

## MY TOP STORIES IN WINE FOR 2005

by Rich Mauro

With 2006 well under way, I thought it would be interesting to look back on 2005 and take stock of the year. To paraphrase an old saying, there were a million stories in the wine world last year. Here are five I found compelling.

### Continued Consolidation in the Wine Industry

These days wine is big business and in today's business world that means mergers and acquisitions in an endless search for global positioning and competitive advantage.

One of the biggest stories in 2005 was the sale of Robert Mondavi Corporation to Constellation Brands, the world's biggest wine conglomerate. Robert Mondavi has stayed on as "ambassador" for the brand, and his sons Tim and Michael have moved on to new ventures. Constellation, which also owns Simi, Ravenswood, Franciscan, Lasingham and Ruffino, among others, was on the hunt for Vincor, Canada's largest wine company, with an international portfolio, but the Vincor board chose not to pursue the offer according to a recent news release.

The past year also saw the combination of the former Beringer Blass Wine Estates (Beringer, Chateau St. Jean, Chateau Souverain, St. Clement, Wolf Blass, Matua Valley, Annie's Lane and Castello di Gabbiano, among others) and Southcorp Wines (Lindemans, Penfolds, Rosemount and Wynns Coonawarra Estate, among others) to create Foster's Wine Estates. The new company operates more than 20 wineries on four continents and an international portfolio of more than 50 individual brands.

Another notable development was the sell-off of Allied Domecq, the giant British-owned drinks company, to French company Pernod Ricard, which picked up Champagne Mumm, Perrier Jouët and Mumm Napa Valley, and to American-owned Fortune Brands, which gained California wineries Clos du Bois, Buena Vista, and William Hill. Various spirits brands, including Kahlúa, Canadian Club, Beefeater and Stolichnaya, also were involved.

### The Year of the Wine Movie

After "Sideways" gained popularity in late 2004, it scored big in 2005 with the

Golden Globes and Academy Awards. The film's success has led to claims that it is responsible for a rise in popularity of Pinot Noir and a parallel decline in Merlot, and the term "the Sideways effect" entered the lexicon.

Although not a commercial hit, Jonathan Nossiter's documentary "Mondovino" had a significant impact within the industry. It takes a critical look at globalization in the wine business giving voice to concerns that this has led to a growing homogenization of wine styles. Sympathetic portraits of small, family wineries that dedicated to tradition and culture are presented in contrast to unflattering portrayals of globe trotting consultants and powerful critics.

### Alternative Packaging Continues to Gain Market Share

The march to screw caps as the bottle closure of choice among winemakers continued unabated in 2005. Over the last decade or so, more and more producers have been looking for suitable alternatives to cork as continued occurrences of cork taint have simply become unacceptable. Many producers also are using synthetic corks but screw caps are finding the most favor and finding their way to wines in all price ranges. Some wineries, such as Hogue in Washington, Bonny Doon in California, Kim Crawford in New Zealand, and several in Australia, are closing all their wines in screw caps.

Many wineries also are seeking to provide consumers with more convenient packaging for their everyday wines as part of ongoing efforts to demystify wine (and boost sales, of course). The *Beverage Analyst* has reported on many of these, such as Wine Cube and Wine Block using a 1.5-liter, plastic bag lined cardboard box. Three Thieves has gone even farther, using a one-liter "Tetra Pack," the same type of carton that holds fruit juice, milk and soups. So far, the wine quality has been pretty good. Soon, we all may have to re-evaluate our preconceptions about "jug" wines.

### Sustainable Practices Become More Widespread

I wrote earlier this year about the growing trend toward sustainable practices in wine and since have become aware of



even more wineries implementing this philosophy.

One of the most impressive is Quivira in Sonoma's Dry Creek Valley. Quivira is a leader in responsible stewardship, having farmed the ninety acres of the estate with an emphasis on sustainability and minimal impact for twenty-three years. They currently farm their vineyards biodynamically, are involved in a restoration effort on Wine Creek, and have converted the entire winery to a solar electric system.

Others, too, are making progress. Handley Cellars in Mendocino just received its organic certification. Winegrowers in the Walla Walla Valley of Washington state have created an organization (Vinea) to promote sustainable practices. Sokol Blosser, a sustainably run Oregon winery, is now also using biodiesel fuel in its tractors. And there are more every day.

### Wine Giant Gallo Does Right By Its Vineyard Workers

The United Farm Workers scored a huge victory for vineyard workers when the UFW and Gallo Vineyards reached agreement in September on a new contract providing Gallo of Sonoma workers with what the union described as important wage gains and employee rights. After two years of negotiations, the UFW had launched its first major nationwide boycott in more than 20 years in June.

Gallo is one of the world's Goliath wine producers and deserves recognition for working with this David of a union. The new agreement covers all Gallo farm workers in Sonoma County. The Gallo brands covered by the contract include Gallo of Sonoma, Gallo Estate, Rancho Zabaco, Anapamu, Marcelina, and Indigo Hills.

The union also has a contract with Chateau Ste. Michelle Wine Estates (including the Chateau Ste. Michelle, Columbia Crest, North Star, and Snoqualmie brands); St. Supéry, Dollarhide Ranch, Charles Krug and C.K. Mondavi of the Napa Valley; and Saddle Mountain, Farron Ridge, and Scheid Vineyards. These companies also deserve acknowledgement for supporting better working conditions.