



The Wines We're Drinking (or, The State of the Grape)

by Charles M. Bear Dalton



WE DRINK A LOT OF WINE. By "WE", I mean me and you and all the rest of us. By "us", I mean Spec's customers and, as well as being Spec's fine wine buyer, I am certainly a customer. So how much wine do WE drink? Well, in a just ended rolling 12-month period (hereafter known as "last year"), WE bought 11,431,339 bottles or more precisely "units" of wine from Spec's. I say units as some of those units weren't bottles; rather, they were tetra-packs

and bags-in-a-box. Although the vast majority (9,228,530) were 750ml bottles, there were also plenty of 1.5 liters, 375mls, 187mls, 3-liters, 4-liters, 5-liters, and others.

So just what makes up that 11,431,339 bottles, er, units? Rose wine (including Blush and White Zin) makes up 4.25% and Sparkling Wine including Champagne makes up 6.4%. Dessert wines (sweet and/or fortified such as Port, Sherry, Vermouth, Sauternes, etc.) make up 2.8%. About 38.96% is White which leaves about 47.59% as Red. Before CBS' Sixty Minutes broadcast "The French Paradox" in 1991, we drank more than twice as much white as red. While it hasn't reversed, it has come close.

A lot of that red and white wine is labeled with varietal names and some of the numbers for those varietals may surprise you. Even though red wines far outsell whites now, the number one selling varietal is ... Chardonnay. And number two, Cabernet Sauvignon, though gaining fast, still has a way to go. Last year, wines labeled Chardonnay accounted for 16.78% (1,917,908 units) of all the wines we bought from Spec's. Cabernet Sauvignon accounted for 13.07% (1,494,639 units) of wine, (Please see table for other top varietal wine sales percentages.) Please note that the varietal wines I am writing about here do not include blends or regionally labeled wines like Puligny Montrachet or St. Emilion, or Rioja or Chianti. These are only wines that include the grape variety on the label.

So what's hot? To hear wine professionals tell it, Rosé and Riesling are hot, Malbec is hot, and no one can understand why California Syrah hasn't taken off yet. While Rose, Riesling, and Malbec are trending hot, Rosé is only 4.25% of wine and that 4.25% includes White Zinfandel and other blush wines. And Riesling is only 1.46% of the wine business at Spec's and Malbec comes in at a whopping 2.57%. These are all increases but off a smaller base. It is unlikely that any of them will be the next Pinot Noir. Syrah and Shiraz (you say "tomayto" and I say "tomahto" ...) together make up 2.83%. While California Syrah is growing and has been touted for at least the last 7 years to be the next Pinot Noir, it hasn't happened. Even as California Syrah sales have increased (albeit slowly), Australian Shiraz sales (along with almost every other wine from Australia) have tanked.

So what's really hot? As noted in the percentages above, Chardonnay and especially Cabernet are hot. Chardonnay is cruising but Cabernet Sauvignon is on fire. Merlot finally seems to have fallen off a bit. In calendar 2010, Spec's sold more Chardonnay than Cabernet and Merlot combined. That is no longer the case and the big gains have come in Cabernet. Percentage wise, both Chardonnay and Merlot have slipped a bit but their percentage of market is too big to dismiss. To a certain extent, the continuing dominance of Cabernet and Chardonnay is a case of the rich continuing to get richer.

	Bottles	Percent
Total Wine Units sold	11,431,339	100%
Red still wines	5,439,768	47.59%
White Still Wines	4,454,254	38.97%
Rosé	486,241	4.25%
Sparkling	731,453	6.40%
Dessert (and fruit wines)	319,623	2.80%

Anecdote, Fact, Aside, and Conclusions

Riffing on the data above and in the chart and tables, a wine producer ignores Chardonnay and Cabernet (and Merlot) at their commercial peril. Pinot Noir has come a long way since Sideways but it still has a way to go. Pinot Grigio is under the radar but a LOT of people have adopted it as their everyday white wine. I drink very little Pinot Grigio but I do drink some Pinot Gris, especially from Oregon and Alsace. It is my favorite with seared scallops and with simple grilled fish. Malbec was climbing fast and is still trending up but the rate of increase has slowed dramatically. Like Chile before, Argentine sales seem to be leveling out a bit and the vast majority of the Malbec WE drink is from Argentina.

Moscato has exploded and may pass Sauvignon Blanc in the next year. Who's drinking it? WE are ... which is to say that a lot of people are drinking Moscato. The charge here seems to be led by "urban males" (to use the current marketing euphemism) but Moscato cuts a wide demographic swath. And why wouldn't it? The wine is delicious, generally lower in alcohol, refreshing, and glug-able. The flavor of lightly-sweet, spritzy Muscat wine is like slightly fizzy white grape juice. It is lemony fresh with notes of peach, apricot, and honeysuckle. It makes me smile so apparently its appeal extends to gruff old coots. Will it last? That's the million dollar question. A lot of growers are betting it will because a whole lot of Muscat is being planted from Europe to California to Argentina and Australia. Personally, I wouldn't make that bet. If Moscato wine slumps, we may finally (and this would be the sliver lining) see delicious Muscat grapes sold in grocery stores as table grapes.

Key Varietal Wines	Units	% of Sales	Trend
Chardonnay	1,917,908	16.78%	Flat to down a bit
Cabernet	1,494,639	13.07%	Up, up, up
Merlot	895,959	7.84%	Flat to down a bit
Pinot Grigio and Pinot Gris	581,647	5.09%	Up
Pinot Noir	524,252	4.59%	Up
Sauvignon Blanc and Fume Blanc	463,619	4.06%	Down a bit
Moscato and Muscat	393,036	3.44%	On Fire
Syrah, Shiraz	323,799	2.83%	Shiraz down, Syrah up a bit
Malbec	294,011	2.57%	coming
Zinfandel	177,697	1.55%	coming back
Riesling	166,823	1.46%	stable to up a bit

“Sweet Red” is another “hot” trend but the numbers are harder to document. There is some crossover with the Moscato crowd. It’ll take another year to see how sweet red has developed. The leader in the sweet red trend, Menage a Trois, is Spec’s second best selling wine SKU (stock keeping unit).

Which begs the question, what is the best selling SKU? That would be Kendall Jackson Vintner’s Reserve Chardonnay. Which leads us back to Chardonnay and the biggest disconnect in the wine world. Last November at a wine judges dinner before the Houston Livestock Show and Rodeo’s International Wine Competition, I quietly went around to each table and asked the same question of all the judges: “When was the last time you bought and drank, either at home or in a restaurant, a bottle of Chardonnay – not white Burgundy but a wine actually labeled ‘Chardonnay?’” Of the over 30 people present consisting mostly of members of the wine trade with a couple of avid consumers, only one could remember any time in the last year – and that was a business lunch where he bought and served a wine he sells. Yet Chardonnay is the single best selling variety of wine. Someone’s drinking it but it is not the people who we think of as the trendsetters. And based on the average price of a bottle of Chardonnay, most of it is being drunk as a daily beverage. Although there are plenty of great Chardonnays, there is not much pull on Chardonnay above \$40. By contrast Spec’s sells (or WE buy) a lot of higher priced Chardonnay. It seems the industry that makes all this Chardonnay has become a bit disconnected from the consumer who drinks it.

Do I serve and drink Chardonnay at home? A little. Why not more? Generally speaking, because my wife doesn’t like Chardonnay. She is more of a red wine girl and if she drinks white wine prefers a glass (a glass ... as in one) of Riesling or Pinot Gris. Now Champagne is another story but she is not a Chardonnay fan so I only serve it when nothing else will do. When will nothing else do? Crabcakes. And the occasional Pork Roast. And that’s about it.

What’s “not hot”? Sauvignon Blanc from California is slumping a bit and Australian wine has slumped and maybe hit bottom. What is coming up or at least coming back? Wine from the south of France (especially the Languedoc) is showing some revival and Zinfandel and Zin Blends are coming back as well. The trade is really pushing dry reds from Portugal and especially from the Port zone of the Douro but WE (you and me) are mostly not buying.

What about Syrah? The cognoscenti are still buzzing about great Syrah from California. Personally, I love drinking the stuff but it does not appear that Syrah will catch on and be the next Pinot Noir. Maybe it can catch on and be the next Zinfandel. I even like it in a blend with Zinfandel. Oh well, what do I know?

I know what WE drink. And now, so do you. ✨