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**Central Coast Grape and Bulk Wine Supply:
Implications of the 2022 Harvest**

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CENTRAL COAST
Insights

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Harvest 2022 Harvest Recap

- Tale of two harvests, with a heat spike in between
- The crop looked light headed into harvest, and quality was very strong
- Then the heat came...along with panipicks and delays
- Early varieties were fine
- Cabernet Sauvignon came all at once
- Ultimately, quality turned out better than expected
- However, volumes were significantly down
 - Central Coast AVA (Districts 7 & 8) down over 23%

Central Coast Harvest Volumes 2022-2019

Harvest	Volume	Change (Previous Year)
2018	544,187	5.6%
2019	452,913	-16.8%
2020	379,840	-16.1%
2021	526,654	38.7%
2022	401,902	-23.7%

**515,318 Tons = 5 Year Running Average*

Central Coast Bulk Market an overview

- Central Coast bulk wine pricing is moderate to strong, with supply balanced or short (depending on the variety).
- Wines of exceptional quality are in high demand
 - Cabernet Sauvignon
 - Dark Red Blenders
 - Cool-climate Syrah
 - Premium sub-AVA Pinot Noir and Chardonnay
- Not all bulk wines are created equal. Bulk wine buyers are increasingly relying on lab analyses, and looking for wines that compliment or improve blends, as opposed to just stretch volume.

Cabernet Sauvignon

- Demand is moderate for Cabernet Sauvignon, but quality is imperative.
 - Quality is often based on *quantitative* measures, more so than *qualitative*
- Buyers focused mainly on Paso Robles, with Monterey/Santa Barbara Cab Sauv buyers primarily using those AVA's for premium CA blends.
- Strongest Paso demand is from Paso wineries; larger CA wineries are also in the market, but non-Paso programs do not always pay comparable prices.
- Paso is Cab heavy, and there is a shortage of the Cab that buyers often prefer.

Cabernet Sauvignon

Average Price / Gallon

Cabernet Sauvignon	3/21 - 3/22	3/22 - 3/23	% Change
Paso Robles AVA	\$14.46	\$13.78	-4.7%
Central Coast AVA	\$14.55	\$13.71	-5.8%
SBC AVA	\$17.88	\$17.00	-4.9%
California (All)	\$14.01	\$13.23	-5.6%

Cabernet Sauvignon

Available Inventory

Cabernet Sauvignon - All Vintages	Available Gallons in March 2022	Available Gallons in March 2023
Paso Robles AVA	538,597 gal	258,972 gal
Central Coast AVA	893,458 gal	406,196 gal
California	2,411,265 gal	2,977,605 gal

Chardonnay

- Prices are strong for Central Coast Chardonnay, especially within ~~AVA~~AVA's.
- Supply is short for premium, cool climate regions, especially SLH, SRH, SMV, and Edna Valley.
- Much of the traditional Chardonnay acreage within the Central Coast is being redeveloped.
 - Chardonnay is currently one of top two varieties of grapevine nursery orders
- Paso is a strong option for Central Coast buyers that need stylistic and price diversification

Chardonnay

Average Price / Gallon

Chardonnay	3/21 - 3/22	3/22 - 3/23	% Change
Edna Valley	\$14.18	\$14.00	- 1.3%
Monterey	\$11.70	\$11.57	- 1.1%
SBC	\$17.50	\$14.11	- 19.4%
Central Coast	\$12.89	\$11.68	- 9.4%
California (All)	\$12.37	\$10.93	- 11.6%

Chardonnay

Available Inventory

Chardonnay-All Vintages	Available Gallons in March 2022	Available Gallons in March 2023
Edna Valley AVA	21,457 gal	9,620 gal
Central Coast AVA	426,809 gal	396,817 gal
California	849,342 gal	1,237,002 gal

Sauvignon Blanc

- Sauvignon Blanc has been the most in demand variety within the Central Coast from vintage 2021.
- Pricing is very high, but not unsustainable.
- For 2021 bulk wine, the average price of Central Coast Sauvignon Blanc exceeded the average price of 2021 Paso Cabernet Sauvignon.
- The cure for high prices is high prices
 - Most vines currently on order with grapevine nurseries are Sauvignon Blanc

Sauvignon Blanc

Average Price / Gallon

Sauvignon Blanc	3/21 - 3/22	3/22 - 3/23	% Change
Edna Valley	\$14.18	\$13.50	-4.8%
Monterey	\$14.10	\$14.81	5.0%
SBC	\$16.25	\$17.70	8.9%
Paso Robles	\$15.00	\$15.00	0%
Central Coast	\$14.42	\$16.02	11.1%
CA (All)	\$12.36	\$12.54	1.5%

Sauvignon Blanc

Available Inventory

Sauvignon Blanc- All Vintages	Available Gallons in March 2022	Available Gallons in March 2023
Central Coast AVA	18,650 gal	22,519 gal
California	334,250 gal	574,591 gal

Pinot Noir

- Supply is still long, but getting closer to balanced, with stronger interest and earlier commitment in 2023.
- Central Coast Pinot Noir is still struggling with brands trading to CA AVA.
- Supply is short for premium, cool climate regions, especially SLH, SRH, SMV, and Edna Valley.
- Much of the existing Pinot Noir acreage within the Central Coast is being redeveloped.

Pinot Noir

Average Price / Gallon

Pinot Noir	3/21 - 3/22	3/22 - 3/23	% Change
Edna Valley	\$16.92	\$16.56	-2.1%
Monterey	\$20.00	\$15.00	-25.0%
SBC	\$16.32	\$16.79	2.9%
Central Coast	\$16.32	\$16.24	-0.5%
California (All)	\$15.56	\$15.15	-2.6%

Pinot Noir

Available Inventory

Pinot Noir- All Vintages	Available Gallons in March 2022	Available Gallons in March 2023
Edna Valley AVA	<i>88,052 gal</i>	75,922 gal
Monterey	172,169 gal	271,802 gal
SBC	374,246 gal	310,367 gal
Central Coast	925,118 gal	935,907 gal
California	1,185,762 gal	1,424,431 gal

Red Blenders- BDX

- With the market push towards Cabernet Sauvignon, much of the red blender acreage disappeared
- Bordeaux varietal blenders in high demand
 - Petit Verdot and sometimes Malbec are used to add color to Cabernet Sauvignon
 - Merlot and Cabernet Franc bring volume and complexity
 - High-quality Bordeaux blenders not always attainable within Paso Robles, so winemakers are searching other AVA's to blend in minimal quantities

Red Blenders- BDX

Average Price / Gallon

BDX Red Blenders	3/21 - 3/22	3/22 - 3/23	% Change
Paso Robles	\$12.23	\$14.45	18.2%
Central Coast	\$12.63	\$13.76	8.9%
CA (All)	\$11.97	\$12.39	3.5%

Red Blenders- BDX

Available Inventory

BDX Red Blenders- All Vintages	Available Gallons in March 2022	Available Gallons in March 2023
Paso Robles	147,740 gal	137,338 gal
Central Coast	264,058 gal	239,228 gal
California	867,186 gal	1,584,535 gal

Red Blenders- Rhone Reds + Petite Sirah

- Dark red, high quality Petite Sirah and Syrah are very limited in availability
 - Very little volume of either are currently available
- The market for other Rhone reds (Grenache, Mourvedre, and others) is bifurcated along multiple lines.
 - Red vs. Rosè
 - Westside vs. Eastside (Paso)

Red Blenders- Rhone Reds + Petite Sirah

Average Price / Gallon

Rhone Red Blenders	3/21 - 3/22	3/22 - 3/23	% Change
SBC	\$14.15	\$15.65	10.6%
Paso Robles	\$13.55	\$13.49	-0.4%
Central Coast	\$13.59	\$13.82	1.7%
California	\$13.25	\$13.32	0.5%

Red Blenders- Rhone Reds + Petite Sirah

Available Inventory

Rhone Red Blenders All Vintages	Available Gallons in March 2022	Available Gallons in March 2023
SBC	16,105 gal	30,620 gal
Paso Robles	87,867 gal	41,602 gal
Central Coast	143,294 gal	162,738 gal
California	275,826 gal	1,135,788 gal

Looking Forward

- Overall, the Central Coast is in a good place
 - Many strong, homegrown brands
 - Heavy new interest from North Coast wineries
 - Plenty of new vineyards coming into their prime
 - Quality has never been better
- Growing oversupply statewide may threaten our strong pricing
- One big vintage + Decreasing sales trends = oversupply?
- Continue growing and supporting local brands

Thank You!

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