



CIATTI

GLOBAL WINE & GRAPE BROKERS

FOR IMMEDIATE RELEASE

2018 California Winegrape Crushed 4,281,684 Tons

(April 10, 2019, Novato, CA) – Did we say BIG?? It was, but not as big as we thought! The California Department of Food and Agriculture Grape Crush Report for 2018 was released today. The 2018 Harvest will go down as the biggest on record with 4,281,684 tons of winegrapes crushed. It was not quite as large as we expected, but the size of this crop (Especially in Napa up +30% and Sonoma up +33%) coupled with a slowing casegood growth scenario has continued to put pressure on both the Grape and Bulk Wine market. Prices were up in most cases – but we need to remember that this is more a reflection of past markets than the current market conditions we find ourselves in today. We expect market activity to continue to be slow in the state until we get a better idea of the 2019 crop and a feel for wine casegood sales.

Ciatti’s experienced brokers will be available for further details, comments & analysis on the 2018 California Grape Crush Report. Please call 415-458-5150.

 CIATTI GLOBAL WINE & GRAPE BROKERS	2017 Tons	2018 Tons	17-18% Δ	2017 Prices	2018 Prices	17-18% Δ
Red Wine	2,249,982	2,447,930	8.8%	\$998	\$1,052	5.4%
White Wine	1,765,810	1,833,755	3.8%	\$600	\$650	8.4%
Chardonnay	614,723	711,668	15.8%	\$978	\$1,001	2.3%
Pinot Gris	252,452	275,608	9.2%	\$581	\$559	-3.8%
Riesling	37,259	36,334	-2.5%	\$750	\$689	-8.1%
Sauvignon Blanc	106,716	118,050	10.6%	\$1,106	\$1,151	4.1%
Cabernet Sauvignon	602,027	680,308	13.0%	\$1,572	\$1,724	9.6%
Merlot	255,247	258,942	1.4%	\$805	\$815	1.3%
Petite Sirah	97,681	108,682	11.3%	\$1,019	\$973	-4.5%
Pinot Noir	263,793	313,824	19.0%	\$1,938	\$1,879	-3.0%
Syrah	100,836	94,329	-6.5%	\$837	\$862	3.0%
Zinfandel	364,940	387,965	6.3%	\$624	\$623	-0.1%
Totals Statewide	4,015,792	4,281,684	6.6%	\$824	\$882	7.0%

In 2017 we crushed **Cabernet Sauvignon** 602,000 tons and in 2018 we hit 680,308 tons statewide. Much of the increase in tonnage was concentrated in the Coastal areas of the state, which makes sense given this is the area where new acres of Cabernet Sauvignon have gone in over the recent term. The large 2018 crop coupled with the continued increased future production expected given the new acres – indicates we should have more than adequate supply of Cabernet Sauvignon moving forward. Casegood sales growth has continued but we expect to see a maturing of the market – especially in the Coastal areas – and expect to see prices mediate for both bulk and grapes as we move into the future. – *Glenn Proctor*

The 2018 statewide **Chardonnay** crop accomplished its mission of replenishing supply after a light 2017 harvest. With total tons reaching 711,668 tons up +16%. Coastal areas saw the biggest increases like Sonoma and Monterey where Chardonnay is still the largest variety in terms of tonnage. The northern interior of the

Central Valley also had large increases most of which were contracted and perhaps hasn't quite impacted the bulk market as much as the Coastal excess. Prices have softened for both bulk wine and grapes but with Chardonnay still the most popular varietal the hope is that the extra inventory will move through the system sooner rather than later. – **Johnny Leonardo**

The **Pinot Noir** yields in 2018 were again the biggest California has ever seen. The only difference this year is that what was previously moving freely throughout the sales and distribution network is now backed up in tanks with a large volumes of bulk wine available – particularly in the Central Coast and Sonoma County. The crush report confirms that we went from 262,590 tons statewide in 2017 to 313,824 tons in 2018. – **Chris Welch**

North Coast: Mendocino County (district 1) came in with above average yields. Chardonnay tonnages were 15% above 2017. Pinot Noir tons exceeded previous records up 13%.

Lake County (district 2) Cabernet Sauvignon produced 20,078 tons. Many of those tons were not priced in the report as vineyard owners processed tons to custom accounts rather than delivering to contracted wineries.

The Chardonnay crop in Sonoma County (district 3) soared to new levels producing 88,312 tons up 45%. This replenished inventories missing from the 2017 harvest. This has increased gallons to our current available bulk inventories. A similar picture occurred with Pinot Noir. Record volumes were crushed 58,005 tons however pricing actually decreased -2.4%

The king of California varietals, Napa Valley Cabernet Sauvignon, finally produced the volume increases we all have predicted. Pricing climbed again, due to escalators in most grape contracts. This is counter to today's bulk market where pricing continues to decrease, to levels below equivalent costs. – **John Ciatti**

Central Coast: As a whole, the Central Coast region had a relatively average crop. This region produced 578,453 total tons or 13.5% of our states total.

Paso Robles Cabernet Sauvignon (district 8) increased 13% to 90,500 tons. Pricing showed two different pictures. District average was \$1,489 per ton. Digging deeper shows 8,000 tons that were purchased at or under \$400 per ton. These grapes were surplus to the traditional buyers and demonstrate excesses mainly due to Mother Nature, along with vast new acreage now online.

Monterey County (district 7) Chardonnay and Pinot Noir tonnages were up 10% and 23% respectively. Pricing showed a slight decrease for 2018 for both varieties after several years of increases. Monterey County remains the backbone to mid-priced varietal programs. New acres continue to mature and bear additional tonnage.

– **John Ciatti**

Interior 2018 Crush: The interior region of the central valley collectively saw an increase of 4% of total grapes crushed in 2018 totaling 3,085,508 tons. The percentage increase was strictly a result of the double digit increases in the Lodi/Delta regions.

The Bakersfield (district 14) area saw a slight decrease - 3%. Chardonnay had a significant decrease -20% while Cabernet Sauvignon increased 11%. The Madera/Fresno area (district 13) was down slightly -1% for a total of 1,295,882 tons resulting in a more "average" sized crop. Chardonnay was up +7% with good early season market demand unlike Zinfandel who's demand continued to slip while tons were up +11%. Colombard also

saw fairly strong demand but actually decreased down 8%. The Modesto area (district 12) overall tonnage was virtually the same as 2017. Chardonnay had the biggest increase of +16%

The Lodi region (district 11) produced a record crop totaling 850,687 tons +14%. With Harvest stretching well into November late season varieties like Cabernet Sauvignon pushed local wineries to max capacity. As new plantings began production, Lodi saw a record Cabernet Sauvignon crop with a total of 198,838 tons +21%. Chardonnay also saw big gains up 15% making up for a light 2017 crop. Despite some vineyard removals Zinfandel still produced 135,645 tons +9%. Clarksburg (district 17) crushed 187,625 tons +18.5% led by Chardonnay +35% totaling 60,127 tons and Pinot Noir +23% with a total of 28,853 tons. Both varieties saw good market demand early, although Pinot Noir slipped by the time of harvest. – **Johnny Leonardo**

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 Novato, 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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