

The World Series and Calera's Exports

by Josh Jensen



Written Friday, November 5, 2010, shortly before leaving for a 9-day sales trip to Tokyo (pretty much an annual occurrence) and South Korea (my first visit there).

What, you might ask, do these two topics, baseball and wine exports, have in common? Nothing, actually, they are just the two topics I want to write about.

First, let's talk (I talk, you listen) about the recently completed World Series, an annual baseball ritual. America is a country where we invariably refer to our national champions as World Champions. Chalk it up to our optimistic nature.

Anyway, the World Series baseball contest that was completed last Monday night, November 1st, one night after Halloween, is already considered by residents of Northern California, myself included, to be the Best World Series of all time. We believe it was the World Champion of World Serieses. Our noble San Francisco Giants mowed down the Braves and the Phillies on their way to the World Series, then mowed down the Texas Rangers by 4 games to 1 in the Series itself.

We all believe that our boys established this team, the 2010 S. F. Giants, as one of the Great Teams of all time, to go along with a couple other teams from other areas and eras. It was fantastic – but SO well deserved!

The huge celebratory rally and parade that filled all of SF two days ago with joyous fans, all wearing the team's colors, orange and black, was a celebration 52 years in the making, as the Giants had never won it all since moving to SF in 1958. Now they have, and I'm pretty sure it's going to

happen on a regular – if not annual – basis.

During their drive along the parade route through SF with the players, managers, team owners, politicians, etc., two of the radio announcers noticed a fan wearing a customized t-shirt that symbolized the joy everyone felt. To explain its meaning, let me first explain that Buster Posey, the Giants' phenomenal rookie catcher, whom we all expect to be named National League Rookie of the Year, is a fresh-faced, clean-shaven 23-year-old. Brian Wilson, his teammate and also battery mate since he's a pitcher, has a full beard, a Mohawk hairdo, and a funky sort of pony tail that comes out the back of his baseball cap. He's also the best closer in the National League, with the highest number of "saves" to his credit this year.

So, what was printed on the fan's t-shirt?

"I LIKE MY POSEY SHAVED AND MY WILSON HAIRY."

That pretty much says it all. Only in San Francisco!

The Giants' triumph this year also served as motivation for me personally. I figured that if these players could become World Champions, I should be able to overcome my procrastination and write the brochure I've been meaning to write for almost a year, and try to get it into your hands before the winter holidays have come and gone. So here goes. I'm trying to become the World Champion of junk mail writers.

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It's Export Time

In last fall's brochure (the essay was titled, "Wine and Communism") I mentioned that our export sales had grown considerably over the years. Now, with ten months of this year behind us, it's astonishing to look back and contemplate the tremendous success that our 30+ year export initiative has become.

I started in our very earliest years, in the late 1970s, trying to sell our wines first in England, where I had gone to graduate school, then in Denmark, then Germany (called West Germany in those days), then Japan. Also in the 1980s we had an abortive try at the Swiss market, where the giant restaurant chain Mövenpick ordered 1,000 cases each of our Central Coast Chardonnay and Pinot Noir in *half-bottles*, which we then bottled specifically for them, whereupon they "changed their mind." To paraphrase the immortal Oliver Hardy of Laurel and Hardy fame, "This is another fine mess you've gotten us into, Mövenpick!" It was no easy task to sell that many half-bottles in all our other markets, and seemingly took forever.

Today we sell wine to about 25 "entities" abroad, and for the first 10 months of this year they have accounted for an incredible 42.7% of our total sales! Last year, 2009, they accounted for exactly 40% of our sales, so the 2010 sales figure is not just a one-year blip. When I say "entities," that usually but not always means one of our exclusive importers in a given country, for instance in South Korea or Taiwan or Denmark. But we also do sell to a number of different "entities" in a single country such as Canada, where each province has its own separate government monopoly alcoholic beverage operation. So we actually sell to the separate

provincial monopolies of Québec (our #4 export customer last year), Ontario (#5), and to the sole free market province, Alberta (#7).

But our biggest export market by far is Japan, which has become, after more than 25 years of work – and some good luck – our giant. There we sell to two importers, and each one is run by a visionary who decades ago saw the potential for top quality California wines in their country, when a wine culture there was still in its infancy. Masaki Inoue, who is responsible for California wines at Vinorum, our #1 importer (on earth), and Hiroaki Yamauchi, who owns and runs the large Yamaya group of the highest quality wine shops, were each way ahead of their colleagues in promoting California wines throughout Japan. Both men are experts in building a brand, and we owe both of them a huge debt of gratitude for the excellence of their work and the big part they have played in our long-term success as an internationally recognized "brand."

The table below shows how our sales to Japan and to our other export markets grew from tiny beginnings to today's position as pillars of our business. I couldn't locate any records further back than 1991 – that's 19 years ago. You can see that after a significant purchase from us in 1991, the Japanese market bought little or no wine from us for the next few years. But we hung in there with them. Their country was starting into their "lost decade" of terrible deflation, caused by the collapse of their real estate market.

Bear in mind also that the table shows percentages of our total sales, which today are roughly 4 times our 1991 sales total. So the percentage increases are that much more impressive.

	1991	1992	1993	1994	1995	~	1997	1998	~	2008	2009	2010*
Japan	1.7%	-0-	0.2%	0.4%	0.5%		6.3%	15.6%		22.6%	29%	26%
All other export markets	5.5%	5.4%	5.5%	9.5%	7.5%		7.6%	12.1%		8.2%	11%	16.7%
Sales in U.S.	92.8%	94.6%	94.3%	90.1%	92%		86.1%	72.3%		69.2%	60%	57.3%

* 2010 figures are for Jan. 1 through Oct. 31

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It's Export Time *(continued)*

The luck I referred to above was a fabulous mention of our Pinot Noir in 1996 by a very widely read *manga* – a cartoon strip in a major Japanese daily newspaper that is written for adults, not children. The strip was then and is still today called *The Sommelier*, and as hard as it is to believe, that one mention put us on the map in Japan. So that was pure luck.

Since then our two wonderful Japanese importers

and our winery team have worked hard to build on that early recognition. I travel to Japan every time they ask me to, which is usually once a year, to keep the forward momentum going.

The explosion of our export sales the past few years was the result of continually working at it for decades, and cooperating closely with our fine importers around the world.



Recent Press

At the end of August we were fortunate that Mr. Robert Parker gave our current lineup of wines brilliant reviews in his publication, *The Wine Advocate*. I have quoted those reviews extensively in the section of this mailer that describes the

wines. Writing this brochure is easier if I don't have to come up with all those descriptions, and besides, I figure people will believe him more than me since I'm biased.

A Note On Availability

I want to apologize for the fact that two of our 2007 Single-Vineyard Pinot Noirs, the Reed (production in 2007 was a mere 190 cases) and the de Villiers, our newest one, have already sold out. It's my fault because I took so long to write this offering. We are re-offering the 2006 REED

in this mailer, for those who love the wines from that tiny vineyard. And we will be offering the 2008 de Villiers in about a month, long before we offer the rest of the 2008s, so those of you who want to try this exciting new vineyard will be able to do so.