

World wine production 'to hit 50-year low'

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Global wine production is expected to fall to its lowest in more than 50 years, according to the International Organisation of Vine and Wine (OIV).

The group blamed the decline on extreme weather in Italy, France and Spain - the world's top three producers.

Total world output is projected to fall 8% from last year to about 247 million hectolitres. This could raise prices and dissipate a global surplus caused by a demand slump in the wake of the financial crisis.

According to OIV estimates, Italian wine production will fall 23% to 39.3 million hectolitres. Levels will drop 19% to 36.7 million hectolitres in France which is predicted by the European Commission to be facing its worst harvest since 1945.

Meanwhile in Spain, production will be 15% lower at 33.5 million hectolitres. A hectolitre is 100 litres, equivalent to about 133 standard 750mL bottles.

As a result, small producers hit by several years of small harvests "are facing the very real problem of having to sell family domains because, unless the banks are going to help them in some way, they're stuck," according to Rupert Millar, fine wine editor of industry journal The Drinks Business.

"But just how many this is happening to is another question," he adds.

For wine-growing regions outside Europe, OIV's forecasts are more optimistic.

Australian production is expected to rise 6% to 13.9 million hectolitres, and by as much as a quarter in Argentina to 11.8 million hectolitres.

Output in the US - the world's fourth-largest producer and its biggest wine consumer - is also due to fall by only 1% since reports indicate wildfires struck in California after the majority of wine producers had already harvested their crops.

There was no data available for producers such as China, which produced 11.4 million hectolitres last year.

A decline in tourism and damage to vineyards are likely to add significantly to costs, once the damage is fully understood, said Rob McMillan, founder of the wine division for Silicon Valley Bank. For individual businesses, the fires could be devastating as destroyed vines take about four years to grow back.

Wildfires in California: Wine industry counts cost of disaster

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Call it the grapes of wrath - the California wildfires have struck at the heart of wine country, razing at least five wineries and damaging others.

Most of this season's grapes have already been harvested, which limits possible damage from smoke. But many business owners have not been able to inspect their properties since the areas remain evacuated. "We just don't know yet," said John Aguirre, president of the California Association of Winegrape Growers.

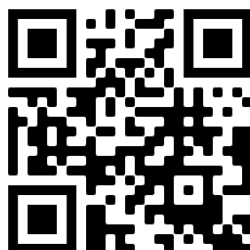
"It's not clear how many vineyards have been damaged and to what extent they can be rehabilitated." The wildfires are the deadliest in California since 2003 and among the worst in the state's history. At least 21 people have been killed and hundreds of people are missing.

Napa and Sonoma counties, where the terror on the terroir struck hardest, are home to about 10% wine grapes grown in California, according to the Wine Institute. They're also home to about a fifth of the state's 4,700 wineries, which buy and process grapes ,and welcome millions of tourists each year.

While California is accustomed to risks from wildfires, the severity of these blazes is "unprecedented" for the wine industry, Mr Aguirre said. At least five wineries have suffered total or very significant losses, and 11 more have reported damage, according to Napa Valley Vintners. The organisation had not heard reports from about a dozen wineries in particularly vulnerable areas. About 90% of grapes had already been harvested.

Mr McMillan said consumers, however, can rest easy: the fires are unlikely to lead to a wider rise in prices for California wine.

"There's plenty of wine. There's plenty of choices," he said. "But it is going to be very painful for [individual] vineyard owners and winery owners."



California wine, by the numbers

By Patrick Comiskey

August 21, 2015 San Francisco Chronicle

California's year in wine, by any measure, was impressive. Despite the challenges of yet another drought year, which led to one of the earliest bud-breaks and earliest harvests (already well under way) in recent memory, **the industry is robust and expanding, and global demand for this vinous product shows no signs of abating. Here's a look at some of the more impressive areas in the state's growth.**

15: New American Viticultural Areas (AVAs) in California

In the past year, the U.S. Alcohol Tax and Trade Bureau has granted AVA status to 15 new California appellations. The new AVAs crisscross the state, from Mount Shasta (Manton Valley) to Malibu (which faced a drought-inspired ban on vineyard development just weeks after its designation). But by far the most sweeping appellation action was centered in Paso Robles, on the Central Coast, which was given 11 geographically significant subdivisions, effectively redrawing this vast region and drawing distinctions between its cool western reaches and its warmer eastern sections.

Eleven is a huge number of appellations for consumers to acquaint themselves with, but growers are delighted nonetheless. "Establishing the reputations of the new AVAs in the marketplace will take time," says Jason Haas of Tablas Creek (which has already begun using its new moniker, "Adelaida District — Paso Robles"), "but it's important. We know that the regions have differences; we now have the tools with which to build this understanding. We can be part of more and better-informed discussions with wine lovers who are interested in how place is reflected in wine."

10: Estimated percentage of female winemakers in California

On the face of it, 1 in 10 seems like a disheartening number. But the figure refers only to head winemakers; many hundreds play supportive roles as assistants, enologists, and laboratory and vineyard managers, not to mention financial officers and administrators — all of which represent rungs on the ladder to top positions. “I think we should feel optimistic,” said Lucia Albino Gilbert of Santa Clara University, who’s been compiling data on female winemakers for, among other publications, the American Association of Wine Economists. Gilbert admits that the winemaking field is so fluid, it’s very difficult to compile a reliable figure for women in top positions. “But the attitudes have changed a lot. Wineries that have had a woman winemaker are more likely to hire a second if that person moves on.” This doesn’t surprise Zelma Long of Zelphi Wines, who got her start at Robert Mondavi Winery in the early ’70s. “Well, we’re certainly capable,” she says. **“Women have great natural sensory abilities, they’re well organized, have a good attention to detail, all those things that make for a good winemaker.”** There’s still a way to go, she says, but to her the trend feels inexorable. “It’s congruent with what I see in general, in business, and in politics: Women are taking leadership roles; it’s like the slow tide that doesn’t go backwards.”

117: The number of grape varieties grown in the state

Of the 615,000 acres of wine grapes in California, nearly half of them, 305,600, are devoted to the Big Five: Cabernet, Chardonnay, Pinot Noir, Merlot and *Zinfandel*. But in the state’s annual acreage report, there’s a category of “other” (white and red), and that other acreage, in 2014, stands at more than 40,000. Much of this category goes into bulk production, but more and more of it is being rescued by winemakers seeking to work with something outside of the Big Five — and not only are they finding grapes, they’re finding customers.

Winemaker Chris Brockway of Broc Cellars in Berkeley loves taking advantage of these alt-varieties. “My first work at a California winery was at De Rose Cellars in Hollister,” he says. “They were working with old vineyards and grew all these odd grapes like

Negrette and Cabernet Pfeffer, alongside their Zinfandel.” When Brockway started his own label, he focused on Rhone varieties, but was soon straying down less well-trodden pathways to find his grapes.

A search for Gamay Noir, for example, led him to Valdiguie, once known as “Napa Gamay” in California. Pockets of Valdiguie remain in the ground in California, much of it older vines; in the right hands the grape makes a bright, purple, peppery red that has a small but earnest appeal. “Young people like it,” says Brockway, “partly because it’s cheaper (below \$25), but also because it’s something new. **We don’t hear people saying ‘I only drink Cabernet’ anymore.** They’re not starting with the classics, they’re going straight to Valdiguie and Picpoul.”

4,285: Number of California Wineries

According to the Wine Institute, this is the number of bonded wineries in the state. The figure is double the number recorded a decade ago, and three times the count reported in the year 2000.

The estimated value of retail sales in 2014 was \$24.6 billion, up 6.7 percent in value and 4.4 percent in volume from the prior year (and double the sales figures from the year 2000). **Even exports continue to rise: 46.4 million cases were exported in 2014, with a retail value of \$1.5 billion.**

Clearly, the industry is moving in the right direction, responding to unprecedented consumer interest with wines of greater variety, sophistication, range of expression — and range of price — than ever before. The future isn’t altogether certain. On the retail front, and in restaurants in particular, wine’s dominance as an accompaniment with a meal is facing incursion from the equally robust beer and cider industries, and cocktails continue to vie for imbibers’ attention. But wine remains one of the great fuels of enjoyment in sunny California.

World wine output expected to hit four-year low

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World wine output is expected to hit a four-year low in 2016 after bad weather hit production in France and South America, industry forecasts say.

Trade group the International Organisation of Vine and Wine (OIV) has estimated output will reach 259.5m hectolitres (mhl) this year - a fall of 5% compared with 2015.

This would be among the three poorest years for output since 2000, it added.

However, it said Australia, New Zealand and the US would all see output rise.

In Europe, Italy is again set to be the world's leading producer, even though output is expected to fall 2% this year to 48.8 mhl. But in France - the number two producer - the OIV said production was likely to fall 12% after vineyards endured frost and hailstorms in the spring, then drought in the summer.

In South America, production was also hit by "climatic events". As a result, Argentina is likely to report a 35% plunge in output, Chile a 21% fall and Brazil a 50% fall when compared with 2015.

South Africa, meanwhile, is on track to report a bruising 19% fall in production - but other New World producers are doing better.

The OIV said Australia was expected to see a 5% rise in production, New Zealand a 34% jump and **the US - the world's fourth-largest producer of wine - growth of 2%**.

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