

SVB Annual State of the Wine Industry Survey



Survey Questions

Each year, Silicon Valley Bank conducts this survey to gather and provide metrics, insights and trends in the wine industry. All respondents who fully complete the survey will receive gratis survey results that include anonymized detailed responses, summary analysis and more than 50 charts wineries can use to benchmark their performance. We scrub surveys that are incomplete or do not meet minimum levels of accuracy. We expect to provide survey results to participants just prior to the release of our State of the Wine Industry Report in January.

Please use this printable guide to review the survey questions before finalizing your responses, which **must be submitted via the online survey**. Thank you for participating in our annual survey!

1 What is your annual case production?

2 As best you can, estimate the average **retail** price of a 750 ml bottle of wine on your shelf in 2022.

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

4 From which region do you primarily produce your wine?

Napa County, CA

Oregon

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

Santa Barbara, CA

Virginia

Mendocino County, CA

San Luis Obispo County, CA

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

Southern California (San Diego, Riverside (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 Continue to next page.

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 2022 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 nor 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 (22-25 year olds)	<input type="text"/>	%
Millennials (26-41 year olds)	<input type="text"/>	%
Gen X (42-57 year olds)	<input type="text"/>	%
Boomers (58-76 year olds)	<input type="text"/>	%
Matures (77+)	<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 2023.

Strong decrease: I need to make strong price reductions on most of my wines.

Moderate decrease: I need to make modest price reductions on most of my wines.

Small decrease: I need to make some small price reductions on select SKUs.

Hold prices: I can hold my shelf price on average.

Small increase: I can make some small price increases on select SKUs.

Moderate increase: I can make modest price increases on most of my wines.

Strong increase: I will be able to make 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 2022 compared to calendar year end 2021.

(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 2022 compared to calendar year end 2021.

(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 2022 harvest in terms of **quality**?

Excellent

Good

Average

Below average

Poor

13 Compared to historical averages, where would you place your 2022 harvest in terms of **yield** based on the following choices?

At or slightly below record high yields

Better than historical average yields

Close to historical average yields

Weaker than historical average yields

At or near record low yields

14 Select the statement that most closely matches your feelings regarding your region's view of tourism:

Local politics and commentary in my area lead me to believe that growth in wine tourism is...

Appreciated, welcome and publicly supported

Generally welcome, but without much vocal public support

Generally welcome, but with some vocal opposition

Not much of a topic of discussion

Generally unwelcome, but the dissent isn't particularly vocal or organized

Unwelcome with organized and active opposition

15 Continue to next page.

15 If you use a wholesaler, how satisfied are you with your representation?

- N/A – I do not use a wholesaler
- Euphoric
- Very satisfied
- Satisfied
- Neither satisfied or dissatisfied
- Less than satisfied
- Disappointed
- Very disappointed

16 If you sell direct to consumer, do you have an employee assigned to regularly analyze your winery’s consumer data?

- Yes – Full-time
- Yes – Part-time
- No
- We don't sell direct to consumer
- Other (please describe):

17 Winery Confidence Rating:

Rate each of the following components. Ask yourself, will this component impact my winery directly in 2022 and, if so, to what degree?

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

For instance, if you believe the current economy is positive for your winery, answer positive for that component.

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 for your winery

Foreign competition on your wine sales

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

Availability of sufficient water

18 Continue to next page.

We've asked the following three questions for well over a decade 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 develop a better understanding of industry health. Your answers are completely confidential.

18 Select the statement below that best describes your winery's financial health:

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

Very Strong (Strong sales growth combined with good margins and profits and 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.)

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

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

19 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 21.**)

20 The acquisition would include:

(Select one, a combination or all THREE options.)

Brand vineyard

Winery/Production facility

Hospitality facility

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

Likely

Something you would seriously consider

A possibility

Unlikely

Not going to happen

22 Continue to next page.

22 Which of the following has provided the greatest new incremental sales since the loosening of COVID business restrictions?

(Select one.)

- None
- Internet sales
- Phone sales
- Zoom or new digital outreach
- Tasting Room
- Club sales
- Events
- Wholesale
- Other

23 How has your property insurance been impacted given the increased threat of natural disasters or other external factors:

- Increase in Premium and decrease in Coverage
- Increase in Premium and increase in Coverage
- Premium and Coverage similar to prior year
- Decrease in Premium and decrease in Coverage
- Decrease in Premium and increase in Coverage
- Could not acquire property insurance

24 Did you make any of the following adjustments to your crop insurance coverage in 2022?

- No coverage in 2021; no coverage in 2022
- No coverage in 2021; new coverage plan in 2022
- Coverage remained relatively the same
- Increase in coverage in 2022
- Decrease in coverage in 2022
- N/A – Do not own our vineyard

25 How has the current drought affected your business' ability to source fruit?

(Check all that apply.)

- No effect on our fruit sources/vineyard sites
- Minimal decrease in fruit sources; no need to find additional sources
- Large decrease in fruit sources; need to supplement with additional fruit sources
- Fruit source was eliminated due to water shortage
- N/A – Not currently in a drought state

26 Continue to next page.

26 If you are in a drought impacted area, how concerned are you about water supply if the drought continues into 2023?

N/A – Not currently in a drought area

Very concerned, potential for serious water shortage issues

Concerned, but should have enough water supply

Neutral

Confident, have had no water issues thus far and expect that to continue

Very confident, seemingly endless supply of water

27 Given the continuing supply chain challenges, has your business experienced availability issues with any of the following in 2022?

(Check all that apply)

Glass

Labels

Corks

Cartons / Corrugate

Barrels

Equipment

Other

28 Do you expect an inventory shortage within the next 3 years?

Yes

No

29 Select the statement that best describes your belief.

How much do you believe abnormal climate events are directly impacting your business operations?

Severe negative impact that could cause business failure in the near term

Substantial negative impact that is survivable short-term, but potentially could cause business failure if the negative impact becomes the norm

Moderate negative impact that is noticeable and causing fluctuations in business performance, but is survivable

Modest negative impact that while meaningful, isn't causing wide fluctuations in business performance

Minimal negative impact that is noticeable but more of a speed bump for our operations.

No significant negative impact from abnormal climate events

Abnormal climate has had a net positive impact on our business operations.

You're almost done!

Once you've finished populating this guide with your answers to the survey, please visit <https://bit.svb.com/3Unq20C> to **enter and submit your responses online by October 15th.**