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GROWERS

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## California Winegrape Growers Expected to Suffer \$437 Million in Lost Sales this Fall Due to COVID-19

SACRAMENTO, June 25, 2020 – California winegrape growers could suffer at least \$437 million in lost sales from this year's grape harvest due to COVID-19 related economic disruptions. According to an analysis by Jon Moramarco, managing partner of bw166 and editor of the Gomberg-Fredrikson Report, increased sales of wine at off-premise retailers will not offset lost wine sales via on-premise channels and direct from wineries to consumers through wine clubs and tasting rooms. Off-premise includes supermarkets, liquor stores, club stores and wineries; on-premise includes restaurants, hotels and stadiums.

The volume of California wine sales over the 12 months from March 2020 to February 2021 is expected to decline by 9.21 million cases from the same 12-month period in the prior year. This translates into \$437 million less sales revenue for growers.

Moramarco notes in his analysis that lost sales revenue due to COVID-19 would come on top of the \$395 million in reduced sales revenue expected to occur as a result of excess wine inventory following the large winegrape crop in 2018 and slowing consumer demand for wine. Growers' losses from March 2020 to February 2021 could total \$832 million.

"Moramarco's analysis makes clear what many California growers already know: growers will experience significant economic hardship following this year's grape harvest," California Association of Winegrape Growers (CAWG) President John Aguirre said. "California growers are accustomed to cyclical markets, but the COVID-19 pandemic threatens to turn a down year into a financial catastrophe for many of them."

Santa Barbara County grower and CAWG Chair Mike Testa said, "I've never seen so much uncertainty in the marketplace. Growers are struggling to find a home for their fruit, vineyard acres are being pulled out and our winery customers are experiencing extraordinary challenges. For many growers, getting paid this year is no sure thing. It is essential that the U.S. Department of Agriculture recognizes the harm COVID-19 has caused our markets, and winegrape growers need to be included in the next round of financial assistance for agricultural producers."

>[ANALYSIS \(PDF LINK\)](#)

>[CAWG WEBPAGE](#)

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