



SVB Annual State of the Wine Industry Survey

Survey Questions

Silicon Valley Bank conducts this annual survey to provide industry metrics, status and trends in the wine industry. All respondents who fully complete the survey will receive gratis survey results to include anonymized detailed responses, summary analysis and more than 50 charts which can be used by wineries to benchmark their own performance. We scrub incomplete surveys and those that don't meet minimum levels of accuracy. For those completing the survey, we anticipate information to be compiled and returned to participants just prior to the release of our State of The Industry Wine Report in January.

We hope this helps you review the questions ahead of time, prior to completing the survey online. Thank you for your participation with our annual survey.

1 What is your annual case production?

2 As best you can, estimate the average RETAIL price per 750ml bottle on the shelf for your wines in 2020.

\$

3 How many years has your winery been selling wine commercially?

4 From which region do you primarily produce your wine?

Napa County, CA (including Napa Carneros)

Northern Oregon (including Willamette Valley)

Washington

Canada

Santa Cruz, Monterey, Santa Clara and San Benito Counties, CA

Paso Robles AVA

Livermore, CA

Solano, Yolo and Contra Costa County, CA

Lake County, CA

Lodi/Clarksburg, CA

Northern Central Valley, CA (Sacramento, Merced and Stanislaus Counties)

New York

Sonoma County, CA (including Sonoma Carneros)

Southern Oregon

Santa Barbara, CA

Virginia

Mendocino County, CA including Anderson Valley

San Luis Obispo County, CA

Sierra Foothills, CA (Amador, Calaveras, El Dorado, Nevada and Placer Counties)

Marin County, CA

Southern California (San Diego, Temecula and Los Angeles Counties)

Southern Central Valley, CA (Fresno, Kings, Kern, Tulare and Madera Counties)

Texas

Other Countries, States, Counties and Regions Not Listed

5 If family run, which generation is currently running your winery?

- Not family run
- 1st Generation
- 2nd Generation
- 3rd Generation
- 4th Generation
- 5th Generation
- Past the 5th Generation

7 When the present 2020 fiscal year is complete, our winery will probably say that it was:

- The best year in our history
- One of our better years
- A good year
- Neither a good year or a bad year
- A disappointing year
- One of our most challenging years ever
- The most difficult year in our history

6 What **percentage** of total wine sales come from the following broad sales channels?

Totals should add to 100%. (Express percentages as whole numbers only.)

Export	<input type="text"/>	%
Mailings	<input type="text"/>	%
Online	<input type="text"/>	%
Phone	<input type="text"/>	%
Subscriptions	<input type="text"/>	%
Tasting Room	<input type="text"/>	%
Wholesale		
– Off-Premise	<input type="text"/>	%
– On-Premise	<input type="text"/>	%
Wine Club	<input type="text"/>	%
Other	<input type="text"/>	%
	100%	

8 As best you can, estimate your current direct-to-consumer sales by age group.

Totals should add to 100%. (Express percentages as whole numbers only.)

Please leave blank if you do not track this information at all.

Gen Z (21-23 year olds)	<input type="text"/>	%
Millennial (24-39 year olds)	<input type="text"/>	%
Gen X (40-55 year olds)	<input type="text"/>	%
Boomers (56-74 year olds)	<input type="text"/>	%
Matures (75+)	<input type="text"/>	%
	100%	

9 Continue to next page.

9 Select the statement that most closely matches your belief about the expected net retail price changes for your wines in 2021.

Strong Decrease: I need to take strong price reductions on most of my wines

Moderate Decrease: I need to take modest price reductions on most of my wines

Small Decrease: I need to take some small price reductions on select SKUs

Hold Prices: I can pretty much hold my shelf price on average

Small Increase: I can take some small price increases on select SKUs

Moderate Increase: I can take modest price increases on most of my wines

Strong Increase: I will be able to take strong price increases on most of my wines

10 Expressed as a percentage, estimate your total wine sales growth/decline in dollars for the end of December 2020 compared to calendar year end 2019.

(Express percentages without any decimal points. Declining sales should be expressed with a minus sign, e.g. -3.)

%

11 Expressed as a percentage, estimate what you expect for growth/decline in 9L cases sold for the year ending December 2020 compared to calendar year end 2019.

(This is growth/decline in number of cases, not dollars. Express percentages without any decimal points. Declining sales should be expressed with a minus sign, e.g. -3.)

%

12 Overall, how would you rate your 2020 harvest in terms of **quality**?

Excellent

Good

Average

Below Average

Poor

13 Compared to historical averages, where would you place your 2020 harvest in terms of **yield** based on the following choices?

At or slightly below record high yields

Better than historical average yields

Close to average historical yields

Weaker than historical average yields

At or near record low yields

14 Continue to next page.

14 If you use a wholesaler, in general how satisfied are you with your representation?

N/A: I do not use a wholesaler

Euphoric

Very satisfied

Satisfied

Neither satisfied or unsatisfied

Less than satisfied

Disappointed

Seething disgust

15 Do you have an employee assigned to regularly analyze your winery's consumer data?

Yes - Full-Time

Yes - Part-Time

No

Other (please describe):

16 Winery Confidence Rating:

Rate each of the following components. Ask yourself, will this component impact my winery directly in 2021 and if so, to what degree?

Rate each component's impact as positive, neutral or negative.

positive
neutral
negative

The effect of the economy on your winery

Changing U.S. consumer demand for your wine

Changes in direct, wholesale or export channels in which you sell your wine

The availability of grape/juice supply for your winery

Sufficient and skilled labor market for grape growing

Evolving alcohol laws nationally and/or changes in regional ordinances on your ability to conduct business

Changes in the availability, rates or terms of capital and/or debt on your winery

Foreign competition on your wine sales

Availability of substitutes on your wine sales, such as craft beer, legalized marijuana and spirits

17 Continue to next page.

We've asked the following three questions for many years with excellent response rates. Some may think the questions are sensitive in nature. We assure you the information will not be used for marketing purposes or anything other than helping us all develop a better understanding of industry health. Your answers are completely confidential.

17 Describe the financial health of your winery by selecting one of the following statements which most closely resembles your winery's financial situation:

Rock Solid (Very strong sales growth, strong margins and profits combined with low levels of debt.)

Very Strong (Strong sales growth combined with good margins and profits and only modest levels of debt.)

Strong (Positive sales growth combined with average margins and profits, and modest levels of debt.)

Good (Flat sales growth combined with average margins and profits, and average levels of debt.)

Slightly Weak (Flat sales growth combined with below average margins and minimal losses. You may be stretching vendors on occasion to make debt payments.)

Very Weak (Negative sales combined with weak margins and modest losses. You may be stretching vendors consistently or selling assets to make debt payments.)

On Life Support (Large declines in sales and/or large losses. You may be past due on your bank loans and have already pushed your vendors as about as far as you can and need a miracle. Survival is still possible.)

Dead (You are winding down operations, closing, being forced to sell due to economic issues or may be in bankruptcy with no real expectation of surviving.)

18 Are you currently considering or would you consider the acquisition of a brand, vineyard and/or facility within the next 5 years?

Yes

No (If No, skip to Question 20.)

19 The acquisition would include:

(Select one, a combination or all of the four options,)

Brand

Vineyard

Winery/Production Facility

Hospitality Facility

20 In the next 5 years, presuming you receive a fair price, the sale of your winery would be:

Likely

Something you'd seriously consider

A possibility

Unlikely

Not going to happen

21 Continue to next page.

21 When tasting rooms and restaurants closed, wineries pivoted to focus on new sales approaches. Rank order the three channels that provided the greatest lift during COVID-19 closures.

(Rank them 1, 2, 3.)

Club sales: They did much better than we expected.

Internet sales: Customers found us and/or we drove more business online.

Phone sales: We repurposed people and had surprising phone results.

Virtual tastings: We were successful in using Zoom and/or other digital means to enhance online sales.

Curbside pickup: We promoted pick-up and it worked in a meaningful way.

Wholesale off-premise: We were able to pivot our wholesale relationships to off-premise accounts.

Other: Was there some other sales effort that made a large difference during the COVID closures? If so, please describe.

22 Looking into the future when most of the health related lock-downs fade into memory, which of the following non-wholesale approaches will provide you the **greatest** new incremental sales results compared to the pre-COVID period?

(Select one.)

N/A

Internet sales

Phone sales

Zoom or new digital outreach

Curbside pickup

Other

23 Considering just your Direct to Consumer sales (ignoring on and off-premise), by what percent will your 2020 direct sales be higher/lower compared to 2019?

(Use the minus sign for negative growth.)

24 Continue to next page.

24 What is the impact of the fires on your business?

(Select all that apply.)

N/A. My region was out of the fire-impacted area.

Though I was in a fire-impacted area, fires and smoke had no material impact on my operations.

I had too much inventory before the fires, but with fewer contract obligations I am/will be in a better inventory position.

The fires contained a small silver-lining for us. We had too much inventory before the fires, but the fires allowed us to crush less fruit and better balance our supply.

My estate fruit experienced significant smoke damage **(Go to Question 25.)**

The fires on top of the problems we were already dealing with has convinced us we need to move on from the wine business.

Other impact not mentioned.

25 My estate fruit experienced significant smoke damage for which I had:

(Select one)

Full coverage for my losses.

The most insurance coverage I could get, but still insufficient to cover my losses.

A lower level of elected insurance coverage which was insufficient to cover my losses.

I was uninsured for smoke losses.

Other: Please describe.
