Booms and Busts in the World of Wine: What do they mean for California

Daniel A. Sumner
University of California Agricultural Issues Center
October 12, 2010

Value of exports, 1993-2009
Surplus indicator: rising share of bulk wine in value of export

U.S. adult population and per capita consumption of wine, 1970-2008
Annual total consumption of wine in some significant consuming countries 1960-2006 and projections until 2030

Share of total volume of U.S. wine sales by price per bottle, 2009

Less than $3, 30%
More than $7, 28%
Between $3 and $7, 42%
Revenues per acre-foot of ETAW, Fresno County, 2009

ETAW = evapo-transpiration of applied water; ETAW data is for the Tulare Lake region, average for 2003-2005

Indexed prices for milk, cotton, rice and wine, 1995-2009

Source: NASS. *Agricultural Prices and Grape Crush Reports*. All Milk and all rice prices are for California. Upland Cotton price is national.
Measures of volatility in average annual price changes, 1995-2009

<table>
<thead>
<tr>
<th></th>
<th>All Milk</th>
<th>Upland Cotton</th>
<th>All Rice</th>
<th>Winegrapes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Averaged absolute values of annual percent price changes</strong></td>
<td>18.66</td>
<td>23.56</td>
<td>27.21</td>
<td>11.22</td>
</tr>
<tr>
<td><strong>Averaged absolute values of annual percent deviation from trendline (linear)</strong></td>
<td>12.01</td>
<td>16.52</td>
<td>35.70</td>
<td>14.13</td>
</tr>
</tbody>
</table>

Source: NASS. *Agricultural Prices and Grape Crush Reports*. All Milk and all rice prices are for California. Upland Cotton price is national.

Thank you! www.aic.ucdavis.edu