

CALIFORNIA

dreaming

The Split Personality of Golden State Wines

“Two Buck Chuck” by Bronco, a product of brilliant marketing and a lake of unsold wine from which to source, has turned the California wine industry on its ear.

Two-Buck Origins

I knew Chuck Shaw when he operated the Charles Shaw Winery in Napa, and I was drawn to better understand his pioneering efforts with gamay grapes, the rootstock he personally brought home from trips to France.

He was an investment banker from Chicago turned wine entrepreneur — another wealthy, well-traveled individual determined to turn a large fortune

into a small one by buying a winery and expecting to multiply his capital many times over. He had the passion but not a winning strategy.

Shaw was leading a one-man crusade to glorify Beaujolais and his California Beaujolais Nouveau. Beringer then took a stab at emulating his style, and with their resources they quickly stole the spotlight.

Then marital and sales difficulties forced Chuck to close the winery. And that is the origin of the Two Buck Chuck name now owned by Bronco.

Ultra-Premiums

Today, California produces some of the finest premium and ultra-premium

wines for the money in the world. Many of the California cult wines are in a league with Europe’s best, led increasingly by the heritage or ultra-premium blends such as Symmetry by Rodney Strong. This is the other side of California’s split personality.

The over-supply of Chardonnay and other varietals is causing nearly every non-cult winery to feel pressure, lower prices, discount and do whatever is necessary to reduce inventories. To make matters worse, Australia has landed some amazingly good values like Yellow Tail — which sells to retailers for \$4 per 750 milliliter — and let’s not forget Two Buck Chuck at \$1.99 to the consumer in California and \$2.99 elsewhere.

The big public wineries are heavily promoting and dealing to maintain their stock prices. The smaller wineries, however, especially those family-owned, are not worried about their stock price. They are instead just protecting their hard-fought brand positioning in the market place, holding pat or “posting-off” in the states permitting these temporary discounts. There is late report, though, that some of the cult wineries with sales that were thought to have an inelastic price relationship are now quietly lowering their prices.

If you’re California dreaming, it’s a great time to be drinking California. But the opposite may not be true about owning California, which is why it continues to be said that if one wishes to have a small fortune, one need only start with a large fortune and then purchase a winery.

NCB

Fred Tibbitts Jr. is the foremost wine-by-the-glass consultant to chain hotels globally. He is also president of beverage consulting agency, Fred Tibbitts & Associates Inc. Visit him online at fredtibbitts.com.

Fred Tibbitts Jr. observes the latest flurry of California wine activity.

