Grapevine Nursery Survey Completed

Our annual grapevine nursery survey is complete for the year. Every January, AGG polls all major grapevine nurseries in California and the Northwest in order to tally the amount of winegrape vines sold for planting in California, Oregon and Washington the previous year. From this year’s survey we learned that California landowners planted over 15,000 acres of new winegrapes in 2020, that will be bearing in 2023.

Our annual nursery survey allows us to track plantings by variety and region, over time, so we can accurately forecast production trends by price segment. It’s invaluable data that we share with the industry free of charge so everyone might be able to make better decisions. We are very thankful for all of the nursery participants who share their sales data willingly. Together, we are providing a great service to the winegrape industry.

We’ve been surprised, for the last three years, to see vineyards still being developed at or above the rate of attrition (i.e.: the rate at which vineyards naturally age into a non-productive state and are removed). Considering the known oversupply and the related challenges experienced in the winegrape market since 2018, one might assume a significant slowdown in planting would occur. It really hasn’t. The trend is down, but it isn’t down significantly, overall.

Digging a bit deeper into the data, it is apparent that coastal vineyard planting has been slowing over the last three years when compared to interior region planting. Interior region planting has stayed relatively consistent, and it has been at or below attrition levels considered to be conventional (i.e.: 2.5 to 3 percent). Interior region landowners have only been planting about 8,000 to 9,000 acres a year on a bearing acreage base of about 350,000. They have been removing vineyards, for most of the last decade, at a higher pace than planting. This has been mostly due to unfavorable market conditions.

Coastal landowners, on the other hand, have been planting vineyards at a rate of over 10,000 acres per year recently (except last year, which was only 6,500 acres). This is on an acreage base of only 250,000 acres. This translates into annual planting rates

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<tr>
<th></th>
<th>Cabernet Sauvignon</th>
<th>Pinot Noir</th>
<th>Chardonnay</th>
<th>Sauvignon Blanc</th>
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<tbody>
<tr>
<td></td>
<td>Ac. Planted / % of Vines</td>
<td>Ac. Planted / % of Vines</td>
<td>Ac. Planted / % of Vines</td>
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<tr>
<td>2020</td>
<td>3,184 / 23.5%</td>
<td>2,207 / 16.2%</td>
<td>3,838 / 23.5%</td>
<td>894 / 5.4%</td>
</tr>
<tr>
<td>2019</td>
<td>4,425 / 27.1%</td>
<td>2,301 / 14.8%</td>
<td>4,281 / 22.4%</td>
<td>1,362 / 7.1%</td>
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<td>2018</td>
<td>6,086 / 30.6%</td>
<td>5,080 / 25.6%</td>
<td>4,493 / 18.9%</td>
<td>1,848 / 7.2%</td>
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<td>Totals:</td>
<td>13,695 ac.</td>
<td>9,588 ac.</td>
<td>12,612 ac.</td>
<td>4,104 ac.</td>
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continued inside
of nearly 5 percent per year of bearing acres, clearly higher than conventional attrition. Last year, however, coastal winegrape growers adjusted their acreage down fairly significantly due to the poor market conditions of the 2019 harvest, which caused tens of thousands of tons of winegrapes to be left hanging on the vine.

The 2020 nursery survey confirmed that the varietal planting behavior of vineyard developers has not changed much in recent years. The same three varieties continue to be planted in significance (Chardonnay, Cabernet Sauvignon and Pinot Noir) with Sauvignon Blanc being a distant fourth place. Collectively, these four varieties have accounted for over 70 percent of all new vineyard plantings over the last three years. (See table on Page 1)

Other minor trends that are confirmed via the nursery survey include continued interest in planting varieties that are used as blenders in Bordeaux-style wines as well as continued planting of varieties that are good candidates for use in Rosé wines.

Red winegrapes continue to dominate plantings, as compared to white winegrapes, accounting for nearly two-thirds of all winegrapes planted in California in 2020. If one looks back over recent years to characterize planting trends, it would quickly become apparent that not much has changed. We have seen similar planting behaviors and activity for at least the last four to five years.

Demand drives the planting of new vineyards, but there are specific varieties and vineyards that need to be simultaneously reduced to maintain an overall balance. The California wine market is not growing materially in terms of volume, and hasn’t been for years. Consumers are simply shifting consumption. So in essence, we have to be taking grapes out of production on the back-end to keep the market in balance.

In the next section, we will explore the extent to which California’s winegrape growers have been doing that.
Last year at this time, it was pretty well publicized that AGG was calling for a reduction of at least 30,000 bearing acres of winegrapes in California to better match long-term supply with flattened wine demand. In reality, the call for vineyard removals went beyond simply pulling out 30,000 acres, due to the fact that new acres are always coming into production from previous years of planting.

The need was to reduce the bearing acreage base by 30,000 acres AND also pull out enough acres to offset the new acreage coming into production each year. Theoretically, the combination of these things would bring the market into balance, and keep it there – assuming wine shipments remained flat. The other assumption is that there wouldn’t be any wild fluctuations in grape/wine supply. Small 2020 yields, coupled with grape rejections due to smoke exposure, reduced California’s supply by at least 15 percent from a “normal” crop.

Ultimately, the behavior of growers is more dependent on current market forces than anything we say. Our suggestions are guidelines, but many other factors play into a vineyard owner’s decision to remove vines. We are seeing that the small overall grape crush of 2020 and resulting post-harvest market strength is causing some vineyard operators to re-think the immediate removal of vines.

As you will see from our regional manager reports, the grape market is active. In some areas of the state, and for some varieties, we would actually characterize it as brisk. When that’s the case, it makes growers reconsider the timing of acreage adjustments.

However, we should not let short-term conditions change our long-term strategy. This industry still needs to remove acreage to achieve longer-term balance in the market. The short crush of 2020 has definitely relieved pressure on the market, but when looking at the big picture, we didn’t reduce the bearing acreage base by 30,000 acres, and we had another year of planting in excess of 15,000 new acres in 2020.

Our adjusted forecast of bearing acreage into 2023 shows us continuing to operate above the target range of +/-550,000 acres. (See chart below.) California growers did manage to reduce overall acreage by 15,000 acres last year (about half of what we were calling for). That was actually a great start. We didn’t expect all 30,000 acres to come out in one year.

Looking out into the immediate future, we don’t expect to see overall acreage reduction in 2021, as the amount of vineyard removals we are forecasting this year will simply match the amount of newly producing 2021 vineyards that were planted in 2018. Beyond 2021, it remains to be seen how growers will behave with regard to removals.

Much will depend on the 2021 market and how long the current opportunities provided by the short 2020 crop actually manifest themselves with grape contracts from buyers needing supply. It’s much easier to forecast new production, because we know what has been planted. It’s impossible to accurately forecast removals. Assuming removals roughly equal newly bearing acres over the next three years, we won’t see much change in total vineyard acreage.

The other consideration is that the need to remove vineyards in specific regions and by specific variety is more pronounced today than before. With the changes in consumer purchase behavior over the last year, one could argue that the interior regions are in better overall supply/demand balance than the coastal regions. Additionally, based on what we know about planting in recent years, the coastal regions have been developing acreage at a higher pace than the interior.

It is more likely that any imbalance in the market in the short-term is going to
Smoke exposure continues to be a major topic of discussion in the wine industry, and certainly lends itself to various disagreements among stakeholders. Everyone has their perspective on smoke exposure, and those perspectives vary greatly. With additional experience and research, those perspectives are sure to become more aligned over time.

In the meantime, from a grower’s standpoint, we have observed that a dangerous trend seems to be developing. Specifically, it is a trend toward overly cautious grape buyers who feel that the detection or presence of any amount of smoke compounds in grapes/wine should deem those grapes/wine unsound and unmerchantable.

This view of smoke exposure risk is extreme and, quite honestly, unacceptable. The wine industry has established tolerances, thresholds and standards (whether officially or not) for all types of grape/wine attributes such as brix, alcohol, acid and pH, as well as many compounds associated with (or surfacing during) the winemaking process, including methoxypyrazines, aldehydes, sulfites, brettanomyces, etc.

Sure, it can be argued that no amount of smoke compound concentration is “good” in wine, but that can only be said by someone who hates Syrah! (For those that don’t know, Syrah is shown to have naturally occurring “detectable” levels of certain smoke compounds.)

Until we establish baseline concentrations of smoke related compounds that naturally occur in various varieties, we shouldn’t be using simple detection as a threshold for determining merchantability. In addition, much work needs to be done regarding which varieties experience a manifestation of negative sensory qualities with relatively low levels of smoke compound concentration.

Smoke compounds can be detected down to concentrations as low as a half part per billion (PPB). The notion that grapes/wine are unmerchantable simply because modern day technology allows us to measure concentrations less than one PPB is ridiculous. In the absence of true knowledge and overwhelmingly reliable science on the subject, we have experienced behavior in the industry that leans extreme. We call it “rejection with detection.”

Part of the justification regarding rejection with detection is that the federal crop insurance program looks for the detection of smoke compounds to process crop insurance claims and pay indemnities. Because there is no industry-established threshold for smoke exposure, the federal government has provided gracious leeway on claim eligibility by simply developing the standard that there has to be detection of smoke compounds in the grapes/wine. As it relates to crop insurance indemnities, we call it “collection with detection.”

While collection with detection is favorable for growers, it should not be used to justify rejection with detection by grape buyers. There are millions of wine gallons as evidence, from past vintages (including 2020), that show relatively low (but detectable) levels of smoke compound concentrations. They trade in the market daily and are not considered flawed, unsound, unmerchantable or unmarketable. Just like every other attribute of wine, at some point there is too much. We recognize there has to be a threshold. But simple detection of smoke compounds alone should not be that threshold.

Some researchers/scientists have developed scales to identify the “sensory risk” associated with escalating concentrations of smoke compounds in wine (i.e.: how much risk there is that the negative characteristics of smoke exposure can be detected via sensory evaluation as smoke compound concentrations rise). It’s been shown that wines with relatively low (but measurable) concentrations of smoke compounds are unlikely to have any perceptible negative impact from a sensory standpoint. As the concentration of smoke compounds increases, the risk of negative sensory perception naturally becomes higher.

Many grape buyers have established individual tolerances for the concentration of smoke compounds in grapes/wine. To that end, we have negotiated many contracts that have various levels of acceptability and may include price reductions as smoke compound concentrations increase, up to a point of rejection. This is the correct response in dealing with smoke exposure. Ultimately, in almost all cases, there should be some tolerance above the level of scientific quantification, and that level of tolerance becomes a negotiating point between buyers and sellers.

There are many considerations in these negotiations. It makes sense that the more expensive the grapes/wines are, the less tolerance a grape buyer might have for the presence/concentration of smoke compounds. Additionally, wines that will be aged or oaked might be candidates for lower tolerances of smoke compounds. The bottom line is that one size does not fit all, and as an industry we shouldn’t push the discussion in that direction; nor should we accept “rejection with detection” as an acceptable standard.
Bipartisan WHIP+ Reauthorization Act Reintroduced

West Coast legislators are continuing their efforts to make sure winegrape growers get disaster relief to recover from 2020 wildfire-related impacts.

Rep. Mike Thompson (D-Napa), along with original co-authors Reps. Jimmy Panetta (D-Carmel Valley), Peter DeFazio (D-Ore.), Barbara Lee (D-Oakland) and Dan Newhouse (R-Wash.) on Jan. 11 announced the introduction of the 2020 WHIP+ Reauthorization Act in the 117th Congress. This bill was first introduced in November 2020.

The Wildfire and Hurricane Indemnity Program Plus (WHIP+) provided payments to producers to offset losses from 2018 and 2019 wildfires and other natural disasters. The new legislation reactivates WHIP+ for 2020 wildfires and other natural disasters. The program is a critical lifeline for growers whose winegrapes were damaged by smoke exposure.

“Our district and our state faced the worst fire season on record last year, and I continue to work to ensure we use every tool at our disposal to rebuild,” Thompson said in a press release. “Our small family farmers are at risk of losing everything because their crops were ruined by smoke taint. That’s why I introduced the WHIP+ Reauthorization Act, so we can reauthorize this important program for growers up and down the coast. This bill ensures the WHIP+ program is open so some of our agricultural producers, including our wine community, will have the help they need to recover and stay afloat. I will continue working to get this bill passed and bring back every federal dollar and resource as our community rebuilds.”

AGG will keep members apprised of developments with this legislation.

To learn more about WHIP+, visit www.farmers.gov/recover/whip-plus

USDA’s Farm Service Agency announced that eligible growers can now apply for the Quality Loss Adjustment (QLA) Program. The program will assist producers whose eligible crops suffered quality losses due to natural disasters, including wildfires and smoke, occurring in 2018 and 2019. The application period is January 6 to March 5, 2021.

Former USDA Undersecretary for Farm Production and Conservation Bill Northey said, “We have worked diligently over the past couple of years to roll out meaningful disaster assistance programs to help alleviate the substantial financial loss experienced by so many agricultural producers and are pleased to offer quality loss assistance as added relief. Many of the eligible producers have already received compensation for quantity losses.”

To learn more about QLA and eligibility requirements, visit www.farmers.gov/quality-loss. The website includes frequently asked questions, a fact sheet, application assistance and other resources.
Regional Updates

It has been a breath of fresh air (pun intended) on the North Coast since the first of the year. As we navigate our way through the “new norm,” the vineyards continue, as they always do, their progress in the desire to start another season. I welcome this new season and new growth, and I am ready to overcome whatever lies ahead.

Since the beginning of December, winery representatives have been reaching out and asking about grape availability. Buyers have mentioned, on several occasions, that many of their existing grape contracts have expired or have an out-option. They are looking at other potentials to fill those needs. Plans to declassify some existing programs as well as start new “sustainably priced” programs are often a topic of discussion. In some cases, this has caused regional wineries to consider other areas in order to lower their average fruit cost with out-of-county/appellation grapes.

The very top end of the market is surprisingly strong, but consists mostly of designated blocks/bottlings that have an existing “brand” with high accolades and/or desirable appellations. To my surprise, Chardonnay has been a variety of discussion at the top end of the market, as well as Pinot Noir and Cabernet Sauvignon. As we have mentioned for the past several years, these three varieties are here and are here to stay. Sauvignon Blanc remains strong in both price and demand throughout the North Coast. Contract pricing has been sustainable, and terms have included optional multi-year commitments on most everything.

Truckload tonnage needs have resurfaced with relative frequency, unlike the last couple of years where most of the demand was for very small quantities. In other words, the larger buyers seem to be back in the game a bit. Requests continue for alternative varieties and either organically farmed or non-glyphosate vineyards/varieties. However, like with most discussions these days, price is a limiting factor, as grape buyers look to stay very competitive on valuing their final product at retail.

In closing, we are active and very busy; the phone is ringing and emails are coming in. We have not seen this type of market activity since 2017/2018. Clearly, the short 2020 crop and smoke impact on grape supply has created these opportunities. It seems many of our closest winery partners are excited to have the opportunity to talk about something outside of the pandemic, politics and wildfires! I am excited to put the past in the rearview and focus on what’s to come. Adios 2020!

As the newest member of the AGG family and as the first manager of Central Coast operations, I feel compelled to thank the management and board for having the courage and foresight to expand AGG’s presence in the Central Coast and complete the California grape market puzzle with the final piece. I look forward to developing and maintaining a strong AGG presence.

The 2020 season was very difficult and challenging in the Central Coast in so many ways. Several years of an extremely depressed market, brought on by chronic oversupply of grapes, was followed by a fire season of epic proportion. This left us all scratching our heads about how much worse things could possibly get. But the good news is that we experienced high-end buyers from the North Coast looking to expand and mitigate the risk by sourcing from new regions to the south. We are hopeful that this necessary shift in sourcing last year will open some longer-term opportunities.

One thing I haven’t experienced in several years is the early conversations about sourcing; even before the end of 2020, buyers were inquiring about 2021 supply. As coastal grape and wine supply became relatively limited due to the short crop and smoke events of 2020, grape buyers began to pay more attention to the Central Coast as a viable alternative. While interest is relatively high, there seems to be a lot of sensitivity around pricing. Grape buyers often probe about the market range (pricing) to see if specific grapes will fit into the cost structure of their programs.
Not only are we experiencing demand from out-of-area coastal buyers, we also are seeing the effects of the short supply in the interior regions starting to create interest in Central Coast grapes. But again, the question is affordability. Most interior region buyers do not come to the Central Coast looking to pay top dollar. They are simply in need of the supply.

The keyword in 2021 is opportunity, for both buyers and sellers. Now is the time to source from the Central Coast. Growers are willing to negotiate mutually beneficial contracts because of their desire for security, and buyers are looking to enhance their supply due to the current shortage of inventory.

Northern interior grape market activity never really slowed down after the 2020 harvest. Just when you thought you were going to come up for a breath through the holidays, the wineries were back in action trying to tie up supply. They didn’t even wait for the ball to drop in New York! Yes, it’s refreshing to see so much activity early on from the wineries, but some of the prices offered in Lodi and the surrounding areas in late 2020 were still on the “soft” side. So, we found ourselves holding out on most offers until early 2021.

While holding out, pricing on almost every variety moved up by 15 to 20 percent, and in some cases by 30 percent, in just a two-month period. Some growers are choosing to roll the dice and keep holding out, but this can get risky since the economy is volatile with lots of unknowns regarding the pandemic and a new federal administration. If a grower has a large volume of available grapes to move, at some point he/she has to take the bird in hand and lock up the fruit under contract. As a grower, it’s a good sign to see pricing coming up from 2019 and 2020, but for the most part, growers are still facing economically tough times in the vineyard. The cost of farming continues to reach new heights, driven by increases in minimum wage and changes in overtime rules for agriculture.

One might ask, where is all this early activity coming from? Well, it’s hard to pinpoint just one area. Most of the buying is due to the short crop of 2020, as well as a pandemic that is still driving off-premise wine sales at the +/-$10-per-bottle price point. In addition, the market has likely found some stability due to the very large acquisition finally closing between Gallo Winery and Constellation Brands. It’s no secret Gallo has big plans for brands that had mostly experienced mediocre market support over the last few years. Last, but not least, wineries came out early to buy because growers are pulling vineyards out at an alarming rate. We will continue to see vineyards getting pulled out until the market returns sustainable prices coupled with multi-year contracts. We are now moving more in that direction.

In a year that was full of “firsts,” we didn’t know from one minute to the next what new challenges lie ahead. The winegrape market the past couple of years brought us things we hadn’t experienced in a long time here in the San Joaquin Valley. It wasn’t an uncommon site to drive the countryside of the valley and see grapes hanging on the vine post-harvest, or to even see vines being dug out with the crop still on them. But things changed overnight with the onset of the pandemic. As we wrapped up this past harvest, wineries immediately began looking to secure grape supply for the 2021 harvest and beyond. A market previously over-supplied was suddenly short on grapes.

In my tenure at AGG, we have seen several peaks and valleys in the winegrape market. We are now in a season of opportunity, but with caution. There is strong demand, and even planting opportunities with certain varieties. However, we must not get ahead of ourselves, because the market is active for certain varieties that are very price sensitive. With this in mind, it’s all about production and input costs. When it comes to developing new vineyards or evaluating our current farming practices, we need to keep this in mind. We welcome the new opportunities to grow, but need to be mindful that the growth opportunities have a price ceiling based on current market dynamics.

One of the bigger changes in the Central Valley grape market has been the expectation of growers to move toward sustainability. Various buyers in the market place are wanting to source fruit from growers that are certified sustainable. This is going to be an opportunity for growers to
be in the coast rather than in the interior. Additionally, market dynamics are causing downward price pressure due to channel shifting by consumers (i.e.: toward off-premise and direct-to-consumer purchasing rather than on-premise consumption).

While the overall market may not be oversupplied, when it is segmented, there are certainly pockets of oversupply that lean coastal. Essentially, this means there is likely to be a home for all the grapes; it’s just a matter of price.

Last year’s winegrape crush was the smallest since 2011, and possibly even smaller than 2011. Short crops certainly open opportunities, and growers really experienced that in 2012 and 2013 after the 2011 shortage.

However, looking back to the market following the short 2011 crush, oversupply eventually manifested itself in unsustainable spot market grape prices in some regions. By the crush of 2014, many interior region grapes had fallen out of demand.

We are not suggesting this will happen again, but we certainly need to be aware of how the crop sizes of 2021 and 2022 will impact the market as we go forward. We can’t lose sight of the longer-term objective of bringing our production into balance with demand.

Perhaps, with the 15,000-acre adjustment made in 2020, the currently short supply position, and if we are blessed with increased demand, we can remain in balance from this point forward. It all remains to be seen. And we will be watching it closely.

One thing seems certain. Since, as an industry, we have reduced our acreage base by 15,000 acres, if we do fall into a perpetual position of oversupply again, it isn’t likely to be as acute as it was when we were 30,000 acres in excess. We should recognize that we made some progress toward supply/demand balance, even if we didn’t go all the way. Additionally, there’s a lot to be said regarding the market benefits of the short 2020 crop.
Scholarship Opportunities for College and High School Students

Allied Grape Growers/Ag One Foundation Robert “Bob” McInturf Endowment

For: Fresno State Jordan College of Agricultural Sciences and Technology students, with preference to those majoring in agricultural business, plant science, or viticulture and enology.

About: The Jordan College selects the deserving scholarship recipients each spring for the next academic year. AGG established this endowed scholarship fund with the Ag One Foundation to honor longtime AGG President Robert “Bob” McInturf, who passed away in 2013. After a career in the military, Bob and his wife settled in Fresno, where they resided for most of their lives. He worked for the family farming operation, which included hundreds of acres of winegrapes and raisins. Bob was a founding member of AGG in 1951, and served as our first president for 36 years.

Scholarship Funds: The number of scholarships available each year is dependent upon how much income the permanent fund earns. In 2021, three scholarships are available at $500 each.

Application Deadline: February 28, 2021
Website: http://www.fresnostate.edu/jcast/agonefoundation/endowment/alliedgrape.html

California Association of Winegrape Growers Foundation

For: Students whose parent or legal guardian is employed by a California winegrape grower.

About: The CAWG Foundation board selects several recipients from high schools throughout the state each year. Scholarship selection is based on scholastic ability, financial need, community involvement, leadership and a 500-word essay. Since the scholarship program’s inception in 1998, the foundation has awarded $494,500 in scholarships. Funds are raised through the generous donations of members of CAWG and the California wine community.

Scholarship Funds: Four-year scholarships are $8,000 each for students attending a University of California or California State University campus. Two-year scholarships are $2,000 each for students attending a California community college. The Robert Miller Scholarship for Viticulture and Enology is awarded to a Central Coast student who is enrolled or will enroll at Allan Hancock College or Cal Poly San Luis Obispo.

Application Deadline: March 5, 2021
Website: https://cawgfoundation.org/

Longtime AGG Grower Relations Rep Joe Osterman Semi-Retires

Joe Osterman, AGG grower relations representative for the North Valley, is “sort of” retiring. After 32 years as a valuable member of the AGG team, as of January 2021 he transitioned from full time to part time status.

Joe will be working during the off-season and increase his time, as needed, during the busy seasons.

“AGG is thrilled Joe has decided he isn’t ready for full retirement just yet and wants to continue fostering the North Valley relationships he has been responsible for over so many years,” AGG President Jeff Bitter said.

After attending Reedley College and working as a farm manager and agricultural pest control adviser, Joe started his career with AGG in May 1988. Among his numerous responsibilities, he handled the administration of sustainable certification programs for our North Valley growers, which allowed those growers to meet contract requirements and achieve higher prices for their grapes.

Reflecting on his three decades with us, Joe is proud of his contributions to AGG, the industry and the grower friends he’s made along the way.

“Besides being part of the larger grape marketing team, the growers themselves are one of the most important parts of my job,” Joe said. “I am very proud to have worked with them for so many years and have had an opportunity to make a lot of great, life-long friends.”

Jeff added, “Joe has been, and continues to be, a loyal employee to AGG, always working his hardest to maintain strong relationships with our North Valley growers. His knowledge and experience will continue to benefit AGG, as he helps us manage workload through busy seasons such as harvest.”
AGG is excited to announce the newest member of its employee family, Michael Haddox. With nearly 25 years of experience in the wine industry, he joins the team as manager of Central Coast operations. The newly-created position expands AGG’s managerial grape sales team, which currently consists of positions in the North Coast, North Valley and Central Valley.

In his new role, Michael will oversee business development in the Central Coast, consisting primarily of wine grape marketing and sales, as well as bulk wine production. As we welcome him, to our family, we thought you’d like to learn a little more about him.

Michael grew up in eastern Washington in a rural/agricultural area, where the majority of crops were juice/wine grapes and hops. He didn’t grow up in a farming family, but many of his friends did.

After high school, Michael served in the military and Operation Desert Storm, living in the Middle East for six months and Germany for three years (thank you for your service!). In Germany, he lived on the famed Mosel River and drank a lot of great rieslings. “I like to believe that laid the groundwork for my future, even if I didn’t know it at the time,” he said.

Following his military career, he entered the world of wine at Chateau Ste. Michelle in Washington – not necessarily because he liked wine, but because he was offered an entry level job. He did, however, discover a passion for wine. He juggled his job and education, earning his associate degree and working toward a bachelor’s degree in ag business at Washington State University. The Chateau Ste. Michelle job essentially kick-started his wine industry journey.

Before joining AGG, Michael was a senior winery relations manager and winemaker in the Central Coast for Agajanian Vineyards & Wine Company, where he also oversaw grape and bulk wine sourcing. He has also worked in grower relations and other positions for well-known, multinational vintners based in California and abroad. During his career, he has managed millions of dollars in grape contracts; monitored grape production; built and maintained strong relationships with growers, vintners and winemakers; informed growers regarding winery marketing strategies and programs; and fostered an extensive network in the industry.

“I continued to learn and grow, and became more obsessed with wine and the wine industry, working for some large producers in California and Washington,” Michael said. One of his favorite aspects of working in the wine industry is relationships. “I love connecting with new people and continually enhancing relationships by adding value,” Michael said. “I’m looking forward to expanding AGG’s footprint on the Central Coast, and helping growers find new buyers and in the end being a part of creating amazing California wines.”

AGG President Jeff Bitter said, “Michael brings to the job diverse and far-reaching knowledge of the California wine industry, from vineyards to the cellar to the bottle. We are excited to welcome him into the loyal family of AGG employees. He understands AGG’s culture, as we have worked with him over many years as one of our preferred grape buyers. His recent years in the Central Coast will serve AGG well, as we develop a full, self-sustaining portfolio of business under his direction.”

Outside of work, Michael enjoys spending time with his two daughters, the outdoors and building things. His current project is constructing a home office in his Paso Robles backyard.
Wine industry leader Robert (Bob) Hartzell passed away late last year. AGG was saddened to hear of his passing and extends its deepest sympathies to his family, friends and colleagues.

Bob was involved in agriculture for more than 60 years. His most prominent leadership role within the wine industry was president of the California Association of Winegrape Growers (CAWG). For 18 years (1978 to 1996) in that role, Bob worked tirelessly on behalf of the wine industry and California winegrape growers.

Many who knew Bob personally often commented that he was truly a representative for grower interests. He wasn’t easily softened by opposition and stood up for growers, even when it wasn’t the “popular” thing to do. Bob was instrumental in shaping and developing CAWG, giving growers an avenue to voice concerns, be heard and shape their destiny.

After Robert announced his retirement from CAWG, former California Rep. Frank Riggs honored him in the House of Representatives. Following is an excerpt from those remarks:

Mr. Hartzell’s 17 years of hard work and dedication has contributed to the success of California’s winegrape growers in developing a successful and profitable industry. In the mid-1970s, grape growers faced extremely difficult economic times. During those years, Mr. Hartzell was instrumental in the development of a statewide winegrape grower group created to assist the industry. Mr. Hartzell also is credited with increasing the industry’s ability to compete in international markets through his extensive efforts to fund viticulture, consumer and marketing research. As this industry grows, the development of new export markets becomes increasingly important. Mr. Hartzell recognized the importance of exports long before many others in the wine and winegrape industry.

Over the years, Mr. Hartzell has served as a diplomat for California’s winegrape industry, and his efforts have earned the industry respect in the United States and throughout the world.

Hartzell’s online obituary has many more details about his life, career, awards and volunteerism.

Allied Grape Growers (AGG) is a 500-member grower-owned winegrape marketing association. We exist for the purpose of effectively selling our members’ winegrapes to grape buyers of all kinds throughout California. AGG is the leader in understanding supply-side dynamics in the California winegrape sector and uses that expertise to maximize results for its member-growers as well as to work with our buyers to properly plan for their growing supply needs. AGG has been in existence since 1951, with decades of proven leadership and value in the California wine industry.

Inside This Issue

Grapevine Nursery Survey
Sharing the 2020 results

Vineyard Removals
Seeking long-term market balance

Smoke Exposure
Observations and position as growers

Regional Updates
Four managers provide their perspectives

Update on WHIP+ Status
Quality loss assistance for growers

In Memoriam
Remembering Robert Hartzell

Staff News
Haddox joins AGG; Joe Osterman semi-retires

Other News
Scholarships available