



Rick's Wine Rack



March 2016

“There is nothing more expensive than a bad bottle of wine!”

(Sivad the Wine Seer)

Element\$ of Price in That Bottle of Wine?

I'm the first to jump on the bandwagon when it comes to questioning the high prices of some wines...but there really is more to the story than someone trying to get rich quick! The next time you're complaining about the high price of a bottle of wine...or you're about to wax on eloquently about how those filthy-rich winery owners are stickin' it to everyone...bite your tongue, hold your breath and take a chill pill! In fact, have a glass of wine!!

In any case, do what you must to withstand the temptation to lambast those honest, salt-of-the-earth and incredibly hard-working folks who grow, tend to and harvest the grapes, make the wine, and do all the other things essential for you and me to enjoy the luxury of stopping by our local market or wine shop and picking up a bottle or two of our favorite wine.

Before I reveal the apportionment of the general elements of cost in a bottle of wine, there are a few components of cost for which there will be no specific accounting. Among a variety of impactful cost drivers are: the name, reputation and standing of particular wineries and winemakers; the rarity and scarcity of the wine; the source wine regions; and the specific vineyards from which the grapes are sourced. Keep in mind too that unusual weather or geographical phenomena – like fires, drought, excessive rain, extreme heat or cold, and earthquakes can also affect yields and wine prices.

Oh...and speaking of expensive wines -- most of us really don't know expensive...we just think we do! Would it surprise you to learn that Napa's most expensive wine is Screaming Eagle...which commonly runs somewhere north of \$3K a bottle!? And on the lower end of California's 50 most expensive wines are gems like Jayson Woodbridge's famous Hundred Acres and Paul Hobbs' Beckstoffer To Kalon Vineyard Cabernet that will cost you about \$350 to \$400 a bottle...i.e. some very serious kaching!



Below is a snapshot of the basic elements of cost that typically make up the price of a bottle of wine...and needless to say, these are attributes of cost that commonly escape the awareness of consumers. So, take a closer look at what goes into pricing that \$25 bottle of vino – and see for yourself who gets what!

\$23.91 bottle of wine

RETAIL MARKUP	31%	\$7.44
WHOLESALE MARKUP	19%	\$4.56
NET WINERY PROFIT	5.6%	\$1.35
TAXES, FED & STATE	4%	\$0.94
INTEREST	2.5%	\$0.60
ADMINISTRATION	2.5%	\$0.60
SALES & DISTRIBUTION	12.5%	\$3.00
MARKETING	2.5%	\$0.50
PACKAGING	3.8%	\$0.92
WINEMAKING	9.1%	\$2.20
GRAPE\$	7.5%	\$1.80

*Source, Cameron Hughes Wine

Indeed, the folks who ultimately make those wonderful wines available to us typically generate a bottom line profit of only 5 1/2%! Those are pretty skimpy proceeds when one considers other areas of commerce...and that's during the good times!! In bad years...can you imagine who takes it on the chin? If you guessed retailers or the tax man...guess again my dear “Wineaux!” Everybody else “except the winery and the winemaker” are gonna' get their share!!



Toast of the Month



“Here’s to You and Me. May the Hinges of our Friendship Get Dusty...but Never Rusty!”

(Irish Toast)



The Monthly Bunch!

Red

Merlot

Markham Vineyards – 2013 Napa Valley Rich, Smooth, In-Your-Face Fruit, & Luscious! (St. Helena -- Napa Valley, CA)/\$15-\$20

Of late, Merlot sometimes gets a bad rap as a “yesterday’s wine” -- but trust me, this Merlot is a “today’s wine” if ever there was one!! This Double Gold winner at the 2016 San Francisco Chronicle Wine Competition is special...nay, make that spectacular! Comprised of 83% *Merlot*, 13% *Cabernet Sauvignon*, 2% *Syrah*, 1% *Petite Sirah*, and 1% *Cabernet Franc*...and aged for a full year in 75% experienced oak...it’s a marriage of grapes made in heaven. ...and it’s one worth hunting down and buying. Head Winemaker, Kimberlee Nicholls, and her right hand Associate, James Coughlin, make up one of the best and most respected winemaking teams in the country...and beyond doubt, this is one of their best *Merlots* ever!

www.markhamvineyards.com

Cabernet Sauvignon

Justin Winery 2013 –

Classy and Classic -- Supple and Sensuous!

(Paso Robles, CA)/\$20-\$24 – From Wine Enthusiast’s *Winery of the Year* for 2015 comes this fantastic 100% *Cabernet Sauvignon* that for my money could be California’s *Wine of the Year!* Oh yeah...it’s that good...and for the price, there’s no finer Cab in California...or anywhere else for that matter. Aged for 14 months in 25% new oak...this

splendid expression is the handiwork of winemaker, or should we say, “wine artist” Scott Shirley...and believe you me, this Paso Robles masterpiece of a wine is as good as wines get. It’s so good...you just might not want to share it!! Find it and buy it!!

www.justinwine.com

Blend

Ferrari-Carano Vineyards Siena 2013

Elegant, Beautifully Balanced and Über-Delicious! (Sonoma Vineyards – Healdsburg, CA)/\$12-\$16

This is a mouthwateringly scrumptious wine that red wine Winemaker, Rebecka Deike, calls “the taste of Italy.” Reminiscent of a Super Tuscan, but far less expensive, it’s an otherwise unusual union of *Sangiovese*, *Malbec*, *Petite Sirah*, and *Cabernet Sauvignon*. Aged for nearly a year in 20% new Hungarian oak, with the balance sleeping in used French oak, it’s an approach aimed at taming and sweetening the tannins...and all I can say is Wow! For those who might remember when the name of this wine was spelled with two “ns” instead of one “n” – i.e. Sienna – that “two n” version was forced upon them by the City of Siena, Italy which sued over objections to the Winery’s original spelling. I don’t know if the suit was lost or settled...but the upshot is that Ferrari-Carano ultimately prevailed. So in this case...the good guys won! Hail Siena!!

www.ferrari-carano.com

White

Sauvignon Blanc

Whitehaven Wines 2013 Crisp, Clean & Zesty! (Marlborough, New Zealand)/\$12-\$15

To say that this is a typical New Zealand *Sauvignon Blanc* would be a mistake actually...since it is far more accurate to say it’s a definitive New Zealand *Sauvignon Blanc!* With more international competitive Gold Medals and Best-in-Show awards than any other white wine, is there any wonder why this is the number-one-selling *Sauvignon Blanc* in restaurants in the country!?! This is what I call a serious *Sauvignon Blanc* – and it’s one of the best and most versatile food wines you can find -- thanks to its refreshing “*Granny Smith apple acidity.*” Honestly, it can pair with just about anything. I even had it with a grilled pork chop smothered in caramelized onions not long ago...and the delicious contrast was as unexpected as it was amazing!

www.whitehaven.co.nz/