

A large, leafy tree with a thick trunk stands in the foreground of a vineyard. The vineyard rows are visible in the mid-ground, and rolling hills or mountains are in the background under a blue sky with light clouds. The scene is bathed in warm, golden light, suggesting late afternoon or early morning.

CALIFORNIA greening

Winemakers are increasingly keen on telling consumers about sustainability. But does this result in more bottles being sold, asks *Anne Krebiehl MW*

OVER THE past decade, sustainability programmes have evolved from basic systems that improved awareness into sophisticated management tools. They scrutinise every aspect of winegrowing and production for efficiency in terms of economic, environmental and communal impact. Optimised processes, new synergies and substantial savings clearly show that sustainability measures applied systematically, rigorously and continually have a real impact on the bottom line.

While the benefits are clear, the next question surely is whether sustainability credentials translate into sales, and if they do, whether this is more relevant for the premium sector. To find out, we spoke to the California Sustainable Winegrowing Alliance (CSWA), Napa Green, some of the vintners, and to stakeholders in the UK market.

When we asked vintners if sustainable certification has any impact on profitability beyond the well-documented savings engendered by better practice, if the green image indeed helps with sales,

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and whether trade or consumers are aware of this we got fairly realistic assessments: “The short answer is that being sustainable sometimes helps sales, and it never hurts,” says Jon Ruel, CEO of Trefethen Family Vineyards in Napa. Stephanie Honig, sales director at Honig Vineyard & Winery in Rutherford, admits that any possible effect is difficult to quantify: “It’s always been either a positive effect or a neutral effect, depending on the buyer and where the wine is being presented. It’s impossible for me to give a dollar amount to being green, but I have observed that more people in the trade are asking questions

and creating sections on their wine lists or on shelves for sustainable, organic or green wines.”

In effect, profitability is only affected if people further down the distribution line and the final consumer have awareness.

CONVEY A MESSAGE

Bruce Cakebread, president and CEO of Cakebread Cellars in Napa, has seen a clear development: “Seven to 10 years ago green practices didn’t really register with consumers,” he says. “Their questions were ‘what is the price?’ and ‘does it taste good?’. Sustainability was more important to the trade buyer and some buyers even used it as a starting point for their selection process. Today, we find the end consumer has a greater degree of interest in knowing that the wine they buy is both grown and produced in a sustainable manner. For our 2016 vintage, we have added the Napa Green logo to our back label to help convey that message.” However, Cakebread cannot quantify this in terms of sales.

Producers also register varying degrees of awareness in different markets: “It definitely depends on the market,” says Trefethen’s Ruel. “In Japan, one of our top export markets, the trade, as well as consumers, is very keen on sustainability. Even the specific Napa Green certification has some traction there. My impression is that the UK market, generally, also cares.”

Honig says: “Scandinavian countries, Canada and the US are leaders in this,” adding, “Millennials are the driving force for evaluating a company’s social responsibility as they shop. So we expect the benefits of the green image to grow around the world in the years ahead.” All the producers emphasise that sustainability measures were not implemented for these reasons. Patsy McGaughy, communications director for Napa Valley Vintners, says: “Research indicates both wine consumers and trade buyers consider sustainability when making purchasing decisions, and that trend seems to be growing. Regardless, the Napa Valley Vintners would still be a strong supporter of the

Feature findings

- > Sustainability has become a hot topic over the past decade.
- > While the benefits are clear, the next question is whether sustainability credentials translate into sales.
- > Winemakers such as Jon Ruel, CEO of Trefethen Family Vineyards in Napa, say having their wines be known as ‘sustainable’ “sometimes helps sales and it never hurts”.
- > Now so much progress has been made in the realms of farming and winemaking, it is only logical that the programmes will move on to scrutinise the sales, distribution and marketing processes, too.
- > Research commissioned by CSWA showed 72% of respondents observed “increased consumer demand for sustainably produced wines”.

Napa Green programmes because it’s the right thing to do for our environment and our community.”

Nonetheless, now that so much progress has been made in the realms of farming and winemaking, it is only logical that the programmes, with their in-built mechanisms of continuous improvement and re-assessment, will move on to scrutinise the sales, distribution and marketing processes, too. Both programmes boast impressive figures: CSWA stated in its *2015 Sustainability Report* that since 2002 “2,091 vineyard and winery organisations, representing 69% of California’s wine-grape acreage and 79% of cases produced, have participated in the self-assessment”. In 2015 alone, it says: “483 vineyards and 91 wineries achieved certification. They make 63.6% of California wine.”

Likewise, Napa Valley Vintners advised that the goal it implemented in 2015 to have every eligible member (those that own either a winery or vineyard, or both) signed up to the Napa Green programme by 2020 is already at the halfway mark.

At CSWA, executive director Allison Jordan says that profitability “has been an >



Taken as red: vine in Napa

ongoing topic of conversation for the past several years and a key driver for the recent update to our certification programme. The use of a certification logo on the wine label allows growers and vintners to credibly communicate

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their environmentally and socially responsible practices in the marketplace.”

However, the CSWA certification programme itself now also takes profitability into account. Jordan explains:

“A new ‘economic assessment tool’ helps growers and vintners evaluate the potential benefits and investments associated with the first year of certification. The tool was developed by sustainability software experts at

Thinkstep, and is modelled on their well-established Business Value of Sustainability System, with input from current certified participants. The tool estimates a dollar value for benefits such as improving sales relationships with customers or accessing new markets.” Jordan also notes: “A number of wineries offer price premiums for certified sustainable grapes. These wineries clearly find such value in sustainability that they are willing to pay their growers

more.” Research commissioned by CSWA and conducted in the US trade in December 2016 showed that 72% of respondents observed “increased consumer demand for sustainably

produced wines”. However, the same number also identified a “lack of understanding and familiarity by consumers” as the “chief obstacle to selling more sustainably produced wine”.

The task ahead is education and communication: 80% of respondents believe that “clear and highly visible labelling” is key to that process.

When it comes to a sales advantage for sustainable wines in the UK, Sarah Knowles MW, US wine buyer for The Wine Society, is cautious. “At the moment, I’d have to say there is no direct



Allison Jordan, CSWA



Bruce Cakebread, of Cakebread Cellars



Windmill in Napa

sales impact; however, this is untested," she says. "As a buyer, given that I value sustainability, I may tend towards more wines from registered wineries, which, by default, would mean that my members may end up unknowingly buying more

consumers would buy a bottle of wine based on environmental credentials (organic/fairtrade/sustainable). The problem is there are few wines that actively promote the fact they are sustainable. Most consumers don't really know what sustainability is. As consumers become more aware of what sustainability is, the more it will matter."

James Doidge, managing director of California specialist The Wine Treasury in London, has not seen evidence that a sustainability certification either has an effect on sales or that this matters to his consumers. In his view, certification is more valuable at the entry-level: "Hardly any of our top-priced US wines place an emphasis on

this: they don't need to." But Knowles also points to another key hurdle: "It is also hard to flag sustainable wines. We mark out organic wines online but not yet sustainability, as so far the various forms

of sustainable registration around the world haven't quite linked up with a common set of rules, and many non-registered small producers are sustainable but may never fill in the paperwork."

CSWA's Jordan is all too aware of this. "Most consumers seem to grasp the concept that a logo on the wine bottle represents hard work and commitment, including a financial commitment, from growers and vintners. The hard part that lies ahead is elaborating on what that logo represents." *db*

'Most consumers don't really know what sustainability is. As consumers become more aware of what sustainability is, the more it will matter'

wines that are sustainable." Jack Green, head of off-trade sales at Roberson Wine in London, a California specialist, thinks: "It's too early to tell. Early research we have conducted suggests that most