



SAILING PAST SCYLLA AND CHARYBDIS

– GRAPEGROWER NICK PEAY

Andy and I heeded the call of wine fresh out of college. We struck out to make our way in the world of business with our own little passionate, entrepreneurial enterprise. We were not alone. The magic, the rapture, the spell that beautiful, sumptuous wine casts has lured many. Over the past ten years we have received visitors with entrepreneurial spirits of their own, seeking us out for an allocation of our small production wine that they can sell back on their home turf. They all had to find a way to match their passion for wine with an opportunity where they lived. Passion and excitement alone do not make a successful business venture, however. These wine entrepreneurs had to identify and anticipate unmet consumer demand in their far corners of the globe and take risks to nurture it – and in a timely manner. It appears that one of the trends they foresaw is a demand for wines that appeal to the increasingly more educated and sophisticated palates of people around the globe. Each had unique circumstances that contributed to their success (and failure) and we want to recognize and appreciate their ambition.

In July I hosted a bi-continental couple, she from Oregon, he an Australian. While interrogating my captives, er, customers – “had they tried our wine?” - I marveled that our importer, Prince Wine from Melbourne, had bothered to come to seek us out on the Sonoma Coast and bring our elegant wines to the land of big fruit and alcohol, Australia. On the one hand, the entirely rational alcoholic beverage laws in Australia allow merchants to import, distribute and sell wine retail throughout the country. On the other hand, the home-industry-protecting tariffs are extremely high and from what we see of Australian imports, Peay wines are not really a shoo-in for the Australian palate. How can Peay compete? How will our importer succeed? In response, my Australian guest pointed out that the typical Australian imbibers were drinking less wine these days but drinking higher quality, so that our pricier product (as it appears on shelves down there) was actually receiving more interest as Australian connoisseurs seek ever higher quality and more elegance in their wine. We are, in fact, on trend. How did Mr. McNamara of Prince Wine Store know that when he sought us out years ago?

Our trip to Japan for IPOB in April 2015 revealed an interesting fine wine scene. I learned that there are a few high end California Pinot producers who have dedicated significant resources and quite a bit of time to marketing their wine in Japan. Of course, I also learned of the great match of Pinot noir and Japanese cuisine (hint: it’s all that umami). Interestingly, I discovered an enthusiastic embrace by the Japanese of what we would mutually agree is “quality” wine. In fact, my hosts (our importer Nakagawa – thank you, Hiroko) educated me on how *European* the Japanese wine connoisseur’s palate naturally is, favoring complexity and finesse over sheer power. Our public tastings in Japan were a pleasant surprise to the attendees, a discovery of more European-styled California wines that were more pleasing to their palates than their previously held conception of extracted, overripe, California Pinot noir. We minted many fans, among them Reiko and Taiji Sasaki, who made their second trip to visit me last week. They related to me how wine educator Ms. Kana Miki had held a blind tasting of six Sonoma Coast Pinots (I won’t say who, other than our direct competitors) and ours was the preferred wine for its earthiness and brightness of fruit. These are elements you find in and that pair well with Japanese cuisine. We had to travel to Japan to meet the Sasaki and other consumers but our importer, Nakagawa, branched out from their Napa-heavy portfolio over six years ago and added Peay to their selection of wineries before the Japanese consumers knew they wanted our style of wine; prescient and not without risk.

Julian Campbell clearly has entrepreneurial ambition. Three years ago Julian traveled from the slick hustle and bustle of London, England to our wild location on the Sonoma Coast, aiming to double or triple his California listings (from 1 winery to 2 or 3!) Again, one has to consider the cost of our wine after

shipping such a distance and adding the stiff import tariff for a non-EU member when compared to a short hop across the Channel from Burgundy. When I voiced skepticism on the price barriers for American wines, Julian claimed that change was afoot; The British fine wine consumers were being priced out of trendy Burgundy and sought *comparative* bargains. Our wines were priced on par with village level Burgundy and with disastrous yields in Burgundy the past 4 years even those are hard to find. Indeed, I heard that some Burgundies were unavailable at *any* price. Of course, what will transpire post-Brexit is a bit of a puzzle. The pound has fallen relative to the dollar so our wine will be even more expensive, but the pound has fallen relative to the Euro as well, so Burgundy will not be spared. I guess it's a safe bet that the looming British recession will be a wet squib on pretty much all fine wine sales there. Good luck, Julian and rest of the U.K.!

Yes, sometimes entrepreneurial insight is sidelined by the unexpected and sometimes things don't quite pan out as one hopes. Optimism is definitely a requirement to start your own business, and as a farmer, I have ample amounts of it. Of course, sometimes an entrepreneurial adventure is too thinly capitalized or trends don't materialize at the rate you expect, and a slow pay from a customer may turn into a non-pay. I met a lovely, super-knowledgeable, German importer who wanted to be the leader of a new wave of California wine sales in his part of the world. We sent him wine. We did *eventually* get paid, and when I hosted him at the winery, we spoke not a word of that struggle, behaving like gentlemen and connoisseurs who shared a passion as I tasted him through the barrels of the coming release. Though all of the right things were said, I'm not expecting an order from him. With a domestic wine market that is comparatively less expensive and Burgundy only a stone's throw to the west, maybe Germany is not quite ready for Peay or wines in our style or California wines at all. Or maybe just not in his portfolio. Huh? Perhaps it is time to visit Berlin and find out?

And sometimes all goes too well. At least, too well would be how we see it. We were sought out by the juggernaut known as Joe Best from Georgia, who just had to have our wine, who did indeed sell it (and drank it by the case!), and who paid on time. And then he sold the company he built for a huge profit. Que te vaya bien, amigo! Now he has gone on to conquer scaling quality bread production in the Southeast of the U.S. and beyond. I hear he is doing very well at that, too. Some have business chops to match ambition and passion.

Even though we entertain the entreaties of importers from far afield, exporting wine will never be more than a minor intrigue for us. We just don't make very much wine. While it is great fun to see our wine on a list in Melbourne or Tokyo or Copenhagen, we would need to export a great deal more to justify traveling to such far flung places to support our importers. In order to do that we would need to make a lot more wine, which would be a hazard to quality control: we really are quite particular and hands-on when it comes to grape growing and wine making. It would also alter the nature of our relationship with you. We want to be small, to maintain a personal relationship with our mailing list customers. Though our ambition to make wine the world recognizes as superior remains, we want to maintain a size where we can sell the majority of our wine directly to you. We have evolved from wine entrepreneurs to a small family business. And that is, in the end, enough.