

Grape Market Update

The 2012 season looks to be a great year. After a less than stellar 2011 harvest, this season seems to have all the right forces coming together – increased demand for California wines, higher prices being offered for grapes, increased acreage to meet the consumer demand (both domestically and abroad) and a slowly improving economy.

Let's start by looking in the vineyards. According to Allied Grape Grower's, "... immediate observation is that the 2012 bunch counts are almost all larger than in 2011." This sentiment seems to be shared by many growers seeing an average to larger crop here in the Lodi region, with some varieties such as Zinfandel and White Zin seeing large yield improvements after last year's record low crop.

These large crops are being welcomed by the wineries too. The U.S. continues to be the largest wine consuming country by volume in the world and the per capita consumption rate continues to grow. Couple this growth with increased foreign demand for California wine and we are sitting in a situation where California may not be able to meet the immediate demand for our wines. This is a long awaited scenario that

puts growers in a good situation to continue to grow great quality grapes in an economically sustainable manner to meet the consumer's demands.

The first quarter of 2012 was a good one for the wine industry with solid growth in January and February, but a languishing March. The Gomberg Fredrikson Report notes that California shipments rose 6% in the quarter. The overall rise comes after a somewhat volatile couple of months with some wineries posting major increases and others losses. Whatever the reason may be for the individual winery fluctuations, the overall picture for the industry shows that many inventories from past vintages have been moved out, the bulk wine inventory has been pushed through the system and lower yielding harvests the last 2 years have left some wineries to have to look overseas to augment inventories.

The long and short of this story is that demand for California wine has increased, the recent harvests have been light, inventories have been moving through the system and we now are positioned to see growers working hard to maintain what looks to be a great year with a larger harvest at better prices and providing a great bottle of wine that consumers around the world look forward to enjoying.

This newsletter and previous newsletters
can be downloaded from our website: lodiwine.com

LODI WINEGRAPE COMMISSION
Crush District 11
2545 W. TURNER RD.
LODI, CA 95242



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*What you call Crazy...
We call Passion.*

Lodi Winegrape Commission New Executive Director Camron King

It was with great leadership, foresight, dedication, and commitment on the part of the growing community that the Lodi Winegrape Commission was founded over 20 years ago. To be the first region to go down this road and participate at such a high level to increase visibility for the region, the grapes grown here, and the wines produced from those grapes was no small feat. With those first steps, a foundation for success was laid. Today, we have accomplished what we set out to achieve and I am honored and excited to be serving the growers and this community in my new role.

Over the past two decades, the Commission staff and thousands of volunteers have worked tirelessly on your behalf, striding to increase the visibility and reputation of the Lodi region's grapes and wines. I believe we are beginning to reap the rewards of their concentrated effort and determination. The consumer population is responding to the high quality fruit being grown here and, as a result, the community is flourishing as a destination wine region.

I am excited to be working with staff, growers, vintners, community leaders, and other industry groups to ensure that the value of your investment pays dividends. In the coming months, I look forward to being in the vineyards with you and working with others to ensure that the Lodi region's message is carried far and wide. My goal is to ensure protection for the items that have been hallmarks and high points of success for the Commission. As we continue our work on your behalf, we will be communicating with you at events and workshops, through newsletters, e-mails, and in person. I want to ensure that you are aware of what your Commission is doing for you and the ways in which you can become involved. I want to show you that your investment is being used wisely to increase the value and recognition of the Lodi winegrowing region.



Over the past month, I have been graciously welcomed and have hit the ground running. The staff here at the Commission, the Board of Commissioners and the volunteers that participate in our committees and activities are a hardworking and dedicated group of individuals. With a tradition of success and the commitment of so many, I know we will do many great things together in the future. My door is always open and I welcome the opportunity to talk any time. I encourage each and every one of you to drop by and visit us at the Commission office, attend a committee meeting, and get involved!

The 2012 season, if all things hold true, looks to be a great year for the wine industry. After a less than stellar 2011 harvest, this season seems to have all the right forces coming together – increased demand for California wines, higher prices being offered for grapes, increased acreage in the state to meet the consumer demand (both domestically and abroad) and a slowly improving economy further driving the pool of potential consumers to grow.

LoCA Marketing Campaign

The Lodi Winegrape Commission is nearing completion of the first year of our new LoCA consumer marketing campaign. This effort has seen the Winegrape Commission invest in print and digital advertising designed to raise the awareness and image of Lodi wine in the hearts and minds of consumers. Over the past year, the Commission has placed ads in leading consumer wine magazines such as Wine Spectator and Wine Enthusiast alongside regional lifestyle publications. The print campaign has been complemented by an extensive online effort that can more directly target core wine consumers based on their web surfing habits. These programs have led to considerable growth in our online traffic at lodiwine.com (see nearby chart), and are clearly getting consumers more engaged with Lodi wine.

The Commission has also been busy integrating the LoCA messaging and imagery into all of our promotional pieces and consumer touch points. We've produced a new trade show booth, wine trail map, directional signage, iPhone app, and many more tools to reinforce the messaging of the new campaign.

In the coming year the Commission and its marketing committees are anxious to further extend the LoCA messaging with a more comprehensive advertising and public relations campaign. The committees are also busy working on rebranding our Treasure Island fall event with a LoCA WineFest theme. This effort will directly target Bay Area wine consumers and complement our regional advertising efforts.

It's essential to remember that this is a long-term program not only designed to raise awareness, but to elevate the image and perception of Lodi wine. Ultimately, this effort will lead to increased value for Lodi wine, grapes and vineyards as an enduring emotional connection is cemented between Lodi and wine enthusiasts across the country and globe.

Learn more at lodiwine.com.

LODIWINE.COM WEBSITE STATISTICS

	JUNE 2012	JUNE 2011	JUNE 2010
Unique Visitors	16,032	5,937	3,063
Total Visits	19,375	7,882	3,831
Pages Viewed	52,222	33,196	10,341



Resounding Ovation for Lodi's 8th Annual ZinFest Wine Festival!

Blue skies, warm rays of sunshine, and good ol' Lodi hospitality welcomed guests of the 8th Annual ZinFest Wine Festival in Lodi, May 18th-20th. ZinFest weekend began Friday night with a sold-out Vintner's Grille barbecue, attended by 500 people gleefully rubbing elbows with Lodi growers and vintners wearing blue buttons saying "Lodi Growers... we're kind of a big deal."

Nearly 4,000 wine enthusiasts from across the US and Canada descended on Lodi Lake for Saturday's festivities. The majority of attendees came from across Northern California, but over 20 states were represented at this year's ZinFest: Arizona, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kentucky, North Carolina, Nebraska, Nevada, Oregon, Pennsylvania, South Dakota, Texas, Virginia, Washinton, and Wisconsin. Temperatures during the Saturday festivities were on the warm (mid-eighties) side, yet not too hot, thanks to our famous Delta breezes.

LoCA wine fans enjoyed: premium Lodi wines from 42 wineries, gourmet food from 11 local restaurants, wine-related crafts from 20 artisan merchants, live music from 5 separate entertainers, 5 Fun & informative sessions from our ZinFest Wine School, and 4 Interactive sessions from our ZinFest Cooking School

The majority of our guests were between the ages of 35 and 55. According to the post-ZinFest consumer survey, 98% of attendees said they "would return to Lodi Wine Country for wine tasting in the future".

Overall, the 8th Annual ZinFest Wine Festival was a huge success. As one happy guest said, "Keep up the great work! We just love it and can't wait 'til next year!" We agree.

GUEST COMMENTS:

" The exceptional wine!"

" I liked how many of the vintners came themselves and poured the wine."

" Being introduced to wines from new wineries or from wineries we have not had a chance to visit in the past. We tend to visit the same handful when we visit the area. So, it broadened our horizons!"

" Overall atmosphere... Just moved to Lodi from Colorado and was very pleased at how down to earth everyone was. Expected it to be a little more "hoity toity" but we were pleasantly surprised."

" Hard to pinpoint. Enjoyed meeting people and discovering new wines. Especially enjoyed visiting the wineries on Sunday and a second chance to taste and purchase wines from the Zinfest."

" Wonderful town, and a wonderful time!"

Congratulations to those elected to the Lodi Winegrape Commission Board of Directors for 2012-13

Commissioners - Kevin Delu, John Graffigna, Kris Gutierrez, Ben Kolber, Bob Lauchland, Craig Ledbetter, Rodney Schatz, Galen Schmiedt, Ed VanDiemen

Alternates - Ron McManis, Jon Wetmore, Nick Bokides, Todd Williams, John Anagnos, David Simpson, Paul Verdegaaal, Matt Perman, Dino Mencarini