

UNIFIED SYMPOSIUM SESSIONS PREVIEW ISSUE

WINES & VINES

THE VOICE OF THE WINE INDUSTRY

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The Top 10 Stories of 2012

Our most important news stories out of 250 posted

Wines & Vines is committed to professional news reporting. You can tell by the posting of original wine industry news articles written by our own editorial team every business day. We have reported 250 or more headline stories every year since 2007. What follows are what I believe to be the top 10 news stories or themes of 2012 in terms of their overall effect on our readers.

1. Surplus to shortage

The surplus of grapes and bulk wine that had dampened prices since the 2005 vintage had to dry up some time. Still, Nat DiBuduo of the Allied Grape Growers surprised many at the Unified Wine & Grape Symposium in January when he said that California grape and wine production was "on the cusp of a shortage." Low yields in 2011 and steadily increasing wine consumption helped bring supply and demand into equilibrium. Despite global economic woes and a painfully slow U.S. economic recovery, the wine economy had turned the corner.

2. DtC shipments reach \$1.4 billion

The value of direct-to-consumer shipments of U.S.-produced wine reached \$1.4 billion in mid-2012, as measured by the model that WinesVinesDATA built with ShipCompliant.

3. California's near-perfect harvest

A disease-free winegrape harvest estimated at 3.7 million tons arrived just in time to fill tanks that had been depleted by growing consumer demand and a string of light vintages. Some vintners couldn't help calling the steadily warm and sunny season "perfect," even when a couple of late-October rainstorms in the North Coast forced some harvest crews to wear garbage bags as raincoats.

4. Wineries buy premium vineyards

A desire to lock in a larger grape supply led big wineries such as E. & J. Gallo to expand their coastal county vineyard holdings even as distress sales became scarce. Gallo bought 377-acre Force Canyon vineyard in Monterey County early this year for what was called a record high price, then turned to Lake County, Calif., and purchased the well-regarded 2,000-acre Snows Lake Vineyard.

5. Big players collect brand names

Large winery companies acquired brands like Pokemon cards in 2012. A few highlights: E. & J. Gallo bought Washington's Columbia Winery and Covey Run Winery brands and production facilities from Ascentia

Wine Estates in June. Gallo also acquired the Courtside Cellars production facility in San Luis Obispo County. Ascentia sold Idaho's Ste. Chappelle to Precept Brands. Constellation acquired the Mark West Pinot Noir brand and sold the Sonoma County Blackstone winery facility to Ken and Diane Wilson. Bill Foley added Sawyer Cellars in Napa and the Lancaster Estate in Sonoma County to his portfolio. Jean-Charles Boisset revived Sonoma's original 19th century Buena Vista Winery.



Despite a painfully slow U.S. economic recovery, the wine economy turned the corner.

6. N.J. opens to direct shipping

In January, New Jersey Gov. Chris Christie signed a bill permitting residents to receive DtC shipments, thus unlocking one of the last big wine-consuming states for both out-of-state and in-state wineries. New Jersey limited direct shipping to wineries with production less than 250,000 gallons.

7. Muscat and sweet red sales soar

The success of sweet red wines and sweet, low-alcohol Muscat and Moscato could no longer be denied. Muscat demand was too great for California to support, so wineries bought bulk wine from Italy. They blended most any red varietals into sweet reds.

8. Winery numbers grow

The number of North American wineries grew to a record high of 7,954 in November, an increase of 1.5% since January, according to WinesVinesDATA. U.S. wineries totaled 7,410; Canada counted 521, and Mexico had 23.

9. Super storm Sandy strikes

The biggest news event of the year in the mid-Atlantic and Northeast was super storm Sandy. Grapegrowers and winemakers were glad it arrived after harvest, but it still hurt their businesses. Fewer visitors bought wine during the storm and aftermath, while wind and water damaged some facilities like Red Hook Winery in Brooklyn, N.Y.

10. Mendocino wineries, growers split

A majority of grapegrowers voted to close the state-sanctioned Mendocino Winegrape & Wine Commission in June, but a new group rose quickly from the ashes. The new, all-volunteer group is called Mendocino WineGrowers Inc.

Those are our top 10 Stories of 2012. What would you add or subtract? Email me at jim@winesandvines.com; or better yet, post a comment on the digital or web versions of this column.

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