

**“Given its range of terroirs and meso-climates, California can make almost any wine style it chooses to”**

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# Golden opportunities

**Tim Atkin MW reports from last month's California Wines Summit, where all news was good news for the Golden state**

The third California Wines Summit began, as so many things do these days, with a joke about Donald Trump. US Congressman Mike Thompson, who represents Napa and Sonoma counties, told an international audience that, “I have a better chance of making a 100-point wine than of sorting out what’s happening in Washington at the moment.”

Given that 61.7% of the state’s voters chose Hillary Clinton in last year’s Presidential election, he’s probably not alone.

Mind you, if it ever decides to secede from the United States, California could prosper and survive. As Thompson pointed out, America’s most populous state ranks among the world’s 10 biggest economies. Its wine industry is similarly impressive, with 138 American Viticultural Areas (AVAs), 4,700 wineries, 5,900 growers and 244,000ha under vine. On its own, California is the fourth largest wine producer on the planet.

American per capita consumption isn’t particularly high at 10.8 litres, but the fact that a third of adults don’t drink alcohol provides some context. When they do drink, Americans are more than likely to reach for a bottle of Californian wine. Last month, the Wine Institute announced the state had shipped a record 238 million cases (worth \$34.1 billion) domestically in 2016. California makes up the majority of the total USA market (including imports) of 399 million cases, now the largest in the world.

Thompson said that “exports are incredibly important to us”, but these are still dwarfed by domestic sales. Total US exports, 90% of which are from California, were 51.2 million cases – another record – in 2016. (The leading markets by volume are the EU, Canada, Hong Kong, Japan, China, Mexico, South Korea, Switzerland, Singapore and the Philippines.) And yet total exports account for only 16% of what California produces.

These figures are important. When UK importers, wine writers and occasionally consumers complain that California wines are “too sweet”, “too expensive”, “too alcoholic” or “uncompetitive”, all criticisms that vintners have to put up with on a



**Inset: Jean-Charles Boisset of Raymond Vineyards**

Image: Woodkern/Stock/Thinkstock



Image: Tim Atkin



Few companies service both markets equally well, although Gallo and Constellation try.

## **PRICING VS QUALITY**

The problem with California pricing, at least from a UK perspective, is that it doesn’t always reflect quality, or even demand. As Kelli White, author of the definitive Napa Valley, Then and Now, put it during one of the California Wines Summit’s excellent tutored tastings, price tags sometimes have “more to do with the aspirations of the proprietor” than with what’s in the bottle. But such brands have a habit of falling away over time.

Is California wine competitive? Given domestic demand, it doesn’t really matter what we think. If it sells, by definition it has a market. But I would argue that, above £20 (and sometimes below in the case of Frog’s Leap, Ravenswood, Friends and Pedroncelli) it makes wines that, in many cases, stack up internationally. Ignore the cult bottlings and you can drink well from California.

The best west coast Chardonnays, Cabernet Sauvignons, Pinot Noirs, Zinfandels, Rhône blends and Syrahs are worth seeking out, but given its range of terroirs and meso-climates, California can make almost any wine style it chooses to. And it can sell wine at every price level.

Not everyone has the showmanship and personality of Jean-Charles Boisset of Raymond Vineyards, whose winery looks like something Liberate might have invented, but California is good at persuading consumers to part with money, especially if they’re paying in dollars. Despite the presence of Trump in the White House, that’s unlikely to change any time soon. **©**

## **MARKET DIVISION**

The perception that California wine is expensive – the result of land prices, employment costs and high demand – is only partly true. According to the US-based Gomberg-Fredrikson Report, in US food stores only 19% of the volume sells for more than \$10, although prices are higher at the cellar door and through mailing lists (4% of the total market these days), as well as in restaurants and bars, where premium and super-premium wines do better.

Indeed, it’s almost as if the California wine market is divided into two uneven sectors: the commercial, everyday stuff and a smaller, but still very profitable fine wine niche. The mass market is dominated by Chardonnay, Cabernet Sauvignon, red blends (including sweet reds), Pinot Grigio, Merlot, Pinot Noir, White Zinfandel, Moscato and Sauvignon Blanc.

The fine wine sector is led by Cabernet Sauvignon and Bordeaux-style blends, with prices that can be as high as \$950 a bottle (for Screaming Eagle), but with room for Chardonnay, Sauvignon Blanc, Pinot Noir, Syrah, Rhône-style blends and Zinfandel.