



CIATTI
GLOBAL WINE & GRAPE BROKERS



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**Ciatti Global Wine
& Grape Brokers**

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Overall, California is halfway through harvest: wineries in the Central Valley are between 55-75% complete, while those in the Coast are approximately 40-60% complete. The start of October brought overcast skies and patchy – then significant – rainfall to some areas, raising humidity concerns. Cooler than normal conditions through the growing season have elongated the harvest period so that a decent amount of thin-skinned, rot-susceptible varieties are still on the vine.

In general it can be said that the fruit picked in September was of excellent quality because the weather conditions in the four weeks leading up to October 1 were very good. Winemakers were happy. However, the sluggish development of optimum brix and sugar levels has slowed the harvest into an October which commenced less reliable weather-wise. Some growers on the Coast only moved into full swing in recent weeks. At this stage, yields of Chardonnay and Pinot Noir, currently the most-picked varieties, appear to be very healthy. Crush capacity, labor in the vineyards and especially trucks and truck drivers have been at a premium; this could become exacerbated should any further rainfall encourage growers to bring everything in all at once.

The harvest has definitely sized-up and a final result exceeding 4.2 million tons is expected. With yields appearing healthy and overage likely, rainy conditions may see growers prioritize the picking of some grapes over others. The weather for the next 7-10 days is forecast to be dry, but conditions will of course become less reliable the further into fall we go. See page 3 for a deeper dive down into how each production region is faring.

Growers will have to decide whether or not to turn any overage, unwanted by the buyer, into bulk wine. They should think very carefully about this and not do it unless they can bear the potential risk considering that the bulk wine market continues to be sluggish. The lack of market activity, together with the fact the 2018 crop is looking big, means prices are softening across the board; it has also meant that space in the wineries for the new crush is at a premium. The market for grapes, and for bulk wine, continues to be slow.

Some grapes have been rejected by wineries citing smoke taint. There continues to be confusion and inconsistency regarding testing methods for smoke taint and the interpretation of results. Understanding the impact of smoke is something the industry must work on, with the aim of having one clear, objective industry standard everyone can work by.

Robert Selby

Hot Opps Box

There are bulk wine buying opportunities on high quality Cabernet Sauvignon, Chardonnay and Pinot Noir from all appellations of the state, as well as Central Coast and Central Valley Pinot Grigio. Prices are softening. There continues to be grapes available from the Coastal regions. Oregon can offer competitively-priced, good quality Pinot Noir and Pinot Grigio wines.

North Coast

The North Coast – approximately 40-60% through harvest – experienced some significant rainfall in early October, including up to 1.5 inches in some areas on October 2. Given the large crop and late-running harvest, there were still thin-skinned varieties – such as Chardonnay, Pinot Noir, Zinfandel – on the vine. As such, many growers have been contemplating spraying or carrying

out leaf removal to keep botrytis and rot at bay and/or bringing in everything quickly, potentially stretching already hard-pressed labor and logistical resources.

As across the state, yields appear healthy and Chardonnay and Pinot Noir yields look big; Sauvignon Blanc and Zinfandel have been coming in closer to projections. The feeling is Cabernet Sauvignon will come in very healthy in size too. Growers seeking to turn overage into bulk

wine have found it difficult to find crush capacity, and the rainfall – or the fear of it – will only make this difficulty more acute as more grapes get picked in a short time frame.

As elsewhere, the grape market in the North Coast has remained stagnant and this is unlikely to change now a large harvest is likely. There has been some activity on Pinot Noir and Chardonnay overage from Russian River, at value pricing, but little spot activity outside of that.

Central Coast

The Central Coast – approximately 40% through harvest – received rainfall on October 3, with reports of up to half an inch falling in parts of Santa Barbara. The main issue, however, is that the unseasonably cool weather during the growing season – great for fruit quality – has slowed maturity on all varieties, getting early and late varieties ready at the same time and generally pushing back harvest into potentially adverse fall weather. Brix levels for Central Coast Chardonnay appear to be behind those of other varieties. We have seen some early rot on some varieties.

Growers are running out of crush space: apart from Sauvignon Blanc, there has been overages on all the early season varieties including Chardonnay, Pinot Grigio and Pinot Noir, from San Benito County right down to Santa Barbara. Pinot Grigio in particular is producing significant overage. With significant amounts of Chardonnay still to be picked in Monterey, it's still too early to judge on the later varieties such as Cabernet.

The Central Coast's Cabernet grape inventory seems to be significant and there has been an abnormal

amount of Paso Cabernet grapes that have gone uncontracted all year, with minimal interest from the North Coast or interior buyers. On all varieties, growers are now more open to softening their prices, but oftentimes discounting the uncontracted fruit does not help move it. In some cases, traditional buyers of contracted fruit are seeking to sell it back onto the market. The rosé market is also an issue as – even before the quieter marketplace is considered – supply appears to have outstripped demand.

Lodi/Delta/Valley

Cooler than average temperatures persisted in Lodi and the Central Valley through September. October then brought rain and moisture to some areas, in the north more so than in the south. Lodi was largely spared. There were enough thin-skinned varieties such as Zinfandel and Petite Sirah still left out on the vine to make humidity a concern.

The cooler temperatures have stretched out the harvest, with brix and sugar levels rising only gradually week-to-week, allowing growers to take their time picking and for wineries to manage better logistically. The harvest in the Lodi/Delta/Valley region is 55-75% complete depending on the vineyard's location and the varieties it produces. The consensus

seems to be that while harvest timing is 7-10+ days behind where it's been in recent years, it's more in line with the ten-year average.

At the time of writing, all varietal whites have been picked with some generics and Muscat in the south Valley still to go. Chardonnay, Sauvignon Blanc, Pinot Grigio and

See next page for more on Lodi/Delta/Valley.

Pinot Noir all look to be coming in above average; Syrah and Merlot look more in line with the average. Zinfandel is ongoing, with some reports of underperformance and some of overages depending on location; its performance also depends on the age of the vines, with young vines yielding more than their older counterparts. Brix has risen quicker on Petite Sirah than on the other varietals. With brix moving slowly on the later season reds, Cabernet is only getting underway now: the eye test gives confidence that the crop will be big.

In addition, there are new Cabernet acres coming on-line.

Of all the growing areas, Lodi/Delta/Valley seems to have taken things the most in stride, with Ciatti receiving fewer calls from growers there than elsewhere seeking to move overage on or inquiring about crushing it into bulk wine. Much of the overage here has gone to wineries or into other contracts, perhaps because yield in the south Valley is a little lighter than some expected (though still average to average-plus). Things in Lodi/Delta/Valley are moving through the

system a little easier than elsewhere.

As elsewhere, the Lodi/Delta/Valley's harvest is coming into the barn after a scarcity of buyers on the grape market all season long, especially in the northern interior relative to the last five years. Most Cabernet was contracted at the beginning of the year and there was some early interest in Chardonnay and Sauvignon Blanc, but since then things have tailed-off and Pinot Grigio and White Zinfandel especially have struggled to find a home.

Weather Observation

According to the monthly weather report by Dr Gregory V. Jones, at Oregon's Linfield College, coastal and northern California's cooler than average September was largely due to a 'blocking ridge' over Alaska that kept in relatively cool air flow. October's start brought rain and conditions will remain unsettled with off and on rain events through mid-month. The Pacific North West including northern California should then see below average rainfall; the rest of the west coast should see above-average rainfall. Below-average temperatures should continue (though the Western Weather Group forecasts Sonoma County warming towards 90°F over the weekend of 13-14 October before cooling back down a little). For more, see Dr Jones's report [here](#).



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