California Acreage Increases

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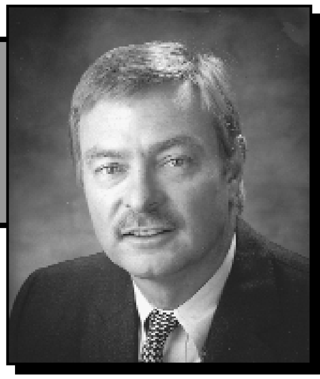

Over the years of working as an industry 'troubleshooter' in most of the major wine-producing countries of the world, I have developed a healthy respect for the Australian wine industry. This has been reinforced by my appreciation of the considerable industry-wide work that has gone into the preparation and launch of Strategy 2025, the 30-year vision for the industry. I know of no other wine-producing country who has tried to accomplish such a comprehensive strategic planning exercise although I know of many where this approach is much needed. Other countries can learn a lesson from Australia's leadership example in long-term planning.

Strategy 2025's Five-Year Plan 1997 to 2001 projects that with plantings of new vineyard in Australia wine grape production will increase from 800,000 tonnes in 1996–97 to 960,000 tonnes in 2000–01 and that there is a risk of over supply in the years 1988 to 2001. Strategy 2025 also projects that Australian acreage will increase from 57,000 hectares in 1996 to 97,000 hectares by 2025. While no industry-wide strategic planning exercise similar to Strategy 2025 has been attempted in California, it is interesting for the Australian industry to look at winegrape plantings in another New World area who also faces over supply in the next few years.

Total California grape acreage reported for 1995 was estimated at over 700,000 acres which represented an increase of over 5,000 from the 1994 total. Winegrape varieties totalled 348,000 acres or 49% of the total acreage. Raisin varieties amounted to 39% of the total and tablegrape varieties represented the balance. The statewide numbers, as indicated in Table 1, confirm dramatically what most industry observers have been saying about recent over planting.

Chardonnay continues its leadership role as the white wine variety by showing a net increase of over 3,500 acres to a total now in excess of 70,000 acres. Most believe the final 1996 plantings will be at an even higher rate than in previous years. About 17% of this variety's acreage was non-bearing in 1995.

Cabernet Sauvignon grew with new plantings of about 1,000 acres in 1995. Only 11% was non-bearing. Just as sales for Merlot are skyrocketing, as reported in my last article (*WIJ*, August 1996), so are new plantings. In 1995 alone, new acreage was almost 6,000, growing to a total of 24,000 acres, representing over 800% growth rate in the last decade. Many are predicting that Merlot will overtake Cabernet in terms of acreage and demand in the near future. Currently over 53% of Merlot acres are not yet in production and with new plantings it is now estimated that about 30,000 acres of Merlot are planted, of which over 15,000 acres are in non-bearing status.

Zinfandel acreage is still expanding, growing to over 43,000 acres statewide. About 2,400 acres were planted last year but total acreage jumped about 5,000 acres from the 1994 figures. This means that almost 3,000 acres were missed the previous year and points out the problems in getting accurate information from a voluntary report and why some believe that overall acreages are still under-reported.

Table l. Californian grape acreage

	acres 1985	1994	1995	% change since 1985	Non bearing in 1995
Chardonnay	27,424	66,590	70,120	+156	12,071
Cab Sauv	22,617	36,090	37,040	+64	4,051
Merlot	2,497	17,993	23,848	+855	12,732
Zinfandel	25,367	38,604	43,646	+72	9,814
Sauv Blanc	15,383	12,107	10,991	–29	588
Fr Colombard	73,241	49,600	44,926	–39	85
Chenin Blanc	41,462	26,249	23,348	–44	87
Thompson	278,685	272,310	271,116	–3	7,037
Tokay	18,567	8,065	5,978	–68	0
Pinot Noir	7,819	9,147	8,979	+15	447
Rubired	8,076	9,382	9,776	+21	2,475
Ruby Cab	10,577	6,238	6,274	–41	582
Barbera	14,825	11,283	10,741	–28	2,330
Carignane	16,341	8,907	8,578	–48	28
Grenache	15,701	12,336	11,489	–27	134

The plantings data for French Colombard and Chenin Blanc illustrate the decrease in acreage over the last decade for these varieties and how white generic wine production has decreased. However, over 40% of the acreage in these combined categories has been removed, and demand is beginning to exceed possible supply. Almost 50,000 acres of these primary white generic varieties have disappeared over the last decade.

Sauvignon Blanc is back in favour due to a small growth rate in demand while acreage continues to decrease.

Thompson acreage is relatively consistent as demand for this variety increases, due to the lack of other generic white wine varieties. Two-thirds of the Tokay plantings has been pulled from Lodi in the past decade and have been replaced with the four primary premium varietals.

Generic wine type varieties such as Barbera, Ruby Cabernet, Carignane and Grenache are shrinking in combined total acreage. Ruby Cabernet, which had 41% more acreage in 1985 compared to last year, is in high demand due to the lack of tonnage available.

The industry has been experiencing shortages of key varietals because of the strong market growth and short harvest in 1995 and this is anticipated to continue through the 1997 harvest while new plantings come into production. However, there are indications that official reports may have underestimated new premium varietal plantings in the Central Valley and a recent report projected that new plantings could increase California's total acreage to a total of 420,000 acres by the year 2000 and that depending on market growth and yields there is a risk of over supply by 1999. ❑

Reference: *California Grape Acreage Report*

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