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Wine Market Report

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(filed from Margaret River, Australia)

Western Australia's Margaret River Wins WMR's Wine Tourism Region Award

Washington-State's Conn Creek Wins Company Award for Napa Appellation Room and Self-Winemaking Program for Trade and Consumers

A Washington-state owned winery in the Napa Valley and one of the world's most remote wine country capitals have been selected as winners of *WMR's* now annual **Wine Tourism Region/Company Awards**.

The 2006 awards, one each to an unrelated region and an individual company, are now a decade old, and began in 1995 as a way to recognize, bring attention and educate the wine trade about the fastest-growing and most-direly-in-need-of-support subsector of its own industry. Wine tourism and related direct wine sales also represent the most lucrative sales avenue, have the greatest long-term potential for continued growth in marketshare, revenues and profitability and offer the opportunity to directly affect consumer and general public relations.

Conn Creek, a Napa-based winery owned by Washington state's **Ste. Michelle Wine Estates** group, formerly **Stimson Lane Vineyards & Estates**, was chosen to receive what had been a bi-annual **Wine Company Tourism Award**. It recognizes excellence, innovation and commitment to programs aimed at visitors. The 2006 award specifically recognizes Conn Creek's new Appellation Room and its affiliated educational programs.

Vintners, growers and others in Western Australia's Margaret River were named recipients of **WMR's 2006 Wine Tourism Region Award**.

Currently better by far than most "wine country" regions, the **Margaret River Wine**

Some of its industry members also were cited for having the chutzpah to be able to pull off two world "summits" on wine, food and travel—initially led by a public-private partnership and now by a newly formed private company—in

described as something more akin to what a trade organization typically would do rather than a wine brand.

At the winery on the heart of the Napa Valley floor along the Silverado Trail, a private room twice the size of the actual tasting room (but adjacent to it, with its own vineyard views and access to an enclosed garden) is being used to offer visitors (by appointment only) and invited groups of the wine trade a chance to view wall-mounted, see-through, plexiglass-encased soil core drillings from specifically identified vineyards in each of Napa County's 14 American Viticultural Areas. The wines utilize the same cellar regimen for each appellation lot in an effort to get the subsequent wines to clearly express the nuances of terroir.

Barrels containing the most recent vintage of those AVA collections are located directly below each "appellation station" where a wine thief is available. Program participants use the thieves first to taste each of the wines and then to create their own proprietary blend and bottling. A few other barrels offer locally grown Bordeaux-style blending varieties such as Petite Verdot for addition to the personal creations. Modest fees sometimes apply to walk-in visitors, who by law are allowed

'...One of the funnest and enlightening hands-on wine education experiences...'

—off-hand remark by Jancis Robinson
on Conn Creek appellation program

Industry Association was chosen to receive *WMR's* award specifically for demonstrating, despite some usual and thus unavoidable internal conflict and minority dissent, commitment to the benefits of private-public partnership and purposeful cooperation, including with the oft overlooked intellectual resources of academia. As well, the Margaret River wine region was recognized for showing its support for a broad base of the local tourism economy. Specifically cited as current new achievements was a A\$390,000 grant by Western Australia state government officials to Margaret River area wine, food and travel groups who have been charged with integrating their tourism industry subsectors, in part by developing a new Wine Trails program.

what many consider to be the most remote wine region on the planet. That made them in the minds of *WMR's* wine-writing judging panel the clear winner to this year's regional award.

WMR Publisher/Editor Richard Cartiere presented Margaret River with the award during this week's **MasterCard World Wine & Travel Summit & Exhibition**, where his keynote address was entitled—*Food.Wine.Travel: Evolution of a Modern Trinity of New Values*. The event is being held at Leeuwin Estate in Margaret River.

See, Taste, Blend, Bottle Wine from 14 AVAs

Jeff McBride, general manager of Conn Creek, has spent the last year mastering the winery's unique "see,taste,blend and then self-bottle" appellation program,

(Continued on page 2)

(Continued from page 1)

to take their self-created, bottled and even labeled wines with them.

UK wine writer Jancis Robinson remarked off-hand to *WMR* last summer that she had found the program to be "one of the funnest and enlightening hands-on wine education experiences" she'd ever encountered following a special session at Conn Creek Her group of visiting Masters of Wine were for days almost giddy over their self-blending and bottling experience.

Conn Creek itself is now making and selling about 300 cases from each appellation-vineyard as a way for others to be able to easily identify appellation nuances. Retail pricing is \$30 and \$50 a bottle.

McBride has promised that the program will always be "a work in progress," rather than one rooted in wine geek dogma or brand marketing, and "won't exist in a vacuum," but instead will strive to reflect the appellation differences, which at times may be incredibly subtle.

The program was chosen by *WMR's* panel for being an effective basic wine-appellation training program.

The differences just in coloration and texture of the soils are clearly visible in their display cases and are obvious to untrained eyes. Additionally, the range in tasting profiles from the Carneros (where soils range from sedimentary, gravelly-clay to areas of volcanic ash) to Chiles Valley (silty-clay to stony-clay marine) to Rutherford

(generally gravelly-clay loam) to Mt. Veeder (sandy to sandy-loam texture) and to Calistoga (majority volcanic soils; AVA status pending) provides a remarkable and otherwise largely unobtainable first-hand education in Napa appellations for many wine consumers and members of the wine trade.

Although the U.S. AVA identification process is encoded in federal law and enforceable through federal statute and regulation, it is subject at times to criticism that the boundaries sometimes are more political than scientific. McBride, who came to Conn Creek several years ago after 25 years in Sonoma County at noted red wine producers **Dry Creek Vineyard** and **Kenwood Vineyards**, has suggested that the program might show whether such short-comings exist in Napa's AVA process. McBride has said the program will assist Conn Creek in honing its own blending experience by identifying appellation and specific vineyard differences, and, for the consumer, "bringing to the table the nuances of the Napa Valley."

Blending Food, Lifestyle and Wine in Western Australia

Vintners and growers in Margaret River seem to take nothing for granted, striving for their own viticultural and enological voice over the last 40 years since Robert Mondavi helped encourage Leeuwin Estate to get into wine production. As such, the quaint and

charming Margaret River towns are the heart and soul of Western Australia's wine country.

Perhaps because of its remoteness (it's closer to Indonesia than to the Southeastern Australian wine regions), the industry seems to rely upon a fierce independent streak to create their own styles of wine, "better than the other-siders", as East Coast Australians are sometimes referred to by Western Australians. As such, the wines are far more food friendly than traditional Australian offerings.

Locals sometimes illustrate their distinction from the rest of the Australian wine industry by noting that while Adelaide, a center of Southeastern Australia, is believed to have more churches per-capita than any significantly sized city in the world, you can drive for perhaps days in Western Australia's outback without seeing a church. They jokingly add the math probably would show that Western Australia has more per-capita taverns than anywhere in the world, helped to that statistic by low population on vast tracks of land and the lack of competing businesses in many remote areas.

Margaret River accounts for only 5 percent of the country's wine, yet it produces 25 percent of Australian wine priced at retail more than \$15 a bottle. It consistently wins a disproportionate share of awards and trophies at Australian wine competitions. Further distinguishing itself from the rest of Australia, Cabernet Sauvignon and Char-

donnay are the most planted varieties in Margaret River, which is heavily cooled by the maritime influence of both the Southern and Indian oceans.

The modern history of Western Australia's wine industry started in the 1950s, when the Western Australian government invited, among others, the late Harold Olmo, professor of viticulture at UC Davis, to explore the idea of "cool climate viticulture" south of Perth. Olmo eventually determined that the Margaret River region shared similar soil and climate to Bordeaux. Olmo's report was the first time a scientific study identified a region as a place to grow a specific grape variety—in this case, Cabernet Sauvignon.

There are now 180 wineries in the Margaret River, part of six unofficial appellations in Western Australia, some 30-40 growers and just over 10,000 acres. Most producers are small and even the two largest respectively are at half- and quarter-million annual case size.

Palandri Wines is one of a new breed of Western Australia's fast-growing wineries, and was created in part through new tax law in Australia that encourages investment in rural agriculture.

WMR's research verified that Margaret River's tourism industries, government bodies and academia cooperate at a comparatively remarkable level.

The Margaret River wineries have long taken an active role in promoting the arts, making the region a magnet for artists, musicians and others. Lately,

(Continued on page 3)

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(Continued from page 2)

concerted efforts have been made to highlight aboriginal art.

Both wineries and the extensive list of other subsectors of the Margaret River tourism industry co-promote each other as area attractions—and there are many. Margaret River, re-

sembling in weather and coastal geography San Diego, has some of the best surfing in the world, has extensive eco-tourism opportunities, has an extensive system of caverns, some of the world's most dramatic coastline and perhaps the largest expanse of swim-friendly but non-congested beaches any-

where other than Africa.

Evidence of how well Margaret River vintners work with other tourism subsectors on seemingly small but simultaneously innovative programs, again comparative to other wine regions, is the town itself, where a relatively new Visitor's Center sits at the entrance

to its downtown strip. Wineries and other tourism subsectors actively advertise on an installed Datatrax Touchscreen, a programmed flatscreen that sits inside the building facing the window where a second touchscreen, but one resembling a computer mouse pad, and outdoor speak-

Who's Who in the Winebiz...

Craig Wolf to Head WSWA

Craig Wolf was formally named today as the new president and CEO of **Wine & Spirits Wholesalers of America, Inc. (WSWA)** Wolf, who has held the position in an interim capacity and prior to that was the trade group's house counsel, will formally assume the permanent role immediately. The change follows the July resignation of former President and CEO Juanita D. Duggan, who left to work for another trade association. "We are entering a dynamic era, and the membership has every confidence that Craig, along with his talented staff, will effectively advance the wine and spirits wholesalers' interests to policy makers and the general public during this period of increasing attacks seeking the deregulation of alcohol in this country," said WSWA Chairman Stan Hastings. Wolf joined WSWA in January of 2000 as general counsel, and maintained that position while also managing the organization's operations as the interim President and CEO. He has been responsible for managing 21st Amendment litigation throughout the country and has positioned the organization as a resource for information and counsel through the ongoing efforts to deregulate alcohol sales. Stressing that wine and spirits distributors bring "local control and regulation to a socially-sensitive product," Wolf said WSWA would explore "new ways to communicate the value of our role in the distribution process--thousands of well-paying American jobs, sophisticated, consumer-oriented business services and other important contributions to communities throughout the nation." Prior to joining WSWA, he served as counsel to the Senate Judiciary Committee, specifically to the Chairman, Senator Orrin Hatch (R-Utah), and before that served as both a federal and state prosecutor.

'Bump' Williams Returns to IRI

David "Bump" Williams will rejoin **Information Resources, Inc. (IRI)** as executive vice president and general manager of the company's beer, wine and spirits and Wall

Street practices in North America. "Bump's unique beverage alcohol expertise, strategic thinking and strong industry relationships will add critical fuel to the growth of these vertical practices and the value we provide our clients and the marketplace," said IRI President and Chief Executive Officer Scott W. Klein. Williams is one of beverage alcohol's most respected trend authorities and a regularly cited source by many of today's top Wall Street analyst firms and industry trade publications. With more than 25 years of CPG and beverage alcohol experience, Williams rejoins IRI after serving as senior vice president, national accounts and retail strategies for Fort Collins, Colo.-based New Belgium Brewing Company. He initially joined IRI as client service vice president, managing the Anheuser-Busch business as well as other small beverage customers. During his tenure with IRI, he assumed leadership of the Wall Street vertical as well as led development of the beverage alcohol vertical practice. Before IRI, Williams was with the ACNielsen Company and headed its business development and client service group for the East Coast region. Williams began his career with the Procter & Gamble Distributing Company.

Peter Deutsch Takes on CEO Role

Peter Deutsch has been named CEO of **W. J. Deutsch & Sons, Ltd** in White Plains, NY and Jim Mello has been appointed president. The company imports both [yellow tail] and Georges Duboeuf among other key brands. Bill Deutsch, company chairman, said the importer and winery marketer "will strive to become the premier family-operated wine sales and marketing company in the United States" and Peter Deutsch's responsibilities will include continuing to "build business with our valued suppliers while pursuing new opportunities." In his new capacity, Mello will be responsible for implementing strategies that "will enhance Deutsch & Sons' position as an industry leader," the company said in an announcement. Mello reports to Peter Deutsch. Reporting to Jim Mello will be Roy Danis, executive vp sales and marketing; Alec Frisch, senior vp of marketing; and Evis Savvides, COO. [wmmr]

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