
END OF HISTORY OF NEW CALIFORNIA GRAPE VARIETALS

Winning Is Winning Forty Years After the 1976 Paris Tasting

By Susanne Arrhenius, Leo McCloskey and Doug McKesson

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September 29, 2014 — Modern Napa Bordeaux blends and cabernet sauvignon economic growth and the diffusion of wine knowledge resulted in ending the inequality wine buyers found between Old California and the great European red wines. Together we can find low cost high quality wine online, 2011 Robert Mondavi Napa Valley Cabernet Sauvignon \$16.99 (previously \$20) at San Francisco's K & L Wine Merchants, which may be better than the wines in the 1976 Paris Tasting according to Enologix analysis of color, flavor and fragrance.

My playbook became strategy, structure, culture, and execution as the century turned. I point to "What Really Works" (2003) based on Harvard Business School case studies. I love the experimental wines but that's not where I put the family fortune.

Our duty is to celebrate the massive advancements made by companies that pivot around cabernet. Also to warn investors off of the "The New California" fantasy of making-money-making-barbera, charbono, counoise, grenache, mataro, mourvedre, nebbiolo and sangiovese.

As far as I can tell people should be investing in the following California wines.

- 1st Bordeaux blends,
- 2nd Cabernet Sauvignon,
- 3rd Zinfandel,
- 4th Pinot Noir
- 5th In flux between Sauvignon Blanc and Syrah.

When I entered the business in 1971 at Ridge Vineyards the company was marketing zinfandel. Thankfully we made Ridge Monte Bello 1971 cabernet that was in the 1976 Paris Tasting, too. I point people to a 1976

department of agriculture report that Ridge's president Dave Bennion showed me in 1977 to explain that the New California wine was not capitalizing vineyards but used grapes already installed.

Table 1. California Winegrape Plantings in Bearing Acres, 1976

Rank	Varietal	Bearing Acres
1st	Carignane	27,202
2nd	Zinfandel	26,507
3rd	Cabernet Sauvignon	20,345
4th	Barbera	19,387
5th	Grenache	17,147

The 1976 Paris Tasting created the notion that chardonnay and cabernet sauvignon are quality benchmarks. Forty years on the agriculture reports show us the end-of-history of all the efforts of thousands of winemakers and tens-of-thousands of wines in the simple terms of grape varieties planted by the wine farmers. (acres) is the main driver marginalizing all other grapes—larger returns on capital on chardonnay and cabernet than the rate of growth of new varieties.

Table 2. California Winegrape Plantings in Bearing Acres, 2012

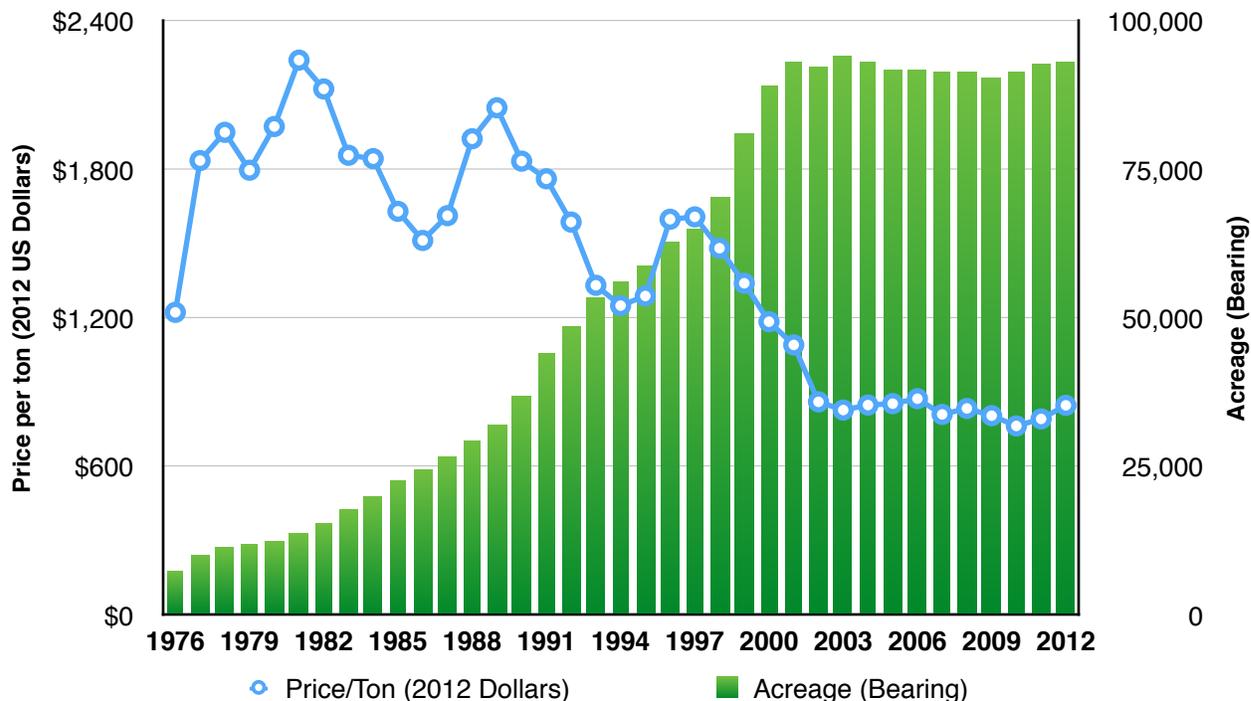
Rank	Varietal	Bearing Acres
1st	Chardonnay	95,074
2nd	Cabernet Sauvignon	80,629
3rd	Zinfandel	47,603
4th	Merlot	45,689
5th	Pinot Noir	39,610

Installing chardonnay vines stopped the planting of Alsatian and German varieties—gewürztraminer, pinot gris, riesling, scheurebe and silvaner in the 1980s. Rhone grapes—marsanne, picpoul, rousanne, and viognier—never took hold in California soil when the choice was chardonnay prices.

Likewise, Bordeaux grapes inhibited the Italian, Rhone and Spanish varieties—barbera, counoise, grenache, mataro, mourvedre, nebbiolo, sangiovese and syrah.

Agribusiness overplanted chardonnay—100,000 acres by 2001—and cabernet sauvignon—80,000 acre by 2012. Paradoxically, the 1976 Paris Tasting created the notion of just how popular chardonnay and cabernet are to mass-market retailers thereby lowering the price of Napa Valley luxury wines.

Figure 1. Price per Ton and Bearing Acreage for California Chardonnay (1976-2012)



Scaling taste quality proved to be a major headache for the New California winemakers.

After the 1976 Robert Mondavi moved to create the strategic partnership that is Opus One. Astonishingly Opus scaled quality of a batch of wine to 25,000 cases which is almost 2-orders of magnitude higher than wines in the Paris tasting.

This is the problem that I set out to solve for my friends in the New California wine movement, starting with Ridge Vineyards Monte Bello and a dozen companies in 1990.

Enologix created the new logistics, which is the act of predicting taste quality before conducting the winegrowing or sales. I wrote several theorems including for style, quality, freshness (aging potential) and terroir between 1990 and 1995. I point to our theorem for terroir published in the "Journal of Agricultural and Food Chemistry" printed by the American Chemical Society.

Ecological theorems deep inside Enologix drive algorithms. Taste is created in vivo, in Vitis vinifera var. cabernet sauvignon, and expressed as a function of the ecosystem surrounding the wine-farm. The end-of-

history of an appellation or farm is embedded in the DNA of the grape the farmer plants. Only this can explain the great European appellations by which we all judge New World wines and the future of California.

Let's imagine for a moment that there are no political pressures distorting our discussion of New California wine and that we can look at it as a business problem, not a "cause" or the "cult-of-the-winemaker". This is the only way to run your business.