

# California

## Grape Crush Inquiry

### Frequently Asked Questions (FAQ)

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1. Do the forms have to be in the office by January 10, or postmarked by January 10?
  - a. Postmarked by January 10.
2. I already sent my report in and I'm still getting reminder calls. Why don't you have it yet?
  - a. If you completed the report on paper, the Business Reply mail can take 2-5 weeks to get to us. That is why we are using FedEx envelopes this year for operations that typically complete a paper report. If you sent your report to our PO Box instead of putting it in the FedEx envelope included, it may be a long time before we get it. Let the callers know you mailed it and we'll do our best to pause calling you for a few weeks to give it a chance to arrive.
  - b. If you completed the report in Excel and are still getting calls, please let the callers know the day that you emailed it in and the email address you emailed it from. We will verify receipt with this information . Occasionally emails are not received and we may ask you to resend it.
3. Do I have to pay the Pierce's Disease Assessment if I crushed less than 100 tons?
  - a. Yes. If you have crushed less than 100 tons, you still have to pay the Pierce's Disease Assessment.
4. Do I have to submit a report if **ALL** my tonnage is custom crushed at another facility?
  - a. Did you purchase any grapes?
    - i. If YES, then you must complete a report. You will include your purchase information in Section 2 of the Datapage, and report who custom crushed for you in Question 2.
    - ii. If NO, then you do not need to complete a report. Your custom crusher will report your tonnage in Question 4 and will remit the Pierce's Disease Assessment to us on your behalf. All you need to do is complete the yellow paper, titled "Certification of No Grape Purchasing or Crushing".
5. What is the difference between Question 3 and Question 4?
  - a. Question 3 is where you include all the tonnage crushed for clients that purchased grapes or crushed other grapes at their facility (i.e. the custom crush client will complete their own report, put the grapes in Question 2, and pay the Pierce's Disease Assessment to us themselves). All data in Question 3 will be matched up with Question 2 of the client's report once they are in our office.
  - b. Question 4 is where you include all information for operations that DID NOT purchase or crush any grapes (i.e. the custom crush client will NOT be completing their own report, so you will be remitting the Pierce's Disease Assessment to us on their behalf). All data in Question 4 is complete – there is no corresponding purchase information that needs to be linked to on the client's report.

*Information contained in Grape Crush Inquiry and both the preliminary and final reports is supplied by processors to fulfill the reporting requirements of Section 55601.5 of the Food and Agricultural Code. January 10 is the due date for processors to respond with their completed workbooks. Preliminary results will post February 8, 2019 and Final results on March 8, 2019.*

6. What does Non-Related Purchase mean? How do I fill out that column?
  - a. A Non-Related Purchase is any purchase where there is less than 5% common ownership between the buyer and the seller.
    - i. If your purchase was non-related (<5% common ownership between buyer and seller), you will enter your purchased tonnage into **both columns 5 AND 6** of the Datapage.
    - ii. If your purchase was related (>5% common ownership between buyer and seller OR a long term lease situation), you will enter your purchased tonnage into column 5 of the Datapage and you will **leave column 6 blank**.
  
7. Do I pay the Pierce’s Disease Assessment (PDA) for my custom crush clients?
  - a. It depends - Did they purchase any grapes? Or crush other grapes at their own facility?
    - i. If yes to either of these, you will not pay the PDA on their behalf. They will need to complete their own report and will pay the PDA directly to us. **You will include all their tonnage in Question 3.**
    - ii. If no to both, you will need to include their tonnage on Question 4 and remit the PDA to us on their behalf.
  
8. I have a long term lease with a grower. Do I report this as grown or purchased?
  - a. If 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, this should be reported as a **RELATED** purchase (i.e. leave column 6 blank).
  
9. EXCEL ONLY: My Section A doesn’t balance. What is going wrong?
  - a. There are many possibilities. Here are some common mistakes:
    - i. The most common mistake is not entering your total purchased tonnage in the white boxes 8 and/or 9 of Section A. In this situation, you purchased grapes and crushed them yourself. If you had related purchases, the total in the yellow box 8 should be entered into the white box 8. If your purchases were non-related, that total should be entered into the white box 8 and the white box 9.

7. Total tons crushed by your firm (Col. 3) that were grown by your firm, not purchased. (Cooperatives report total membership tons crushed.)	7.	0.0		
8. Total tons crushed by your firm (Col.3.) that were purchased from growers (Col. 5). Enter this amount in both columns. Do not include purchases for distilling material that were listed on line 6.	8.	33.2	33.2	
9. Total Non-Related purchased tons crushed by your firm that were purchased from growers (Col. 6) Do not include purchases for distilling materials that were listed on line 6.				33.2
10. GRAND TOTAL TONS: Sum lines 1 through 9. Totals should agree with grand totals in Section B.	10.	33.2	0.0	0.0
11. CONCENTRATE. Of the GRAND TOTAL TONS, what was the tonnage purchased and crushed for CONCENTRATE PRODUCTION.	11.			
<b>Totals from Data Page for comparison.</b>				
Crushed		33.2		
Data Page purchased tons disagree with line 10 above.			33.2	33.2
Purchased for Distilling			0.0	

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- ii. Another mistake is not entering your total purchased tonnage in the white boxes labeled **3a** of Section A. In this situation, you purchased grapes and had them custom crushed for you (Question 2). If you had related purchases, the total tonnage purchased and custom crushed should be entered into the white box 3a. If your purchases were non-related, that total should be entered again into second white box 3a to the right of the first one.

3. Total tons that were crushed for you by other processors (Question 2 on "General Information" page), but were: a. Purchased by your firm for wine, concentrate, etc. (Section II.) b. Purchased by your firm for distilling materials, (Section III.) c. Grown by your firm.			33.9	
	3a.		33.9	33.9
	3b.			
4. Total tons purchased from growers and resold to other processors, but not crushed by your firm (Question 1b on "General Information" page.)	4.	0.0		
5. Total tons crushed by your firm that were repurchased from another processor (winery) not from the original grower (Question 1c on the "General Information" page.)	5.	0.0		
6. Total tons crushed by your firm (Col. 3) that were purchased as distilling materials (Col. 17). Enter this tonnage in both columns.	6.	0.0	0.0	
7. Total tons crushed by your firm (Col. 3) that were grown by your firm, not purchased. (Cooperatives report total membership tons crushed.)	7.	0.0		
8. Total tons crushed by your firm (Col.3) that were purchased from growers (Col. 5). Enter this amount in both columns. Do not include purchases for distilling material that were listed on line 6.	8.	0.0		
9. Total Non-Related purchased tons crushed by your firm that were purchased from growers (Col. 6) Do not include purchases for distilling materials that were listed on line 6.				9.
10. GRAND TOTAL TONS: Sum lines 1 through 9. Totals should agree with grand totals in Section B.	10.	0.0	0.0	0.0
11. CONCENTRATE. Of the GRAND TOTAL TONS, what was the tonnage purchased and crushed for CONCENTRATE PRODUCTION.	11.			
<b>Totals from Data Page for comparison.</b>				
	Crushed	0.0		
	<b>Data Page purchased tons disagree with line 10 above.</b>		33.9	33.9
	Purchased for Distilling		0.0	

- iii. Another mistake involves grown tons. If you do not enter a “1” in column “D” of the Datapage, the workbook will not correctly sort your grown tonnage. Instead of showing up in Box 7 of Section A, the grown tons will show up in Box 8.

7. Total tons crushed by your firm (Col. 3) that were grown by your firm, not purchased. (Cooperatives report total membership tons crushed.)	7.	0.0		
8. Total tons crushed by your firm (Col. 3) that were purchased from growers (Col. 5). Enter this amount in both columns. Do not include purchases for distilling material that were listed on line 6.	8.	33.9		
9. Total Non-Related purchased tons crushed by your firm that were purchased from growers (Col. 6) Do not include purchases for distilling materials that were listed on line 6.				9.
10. GRAND TOTAL TONS: Sum lines 1 through 9. Totals should agree with grand totals in Section B.	10.	33.9	10.	0.0
11. CONCENTRATE. Of the GRAND TOTAL TONS, what was the tonnage purchased and crushed for CONCENTRATE PRODUCTION.	11.		11.	
<b>Totals from Data Page for comparison.</b>				
	<b>Crushed</b>	33.9		
	<b>Purchased</b>		0.0	0.0
	<b>Purchased for Distilling</b>		0.0	

You need to go back to the Datapage and enter a “1” in Column “D”. This will move the tons in Section A to Box 7 where they belong.

	1	Repurchases--Question 1C.		0.0	
	2	Crushed for Processors--Question 3.		0.0	
	3	Crushed for Growers--Question 4.		0.0	
7004	4	Chardonnay	1	5.0	24.0
6024	5	Cabernet Sauvignon	1	10.2	24.0
6112	6	Pinot Noir	1	5.4	24.0
7033	7	Sauvignon Blanc	1	7.9	24.0
6084	8	Merlot	1	3.3	24.0
6154	9	Zinfandel	1	2.0	24.0
	10				

10. I bought grapes affected by smoke. How do I report these?

- a. According to the California Code of Regulations (3 CCR Subsection 1661.2), “Defects” shall be considered defective grapes due to evidence of mold, rot, or mildew resulting in decomposition. The definition is very specific and does not include smoke taint.

Without this definition in the California Code of Regulations, smoke taint will need to be treated as a quality issue. We have developed several scenarios related to smoke taint to aid the industry in how to report various situations on the Grape Crush and Purchase Inquiry.

- i. Scenario 1:  
Grapes were harvested and delivered to the winery. However, winery chose not to crush the grapes due to smoke damage. Please report the purchase in Section 2, with no corresponding crush in Section 1 of the Datapage. For Section 2, please report the contract price in Column 8 and the price paid in Column 16.
- ii. Scenario 2:  
Grapes were harvested, delivered to the winery, and crushed. However, winery chose to discard the grapes after crush due to smoke damage. Please report the purchase in Section 2, with corresponding crush in Section 1 of the Datapage. For Section 2, please report the contract price in Column 8 and the price paid in Column 16 (even if the price paid ended up as \$0).
- iii. Scenario 3:  
Grapes were harvested, delivered to the winery, and crushed. However, winery is still evaluating smoke damage and will not make a decision about keeping the grapes until after January 10. Please report the purchase in Section 2, with corresponding crush in Section 1 of the Datapage. For Section 2, please report the contract price in Column 8 and in Column 16, even if the price may change after a decision of the smoke damage is made. The price in Column 16 must be as of January 10 – if the price is adjusted after January 10, that price should not be reported to us.
- iv. Scenario 4:  
The contract was renegotiated prior to January 10 to account for smoke damage. In this scenario, they will report the renegotiated contract price in Column 8 and the actual payment price in Column 16.