

Why Premium Wines Cost So Much

by Tom Marquardt and Patrick Darr - 12/4/2023

We realize that not everyone can afford to buy wine that costs well more than \$50 a bottle. Yet at this time of the year — when we search for something special to give to a host, gift to a friend who has everything or just enjoy with someone special for an intimate dinner — we justify spending more than we usually do.

A gift of wine should always be appreciated no matter its cost. Attending a large open-house doesn't call for an expensive bottle that won't be recognized by a harried host the next day. But if you're invited to a lavish party of eight guests or less, maybe a premium wine would be appreciated, especially if you are asked to bring a wine to be shared. Or, if your spouse is making leg of lamb, lobster thermidor or prime rib, why not complement the dinner with a wine equally luxurious? You can justify it because a good bottle of inexpensive wine would cost more than \$50 at a restaurant that generally marks up wine 400 percent.

Next week we'll have several wines under \$50 that would make nice gifts, but this week we're focused on premium wines for those who can afford them.

What drives the cost of a premium wine? Let's start with the grapes. Inexpensive wines often come from a broad region — the entire state of California or several vineyards in several appellations, for instance. Expensive wines, on the other hand, not only come from a single vineyard but from a specific block of grapes. The yield is low and only the perfectly ripened grapes are used.

Once the grapes reach the winery, they are given even more tender loving care. Depending on the grape variety, the winemaker could induce malolactic fermentation, pump overs and gentle pressing to extract the best attributes from the grapes. But perhaps the most significant contributing factor is the barrel. French barrels, which are used for fermentation and aging, can cost more than \$3,000 each.



Of course, market demand also drives prices. A wine that is tightly allocated will cost more because consumers are willing to pay steep prices to own it.

Here are several Napa Valley luxury wines we have enjoyed:

Larkmead Estate Napa Valley Cabernet Sauvignon 2020 (\$125). About 17 percent merlot and one percent cabernet franc makes up the blend to this rounded, luscious wine with easy tannins and balanced acidity. Ripe and juicy blackberry and plum notes with floral and spice aromas. One of the best wines we've tasted from this producer.