

GARVEY

Brothers
vineyard
management company

Planning Commission Mtg.

SEP 05 2018

Agenda Item #

7A

Madame Chair and commissioners, good morning. My name is Paul Garvey and I'm the vineyard manager for Maxville Lake Winery. I also own and operate a vineyard management company that farms 700 acres in both the Napa and Sonoma Valleys.

I've been farming for almost 35 years and during much of that time took on the responsibility of selling and contracting my client's fruit. Over the span of 35 years I think I've developed a fairly good sense of grape sources and market trends.

Much like any business the grape market for growers and wineries goes through up and down cycles. These cycles seem to run anywhere from 5 to 7 years. We've been fortunate, in that the last 8 years grape growers have enjoyed a healthy market, meaning the demand for grapes has exceeded supply. But my sense is that trend of under supply is starting to change. I currently have about 35 tons of unsold fruit. While part of this is variety driven, the other part could mean the start of a new cycle, one in which we may now have an oversupply of fruit.

New vineyard development and the redevelopment of older vineyards, coupled with the move to closer spaced vineyards, will undoubtedly contribute to the increase in grape production in the near future. In trying to sell fruit this year I was surprised to find that several of the wineries I contacted have become net producers; meaning they are now selling fruit from their own vineyards as opposed to purchasing grapes. This bodes well for Maxville Lake Winery and other clients currently seeking local fruit to fill out their production.

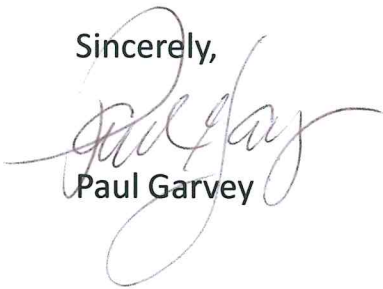
From time to time we use grape brokers to assist in selling fruit; Agajanian Vineyards and Wine Company and Turrentine Grape Brokers are two of the larger companies we use. In searching the internet this past Monday, both companies had listed approximately 2500 tons of available fruit just from Napa and Sonoma Counties.



That was consistent with my conversations with them a couple of weeks ago when I inquired about the grape market and available fruit. Representatives from both companies stated that they could meet our future grape needs.

In summary, I anticipate that fruit from nearby growers, as well as fruit from the broader Napa County, is currently available to my clients, including Maxville Lake Winery, and will be for the foreseeable future. I believe this is supported by replanted vineyards coming online, greater vines per acre at closer spacing, thus bringing us into a cycle of oversupply of fruit. Allowing additional wine production will be beneficial to County growers who might otherwise be forced to leave their fruit unsold on the vine.

Sincerely,

A handwritten signature in cursive script, appearing to read "Paul Garvey". The signature is written in dark ink and is positioned above the printed name.

Paul Garvey