39	6.37	\$3,285.08	6.94	\$3,108.29	12.23	\$3,071.94	19.48

NAPA	CHARDONNAY	\$3,513.32	(9.09)	\$3,387.85	8.53	\$3,864.52	27.28	\$3,121.63	5.68
NAPA	PINOT GRIGIO	\$2,115.07	21.53	\$2,129.13	23.58	\$1,740.33	(11.43)	\$1,722.84	(12.19)
NAPA	SAUVIGNON BLANC	\$2,924.65	11.11	\$2,919.57	12.18	\$2,632.18	6.99	\$2,602.64	7.94
NAPA	SEMILLON	\$3,394.24	7.19	\$3,439.59	8.32	\$3,166.63	1.83	\$3,175.26	5.64
NAPA	CABERNET FRANC	\$10,283.68	10.52	\$10,534.39	12.18	\$9,285.67	25.19	\$9,391.37	33.26
NAPA	CABERNET SAUVIGNON	\$8,733.76	8.10	\$8,653.03	7.89	\$8,079.06	24.10	\$8,019.88	29.09
NAPA	CHARBONO	\$4,164.64	2.51	\$4,163.16	2.79	\$4,062.47	5.36	\$4,050.08	5.86
NAPA	MALBEC	\$6,570.05	7.08	\$6,509.96	5.65	\$6,135.53	38.63	\$6,161.86	56.76
NAPA	MERLOT	\$4,440.05	10.14	\$4,392.13	9.52	\$4,031.39	22.74	\$4,010.24	28.80
NAPA	PETIT VERDOT	\$7,959.19	13.16	\$7,829.39	12.65	\$7,033.34	55.03	\$6,949.99	99.44
NAPA	PETITE SIRAH	\$4,465.10	6.99	\$4,438.94	6.53	\$4,173.20	13.52	\$4,166.79	13.48
NAPA	PINOT NOIR	\$2,814.00	54.00	\$2,736.41	6.08	\$2,636.70	8.40	\$2,579.69	5.92
NAPA	SANGIOVESE	\$5,461.89	9.75	\$5,207.00	22.78	\$4,978.44	22.91	\$4,240.92	77.47
NAPA	SYRAH	\$4,644.51	8.79	\$4,653.40	8.36	\$4,269.35	15.20	\$4,294.45	18.76
NAPA	ZINFANDEL	\$4,576.33	3.25	\$4,537.34	2.80	\$4,432.39	10.34	\$4,473.57	8.44

SOLANO	ALBARINO	\$648.24	(1.48)	\$648.51	(1.84)	\$668.00	(2.62)	\$661.34	(4.88)
SOLANO	CHARDONNAY	\$979.52	0.91	\$1,002.37	(4.33)	\$970.70	9.78	\$1,047.78	16.29
SOLANO	PINOT GRIGIO	\$705.80	5.15	\$705.61	5.12	\$671.25	7.37	\$671.26	7.48
SOLANO	SAUVIGNON BLANC	\$1,315.19	32.25	\$1,307.81	31.51	\$994.49	3.43	\$994.48	3.44
SOLANO	VOGNIER	\$751.19	8.57	\$82.02	11.27	\$697.45	28.60	\$774.73	56.52
SOLANO	CABERNET FRANC	\$2,423.25	53.79	\$2,500.00	58.66	\$1,576.66	(19.20)	\$1,575.86	(19.20)
SOLANO	CABERNET SAUVIGNON	\$2,094.64	4.18	\$2,145.10	6.72	\$2,010.64	10.54	\$2,009.98	10.56
SOLANO	MERLOT	\$1,780.78	(5.40)	\$1,788.59	(4.98)	\$1,882.40	6.44	\$1,882.40	5.80
SOLANO	PETITE SIRAH	\$1,869.16	9.31	\$1,867.04	(5.09)	\$1,709.92	(0.01)	\$1,966.43	(2.60)
SOLANO	PINOT NOIR	\$863.74	2.47	\$881.75	4.63	\$842.88	(0.48)	\$842.71	(1.67)
SOLANO	SYRAH	\$2,014.82	8.29	\$2,019.28	8.26	\$1,860.37	(7.76)	\$1,865.15	(7.33)
SOLANO	ZINFANDEL	\$3,178.86	(7.06)	\$3,176.58	(7.40)	\$3,463.64	74.63	\$2,862.81	71.82

-presumably balanced pricing changes throughout North Coast compared to past years?

-Chenin blanc, Albarino, PS (minimal) & Syrah are only varieties with consecutive year price reductions (table 8/10).

-still have excessive pricing % changes on some varieties (ie: CF/SB in Solano Co).







# 2023 Annual Grower Seminar

2019-2020 pricing!  
LOTS OF RED!

County	Variety	2021 TABLE 8	% Chg Tbl 8	2021 TABLE 10	% Chg Tbl 10	2020 TABLE 8	% Chg Tbl 8	2020 TABLE 10	% Chg Tbl 10
MENDOCINO	CHARDONNAY	\$ 1,312.29	14.58	\$ 1,387.20	11.83	\$ 1,145.41	(13.74)	\$ 1,051.03	(15.68)
MENDOCINO	CHENIN BLANC	\$ 1,991.34	8.12	\$ 1,916.18	5.23	\$ 1,814.06	5.23	\$ 1,814.06	7.24
MENDOCINO	SALVIGNON BLANC	\$ 1,426.28	2.77	\$ 1,467.85	2.92	\$ 1,387.80	(5.53)	\$ 1,387.80	(0.53)
MENDOCINO	CABERNET SAUVIGNON	\$ 1,979.01	12.17	\$ 1,978.10	13.14	\$ 1,764.35	(11.33)	\$ 1,738.47	(17.34)
MENDOCINO	CADUVANE	\$ 1,812.27	14.83	\$ 1,818.62	13.88	\$ 1,604.11	(5.59)	\$ 1,421.71	(3.82)
MENDOCINO	GRENACHE	\$ 2,191.57	20.83	\$ 2,206.41	12.08	\$ 1,812.28	(15.89)	\$ 1,807.35	(16.44)
MENDOCINO	MERLOT	\$ 1,415.22	18.89	\$ 1,414.41	14.48	\$ 1,211.34	(5.64)	\$ 1,023.84	(12.83)
MENDOCINO	PETITE SIRAH	\$ 2,002.84	14.91	\$ 1,977.11	13.23	\$ 1,742.99	(8.89)	\$ 1,748.12	(7.82)
MENDOCINO	FINOT NOIR	\$ 1,678.83	3.37	\$ 1,677.03	17.92	\$ 1,678.81	(8.18)	\$ 1,703.45	(9.43)
MENDOCINO	SANGIOVESE	\$ 2,025.47	2.87	\$ 2,025.47	2.87	\$ 1,989.09	2.03	\$ 1,865.57	(8.47)
MENDOCINO	SYRAH	\$ 1,954.34	20.05	\$ 1,954.34	20.05	\$ 1,594.63	(21.32)	\$ 1,821.05	(7.21)
MENDOCINO	ZINFANDEL	\$ 1,797.53	8.09	\$ 1,741.71	7.11	\$ 1,648.90	(5.09)	\$ 1,628.60	(4.78)

- 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?
- Prelim: 2/10, Final: 3/10





# 2024 Annual Grower Seminar

## Price Review-Solano County

County	Variety	2022 TABLE 8	% Change (table 8)	2022 TABLE 10	% Change (table 10)	2021 TABLE 8	% Change (table 8)	2021 TABLE 10	% Change (table 10)
SOLANO	ALBARINO	\$648	(1.48)	\$649	(1.94)	\$658	(2.52)	\$661	(4.68)
SOLANO	CHARDONNAY	\$980	0.91	\$1,002	(4.33)	\$971	9.78	\$1,048	16.28
SOLANO	PINOT GRIGIO	\$706	5.15	\$706	5.12	\$671	7.37	\$671	7.48
SOLANO	SAUVIGNON BLANC	\$1,315	32.25	\$1,308	31.51	\$994	3.43	\$994	3.44
SOLANO	VIIGNIER	\$757	8.57	\$862	11.27	\$697	28.60	\$775	56.53
SOLANO	CABERNET FRANC	\$2,423	53.79	\$2,500	58.66	\$1,576	(19.20)	\$1,576	(19.20)
SOLANO	CABERNET SAUVIGNON	\$2,095	4.18	\$2,145	6.72	\$2,011	10.54	\$2,010	10.56
SOLANO	MERLOT	\$1,781	(5.40)	\$1,789	(4.98)	\$1,882	6.44	\$1,882	5.80
SOLANO	PETITE SIRAH	\$1,869	9.31	\$1,867	(5.05)	\$1,710	(0.01)	\$1,966	(2.60)
SOLANO	PINOT NOIR	\$864	2.47	\$882	4.63	\$843	(0.48)	\$843	(1.67)
SOLANO	SYRAH	\$2,015	8.29	\$2,019	8.26	\$1,860	(7.76)	\$1,865	(7.93)
SOLANO	ZINFANDEL	\$3,117	17.06	\$3,117	17.06	\$2,663	71.62	\$2,663	71.62
		\$1,547	12.29	\$1,570	11.15	\$1,378	7.72	\$1,413	8.15

Source: USDA Grape Crush Report





# 2024 Annual Grower Seminar

-AGG North Coast Price Projections-

## 2024 Projected Price/Ton % Change vs. 2023 Price/Ton

<b>Counties (Mendo, Lake, Solano)</b>	<b>Variety</b>	<b>2024 Projected Price/Ton % Change</b>
North Coast	<i>CHARDONNAY</i>	<b>-18%</b>
North Coast	<i>SAUVIGNON BLANC</i>	5%
North Coast	<i>CABERNET SAUVIGNON</i>	0%
North Coast	<i>PETITE SIRAH</i>	9%
North Coast	<i>ZINFANDEL</i>	14%



# 2024 Annual Grower Seminar

-word on the street-

- Early 2024 Coastal Grape market has been quiet and mostly inactive
- Projected "AVG plus" crop for 2024...
- Slight/Minimal activity at high end markets
- **Alternative variety** markets begin to lose **strength** (organic/no synthetics)
- **Planting** opportunities are **minimal** with varietal, location and price **sensitivity**
- Wineries have been open and **receptive** to discussing **price decreases and/or fixed pricing**, in exchange for additional term years
- **Multiyear terms** (3+ yrs) are **uncommon** in current negotiations
- Several evergreen **notices** are being given, in **all** counties and **varieties**
- **Max** tonnage constraints are expected to become "the norm"... again!
- Minimum ripening requirements (**brix**, TA, pH, etc) will be monitored closely with likelihood of **rejection** if minimum requirements are not met
- ...2024 is a year of **sustainable relationship** building.





# 2024 Annual Grower Seminar



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