

WINE

## Napa's 2012 grape crop sets records

Value of harvest reaches \$648 million



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The reason area growers have been all smiles since last fall came to light Friday with the release of state-gathered statistics for the 2012 grape crop.

Not only did the value of Napa County's harvest increase by leaps and bounds to \$648 million, tonnage jumped by 50 percent to a record of 181,183 tons.

Grape prices, on the whole, remained relatively constant, save for a 9 percent hike in the average paid for a ton of cabernet sauvignon grapes. So, the huge jump in the

overall value of last fall's crop can be attributed for the most part to record tonnage.

Released midday Friday by the California Department of Food and Agriculture, the preliminary 2012 grape crush report shows Napa's 2012 crop weighed 383 tons more than the previous record of 180,800 tons crushed in 2005.

"The tonnage is simply amazing," noted Mike Fisher, partner with St. Helena's Global Wine Partners. "I'd heard people talking about crop totals being up 20 percent. We have a vineyard in Rutherford that was up 50 percent ... all of this was borne out in (the report's) total tonnage. It's been a good year for everybody."

"(Napa Valley's) growers are wearing big smiles as they walk to the bank," added industry analyst George Schofield. "The bankers should be opening the doors for these guys."

Schofield maintains 2012 was "a fantastic year" for the wine industry. He was surprised that prices increased at all, especially for cabernet sauvignon, due to the bumper crop. "But don't expect the same thing next year," he added. "There should be a bit of a slowdown in prices because of this (harvest) ... (but) I suspect there'll be a shorter crop this year."

He doesn't expect there will be a lot of wine for the bulk market because this year's bumper crop is making up for wine shortages in both 2010 and 2011.

### Tonnage skyrockets

The record 2012 grape harvest weighed in at 181,183 tons, half again as much as last years total of 121,137 tons. Crop value grew by 57 percent, clocking in at \$648 million compared to the \$412 million grapes brought in last year.

Cabernet sauvignon remains the king of all Napa County grapes, with tonnage up by 40 percent to 70,935 tons Cabernet sauvignon accounts for 39 percent of the entire Napa Valley grape crop.

At an average of \$5,101 per ton, the price for Napa cabernet was up by slightly more than 9 percent last year, according to the state report. The price paid for Napa cabernet is more than twice what's paid per ton of cabernet in Sonoma County, noted Sue Brewster, who works with Schofield in analyzing trends and issues in industry reports.

Chardonnay tonnage in the valley also was up 51 percent over last year to 31,791 tons. The average price per ton was \$2,363, a hike of 4 percent.

Brewster said Napa growers receive, on average, 25 percent more revenue per ton of chardonnay than their counterparts in Sonoma do.

The valley's other early maturing Burgundy variety, pinot noir, registered a record crop of 11,696 tons, nearly doubling in size last year, right on the heels of a significant decline of 20 percent in 2011. The price of a ton of pinot noir dropped by 1 percent to \$2,485, the only price drop of the major valley grape varieties last year.

Growers harvested 75 percent more sauvignon blanc last year than they did in 2011, with total tonnage listed at 14,788. The price for sauvignon blanc rose by 2 percent, to an average of \$1,881 per ton.

Merlot production was up by 51 percent, as 24,977 tons were crushed in valley wineries last year. The average price for a ton of merlot rose by 3 percent to \$2,662.

Additional tonnages — that increased significantly for all — and average prices paid for other Napa Valley grape varieties in 2012 include:

- Muscat blanc, 404 tons, \$1,833, indicating the growing popularity of this grape variety.
- Pinot blanc, 982 tons, \$1,914.
- Semillon, 882 tons, \$2,598.
- Riesling, 447 tons, \$2,654.
- Viognier, 337 tons, \$3,098.
- Cabernet franc, 4,000 tons, \$5,053, an average price not far below that for cabernet sauvignon.
- Malbec, 2,384 tons, \$4,021.
- Petit verdot, 2,862 tons, \$4,774.
- Petite sirah, 3,483 tons, \$3,286.
- Syrah, 2,955 tons, \$3,039.
- Zinfandel, 5,358 tons, \$3,024.

The highest price paid for a ton of grapes in Napa County was for the variety, refosco, widely grown in Friuli, in northeastern Italy. The grower who planted refosco was paid \$5,500 per ton for the fruit, but only five acres of refosco are planted in Napa Valley.

"Internationally, I think we're standing in good stead," Schofield declared. "Other (wine-producing) countries didn't have such great crops last year. But there's still a lot of bulk wine flowing in, especially from Argentina, so it's no time to be complacent."

### **Sonoma and state statistics**

The value of the grape crop in neighboring Sonoma County was up even more than in Napa, jumping by 68 percent to \$581 million. Last year's Sonoma crush was valued at \$345 million. Last fall's Sonoma harvest weighed in at 266,124 tons — an increase of 100,000 tons over 2011.

Sonoma's chardonnay crop was 50 percent heavier in 2012, weighing in at 80,879 tons, while the total cabernet sauvignon crop was up by 40 percent, to 46,770 tons.

Grape prices for these two varieties remained relatively stable in Sonoma County last year — \$1,894 per ton for chardonnay and \$2,311 for a ton of cabernet sauvignon, the latter an increase of about \$200 a ton.

Statewide, the 2012 grape crush also set records. Tonnage was up by 13 percent to 4,383,100 tons, which is 1 percent higher than the previous record high in 2005. Red wine grape varieties accounted for the largest share of all grapes crushed, at 2.3 million tons, up 19 percent. The 2012 white winegrape crush totaled 1.7 million tons, up 21 percent from 2011.

Last year, chardonnay accounted for the largest percentage of California's harvest volume at 16.8 percent. Cabernet sauvignon was second at 11.3 percent of the total crush.

While prices in Napa and Sonoma counties were up minimally, that wasn't the case statewide. The average price paid for a ton of California grapes last year was a record high of \$734, up 24 percent from 2011. The average price paid for red wine grapes increased by 24 percent to \$879, while the average price paid for white wine grapes was \$624, a hike of 21 percent.

Grapes grown in Napa County received the highest average price statewide again last year — \$3,579 per ton, up 5 percent from the previous year. Sonoma County growers received the second highest return of \$2,182, up 5 percent from 2011.

"The 2012 crop delivered an economic boon for California," noted John Aguirre, president of the California Association of Winegrape Growers.

"Average record high winegrape prices combined with the largest ever winegrape crop, means the 2012 harvest was worth \$950 million more than the prior year," Aguirre said. "As a result, growers will shore up their finances and invest in their businesses, which means more income and economic activity in the many communities where winegrape production is strongest."

## 2012 harvest by the numbers

- **181,183** — Tons of winegrapes harvested in Napa County in 2012. 2011 figure: 121,137. Previous all-time high in 2005: 180,800.
- **\$648 million** — The total value of the 2012 Napa County grape harvest. 2011 figure: \$412 million.
- **70,935** — Tons of Napa County cabernet sauvignon in 2012. 2011 figure: 50,580.
- **31,791** — Tons of Napa County chardonnay in 2012. 2011 figure: 20,951.
- **\$5,101** — Price per ton of Napa County cabernet sauvignon. 2011 figure: \$4,683.
- **\$2,363** — Price per ton of Napa County chardonnay. 2011 figure: \$2,275.