

Subject: Wine at Orangewood Consulting 33, February 27th, 2003

Sent: Thursday, February 27, 2003 4:20 PM

To our Wine Aficionados,

Introduction

Well, it has been an eventful February. This newsletter is far too long - sorry about that. I won't charge extra. In addition to the usual new locations and ramblings, there is event notification, multiple event feedback and response to a question about "The Wine Glut".

Summary (Box Score)

Mario Day approaches
2003 Sales picked up in February - a record month
New outlet - AJ's at 7141 West Ray Road, Chandler
New restaurants - Nello's in Mesa and Awatukee

Content

Outline for the remainder of this newsletter
Event Notification – Mario Day – Chateau Benoit introduction
Event Feedback – Noceto at House of Tricks
Event Feedback – Marinda Park Week
Remaining Nello's restaurants sign up
New retail outlet at AJ's in Chandler
The Wine Glut – Part 1
Rambling Delivery Guy
Feedback

Event Notification – Mario Day – Chateau Benoit introduction

Mario Day is March 10th every year. This year it falls on a Monday. Mario day is so called because the abbreviation for the date (MAR10) could be confused with the name Mario. This year, for want of a better excuse, I thought that it would be good for a tasting of the new wines that we are carrying from Chateau Benoit. We brought these wines into Arizona in response to a special request from Jim Gallen, the Operations Manager and Wine Guy at Barmouche and Tarbell's.

Time: 4:00 p.m. - 7:30 p.m. or until I ask you to leave!

Location: Our offices and home at 7334 North Central Avenue

Wines: Chateau Benoit Wines

Muller-Thurgau

White Riesling

Pinot Gris

Pinot Noir

Other wines may be opened if necessary

Food: Munchies to enhance the wine tasting experience (whoa!)

RSVP: Please email me to let me know if you intend to come along.

Event Feedback – House of Tricks

Well, those of you who missed this event missed a treat: Sangiovese from Vino Noceto. We tasted five different bottles of 100% Sangiovese, with commentary by Vino Noceto owner, Jim Gullett. We worked our way through the 1999 and 2000 Normale, the 1998 and 1999 Riserva and the 1999 Dos Oakies. It became clear that each vintage shows improvement compared to the previous year. The Dos Oakies is what I refer to as a "single malt" Sangiovese. It comes from a specific Sangiovese clone in a particular area of the vineyard adjacent to two Oak trees. It is used in the Riserva as well as standing alone. This wine is only available at the tasting room in Amador County, California. Add it to your "must do" list.

Event Feedback - Marinda Park winery owner visit

I first met Mark Rodman as he climbed out of his rental car at the completion of his 23 hour journey from Melbourne, Australia. The last 6 hours were his drive from LAX. Without much ceremony, we shook hands and took off to a Pinot Noir tasting. Mark had said that he was willing to work during his visit, so I had 5 public events and several sales calls scheduled. For the events, traffic helicopters swarmed overhead to help the overworked policemen deal with the gridlock caused by the hordes of wine enthusiasts converging on the events. Actually, attendance was not at the levels I had hoped, but this was offset by our logistical problems. Me forgetting wine, Tarbell's forgetting they had another event (so changing the location to Barmouche), AZ Wine shipping the wine off to their new location, Dick getting stuck in the airport security check traffic - how much fun is a visitor allowed?

At Barmouche we had two guests (Thanks Lisa and Mark). They kept us company while we looked for drinkers and diners who might be susceptible to sampling wine. At AZ Wine, the absence of wine was offset by the lack of customers. At Epicurean Wine we had a modest crowd - except for one guy who was less modest. Here we were sampling 4 wines. The Sauvignon Blanc is arriving in March, so this was a preview. The Merlot is still some months away from release but is showing a lot of promise after serious decanting. At the Duck and Decanter Sam, Judy and Karen were waiting for us (thank you). We set up outside to catch the last of the sun and enjoyed conversation with quite a few of the regulars. Saturday was a change of pace - perhaps due to the pitcher of margaritas we drank following the Duck event. We hung around AJ's in Chandler offering to sign bottles of Marinda Park chardonnay.

Our goals for introducing Marinda Park wines fell short of our hopes, but the benefit to us was the opportunity to exchange views with the owners, wine professionals and staff. Mark Rodman, in spite of lack of sleep, kept his sense of humor throughout the tour.

Expansion to Nello's 2 and 4

Dick has been hustling at the Nello's restaurants and the final two succumbed to his charms. Visit Nello's 2 just south of Guadalupe at 7390 South Alma School in Mesa or Nello's 4 on Warner Road a mile west of I-10. The four Nello's have similar styles: a stripe on the windows, a range of beers on tap, great wine and closed on Monday's. Good work Dick. Talking of good work, Nello's 3 on Shea and the 101 has been ordering wine every week. I think Dick has a thing going with the wine buyer there!

AJ's, Ray Road

Clyde, the Cellar Master at the Chandler AJ's, has started stocking the Noceto Sangiovese and Marinda Park Chardonnay. Clyde and his staff are very knowledgeable, friendly and helpful - as are all the staffs of all the places that sell our wine.

Barmouche

As a result of the scheduling error during the Marinda Park tour, Barmouche now carries both of the Marinda Park wines. Barmouche is a second restaurant owned by Mark Tarbell. It has the fine food and wines that you would expect from Mark. I go there quite a bit for lunch. Business has picked up in the 18 months that it has been open. Try it, it's fun.

Rambling Delivery Guy

I'm heading down to deliver wine to the Four Peaks Brewery. The people who make Eighth Street Ale are actually located on 8th Street. I intend to head South on Scottsdale Road (AKA Rural Road) and head east on 8th St. I miss the exit and take Hayden (AKA McClintock). It's only a little longer and I get a view of the east bound 202 parking lot. Four Peaks finally has gone through the Noceto Frivolo that Dick sold them last year. Now I'm heading up to Nello's 3, where the customers are acquiring a taste for the Noceto Sangiovese (Normale), Laurie delivered here last week. On the way I head north up McClintock avoiding the freeway for a mile in case the traffic is backed up into 101. I'm listening to Ringo singing Octopus's Garden from the Abbey Road album. I see Minderbender's on the right, which I haven't seen for many years. I think it's named after Milo Minderbender in Catch 22 and my mind wanders to Yossarian sitting in a tree being bored as his approach to long life; and to the soldier in white and the change of the bottles each day.

On my left now is Big Surf. A major attraction when I first moved to the Valley of the Sun. Using a principle similar to that of a flushing toilet, 4 foot waves are projected across a lagoon every couple of minutes or so. I remember swimming there 25 years ago. I wonder if they changed the water since then. George is singing "Here Comes the Sun". For me it's already here - predicted high today, this penultimate day of January, is 80 degrees. On my right is a complex of 6 drive-in movie screens. I didn't realize that the world still had any of these. I head to the 101 on McDowell. After delivery I head off to see Jazzy, our not so little foal. Now 9 months old, officially a yearling, she has been moved to boot camp for a little discipline and to get her in shape for the May Arabian horse show. She is a half Arabian (actually 3/4). She is also a Pinto which means that she is white with big brown patches. See <http://richard.corles.home.att.net/> for recent pictures and old video clips. Jazzy is pleased to see me. I scratch her neck and she does that cute lip twitching thing. The rambling delivery guy rambles on to the tune of "Mean Mr. Mustard" - you know the guy with a ten bob note up his nose.

The Wine Glut - Richard the Pundit

I got some feedback (from Frank) asking that I comment on the wine glut that we are hearing so much about. Here's my take on what is happening.

Over the last 10 years or so a lot of people saw the increase in wine consumption and thought that selling grapes would be a profitable enterprise. Prices 10 years ago were pretty good. So with lots of planting and some good weather in the last couple of years, there became an oversupply of grapes. What does this mean? Well, large wineries buy grapes from wherever they can and take advantage of the increased supply by getting grapes at reduced prices, getting better quality grapes or a combination of both. This is tempered to some extent by contracts they may have with particular suppliers, but even so, we might expect to see improved quality wines at the low end.

Adding to the glut of grapes is the oversupply of bulk wine. Someone making wine does not actually need to have a winery. They can buy wine in bulk, blend it to their preferred taste, label it and sell it. The spot market for such bulk wines has also dropped. For example, Vino Noceto used to sell off the Sangiovese wine that didn't make the cut for its own wines. The return for selling it in bulk became so low they decided to blend a little something in and have their own low cost entry wine. A year ago they blended in a lot of Zinfandel, this year they tried 1% Syrah.

Another example is "Two Buck Chuck", a wine that is getting a lot of coverage in the trade press. It's actually called "Charles Shaw wine" and is available at Trader Joe's for \$2 in California and \$3 in Arizona. Apparently people are lining up outside TJ's each morning and 1000's of cases are being sold. There is a certain mystique about where this wine comes from, but my assessment is that it is being blended every day from whatever bulk wines are available for next to nothing. (Next month's newsletter will have a review of these wines.)

What is the impact of the glut on the wine business? It is bad news for grape growers and bad news for makers of bulk wines. Both are getting less money for their efforts than before. It is good news for the Gallo's and Kendall Jackson's unless they had a lot of long term contracts with grape growers. They get cheaper and/or better grapes and can take extra profit, pass along improved quality or do cute TV advertising - or a combination. It's good news for consumers of low end wines, too. Next month I will try to give some insight into the impact on the wineries we represent. (Wineries, this is a hint to give me some feedback!) So much for the punditry. There are lots of facts and figures now available from the government at: www.nass.usda.gov/ca. A summary from the Napa News included the following:

- *The 2002 grape crush in California totaled 3.8 million tons, up 12 percent from the 2001 crush of 3.4 million tons.*
- *Red wine varieties account for the largest share of all grapes crushed in California, at 1.8 million tons, up 6 percent from 2001.*
- *The 2002 white wine variety crush totaled 1.3 million tons, down 1 percent from the previous harvest.*
- *The average price paid for all grapes in California -- including wine grapes, table grapes and raisin grapes -- is \$460 per ton, down 17 percent from 2001. The statewide average for red wine grapes was \$613, down 10 percent from 2001; and \$428 for white wine grapes, a drop of 13 percent from 2001*

The full article is at:

http://www.napanews.com/templates/index.cfm?template=story_full&id=5FD7C83C-882B-41F8-B5D8-C26A87F24527

My conclusion from these extracts is that we are not seeing massive price or production changes.

Feedback

Uptown 713

I got some feedback from Jay - thank you. He said *"The Uptown is an especially great place to visit for jazz and a few adult beverages."*

I also stopped by Uptown 713. Phil told me that he had some diners there who said that they heard about it from "Richard's Newsletter". I had also sent him a copy, so he knew what was said. Thank you for your support - whoever you are - maybe it was Jay.

I also heard from Robert (thank you, too) who took some neighbors down to Uptown and said *"All of us enjoyed the dinner and wine. We had Noceto Sangiovese."*

Vino Noceto Frivolo

Kay told us that she served this wine with Apple Tart with Almonds to wild acclaim.

You will need to wait until next month for the recipe, since this newsletter is already far too long!

Cin-cin, alla salute!

Richard and Laurie

Richard (newsletter writer) and Laurie Corles (editor)
Orangewood Consulting LLC