

2009 VINEYARD ECONOMICS SEMINAR SURVEY

Results to be presented at the Vineyard Economics Seminar, June 2, 2009

1. Please indicate which category best describes your participation in the wine industry:

Vineyard owner manager/employee Winery owner manager/employee
 Lender/Finance Professional/Consultant
 Real Estate Professional Other: _____

2. Where are your vineyards located? (Put number of acres in box)

Napa Sonoma Central Coast North Coast
 Foothills Northern Interior Central Valley

3. Acres Owned: 0 1-24 25-49 50-199 200-500 over 500

4. What is your opinion about the growth of California wine sales? (CHECK ONE PER YEAR)

Year	2009	2011
Negative Growth	_____	_____
No Growth	_____	_____
Positive Growth	_____	_____

5. Which factors will have a positive impact on California wine sales over the next 3 years? (Please circle number)

	No Impact			Major Impact		
Promoting Health Benefits	1	2	3	4	5	
Economic Growth	1	2	3	4	5	
Research → Better Quality	1	2	3	4	5	
Quality-Price	1	2	3	4	5	
Regional Identity/Appellation	1	2	3	4	5	
Better Sensitivity to Consumer Tastes	1	2	3	4	5	
Growth of new fun brands	1	2	3	4	5	

6. How significant is each of the following possible constraints to industry growth and profitability over the next three years?

	Not a Concern			Great Concern		
Strength of Recovery	1	2	3	4	5	
Competing with Imports	1	2	3	4	5	
Distribution/Retail Consolidation	1	2	3	4	5	
Government Regulations	1	2	3	4	5	
Environmental Constraints	1	2	3	4	5	
Winery Consolidation	1	2	3	4	5	
Continued Pricing Pressure	1	2	3	4	5	
Availability of Labor	1	2	3	4	5	

7. How do you think the consumer changed in 2008 compared with the previous two years? CHOOSE TOP THREE (3) WITH AN "X"

<input type="checkbox"/> Consumers like screw caps/alternative packaging	<input type="checkbox"/> Consumers are trading down
<input type="checkbox"/> Consumers are buying wine instead of beer	<input type="checkbox"/> Consumers are cutting back on dining out
<input type="checkbox"/> Consumers are more adventuresome (diversity)	<input type="checkbox"/> Consumers want more "authenticity"
<input type="checkbox"/> Millennials enjoy wine and are not price conscious	<input type="checkbox"/> Consumers buying wines that taste good to them
<input type="checkbox"/> Consumers like fun labels	<input type="checkbox"/> Consumers looking for wine as part of a healthy lifestyle

8. Your Grape Contracts: What Percent are: Long-Term (3 + Years) Short-Term (1-2 Years) Spot Market

9. **DEMAND:** How strong do you think the growth in sales will be for each wine varietal over the next 3 years?

	Very Weak			Very Strong	
Cabernet Sauvignon	1	2	3	4	5
Merlot	1	2	3	4	5
Red Zinfandel	1	2	3	4	5
Pinot Noir	1	2	3	4	5
Syrah	1	2	3	4	5
Chardonnay	1	2	3	4	5
Sauvignon Blanc	1	2	3	4	5
Pinot Grigio	1	2	3	4	5

10. **SUPPLY:** What do you think about the supply of grapes by varietal over the next 3 years?

	Undersupply			Over Supply	
Cabernet Sauvignon	1	2	3	4	5
Merlot	1	2	3	4	5
Red Zinfandel	1	2	3	4	5
Pinot Noir	1	2	3	4	5
Syrah	1	2	3	4	5
Chardonnay	1	2	3	4	5
Sauvignon Blanc	1	2	3	4	5
Pinot Grigio	1	2	3	4	5

11. How strong will the growth in sales be for each Price Segment over the next 3 years?
(Using a Scale of 1-5 with 1 being Weak Sales and 5 being Strong Sales)- Price per 750 ml

	Weak Sales			Strong Sales	
< \$3	1	2	3	4	5
\$ 3-\$7	1	2	3	4	5
\$7-\$10	1	2	3	4	5
\$10-\$14	1	2	3	4	5
\$14-24	1	2	3	4	5
\$25 ++	1	2	3	4	5

12. Please rank those areas of your business that will require additional investment over the next three years?

___ Vineyard acquisitions	___ Increased mechanization	___ Other, Please Describe
___ New vineyard development	___ Improved technology	_____
___ Vineyard re-development	___ Research contributions	_____

13. Which best describe your business for 2009:

___ Hunkering down	___ Trying to calm my banker down	___ Planning for lower output
___ Not a bad business to be in a storm	___ Doing well, but nervous	___ See opportunities
___ Wine industry basics still good	___ Business as usual	

14. Top Three Critical Issues for Growers in 2009 (CHOOSE THREE)

___ Water	___ Contracts	___ Getting Paid	___ Credit Crunch	___ Increased Taxes	___ Sustainability
___ Getting Mechanized	___ Selling Grapes	___ Increased Cost of Doing Business	___ Immigration Reform		
___ Research	___ Succession Planning	___ To Plant to Not to Plant	___ Sustainable Pricing		

Mail to the Wine Industry Symposium, P.O. Box 6230, Napa, CA 94581

OR - Fax to 707.255.2044. Please call 707.255.9222 if you have any questions.