

# More California wine being consumed throughout the world

By AP

SAN FRANCISCO – New figures show U.S. wine exports grew for the third consecutive year in 2012, setting a record of \$1.43 billion in revenue, the San Francisco-based Wine Institute said this week.

Ninety percent of those exports were from California. Volume shipments reached 424.6 million liters or 112.2 million cases.

The European Union remained the top market for California wines, accounting for about 34 percent of all sales. The state's wineries also saw significant growth in Canada and Asia.



Sales in China reached \$74 million in 2012, up 18 percent from the previous year. South Korea, at \$16 million, was up 26 percent. And Vietnam, at \$27 million, was up 22 percent.

Exports to Mexico also grew for a second consecutive year, to \$20 million, an amount that was double the 2009 figure.

In Canada, the second-largest market for California wines, sales reached \$434 million, up 14 percent.

The increase came despite a highly competitive global market, significant trade barriers and a recovering economy, according to institute president Robert P. Koch.

The institute, which serves as the administrator of an export-promotion program managed by the USDA, promotes California wines through a video campaign, website and social media

campaigns across the globe.

California winemakers say they've seen increased demand from overseas but still face some barriers to exporting wine.

"We've seen a big demand," said David Gates, vice president of vineyard operations at Ridge Vineyards in Cupertino. "And as demand has picked up, we pushed a little harder into the more developing markets, the biggest one being China."

The winery exports 25 percent of its production, Gates said. Its top export destinations are Canada, United Kingdom, Japan, Mexico and China.

As exports pick up, the main barrier for a smaller winery is production, Gates said. The company has to allocate its wine carefully in order to meet demand from the growing export market.

Another barrier is price, said Skylar Stuck, general manager at Halter Ranch in Paso Robles. Land and labor in places such as Chile and Australia are cheaper than in the Napa or Sonoma valleys. Even French and Italian wines can cost less to make, he said. The result is that iconic California wines that have cachet sell well at high prices, but lesser-known wineries have a harder time competing.

Despite the barriers, Stuck said, California winemakers are focusing on overseas markets to bring more exposure to their growing region.

The best way to promote California wines?

"I've traveled a lot, going store by store, doing tastings," Stuck said.