



NAPA VALLEY CLASSIFICATION

FIRST AND SECOND GROWTHS

THE WORLD OF WINE IS VAST. THE NUMBER OF PRODUCERS ALONE IS ALMOST 200 000, WINE BRANDS NUMBER MANY TIMES THAT, AND THERE ARE DOZENS OF WINE-PRODUCING COUNTRIES. FOR THE WINE CONSUMER THE SITUATION IS DOUBLE-EDGED. ON THE ONE HAND, THE SEEMINGLY LIMITLESS CHOICE AND HUGE PRICE RANGE MEANS THERE IS SOMETHING FOR EVERYONE, BUT HOW DOES THE CUSTOMER FIND A GENUINELY QUALITY WINE THAT IS WORTH ITS PRICE AMONG ALL THE BOTTLES LAID OUT ALONG THE SHELVES OF THE WINE STORE?

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For normal, everyday products, consumers can mainly rely on advertising and marketing to help them choose, but selecting which wine to buy is not much more than guesswork. Wine advertising in many countries is either completely banned or, at least, restricted. Because most wine producers' budgets if they have one at all are still modest, wine-growing countries have evolved ways to make it easier to identify the quality of their wines and make them stand out.

The way they do this most often is through classification. Many countries have classified their wines, wine producers or vineyards to sort the wheat from the chaff and make it easier for customers to decide what to buy. Nevertheless, one of the world's major wine regions, Napa Valley, has never classified its wines. Anyone purchasing Napa Valley wines faces a hard task, because often their high price relies on the subjective estimation of just one critic.

Do the best wines of Napa Valley not deserve the same sort of recognition as, say, the classified French wines, which would make things clearer for consumers all over the world? We believe they do. Complete consumer awareness is still a long way off, as is a clear system of classification, but the process has to start now.

On what basis then should the wines be classified? There are a number of options, but the most crucial is impartiality so we bravely elected to perform the task ourselves. Up here in the Nordic region, with no wine culture of our own to sway us, we were completely neutral in our approach to the classification. As it is still our mission to help our readers and make it easier for them to make choices when buying wine generally, we thought it was an excellent idea — although one of the wine producers we interviewed at Napa valley simply smiled and said, "Right then. Get ready to travel around the area in a bullet-proof car."





The two most familiar ways of classifying wines come from France. The first to classify itself was France's most celebrated wine region, Bordeaux. In 1855 an international exhibition was held in Paris and the French Emperor of the time, Napoleon III, was keen to show the world the best of French wines. A syndicate made up of brokers and traders from the wine industry was given the task of choosing the wines for the exhibition and developing a clear and viable system for classifying them.

After much debate and many arguments, it was decided that the main criterion for choosing wines would be the price they fetched on the market. The statistics and documentation used in the classification contained data going back as far as a hundred years and the more expensive the wine had

been, the higher it would rank. The final system was a division into five categories (cru) based on quality, for which a total of 61 vineyards were selected. The wines in each category were considered on a par with one another. The classification of vineyards in 1855 was not actually based on the quality of the wine or the soil, but merely the name of the estate. This, of course, means that when a second cru estate acquires land from, for example, an unclassified vineyard, the latter immediately becomes a second cru estate as well, even though the quality of the land has not altered, obviously, with the purchase. Many have regarded this as the greatest injustice associated with the 1855 classifications.

Although the quality classification system arrived at in 1855 was not meant to be a permanent one, it is still very much alive and well today. Many of the estates are still in their right category according to today's criteria, but on the other hand many should also be demoted or promoted, as the system is now almost 150-years-old. Wine making methods have changed and the vineyards on a lot of classified estates have trebled in size. These days the boundaries between categories have become blurred, from a consumer point of view, when it comes to a lot of wines. This is mainly due to pricing, which is no longer tied to category. For the consumer, it is indeed better if the wine is priced according to its present quality and not just because of its historical reputation.

In 1855, the same year the famous Bordeaux Official Classification was launched, Dr Jules Lavalle published an influential book which included an unofficial classification of the Burgundy vineyards. Lavalle separated the wines



into five categories: "tête de cuvée," Ist class, 2nd class, 3rd class, and regional. This classification remained in force until 1935, when the Institut National des Appellations d'Origine (INAO) developed the system of Grand Crus. Premier Crus and so on, which is what we use today. However, whereas the Bordeaux 1855 classification is purely price-related, the Burgundy one is based firmly on site. This classification takes account of both the traditional local hierarchy and other natural factors, such as geology and soil type.

But there are drawbacks with the Burgundy classification system too. Most Grand Cru and Premier Cru parcelles today are divided between dozens of wine producers. Each one of them, regardless of their level of winemaking skills or financial potential, can use the cru classification when they display the names of their wines. This has resulted in a huge imbalance in quality within the same category and it is impossible for consumers to be sure that the wine they have bought is a quality product, if they use the classification alone.

The Bordeaux classification also set a trend for the Sauternes classification in 1855, the Graves in 1959, and the St-Emilion of 1955. Actually, the St-Emilion classification differs from the others because it is mainly based on wine quality, which a committee appointed for the task assesses at tastings every 10 years.

Classifications that have been undertaken outside France have seen varying degrees of success. In 1991, the Australian auction house, Langton, published its own classification of Australian wines. It was entirely based on the price the wine had fetched on the domestic secondary market and not its quality or place of origin. Langton's classification works moderately well within the borders of the country, but it is an impossible task for the consumer to draw a parallel between it and, say, the Bordeaux classifications of 1855.

On the other hand, we might ask whether any classification is better than none at all. Many of the estates included in the Bordeaux classification of 1855, such as Château d'Yquem, Château Lafite and Château Latour, have taken their rightful place in our culture, and are familiar names to everyone, not just lovers of wine. The same is true of the most famous Burgundy Grand Cru parcelles, Romanée-Conti and Montrachet. These names are well known to most consumers and no one is unaware of their value in terms of quality. This is one indication of the power of a successful classification.

So what about the Napa Valley wines? Should a system of classification not be employed to grant the best wines of this splendid region the same sort of recognition that the wines from the major wine regions in France have received? Genuine wine connoisseurs obviously know names like Harlan, Araujo or Colgin. However, less knowledgeable consumers, some 99 per cent I would say, would have real difficulty trying to find a place for them in the hierarchy of wines or trying to compare Eisele, say, with the La Tâche vineyard. But what sort of classification system would suit the Napa Valley wines best? This is the question the Editors of FINE Magazines mulled over in the winter of 2008. They eventually came up with a solution in spring 2009.



WHAT MAKES A CLASSIFICATION CREDIBLE?

For a classification to be credible and viable in our view, it cannot just be based on the trading price of the wine. Since the market for top Californian wines excludes ordinary consumers in the main, it is virtually impossible to prove the real value of its wine, even on the open market. Most estates sell almost all they produce via mailing lists and can price their wines how they like. The waiting list for the list itself normally has thousands of names on it.

We also do not feel it is viable in California to classify wine according to the prices paid for them on the secondary market, as with Langton. The main reason for this is that the output of many of the top wine producers is minimal and almost imperceptible on the international markets; plus the fact the prices asked for Californian wine in particular are much influenced by the views of Robert Parker. Also, the classification of any wine region cannot rely on the opinions of just one person, however respected he or she is, as they are always going to be subjective.

The quality of the wine alone is not an adequate criterion, as opinions also continually lack objectivity. Furthermore, the development of wine quality in California has been so rapid that classification would not do justice to all the estates if the focus was merely on that: Quality. Moreover, reliance on history would not give the right picture of the current situation regarding wines in the valley, though it is true that Napa Valley's 150-year-old existence counts for something.

During our visit to Napa Valley it was suggested several times that we base our classification on the winemakers — not a bad proposal in itself, as in California the winemaker is the star of the show. However, even as the best winemaker cannot produce top wines without a first class terroir

and adequate financial support, it would be impossible to conduct the classification with the winemaker as the sole point of reference. Besides, the celebrity winemakers, be they of the flying variety or local, change employers far too often.

The best suggestion we heard was to classify the parcelles according to the Burgundy model, that is, by vineyard. It was a good idea and a pertinent one, as many estates in recent years have begun to understand the importance of terroir. Vineyard management counts for at least as much as the status of the celebrity winemaker. There has been far more investment in the land, and those responsible for the plots might well be the stars of the future.

To make our classification as plausible as possible, we decided to make our lives a little harder and take all these elements into account. Hence, it is based on the wine's quality, its reputation and the price that reflects this, history, the estate's winemaking philosophy and finally, terroir. These factors are accorded

the following importance when determining the final rankings: the wine's quality 45 per cent, its price 20 per cent, the terroir 20 per cent, the winemaking philosophy 10 percent, and history 5 per cent.

THE CONSUMER WANTS QUALITY IN AN EASILY RECOGNISABLE FORM

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The quality of a wine depends on the combined effect of many different factors and events. We believe that the main factor regarding quality is terroir. A good wine, especially a good vintage wine, is essentially the result of the wine region's geographical location and the local weather conditions. Even on individual estates, the weather changes from year to year. Thus, not even the best winemaker can create a fantastic vintage unless the weather conditions and soil are favourable for vine and grape growth.

When we undertook this classification it was the quality of the wine that was by far the most important criterion to take into account. It is also, in our view, the only thing that is of real importance to the average consumer. After all, not even the best marketing campaign or a long, prize-winning history can turn a poor wine into a good one. Unlike at St-Emilion, we did not want to base our newly established classification on a single tasting event. Instead, we took account of all our Napa Valley wine tastings that have taken place this decade. At best, the single vintages of the wines we classified were tasted more than twenty times and in the worst-case scenario at least twice. This way we have gained a very comprehensive overview of the quality and trends evident in each estate's wines and thus eliminated the impact of 'bad' bottles in our assessments.

We mainly concentrated on tasting vintages from the 1990s. We also opened hundreds of bottles from the 1960s and 1970s and dozens of older vintages. Most of the vintages from the present decade we have tasted over the last two years, and most of them with the producer. Before taking our final decision we held three tasting events this summer, where we tasted one hundred different wines that we had selected for the classification.

Most of the wines — including all their vintages — chosen for the classification were tasted over the last five years, from the very first vintage up until 2005. We furthermore decided that in order to qualify for inclusion in our classification, a wine must have a minimum of 15 vintages on the market.

ONLY WITH HISTORY CAN YOU STRIVE TOWARDS PERFECTION

They say that without the knowledge of yesterday there is no prospect of a better tomorrow. Long-term success is also often based on a knowledge and understanding of history and in drawing the right conclusions accordingly. In France, many of the top wineries (Lafite, Latour, Krug etc.) have spent centuries polishing and refining their wines and production methods to produce what are undeniably excellent wines that most consumers are





familiar with. The system where a new generation proudly continues employing the skills learnt from the previous one and passes them on to the next is classically traditional and one that is worthy of respect.

But what if a wine estate has no long history of polished skills and practices behind it, and what if the winemaker represents the first generation? One possibility is to try and create a really impressive wine that thrills the taste buds of the critics and then let the world read about how excellent it is in the columns of wine magazines and prize lists. After that, restrict its production to a minimum and let the demand, which by now has increased tenfold, worry about setting the price. They also say that in America achieving cult status means, in practice, a licence to print money for the vineyard concerned. Actually, what you hear more often is: But does a winery deserve "first growth" status simply because the owner of the brand has the nerve to charge an outrageously high price?

That was perhaps what happened in Napa Valley in the 1990s, but now 'millennium history' is also beginning to carry weight. Unlike the Bordeaux estates that only date back a short while, the Napa Valley vineyards that have sprung up over the past 25 years have not lost their status or desirability—on the contrary.

Nowhere else have we encountered such great passion for making wine or a more steadfast belief in a better future than in Napa Valley. There, they examine and study previous vintages humbly and critically, and they are quite prepared to accept their own short history and the drawbacks that entails. The willingness to learn and create internationally prominent wines is huge, as is the realisation that it all takes time. Their readiness to make significant investments to improve the quality of the wine has been very apparent and today the results speak for themselves.

We asked top winemakers in the area if Napa Valley should create a classification to improve public awareness of how good the quality of the region's wines are nowadays. Most of them thought that now was the right time to do this, as Napa Valley wines can and should be classified and openly compared with the world's best already-classified wines. Hopefully, this totally unofficial attempt to classify the wines of the region will prompt others to carry out a proper and official classification.

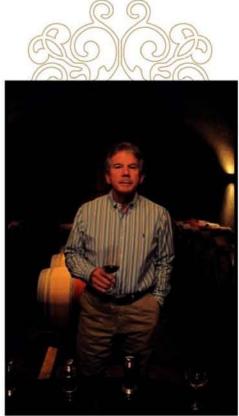
It is impossible to ignore the importance of terroir when it comes to the quality and character of a wine, but all the same most winemakers who have a direct effect on wine quality rely on the estate's winemaking philosophy. Having found an ideal vineyard, an estate has to make a number of decisions, each of which will affect the quality of the wine and its character. For example, who to hire as winemaker, what vines are to be grown; the extent of pruning and green harvesting; when to pick the grapes and how; whether to sort the grapes by hand; whether the wine should be fermented in oak, cement



or stainless steel vats; the mixing proportions of the grapes; volumes and maturing times; the type of new or old oak barrels to use; the type of filtering, and so on.

In the classification we are now conducting, great importance has been attached to the effect of the past 20 years on the five criteria we chose for it. In that short time the quality of the wines and their price position have, in our opinion, developed steadily in Napa Valley, Furthermore, the region has seen a stable trend in the status of ownership. The greatest variable has been the wine-making philosophy, which has frequently altered when the winemaker has changed or a flying winemaker has landed. Only rarely have estates kept the same winemaker(s) for a long time. That is why, in this classification, we rate the philosophy, and the extent to which it continues, higher than the reputation of the individual winemakers.

A SURVEY CONDUCTED BY Landon and Smith in 1998 ON THE EFFECT OF REPUTATION ON A WINE'S DESIRABILITY AND IMAGE IN TERMS OF QUALITY, FOUND THAT THE CONSUMER PAYS ATTENTION NOT ONLY TO A LONG-STANDING REPUTATION (HISTORY AND CLASSIFICATION OF THE ESTATE) BUT ALSO ITS SHORT-TERM REPUTATION (MAINLY DUE TO THE VIEWS OF AN INFLUENTIAL CRITIC). HOWEVER, THE LONGER-TERM REPUTATION CARRIES MORE WEIGHT AND THE CONSUMER IS HAPPY TO PAY MORE WHEN THE REPUTATION GOES BACK OVER A LONGER PERIOD OF TIME.



Bart Araujo





We believe that any classification system utilising a pricing model should be derived from secondary market data and not retail pricing. By ignoring the initial retail pricing of a wine, we gain a true reflection of perceived value on the part of consumers. A wine's reputation and familiarity, the prizes it has won, the recognition it has received and the impartial opinions that critics have expressed about it, have an enormous impact on how well it will sell and the price it will fetch, particularly in the sub-premium and premium wine markets.

All pricing information has been derived from the FINE Auctions price database, which stores historical data from all major European and American auctions over the last two decades. The average price that has now been estimated is based on that realised for vintages that have come onto the market in the biggest auctions in Europe, Asia and the USA. Because the average price we estimate is based on data we have collected ourselves, the average price given is only meant as a guide and is not precise.

Our original idea – and it was an ambitious one – was to classify the 100 best Napa Valley wines, but we soon had to acknowledge our own limitations and shortcomings concerning the information we needed and our general experience. Therefore, we decided to restrict the classification to just those wines we have had wide experience of over a long period of time, or in other words, the regions' best and most prestigious wines. After all, these are the wines we know about and which all the FINE publications focus on.

We divided the wines into two groups. First and Second Growth was one category, while the second we deemed potential First or Second Growth, with respect to the vineyards that are so new to the region that they have not as yet released 15 vintages.

As our classification is founded on the views and assessments of the Editors of the international FINE Magazines, it is, of course, completely subjective. But we also interviewed more than sixty of the main wine professionals in Napa Valley and asked them their opinion on what wines ought to be included in the first or second category.

When we had finished our assessment of the vineyards included in the classification, it was interesting to note the percentage of those

Napa Valley wine professionals that thought the wine in question belonged in the category chosen for it. Half of the respondents were winemakers and the rest vineyard owners. Altogether, we proposed 32 wines for classification into the first or second category. Just 11 of the wines were spoken of when the First Growth group was mentioned, and 85 per cent of the votes went to three wines. At least the opinion of Napa Valley professionals on the best wines of their region was pleasingly generic. It also led us to believe that it might be possible to find consensus on the official classification of Napa Valley wines, which we hope will take place in the near future.

FIRST, CLASSIFICATIONS CONFER IDENTITIES ON SOCIAL ACTORS (OR OBJECTS), AND INHERENTLY IMPLY SOCIAL CONTROL. SECOND, CLASSIFICATIONS CREATE SOCIAL BOUNDARIES AND SIGNIFY THE SOCIAL STANDING OF ACTORS (OR OBJECTS). THIRD, CLASSIFICATION-MAKING OFTEN INVOLVES POLITICAL STRUGGLES BETWEEN DIFFERENT INTEREST GROUPS, AND CLASSIFICATION SYSTEMS EMBODY POLITICAL POWER. (Understanding classifications: Empirical evidence from the American and French wine industries / Wei Zhao 2005)



HOW TO READ THE CLASSIFICATION

CRITERIA EMPHASIS



45% I. THE QUALITY OF THE WINE

To evaluate the quality of the wines, we counted the average scores of the last fifteen vintages of each wine tasted by FINE Magazines' Editors. These scores reflect the quality of the wine and set the most important emphasis in each wine.

2. MARKET PRICE

20%

Expresses the demand of the wine on the market, therefore it has to have a great impact on the classification. Average secondary market price during the last 15 years is taken into account.

3. TERROIR

20%

The terroir factor has a critical influence on the quality aspect of the wine.

4. PHILOSOPHY IN WINEMAKING 10%

The winemaking philosophy reflects the producer's relationship with the terroir and its wines.

5. HISTORICAL BACKGROUND

50/0

The well-established track record of the particular site and its wine should not be neglected, as it reflects the continuity of winemaking on the estate.

WINE PROFESSIONALS' OPINION

We asked over sixty Napa Valley winemakers and producers for their insight into which Napa Valley wines deserve to be listed as First Growth. On the following pages, each profiled wine has a wine professional percentage, which represents how big a percentage of the respondents considered the wine First Growth.





IST GROWTH

HARLAN ESTATE

SCREAMING EAGLE CABERNET SAUVIGNON
COLGIN CABERNET SAUVIGNON HERB LAMB VINEYARD
BRYANT FAMILY CABERNET SAUVIGNON
ARAUJO CABERNET SAUVIGNON EISELE VINEYARD
HEITZ CABERNET SAUVIGNON MARTHA'S VINEYARD

2ND GROWTH



DALLA VALLE MAYA
ABREU CABERNET SAUVIGNON MADRONA RANCH
PAHLMEYER RED

GRACE FAMILY CABERNET SAUVIGNON NAPA VALLEY
SHAFER CABERNET SAUVIGNON HILLSIDE SELECT
JOSEPH PHELPS INSIGNIA

DOMINUS

OPUS ONE

DUNN VINEYARDS HOWELL MOUNTAIN CABERNET SAUVIGNON
CAYMUS CABERNET SAUVIGNON SPECIAL SELECTION
CHATEAU MONTELENA CABERNET SAUVIGNON ESTATE
STAG'S LEAP WINE CELLARS CASK 23 PROPRIETARY RED
RUBICON ESTATE RUBICON PROPRIETARY BLEND



IST GROWTH

ARAUJO CABERNET JVIGNON EISELE VINEYARD

AVERAGE FINE TASTING POINTS: 93.8 P





The Araujo Eisele Vineyard Cabernet Sauvignon has a unique allure to it. It is the finesse, purity of fruit, vivid acidity and profound mineral character that set this wine apart from the other Napa wines. Its style is almost reminiscent of Pomerol.

It is a sophisticated wine with great potential. Thanks to the Araujos vineyard management, the wines are showing an increasing amount of the terroir character.



MARKET PRICE

Average secondary market price during the last 15 years: USD 212



TERROIR

There are three terroir factors that give the Eisele Vineyard Cabernet Sauvignon its unique character.

Firstly, the vineyard is located in a cove protected by the Palisades Mountains, which draw cool air from the Sonoma coastline to the site from the western Chalk Hill Gap. This helps the grapes keep their freshness and acidity, which is often a challenge given the warm Calistoga district.

The second factor is the subsoil composition, which is being shaped by the two tributaries crossing the vineyard. The subsoil is made up of volcanic cobbles derived from the Palisades Mountains. This deep, rocky subsoil is welldrained causing the vine roots to penetrate deep into the ground in search of water. As the roots penetrate the soil levels, more mineral compounds are absorbed, adding minerals and complexity to the grapes. As the vineyard lies on a gently sloping hill, there are parts of the vineyard with richer soil containing volcanic ash, small stones and red clay. These parts provide more weight and complexity to the flavour profile of the grapes.

PHILOSOPHY IN WINEMAKING

The Araujo's commitment to producing estategrown wines of highest calibre and distinction has driven them to employ cutting-edge practices in farming and winemaking. The organic and biodynamic practices are an important part of the vineyard management. The organic farming principles were adapted in 1998 and were followed two years later by the biodynamic practices. The property is free of chemical fertilisers, pesticides and herbicides.

With these practices the Araujos are reinforcing the unique terroir and ensuring the health of the soil and vines so that they are able to handle the most common threat to their vines - the heat stress - better than ever before.



HISTORICAL BACKGROUND

Eisele Vineyard has been known for decades as one of the most appreciated sites in Napa Valley. It was originally planted with Zinfandel and Riesling as far back as the early 1880s, while the Cabernet Sauvignon was first planted in 1964. The vineyard reached its flair after Milt and Barbara Eisele bought the vineyard in 1969. The Eiseles soon realised that their unique site produced a crop that deserved to be sold to respected producers other than the local co-operative. They therefore decided to contact winemaker Paul Draper of Ridge Vineyards. The first wines carrying the Eisele Vineyard label were produced by Ridge Vineyards in 1971.

The harvests of 1972 and 1973 were sold to Robert Mondavi, who used them in the prestige blend of Reserve Cabernet. In 1974, the crop was sold to Conn Creek Winery who produced the second vineyard-designated Eisele Cabernet. The following year the Eiseles found a partner in Joe Phelps, who had exclusivity for the whole vineyard until 1991. Phelps produced sixteen

Eisele Vineyard Cabernet Sauvignon vintages, until the Araujos bought the vineyard. However, the last vintage of 1991 was actually produced by both the Joe Phelps and Araujos brands.

Since the Araujo's acquisition, the focus towards winemaking has changed. For the first time in the history of Eisele Vineyards, there is a proprietor committed exclusively to producing the wine on estate, all the way from the vineyards to the bottling and cellaring. It is done with prime focus, devotion and absolutely no compromise.



WINE PROFESSIONALS' OPINION 82 %/FIRST GROWTH



Owner: Bart & Daphne Araujo

Founded: 1990 First vintage: 1991 Location: Calistoga

Vineyard size: 30 acres for Eisele Vineyard Cabernet Sauvignon, total size 38 acres

Average age of vines: 19 years Production: 1600-2000 cases

Over 50% sold through mailing lists, the rest through restaurants and wine shops.

Vineyard manager & Winemaker: Matt Taylor (Michel Rolland as consulting

AVERAGE FINE TASTING POINTS AFTER THE YEAR 2000: 93.8 p