

MARKET WATCH



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 MARKETING DIRECTOR
 TILT IMPORTERS INC
 22837 VENTURA BLVD STE 300
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NEWS WATCH

Mee Lane Vineyard, their Terlato estate vineyard in the Rutherford appellation and 119 acres in Stags Leap District at Chimney Rock Winery.

Investment Group Buys Majority In Kosta Browne

Kosta Browne, which produces some of California's most in-demand wines, has a new majority owner, J.W. Childs Associates. The Boston-based private equity firm bought out Vincraft, which purchased a controlling interest in Kosta Browne in 2009. Terms weren't disclosed, but the price tag is suspected to be substantially more than what Vincraft paid five years ago. Founders Michael Browne, Dan Kosta and Dan Costello, who have built Kosta Browne into one of California's most successful brands, still own 40 percent of the winery. Kosta Browne, which makes about 20,000 cases of Pinot Noir and some Chardonnay, intends to increase production.

TGIC Renamed Guarachi Wine Partners

TGIC Importers, based in Los Angeles, has announced a corporate name-change to Guarachi Wine Partners. The switch coincides with the company's 30th anniversary. Founder and CEO Alex Guarachi originally launched his business out of a garage in Northern California. Guarachi Wine Partners represents Bodega Norton, Kaiken, Lea, Montes, Pascual Toso, Santa Ema and Tensley Wines, and the company also markets the proprietary brands Black Ink, Guarachi Family Wines and Nobilissima.

Supplier News—Beer

Craft Brew Alliance Partners With North Carolina Brewery

Craft Brew Alliance (CBA), one of the West Coast's leading craft brewers with its Widmer, Redhook and Kona brands, has formed a strategic alliance with North Carolina's Appalachian Mountain Brewery (AMB). Under terms of the deal, the two publicly traded brewers will "explore potential opportunities to drive

business growth and shareholder value through sharing resources in key strategic areas including, but not limited to, brewing, purchasing, distribution and sales," according to a statement issued by the Portland, Oregon-based CBA.

Spanish Brewery Buys Stake In Founders Brewing Co.

Grand Rapids, Michigan-based Founders Brewing has agreed to sell a 30-percent stake to Spain's Mahou San Miguel Brewery for an undisclosed sum. The deal, which is set to close in January, marks Mahou San Miguel's foray into the U.S. craft beer segment. According to Founders, the new partnership will help the craft brewer expand its international reach and strengthen long-term growth. Founders is projected to brew more than 200,000 barrels this year and plans to boost capacity to roughly 900,000 barrels.

Legislative News

Wine In Grocery Stores May Hit Tennessee Soon

Tennessee state representative Bo Mitchell has brought a bill before the legislature proposing to begin sales of wine in grocery stores a year earlier than originally planned. The initial measure allowed grocery wine sales by July 2016—a time line that would give wine retailers opportunity to prepare for the new competition. The law also allows the sale of food, tobacco and other items previously prohibited in liquor stores. Mitchell's bill would change the existing law to allow wine sales in grocery stores to start this coming July.

Corrections

The "City Scope: Buffalo, New York" feature in the December 2014 issue misidentified the Niagara River.

The December 2014 issue also included an error in "New Products." Casa Sala Gran Reserva Brut Nature Cava is available on-premise in New York City. **mw**

The Editors

Grenache Gains Steam

Younger consumers embrace the varietal's flavor and accessible pricing

Grenache, the classic southern Rhône varietal, has attracted a new generation of wine drinkers who gravitate toward its clean, bright fruit flavors and relatively affordable prices—particularly in imports. “Spain is becoming the hip new cool entry into Grenache,” says Bob Paulinski, senior vice president of wine for Beverages and More (BevMo).

Grenache is gaining attention “as a food-friendly wine that millennials are discovering,” notes Gary Clayton, vice president and director of marketing for Pasternak Wine Imports, which distributes Rhône offerings like Château La Nerthe Châteauneuf-du-Pape (\$60 to \$150 a 750-ml. bottle) and Prieuré de Montézargues Grenache rosé from the Tavel AOC (\$19.99). “These new drinkers are connected, and many grew up in wine drinking families. They’re playing a significant role in wine industry growth.”

BevMo is seeing a 10-percent rise in Grenache sales, dominated by wines from the Rhône and Spain. “Younger consumers like the fresh, bright, primary fruit style of Spanish Garnacha with little or no oak,” Paulinski says, adding that the \$10-and-under price point is also appealing. The average BevMo store carries about 100 SKUs of Grenache and Grenache blends (\$5 to \$100 a 750-ml. bottle). Top-sellers include the Spanish brands Alto Cinco Garnacha (\$13.99) and Soliluna Garnacha and Rosada (both \$9.95) and the French labels Serabel Côtes du Rhône (\$12.95) and Mirabeau Pure Rosé from Provence (\$21.95).

Guarachi Wine Partners is also seeing strong response to Spanish Garnacha. Founder and CEO Alex Guarachi imports 35,000 cases of the Castillo Monseran Garnacha wines at two tiers—under \$10 for the 2013 vintage and under \$15 for the 2012. The label “appeals to millennials who buy off-premise because they’re open to trying new wines and respond well to Garnacha’s black cherry and red cherry flavors,” Guarachi says. Since millennials don’t have a lot of discretionary income, the price point for the level of quality is very appealing, he adds. At the higher price tier, the Chilean winery Montes launched Outer Limits Wild Slopes red wine (\$50 a 750-ml. bottle), a blend of Carignan, Grenache and Mourvèdre, in 2013.

Arthur Hon, wine director at the 80-seat restaurant Sepia in Chicago’s West Loop district, has also seen growth for the varietal. “The American palate has really embraced Grenache,” he says. “Contemporary cuisine is so much lighter than it used to be, and Grenache plays into that trend.” Hon offers 450 bottle selections (\$40 to \$900 a 750-ml. bottle), with the sweet spot in the \$75-to-\$95 range. Sepia customers favor Rhône wines like Châteauneuf-du-Pape or Gigondas. “Our customers are very wine-savvy,” he explains. “They’re buying the appellation rather than Grenache.” Notable offerings include the 2008 Venus La Universal Dido from Spain’s Montsant D.O. (\$73) and the Coume del Mas Banyuls Blanc (\$16 a glass).

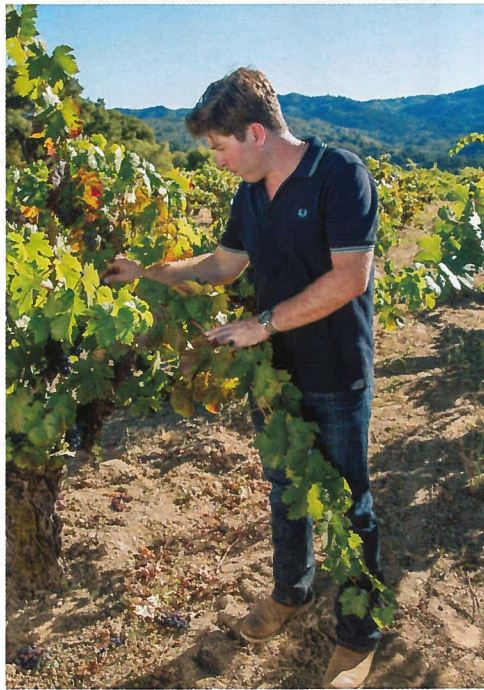
At the 60-seat Restaurant Kelly Liken in Vail, Colorado, wine director Jeremy Campbell is seeing an uptick in popularity in Grenache-based rosé and blends. “I refer to Grenache as warm-weather Pinot Noir,” he says. “It’s as pleasing as Pinot Noir on the palate, with lower tannins and pretty red fruit.” Campbell’s wine list features 250 selections (\$35 to \$4,000 a 750-ml. bottle; \$9 to \$50 a glass), with the sweet spot at \$150 a bottle. Standouts include the 2012 Château d’Esclans Garrus Côtes de Provence rosé (\$145 a 750-ml. bottle) and the 2005 Saxum James Berry Vineyard Rocket Block from Paso Robles, California (\$240).

Grenache continues to gain presence in California. “Grenache is a natural progression from Zinfandel,” says winemaker Dave Phinney. He’s marketing

25,000 cases of Orin Swift Abstract (\$32), a blend of Grenache, Petite Sirah and Syrah primarily from hillside vineyards in Napa Valley, Sonoma County and Mendocino. “By picking different varietals, you can blend a wine that has great acids and tannins, yet is very voluptuous,” Phinney says.

Lending glamour to Grenache is Black Eyed Peas singer Fergie Duhamel. Her father, Pat Ferguson, works with winemaker Joey Tensley to produce Fergalicious, a blend of Syrah, Merlot and Grenache from Santa Ynez Valley. With names like Phinney and Tensley getting behind Grenache, the varietal appears headed for an even higher profile in the United States. **mw**

Jean Deitz Sexton



Winemaker Dave Phinney produces blends using Grenache sourced from hillside vineyards in Napa Valley, Sonoma County and Mendocino.