

# SAN FRANCISCO Business Times

## Some premium wines resist downturn

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Is the Wine Country's ultra-premium wine glass half empty, or half full?

That's a consuming question in the Napa and Sonoma valleys and elsewhere in the recession-battered Bay Area wine world, and facts, like opinions, are mixed. Some call it the "new normal," where many consumers are looking for value, not glitz or glamour.

For every Kenzo Tsujimoto, the Japanese tycoon who invested \$100 million to transform his Kenzo Estate winery in Napa into what he hopes will be an international destination, there's an Ascentia Wine Estates, which has been sued by its erstwhile distributor and investor, W.J. Deutsch & Sons, for allegedly being on the brink of insolvency. (Healdsburg-based Ascentia says the allegations are untrue.)

Overall, U.S. wine sales are holding their own, according to statistics from industry consultants Gomberg Fredrikson & Associates, the Wine Institute and other credible sources. But wines that sell for more than \$20 per bottle, especially those that can't claim "cult" status and don't have strong traditions or loyal followings, reportedly are in the biggest pickle — or have been until very recently.

But SymphonyIRI Group, a Chicago-based market research firm, reports that non-restaurant wine sales were up 6.8 percent last month compared with April 2009. That jump was fueled by a 28.3 percent jump in sales of \$20-plus wines, according to the company, which gets data from scanned sales at thousands of food and drug stores nationwide.

"It's still a very difficult market (for wines over \$20), especially if they're not very strong brands," said Barbara Insel, president and CEO of Napa-based Stonebridge Research Group, a wine industry consulting firm, with many selling at deep discounts or using better grapes for lower-cost brands.