

# 2013 Grape Crop Economics

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# U.S. Concord Production- A Review

- 2012 Concord crop
  - 303,110 tons
  - Smallest since early 1980's
  - 27% decrease from 2011
- Inventories were low prior to 2012 harvest
  - Cash price increased on the East and West coast
- New York, Pennsylvania, Ohio
  - 2012 crop 44% smaller than in 2011
- Michigan
  - Early season frost
  - 62% decrease from 2011

# Washington Concord Production- 2012

- 167,000 tons
- 7% increase in production from 2011
- Mild winter
- Warm and dry spring, warm growing season
- Normal start to harvest
- Slightly smaller berries, good quality with average color
  - Yield extremes



## 2013 Michigan Grape Season

- Normal Spring
- Similar GDD as 2008 and 2009
- Largest Niagara crop on record
- Approximately 60% increase in Concord production from 2012

## 2013 NY and Pennsylvania Season

- Long and cool spring prevented bud damage
- Good, long growing season
- Yield was very high, significant thinning needed
- Harvest finished first week of November
- Expect largest crop size on record

# The 2013 Growing Season in WA

- Mild winter
- Cold, rainy weather during bloom
- Highest GDD on record through mid-September
- Normal start to harvest
- High sugars, low acids
  - Color slightly lower
- 2014 crop likely to be larger than 2013

# Concord Grape Juice Industry

- Washington
  - Nation's leading producer
  - Production averaged 193,455 tons 2002-2012
  - 2013 production estimated at 164,050 tons
    - Approximately 11,200 tons organic Concords
- New York
  - 2<sup>nd</sup> largest producer
  - Production averaged 109,637 tons 2002-2012
  - 2013 production estimated at 156,000 tons
    - 225,000 for Lake Erie region

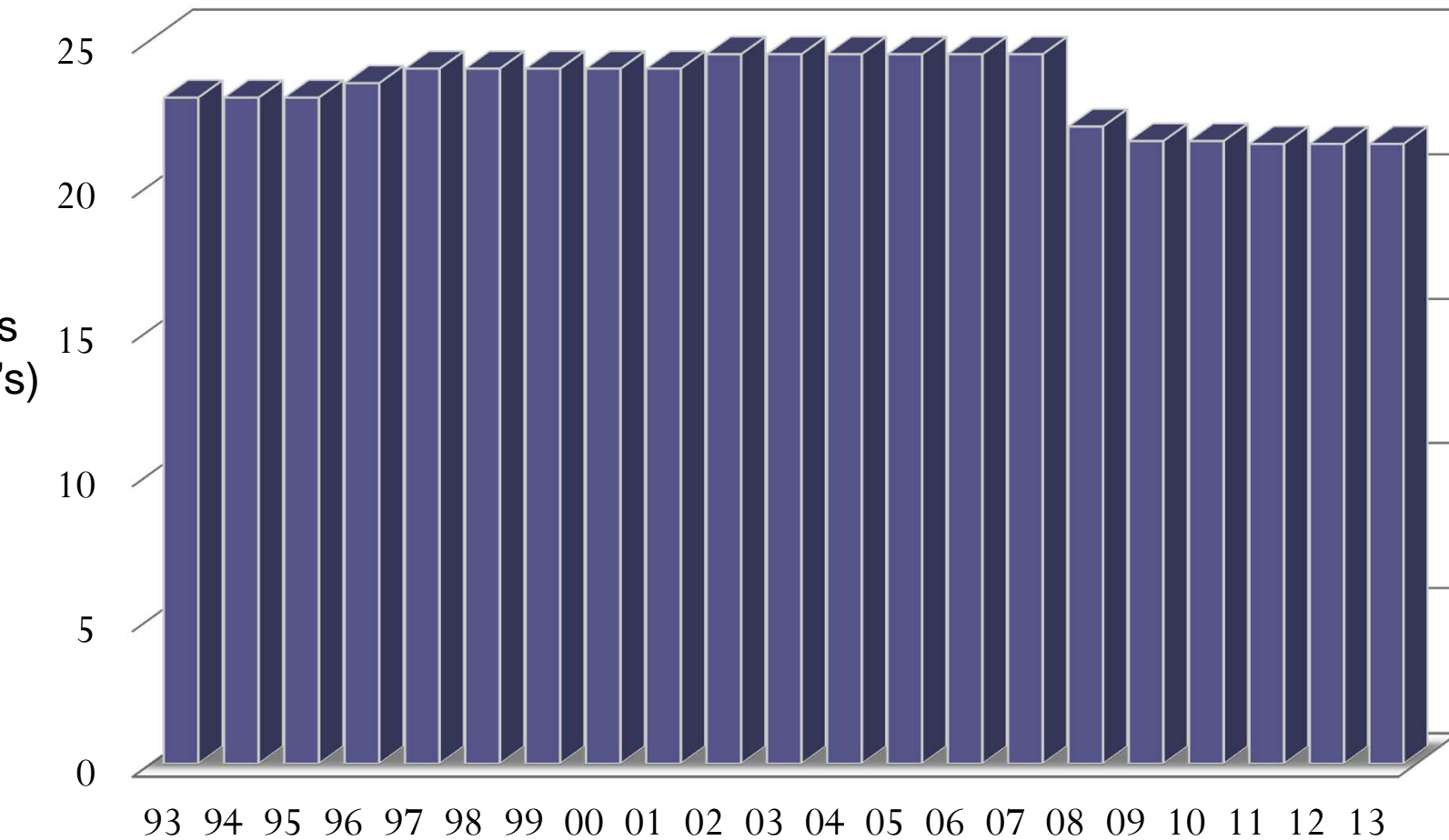
# Concord and Niagara Grape Acreage in Washington

- Concord- 21,400 acres (estimate)
- Niagara- 1,689 acres (estimate)

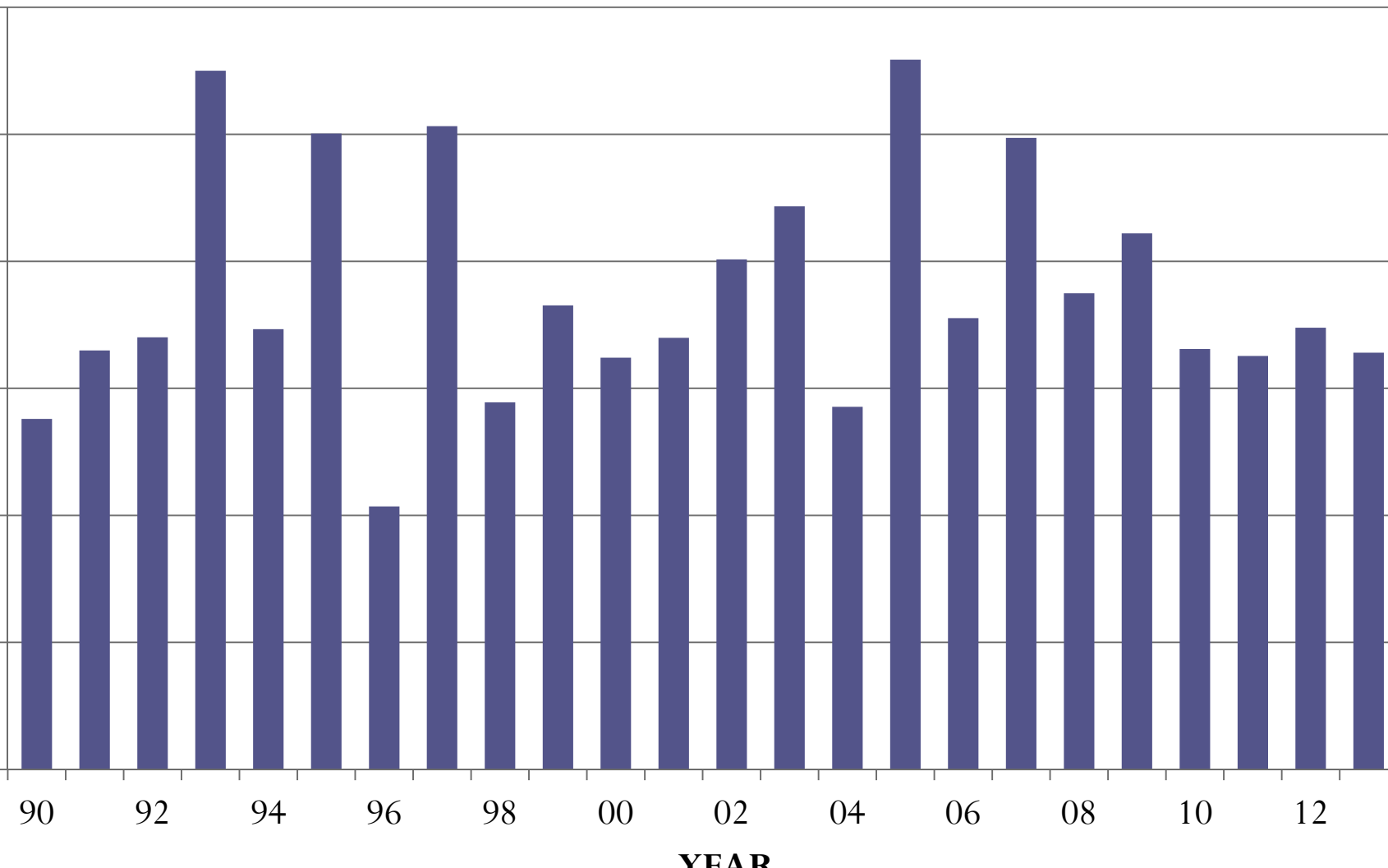




# CONCORD GRAPE ACREAGE IN WASHINGTON, 1993-2013



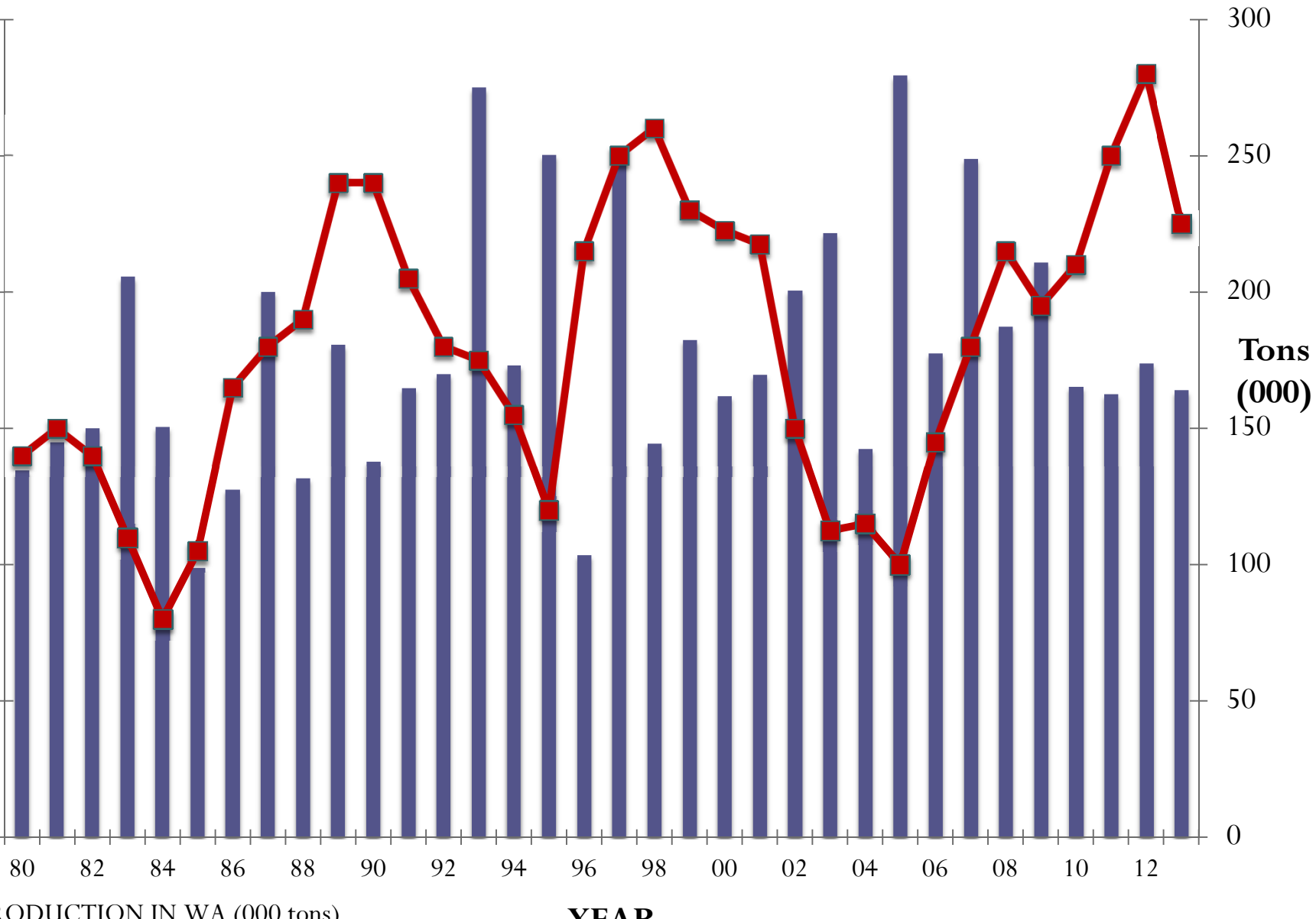
# WASHINGTON CONCORD GRAPE PRODUCTION, 1990-2013 (1,000 TONS)



## Concord Grape Production and Prices in Washington and the U.S., 2002-2013

<b>Washington Production (Tons)</b>	<b>U.S. Production (Tons)</b>	<b>Cash Price in Washington (\$/ton)</b>
164,050 (est)	441,450 (est)	225
167,000	303,110	280
156,000	417,000	250
162,000	373,090	210
205,000	396,790	195
187,425	447,130	215
249,000	518,470	180
175,000	372,870	145
275,000	563,760	100
140,000	356,120	115
212,000	411,000	112
199,000	383,800	150

# WASHINGTON CONCORD GRAPE PRICES AND PRODUCTION, 1980-2013



# U.S. Concord Cash Grape Prices 1998-2013

\$/Ton

350

300

250

200

150

100

50

0

1998

1999

2000

2001

2002

2003

2004

2005

2006

2007

2008

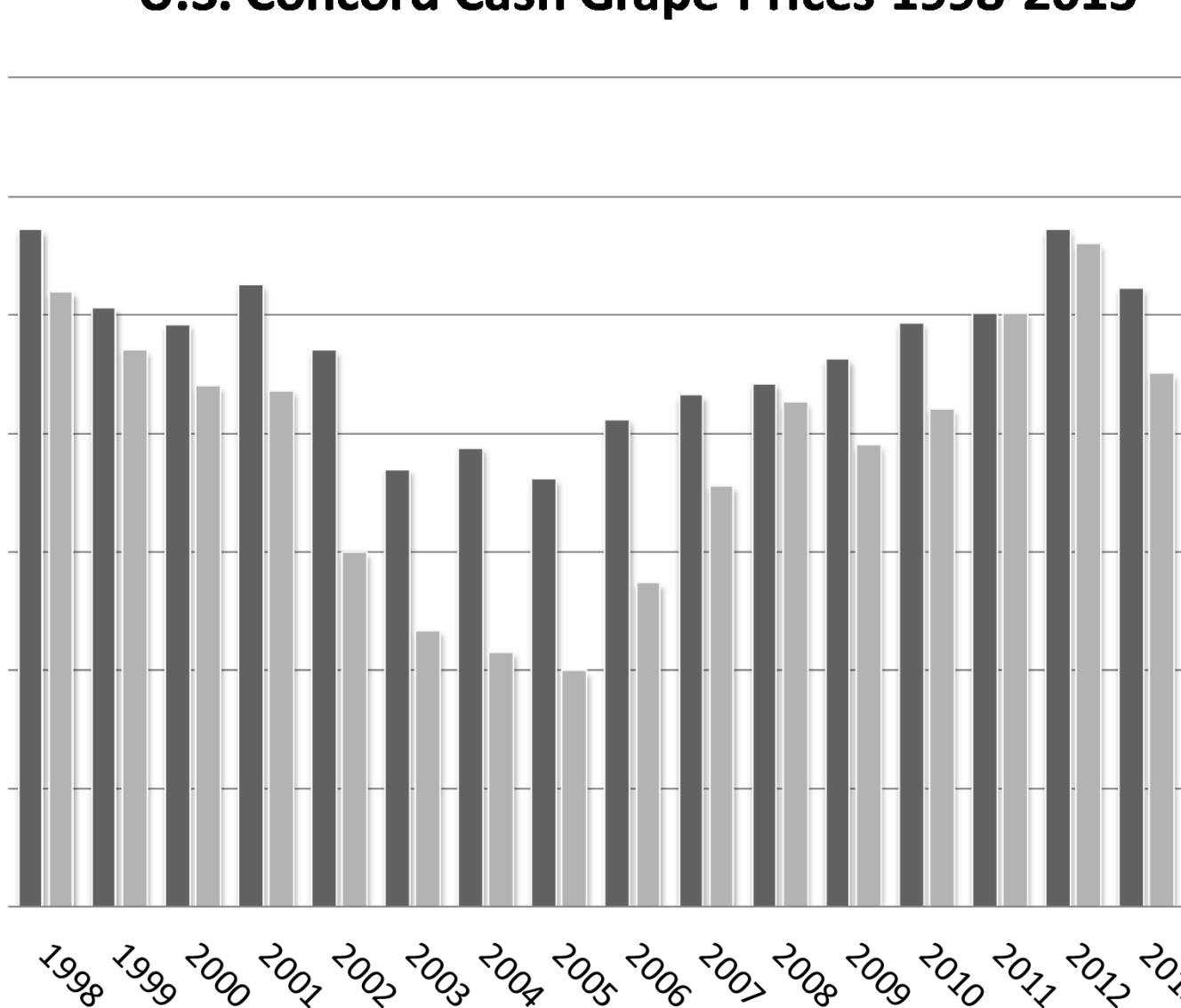
2009

2010

2011

2012

2013



# U.S. Concord 68 Brix Concentrate Prices 1998-2013

/Gal  
25

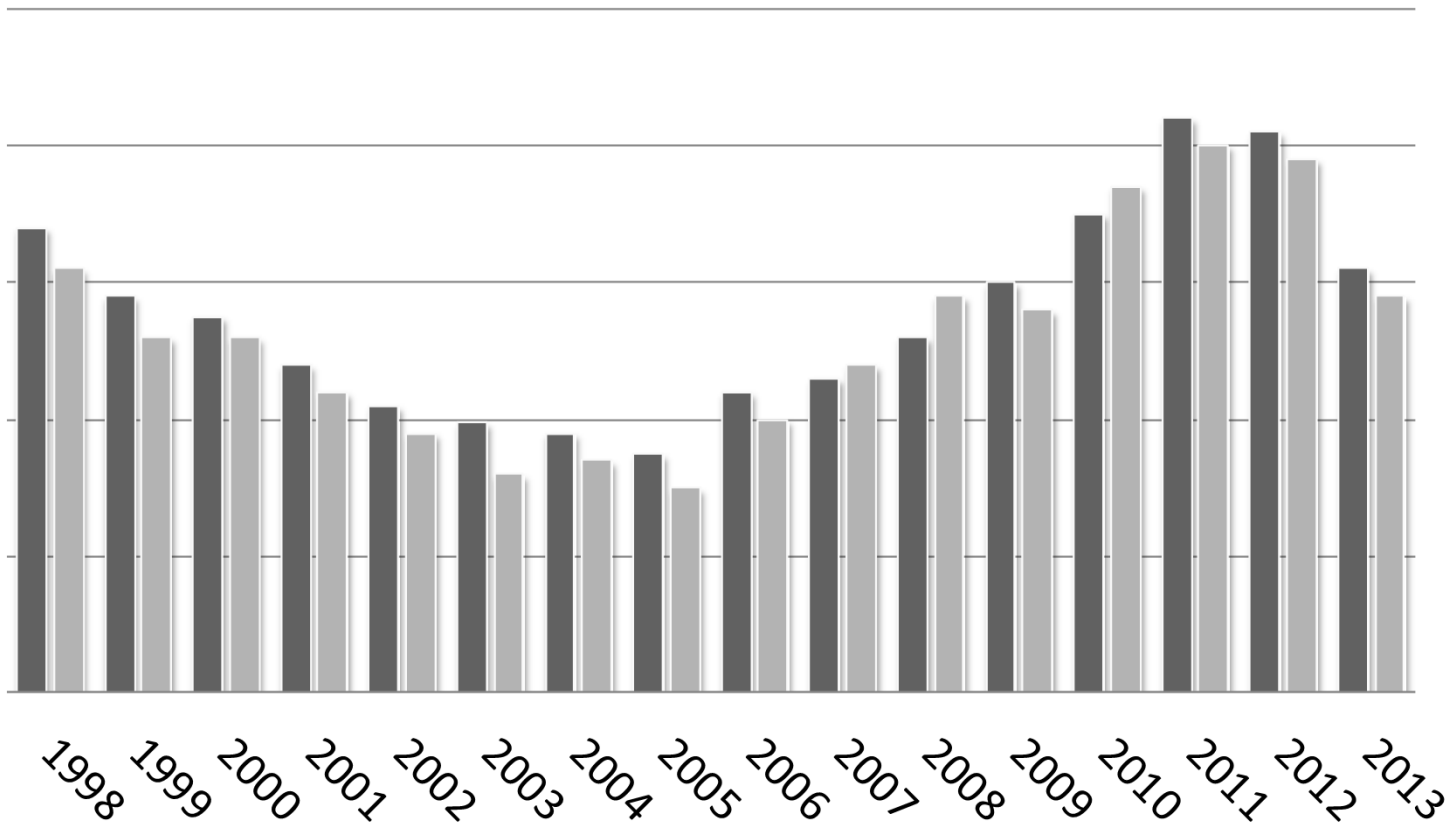
20

15

10

5

0



■ Eastern

■ Washington

# Washington Niagara Production

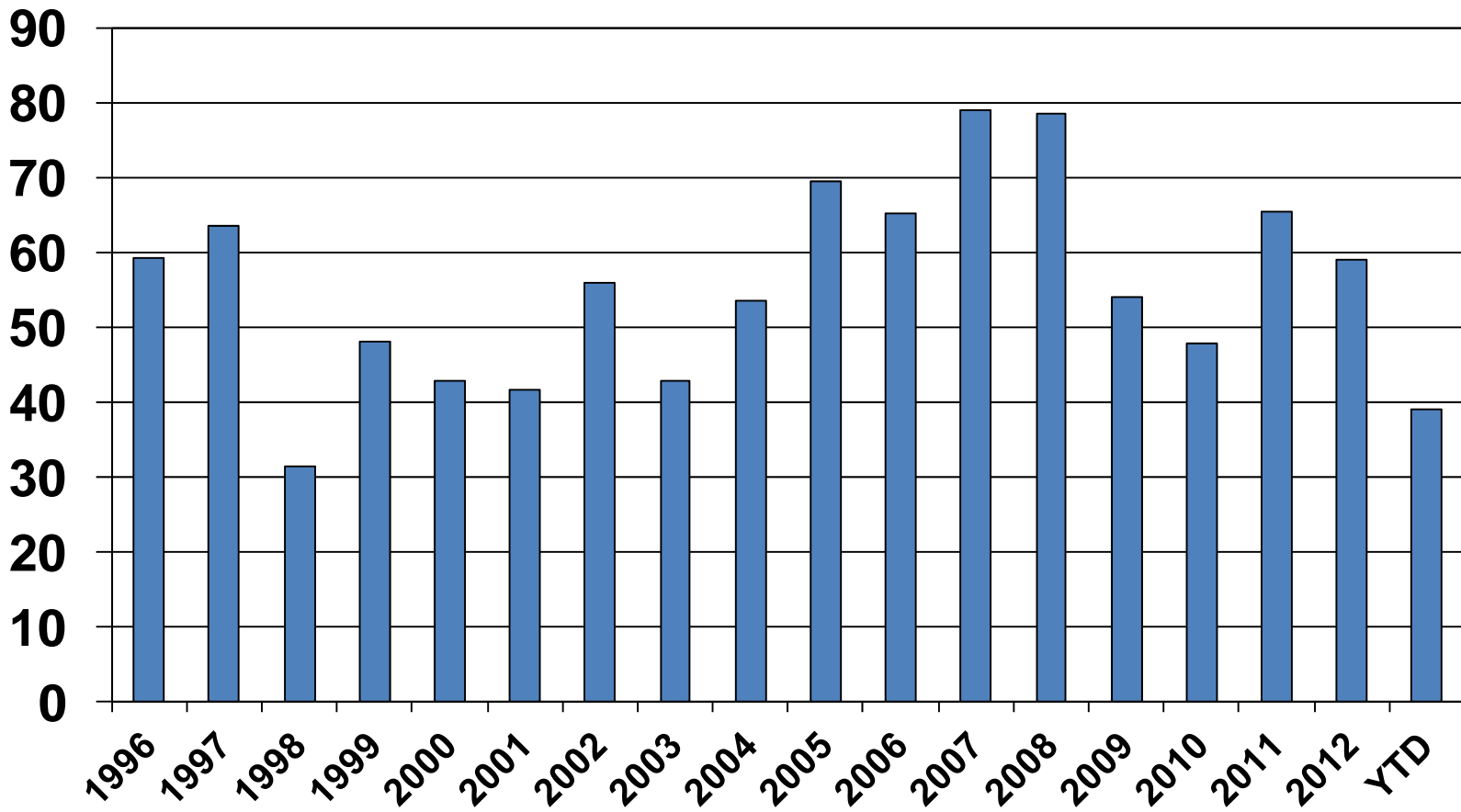
<b>Year</b>	<b>Washington Production (Tons)</b>	<b>U.S. Production (Tons)</b>
2013	17,300 (Est.)	N/A
2012	18,000	50,150
2011	18,000	76,730
2010	14,000	55,190
2009	20,000	63,650
2008	17,000	60,390
2007	23,000	83,600
2006	21,000	52,800
2005	30,000	85,550

# Grape Juice Imports

- Single strength juice and concentrated
  - 41.7 million gallons in 2001
  - 69.4 million gallons in 2005
  - 78.9 million gallons in 2007
  - 54.0 million gallons in 2009
  - 65.3 million gallons in 2011
  - 58.9 million gallons in 2012
- Argentina accounts for more than 80% of volume
- Small amounts from Chile, Italy, Mexico, & Spain
- These imports compete with the traditional market



# U.S. Grape Juice Imports (1996-2013)



## Inventory of Grape Juice (million gallons)

Year	Production	Imports	Exports	Available for Consumption
2011	85.7	63.1	16.8	131.9
2010	73.4	56.7	15.1	114.9
2009	79.7	50.1	13.8	116.0
2008	87.1	65.4	14.9	137.7
2007	104.3	80.5	15.6	169.1
2006	72.4	71.9	12.2	132.0
2005	112.6	61.4	22.9	151.1
2004	72.2	64.1	24.0	112.3
2003	87.0	53.2	23.4	116.8
2002	75.0	51.5	21.0	105.5

# Pricing of Concord Grapes

## Supply and demand conditions

### Supply

- Current production
- Inventories of concentrate/product
- Imports

### Demand

- Sale of products
- Exports
- Demand for inventories

# Economic Outlook

- Acreage likely to be steady
- Inventories should be controlled
- Cash price likely to be similar or slightly higher



# Wine Grapes



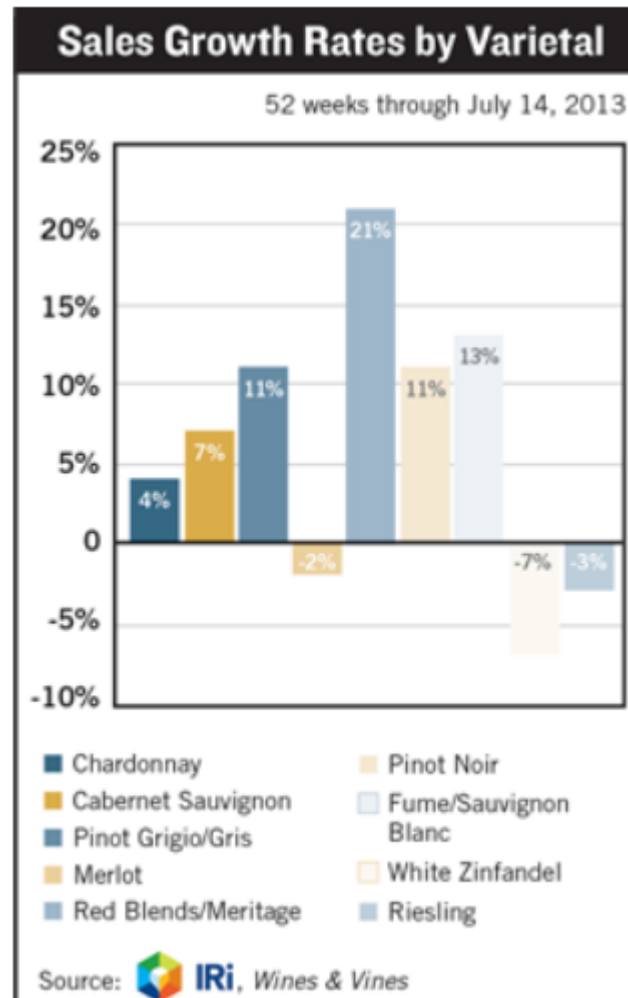
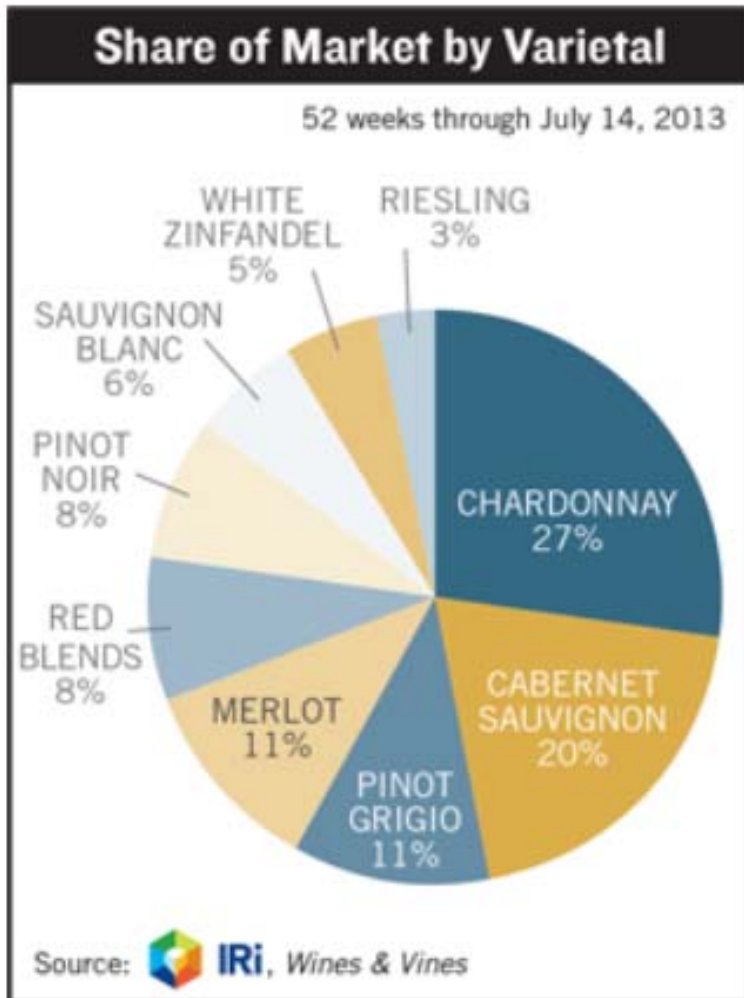
## Wine Sales in the U.S.- 2002 to 2012 in millions of gallons

	Table Wine	Dessert Wine	Champagne/ Sparkling Wine	Total Wine	Total Retail Value (billion)
2 (Est.)	748	65	42	856	\$34.6
1	723	71	41	835	\$32.9
0	679	69	36	785	\$30.0
9	670	64	33	767	\$28.7
8	658	64	32	753	\$30.0
7	651	62	33	746	\$30.4
6	624	57	35	716	\$27.8
5	608	51	32	692	\$25.8
4	589	45	31	665	\$24.0
3	570	40	29	639	\$22.3

# U.S. Wine Sales

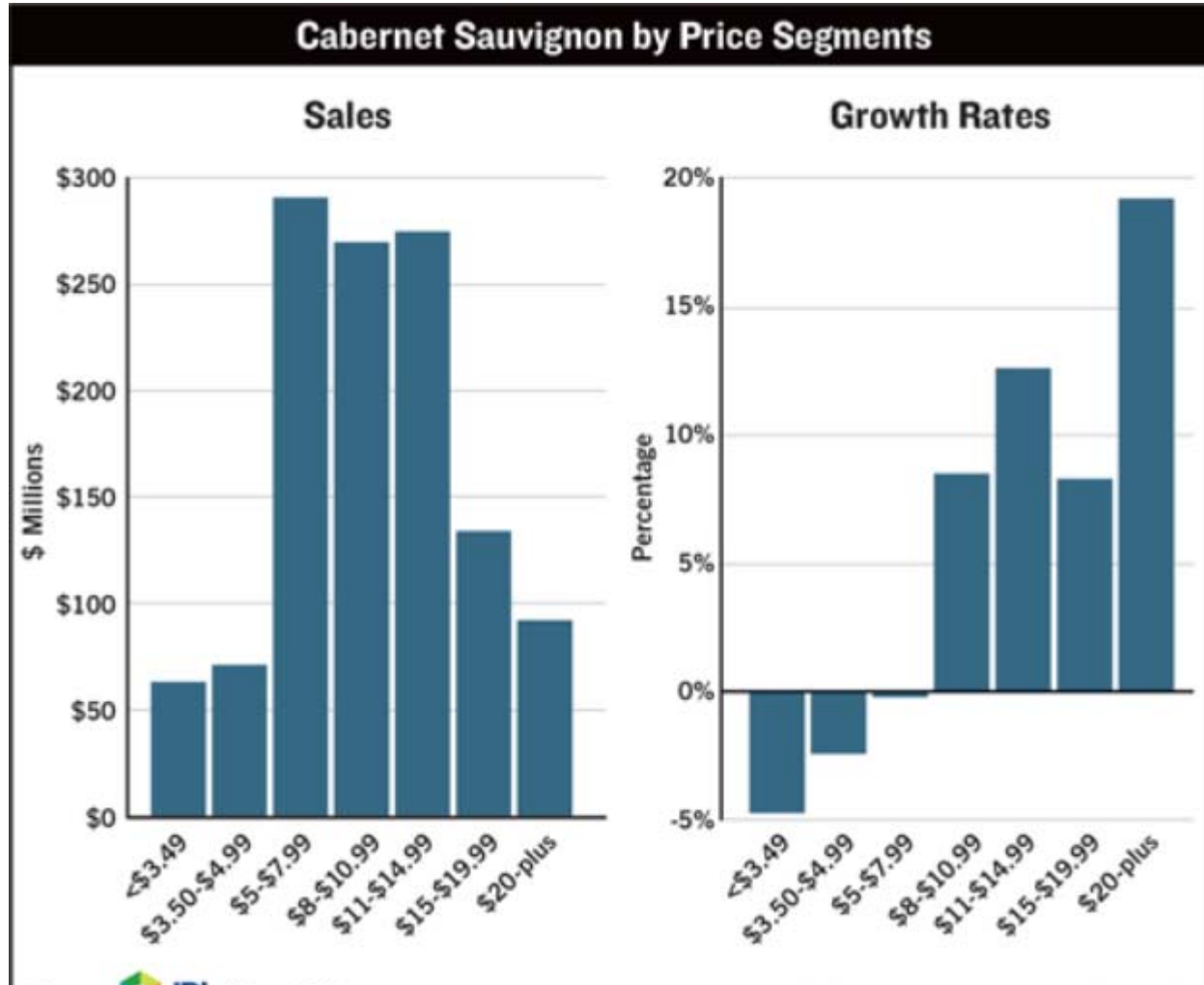


# Market Share and Growth (Off-Premise Sales)





# Cabernet Sauvignon



# Vine Grape Production

<b>Year</b>	<b>Washington Production (Tons)</b>	<b>California Production (Tons)</b>
13	220,000(Est.)	4,000,000(Est.)
12	188,000	4,014,000
11	142,000	3,347,000
10	160,000	3,589,000
09	156,000	3,703,000
08	145,000	3,015,000
07	127,000	3,287,000

Thank You!

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