



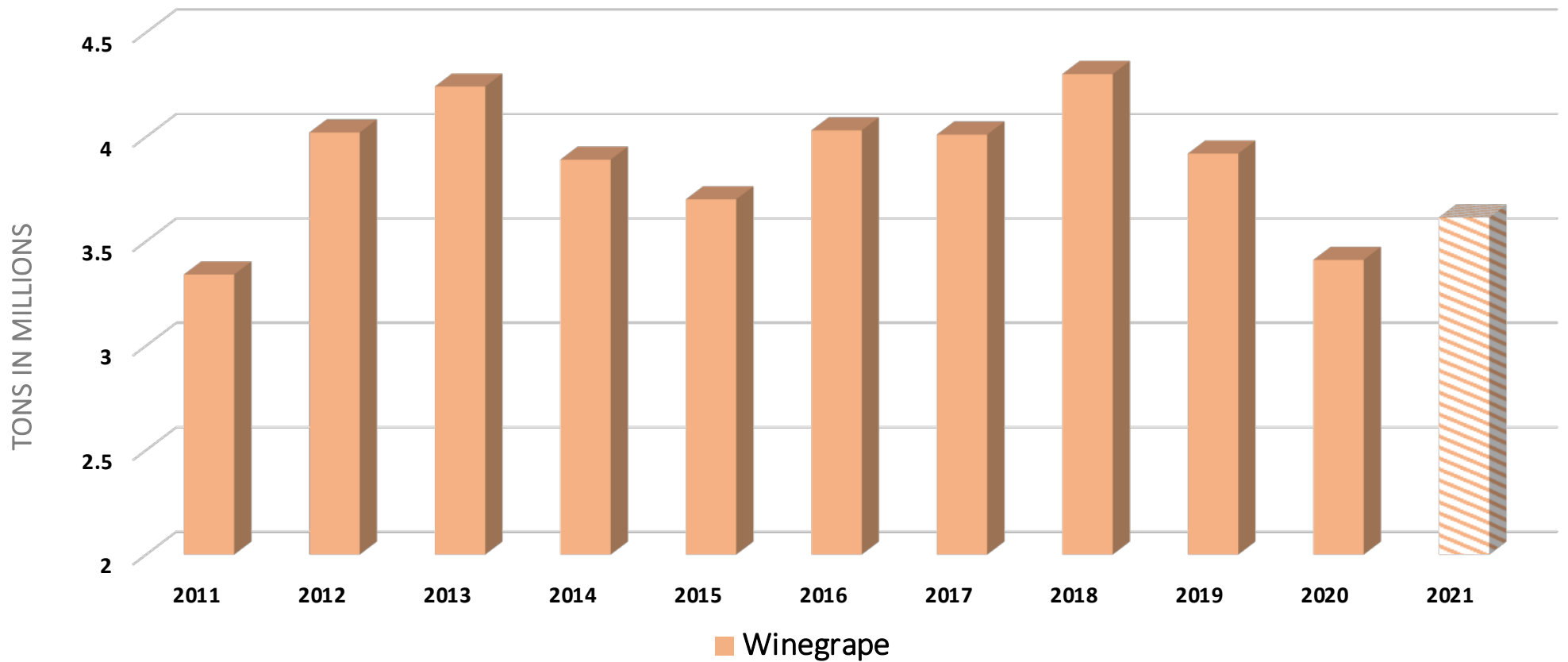
Grape/Wine Market Overview

March 16, 2022

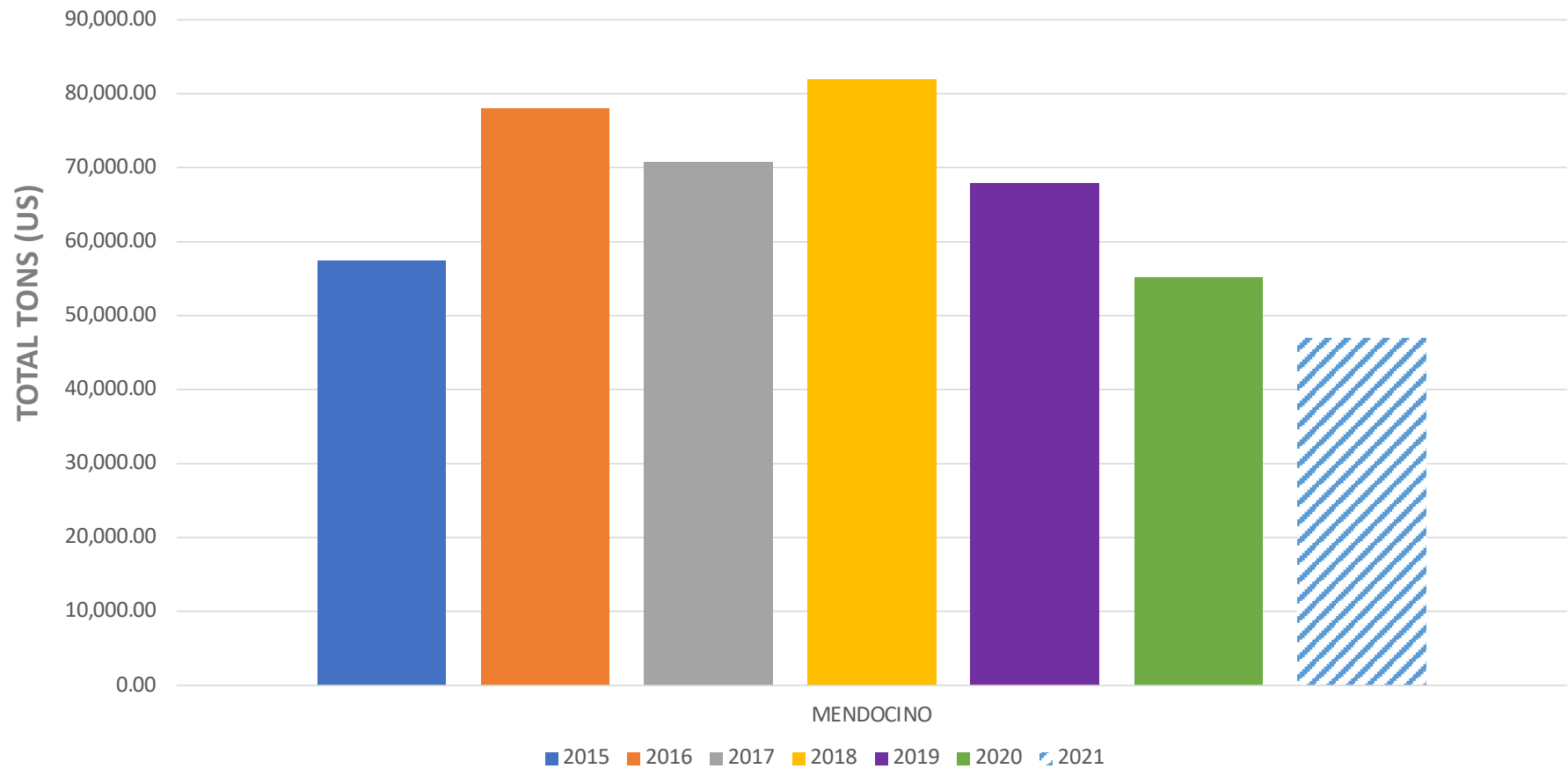


CALIFORNIA

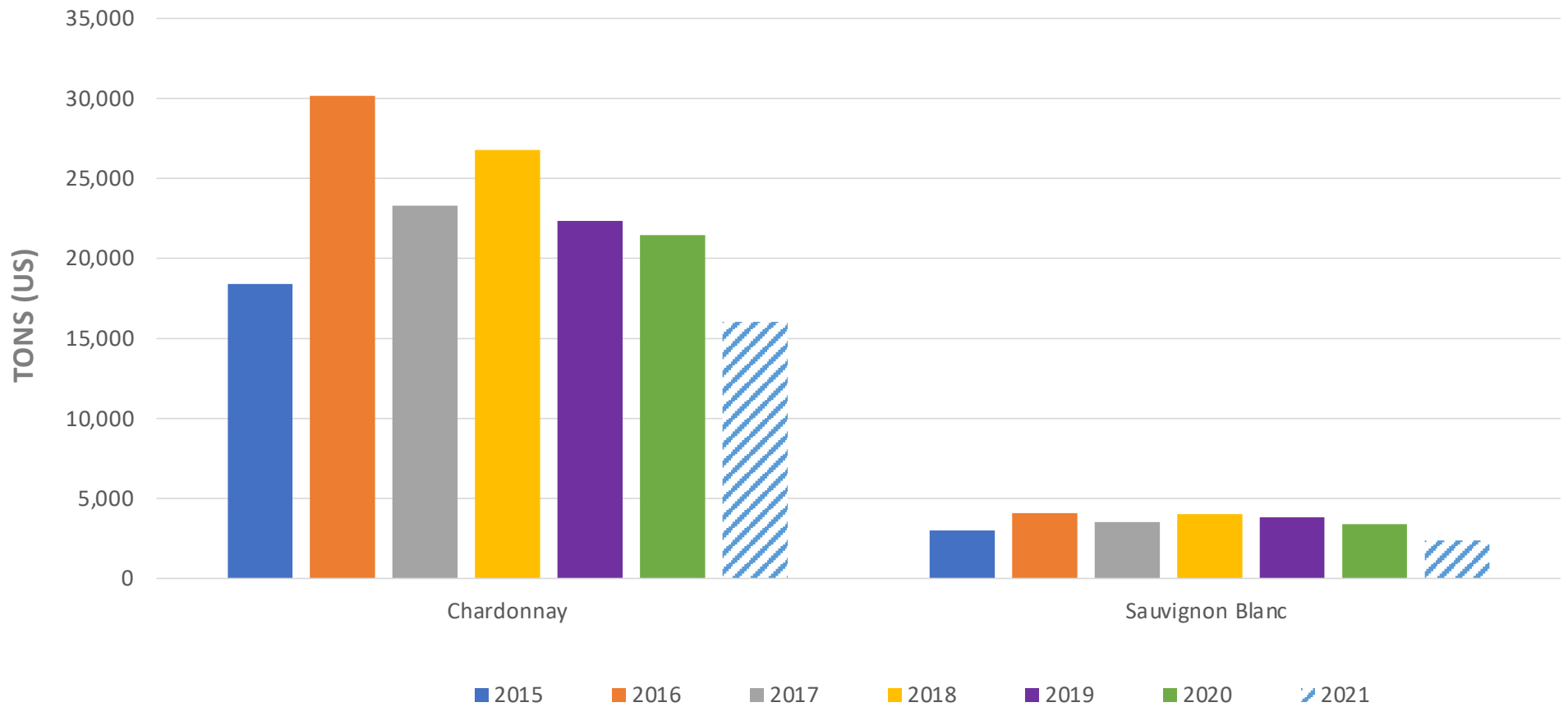
STATEWIDE GRAPE CRUSH



MENDOCINO TOTAL TONS 2015 – 2021

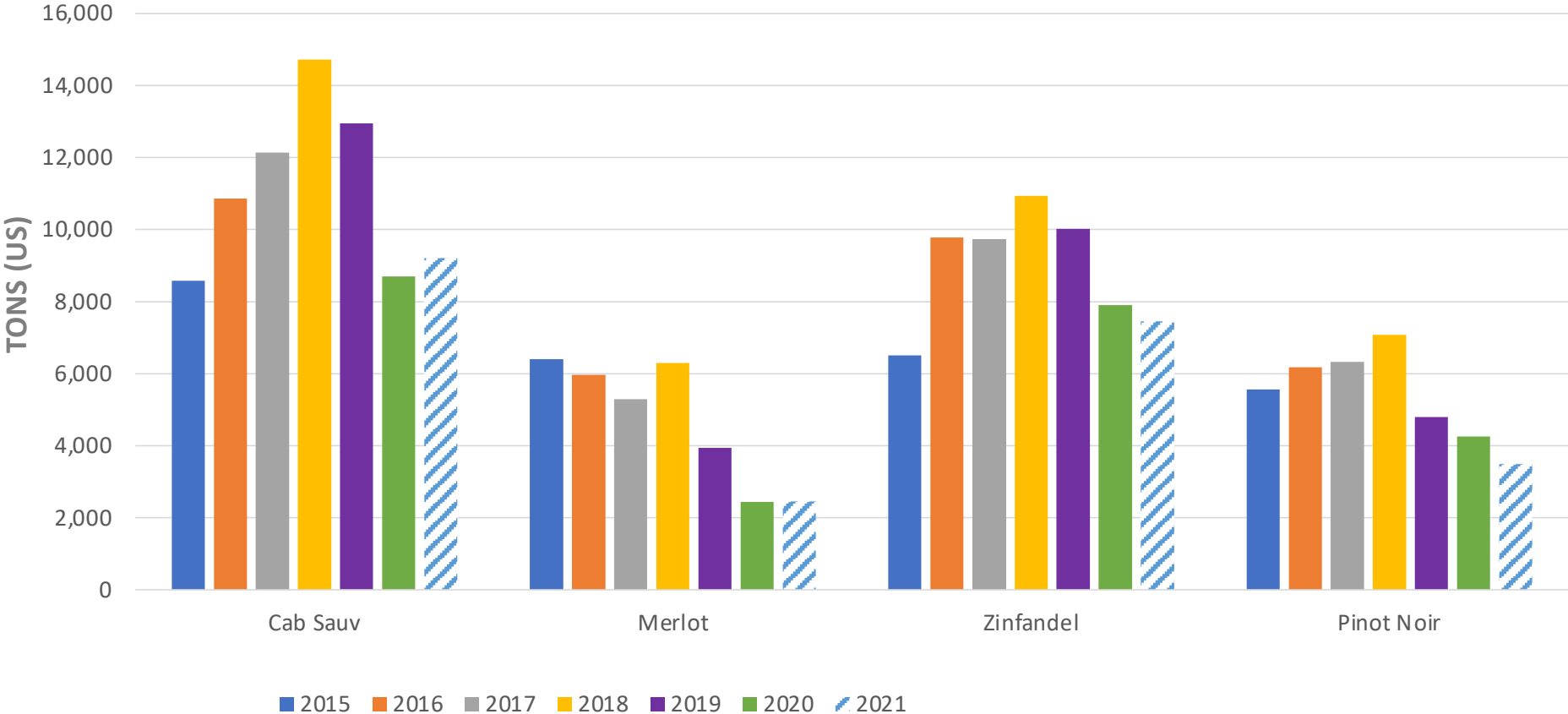


MENDOCINO COUNTY WHITE GRAPE TONNAGES 2015 – 2021

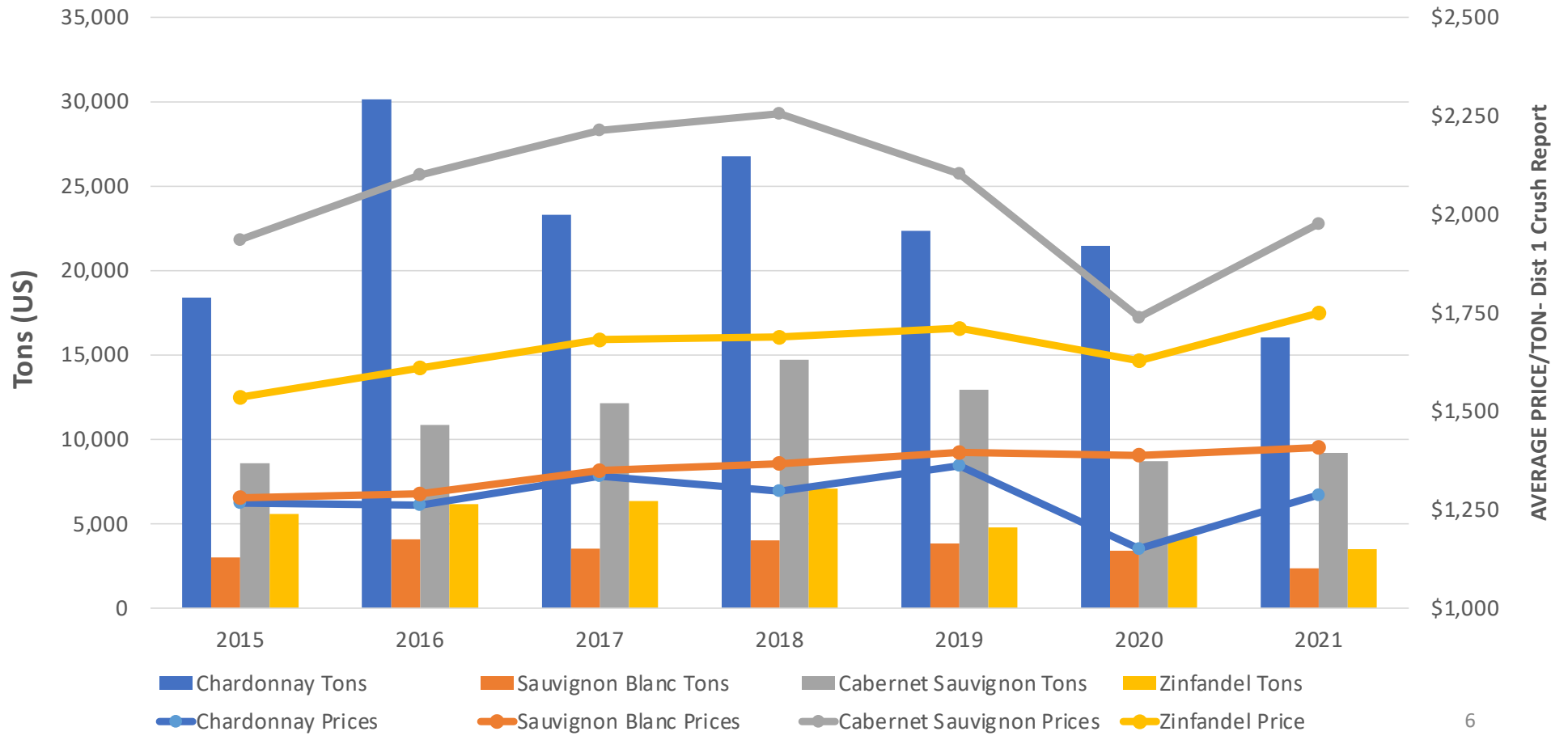


MENDOCINO COUNTY RED GRAPE TONNAGES

2015 – 2021



MENDOCINO COUNTY PRICING DYNAMICS



2022 GRAPE MARKET

- ❖ Much earlier activity in the North Coast (Specifically Napa/Sonoma) and continued strong demand in the Central Valley
 - ❖ Short 2020 Crop and 2021 Crop
- ❖ Buyers considering more longer term deals
- ❖ Early Price Tension in the Market: Buyer limits on what they can pay to maintain margins, while growers are concerned about rising costs, labor, and replanting
- ❖ Concerns regarding another potentially limited crop in 2022 (Drought, Frost, etc), has caused those "fence sitting" to jump into the market
- ❖ Wineries not selling Grapes
- ❖ Sauvignon Blanc and Chardonnay have been the strongest early, now seeing activity on Pinot Noir, Cabernet Sauvignon, and "removed varieties"

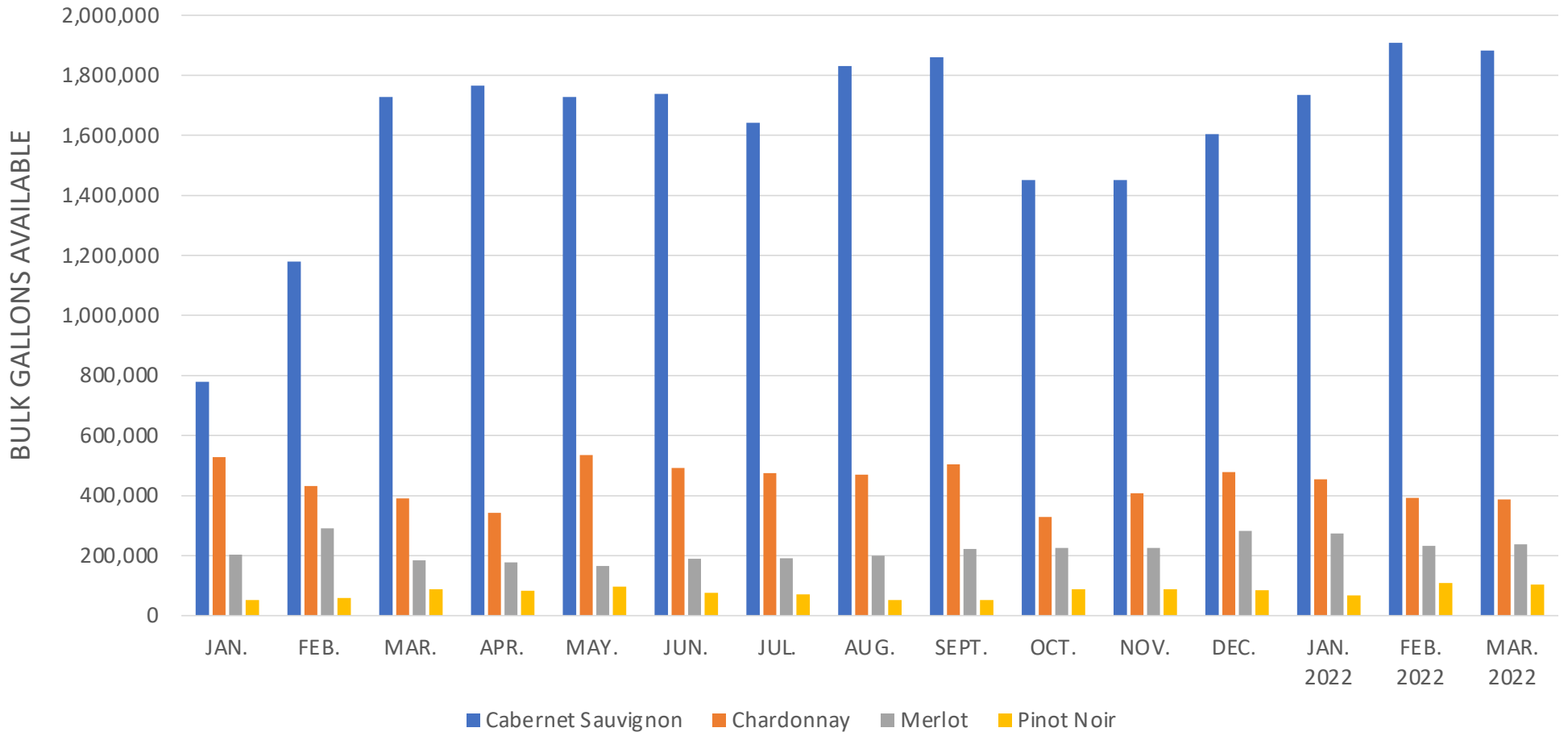
NORTH COAST BULK MARKET

- ❖ Bulk market has recently seen renewed activity
 - ❖ Jan/Feb very active – especially for CH, SB, and PN
 - ❖ Napa and Sonoma main areas of activity

- ❖ Bulk pricing and inventory trends
 - ❖ Inventories are relatively light
 - ❖ Prices have increased especially as we have gotten into the 2021v
 - ❖ Some inventory remains of 2020 wines

- ❖ Observations
 - ❖ Central Valley Bulk activity has been slowing while North Coast activity has increased

LAKE & MENDO COUNTY JAN 2021 - MAR 2022



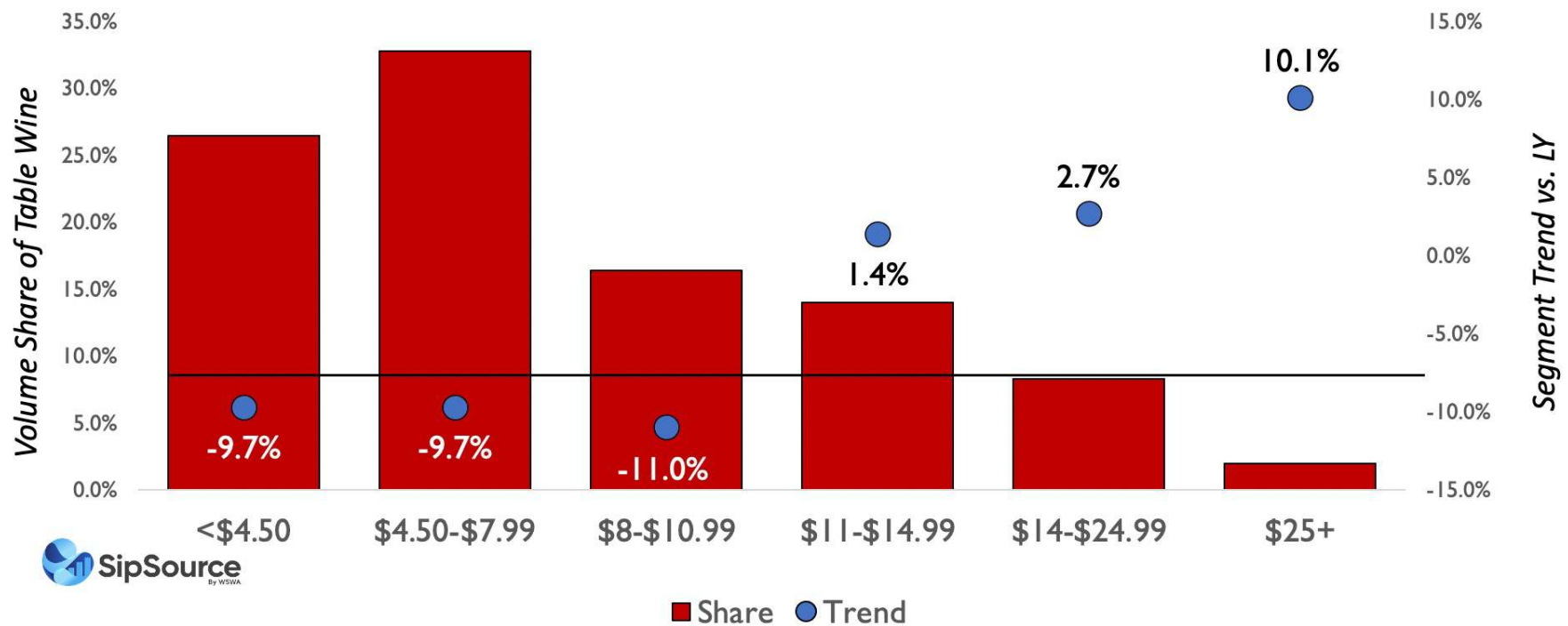
SUPPLY/DEMAND

- ❖ Overall Market is balanced
 - ❖ Renewed Bulk Wine and Grape Activity
 - ❖ Tightening in Napa/Sonoma – potentially loosening in the Central Valley
- ❖ Balance Achieved by 2020/2021 Supply Adjustment
 - ❖ Supply Adjustment vs Demand Growth
- ❖ Questions:
 - ❖ Casegood sales moving forward??
 - ❖ Unexpected Inventory hitting market
 - ❖ Crop Size – 2022?



Table Wine Sales – Sip Source, Danny Brager

TABLE WINE: \$25+ LEADS THE WAY; <\$11 VERY SOFT



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12 Month Rolling Sept 2021 Ending

THANK YOU

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