

GRAPE CRUSH REPORT

Preliminary 2008 Crop



California Department of
Food and Agriculture
February 10, 2009

MAP AND DEFINITIONS OF CALIFORNIA GRAPE PRICING DISTRICTS



1. Mendocino County
2. Lake County
3. Sonoma and Marin Counties
4. Napa County
5. Solano County
6. Alameda, Contra Costa, Santa Clara, San Francisco, San Mateo, and Santa Cruz Counties
7. Monterey and San Benito Counties
8. San Luis Obispo, Santa Barbara, and Ventura Counties
9. Yolo County north of Interstate 80 to the junction of Interstate 80 and U.S. 50 and north of U.S. 50; Sacramento County north of U.S. 50; Del Norte, Siskiyou, Modoc, Humboldt, Trinity, Shasta, Lassen, Tehama, Plumas, Glenn, Butte, Colusa, Sutter, Yuba, and Sierra Counties.
10. Nevada, Placer, El Dorado, Amador, Calaveras, Tuolumne and Mariposa Counties
11. San Joaquin County north of State Highway 4; and Sacramento County south of U.S. 50 and east of Interstate 5
12. San Joaquin County south of State Highway 4; Stanislaus and Merced Counties
13. Madera, Fresno, Alpine, Mono, Inyo Counties; and Kings and Tulare Counties north of Nevada Avenue (Avenue 192)
14. Kings and Tulare Counties south of Nevada Avenue (Avenue 192); and Kern County
15. Los Angeles and San Bernardino Counties
16. Orange, Riverside, San Diego, and Imperial Counties
17. Yolo County south of Interstate 80 from the Solano County line to the Junction of Interstate 80 and U.S. 50 and south of U.S. 50 and Sacramento County south of U.S. 50 and west of Interstate 5

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USDA's National Agricultural Statistics Service, California Field Office

650 Capitol Mall, Suite 6-100

P.O. Box 942871

Sacramento, CA 94271-0001

Phone: (916) 498-5161 --- Fax: (916) 498-5186

E-mail: nass-ca@nass.usda.gov --- Web: www.nass.usda.gov/ca

FEBRUARY 10, 2009

GROWERS
AND VINTNERS

*Please notify USDA, NASS,
California Field Office of any
corrections by February 20, 2009.*

*USDA's National Agricultural Statistics
Service, California Field Office
publications are available
free-of-charge on the Internet at:*

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GRAPE CRUSH REPORT OVERVIEW

Information contained in this Report was supplied by processors to fulfill the reporting requirements of Section 55601.5 of the Food and Agricultural Code.

The Preliminary Grape Crush Report includes all grape tonnage crushed during the 2008 season. It also includes purchased tonnage and pricing information for grapes with final prices prior to January 10, 2009. The March 10, 2009 Final Grape Crush Report will contain any late reports or corrections to the preliminary report. **Please notify us of any corrections for the Final Grape Crush Report by February 20, 2009.**

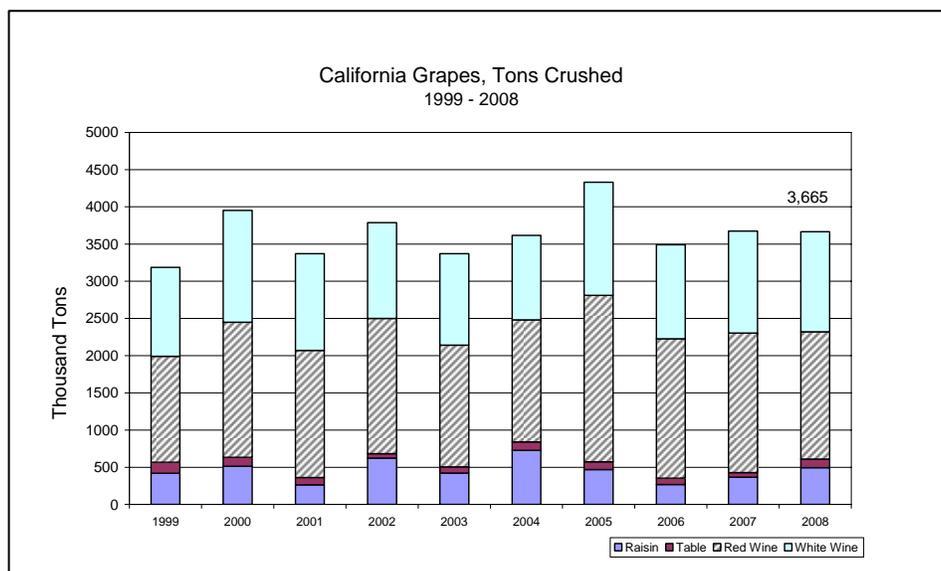
Details of the crushed tonnage, degrees Brix, and weighted average prices were reported by grape type and variety, as well as by grape pricing districts. The 17 districts refer to the area in which the grapes were grown as defined in the Administrative Code. A district map is located on the inside of the front cover.

SUMMARY OF GRAPE TONNAGES AND PRICES

The 2008 crush totaled 3,665,375 tons, down less than 1 percent from the 2007 crush of 3,674,453 tons. Red wine varieties accounted for the largest share of all grapes crushed, at 1,709,040 tons, down 9 percent from 2007. The 2008 white wine variety crush totaled 1,345,112 tons, down 2 percent from 2007. Tons crushed of raisin type varieties totaled 494,124, up 36 percent from 2007, and tons crushed of table type varieties totaled 117,099, up 85 percent from 2007. (See chart below.)

Beginning with the 1999 season, the Grape Crush Report includes the total number of tons crushed for concentrate production. In determining grape tonnage crushed for concentrate production, each processor was required to report the estimated equivalent tons of grapes crushed for grape concentrate. For the 2008 season, this total was 747,925 tons, approximately 20 percent of the 2008 grape crush total. This report provides only the aggregate figure for grapes crushed for concentrate production and does not include information by district, type, or variety.

California grape growers received prices in 2008 for red wine, white wine, raisin and table grapes that were, on average, above the 2007 prices. The 2008 average price of all varieties was \$544.18, up 4 percent from 2007. Average prices for the 2008 crop by type were as follows: red wine grapes, \$642.87, up 3 percent from 2007; white wine grapes, \$538.74, up 12 percent from 2007; raisin grapes, \$224.02, up 44 percent; and table grapes, \$189.27, up 37 percent. These price levels have not been adjusted for inflation.



CALIFORNIA GRAPE CRUSH TONNAGE AND PRICE, 1988-2008

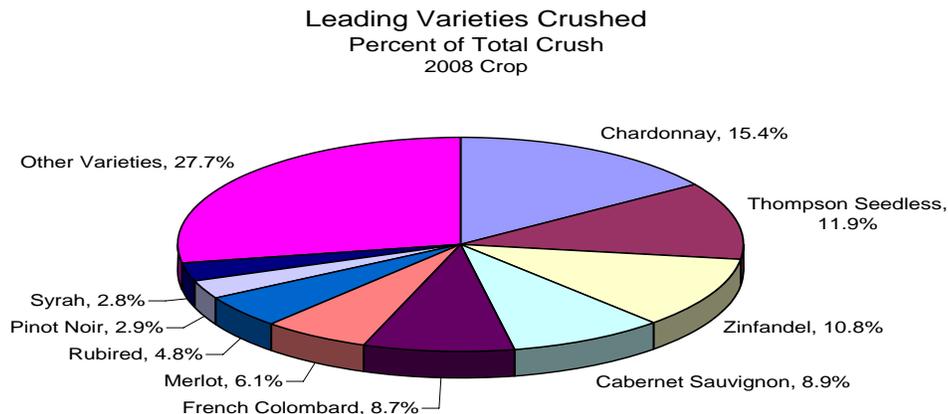
Crop Year	Red Wine Type		White Wine Type		Total Wine Type		Raisin Type		Table Type		All Types	
	Thousand Tons	\$/Ton	Thousand Tons	\$/Ton	Thousand Tons	\$/Ton	Thousand Tons	\$/Ton	Thousand Tons	\$/Ton	Thousand Tons	\$/Ton
1988	760	409	1,356	238	2,117	297	415	116	312	131	2,843	253
1989	872	410	1,272	297	2,144	342	370	132	211	128	2,725	297
1990	804	355	1,331	277	2,135	306	268	126	170	127	2,573	276
1991	840	383	1,289	319	2,129	344	284	150	157	141	2,570	310
1992	888	438	1,209	364	2,097	395	785	182	217	170	3,099	325
1993	979	430	1,327	316	2,306	365	452	152	137	147	2,895	323
1994	936	462	1,242	317	2,177	379	239	118	123	136	2,540	344
1995	1,052	515	1,175	351	2,277	429	432	164	170	162	2,829	372
1996	1,079	611	1,094	469	2,172	540	618	191	117	188	2,908	452
1997	1,461	656	1,433	546	2,893	603	786	185	212	169	3,891	497
1998	1,333	643	1,194	521	2,527	586	506	164	135	150	3,169	502
1999	1,422	649	1,195	518	2,617	590	419	200	149	187	3,185	525
2000	1,816	628	1,503	500	3,319	571	513	125	120	118	3,951	504
2001	1,706	680	1,300	491	3,006	601	262	86	101	87	3,368	555
2002	1,817	614	1,288	432	3,105	538	622	76	61	80	3,787	462
2003	1,634	609	1,230	429	2,864	534	422	95	84	91	3,370	471
2004	1,639	627	1,136	487	2,775	571	727	200	113	199	3,615	482
2005	2,235	634	1,521	507	3,756	583	467	164	106	121	4,330	533
2006	1,874	637	1,263	503	3,136	583	267	154	86	137	3,489	548
2007	1,875	627	1,372	482	3,248	565	364	155	63	138	3,674	522
2008	1,709	643	1,345	539	3,054	598	494	224	117	189	3,665	544

Source: USDA-NASS, California Field Office

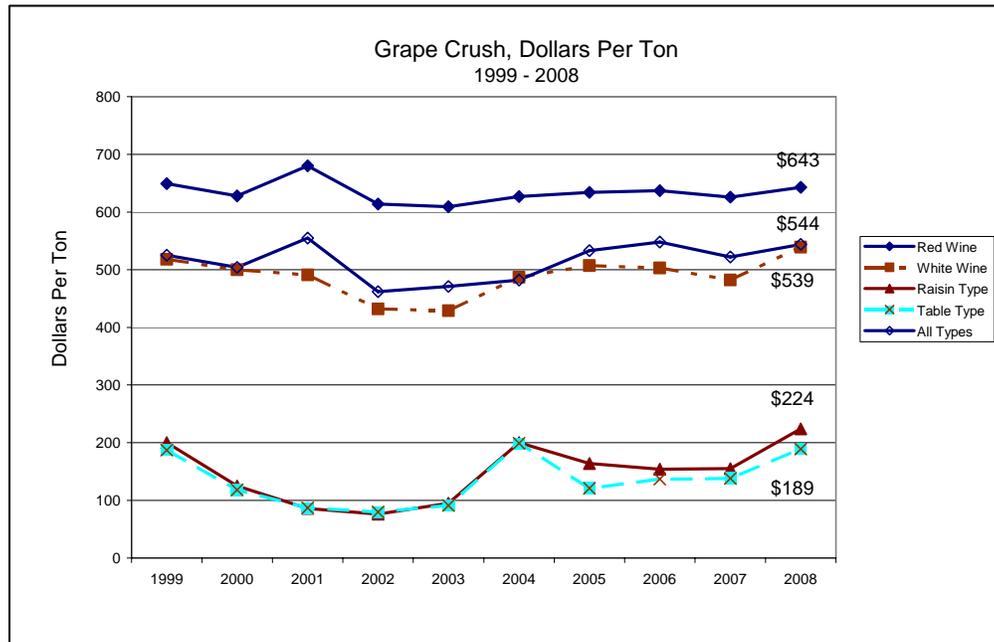
LEADING GRAPE VARIETIES AND DISTRICTS

In 2008, Chardonnay accounted for the largest percentage of the total crush volume with 15.4 percent. Thompson Seedless accounted for the second leading percentage of crush with 11.9 percent of the total crush. The next eight highest percentages of grapes crushed were all wine varieties.

District 13, (Madera, Fresno, Alpine, Mono, Inyo Counties; and Kings and Tulare Counties north of Nevada Avenue (Avenue 192)), had the largest share of the state's crush, at 1,473,673 tons. The average price per ton in district 13 was \$251.19.



Grapes produced in District 4 (Napa County) received the highest average price of \$3,390.64 per ton, up 4 percent from 2007. District 3 (Sonoma and Marin counties) received the second highest return of \$2,235.30, up 7 percent from 2007. The 2008 Chardonnay price of \$815.00 was up 14 percent from 2007, and the Cabernet Sauvignon price of \$1,098.47 was up 11 percent from 2007. The 2008 average price for Zinfandel was \$459.53, down 2 percent from 2007, while the Merlot average price was up 9 percent from 2007 at \$646.52 per ton.



EXPLANATION OF TABLES

TABLE 1 is a summary of the 2008 crop State totals by grape type and varieties that are shown in detail by grape pricing districts in Tables 2 through 6. State totals and averages for 2007 are shown for comparison.

TABLE 2 includes over-the-scale fresh tonnage of all grapes crushed by California processors from the 2008 crop. Over-the-scale fresh weight tonnage includes materials other than grapes (MOG) and defects. This table is broken down by the 17 grape pricing districts and by variety. State totals for 2007 are shown for comparison. Crushed tonnage includes all grapes crushed whether: grown and crushed by processors; purchased and crushed by processors; crushed by cooperatives, juice manufacturers, etc.; or crushed for others, including growers.

TABLE 3 shows the weighted average degrees Brix for all grapes crushed (TABLE 2) by California processors from the 2008 crop. The weighted average degrees Brix is reported by grape pricing districts and variety. State averages for 2007 are shown for comparison.

TABLE 4 includes net weight fresh tonnage of all grapes purchased for wine, concentrate, juice, vinegar, and beverage brandy by California processors from the 2008 crop. Net weight fresh tonnage does not include material other than grapes (MOG) and defects or other weight adjustments deducted from gross weight. The purchased tonnage is reported by variety and grape pricing districts. State totals for 2007 are shown for comparison. TABLE 4 does not include tonnage purchased as distilling material other than beverage brandy, this is shown in TABLE 7. Prices for all tonnage shown in this table are final and not subject to change. Grapes pooled by cooperatives, those grown by processors and used for their own production and grapes crushed to growers' accounts are not included.

TABLE 5 shows the weighted average degrees Brix for all grapes purchased for wine, concentrate, juice, vinegar, and beverage brandy (TABLE 4) by California processors from the 2008 crop. The weighted average degrees Brix is reported by grape pricing districts and variety. State averages for 2007 are shown for comparison. TABLE 5 does not include degrees Brix of tonnage purchased as distilling material other than beverage brandy, this is shown in TABLE 7. Grapes pooled by cooperatives, those grown by processors and used for their own production and grapes crushed to growers' accounts are not included.

TABLE 6 gives the weighted average price per ton, delivered basis, of all tonnage purchased for wine, concentrate, juice, vinegar, and beverage brandy (TABLE 4) by California processors from the 2008 crop. The weighted average prices are reported by variety, and grape pricing districts. State averages for 2007 are shown for comparison. TABLE 6 does not include prices of tonnage purchased as distilling material other than beverage brandy, this is shown in TABLE 7. Prices shown in this table are final and not subject to change. Grapes pooled by cooperatives, those grown by processors and used for their own production and grapes crushed to growers' accounts are not included.

Weighted average prices reflect final prices through January 10, 2009 and include any Brix adjustments, bonuses or allowances. Prices are equivalent to delivered basis in the area grown including normal within-area hauling allowances. Purchases made on a roadside basis include the usual hauling allowance for local delivery in the area grown. Out-of-area purchases made on a delivered basis do not include extra hauling allowances for delivery outside the area.

The next example indicates the method used for calculating weighted averages.

The following two purchases were made.

Variety	District	Tons	Degrees Brix	Base Price	Price Paid Per Ton	Acceptable Brix Limits	Brix Adjustment Factors	Brix Adjustment Limits
<i>Petite Sirah</i>	1	155.5	20.6	\$450.00	\$364.50	19 - 25	+ or - 10%	Base 22, Min 20, Max 24
<i>Petite Sirah</i>	1	20.5	19.0	\$450.00	\$418.50	19 - 25	+ or - 10%	Base 22, Min 20, Max 24

Note: The variety, district, base price, and Brix Adjustment Factors (including Brix limits) are the same. The tons purchased, degrees Brix, and price paid per ton are the only differences in this example.

Step 1: Multiply the tons by the Brix for each lot purchased and then add the products to get the total. Also, add the tons purchased.

Variety	District	Tons	Degrees Brix	Total (Tons X Brix)
<i>Petite Sirah</i>	1	155.5	20.6	155.5 X 20.6 = 3,203.3
<i>Petite Sirah</i>	1	20.5	19.0	20.5 X 19.0 = 389.5
TOTALS		176.0		3,592.8

Step 2: Divide the total (3,592.8) by the total tons purchased (176.0) to get the **Weighted Average Degrees Brix**.

$$\frac{3,592.8}{176.0} = 20.4$$

Step 3: Multiply the purchased tons by the Price Paid Per Ton for each lot purchased and then add the products to get the total.

Variety	District	Tons	Price Paid Per Ton	Total (Tons X Brix)
Petite Sirah	1	155.5	\$364.50	155.5 X 364.50 = 56,679.8
Petite Sirah	1	20.5	\$418.50	20.5 X 418.50 = 8,579.3
TOTALS		176.0		65,259.1

Step 4: Divide the total (65,259.1) by the total tons purchased (176.0) to get the **Weighted Average Price Per Ton**:

$$\frac{65,259.1}{176.0} = \$370.79$$

TABLE 7 shows all grape tonnage purchased as distilling material other than beverage brandy by California processors from the 2008 crop. The tonnage, weighted average degrees Brix and price per ton are shown by grape type and variety. State totals and averages for 2007 are given for comparison.

TABLE 8 shows base prices paid to growers by Brix adjustment factors, purchased tonnage, type, variety and reporting district where grown. Weighted average base prices and total purchased tonnage are included.

The Brix adjustment factors determine adjustments to base prices to compensate for sugar variations. In this report, adjustments are expressed in dollars per ton, or percent of base price per degree variance from the established Brix base. Occasional lots are traded on price per degree Brix as delivered.

TABLE 9 includes tonnage of all grapes crushed to growers' accounts by California processors from the 2008 crop. Growers retained ownership of these grapes at the time of crushing. This tonnage is reported by grape pricing district and variety. Comparisons with 2007 are shown. (*Table 9 only appears in the Final Grape Crush Report.*)

TABLE 10 gives the weighted average price per ton, delivered basis, of all tonnage purchased from non-related sources for wine, concentrate, juice, vinegar, and beverage brandy (TABLE 4) by California processors from the 2008 crop. The weighted average prices are reported by variety, and grape pricing districts. State averages for 2007 are shown for comparison. TABLE 10 does not include prices of tonnage purchased as distilling material other than beverage brandy, this is shown in TABLE 7. Prices shown in this table are final and not subject to change. Grapes pooled by cooperatives, those grown by processors and used for their own production and grapes crushed to growers' accounts are not included.

Non-Related Purchased Tons: Excludes tonnage of grapes purchased from a grower if:

- The grower or an affiliate of the grower, or both the grower and the affiliate of the grower, owned, directly or indirectly, at least 5 percent of the indicia of ownership or voting authority of the winery (processor);
- The winery (processor) or an affiliate of the winery, or both the winery and the affiliate of the winery, owned, directly or indirectly, at least 5 percent of the indicia of ownership or voting authority of the grower;
- The winery (processor) or an affiliate of the winery, or both the winery and the affiliate of the winery, provided long-term financing to the grower in exchange for rights or options to purchase a significant portion of the grower's harvest.

Grape Variety Synonyms		
Alicante Bouschet – Alicante	Italia – Muscat Italia	Malaga – White Malaga
Beauty Seedless – Black Beauty	Malvasia Bianca – Vennentino, Vermintino	Refosco – Mondeuse
Black Corinth – Zante Current	Marechal Foch – Foch	Ribolla Gialla – Rebolla
Black Prince – Rose of Peru	Mataro – Mourvedre	Rubired – Tintoria
Blaufraenkisch – Lemberger	Meunier – Pinot Meunier	Ruby Seedless – King Ruby
Burger – Monbadon	Moscato Gaillo – Muscat Yellow	Sangiovese – Sangioveseto, Brunello
Chardonnay – Pinot Chardonnay,	Muscat Blanc – Muscat Canelli,	Sauvignon Vert – Muscadelle
Chardonnay Musque	Muscat Blanc A Petits Grains	St. Emilion – Ugni Blanc, Trebbiano
Cinsaut – Black Malvoisie, Black Malvasia	Muscat Hamburg – Black Muscat	Syrah – French Syrah, Shiraz, Syrah Noir
Crimson Seedless – Red Crimson	Negrette – Pinot St. George	Tempranillo – Tinta Roriz, Valdepenas
Emerald Seedless – Black Seedless	Nero D'Avola – Calabrese	Touriga Nacional – Touriga
Flame Seedless – Red Flame	Palomino – Golden Chasselas	Trousseau – Bastardo
Gamay (Napa) – Gamay, Valdiguie	Pinot Gris – Pinot Grigio	White Riesling – Johannisberg Riesling,
Gray Riesling – Trousseau Gris	Princess – Melissa	Riesling
Grenache – Grenache Noir	Red Globe – Rose Ito	