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FOR IMMEDIATE RELEASE

2016 CALIFORNIA WINEGRAPE CRUSH SIZE CONFIRMED AS “BELOW AVERAGE”

Fresno, California – The California Agricultural Statistics Service released its annual Preliminary Grape Crush Report at noon today summarizing the size and value of the 2016 California grape crush. Allied Grape Growers estimated a 3.9 million ton winegrape crush, as did most industry observers, prior to the release of the report. Few are surprised by the crush size, as confirmation of a 4,000,790 ton winegrape crush was made public today.

“Even though the 2016 winegrape crush was larger than either of the previous two years, it still fell slightly short of what we consider an average sized crop in California. Based on bearing acreage estimates and multi-year yield analysis, an average crush would have landed at right about 4.2 million tons.”, stated Jeff Bitter, Vice President of Allied Grape Growers. In addition to the winegrape crush, 97,759 tons of table type grapes along with 98,205 tons of raisin type grapes were crushed, bringing the total California grape crush, of all types, to 4,196,753 tons, an 8.5% increase from the 2015 total. Of the total grape crush in 2016, 9.4% (393,045 tons) was crushed for [unfermented] grape juice concentrate – used internally by wineries and also in the food processing industry to add color and/or natural sweetness to various consumables.

The weighted average purchase price of California winegrapes in 2016 increased significantly (14% or \$97.20 per ton) to \$789.36 per ton, demonstrating the overall stability of industry supply/demand, but more importantly signaling the transition of supply away from the value segments and more toward the mid and upper sectors of the business. The value segment of the market continues to move closer to balance as inventories dwindle, while the mid and upper segments of the market continue to enjoy both growing supply (from new plantings) and strong consumer demand.

Year-on-year production changes for major California varieties was mostly up and included Chardonnay (the largest single variety crushed annually) at 672,418 tons, up 6.1%; Muscat of Alexander at 170,403 tons, down 5.5%; Pinot Grigio at a record 243,655 tons, up a whopping 31.6%; Sauvignon Blanc at 105,509 tons, up an impressive 19.4%; Cabernet Sauvignon at a record 557,192 tons, up a staggering 22.3%; Merlot at 266,950 tons, up only 5.6%; Pinot Noir at 249,503 tons, up a much needed 34.8%; and Zinfandel at 414,559 tons, up just 6.7% from 2015. Rubired, a red winegrape variety used predominantly in red grape concentrate production came in at 247,536 tons, down 11.4% from last year’s record production.

The real story from the 2016 winegrape crush remains the fact that perhaps the recent drought years in California has had negative residual effects on crop size. Two “positively” rainy seasons in a row now might help California finally experience an ample crop once again in 2017.

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If you would like more information regarding the crush report and implications for California winegrape growers, please contact Nat DiBuduo or Jeff Bitter at (559) 276-7021 or contactus@alliedgrapegrowers.org.