

ROSÉ: WAVE HITS WALL?

SOARING DEMAND MEETS EXPLOSIVE SUPPLY WITH A PROVENÇAL TWIST

BY W. R. TISH

Pardon the pun, but the outlook for rosé is still rosy, right? The category's double-digit growth just begins to hint at the pink success story. Over the past four years, rosé has almost quadrupled in volume and jumped in varietal wine rank from #17 to #9, according to Nielsen. Rosé's largest segment is \$11-\$15, so premiumization is already at play. Plus, consumption is still accelerating. Americans drank 67% more rosé in 2017 than they did in 2016, and that year was up by 44% over 2015.

Beyond stats, this pale pink liquid has grabbed America by the buds, delivering fruity refreshment with an aesthetic (read Instagrammable) bonus. Rosé has joined the broader culture—from sweatpants to fashion shows, gummies to wedding favors—lending its pink halo to rosé cocktails, cider and spirits; inspiring social media hashtags à la #brosé and #yeswayrosé; even prompting marketers in other arenas to go pink when propping wine.

Ah, the sweet—I mean *dry*—taste of success. On-premise, off-premise, in all three tiers, it is crystal clear that rosé is a bona fide trend, not a fad. Yet success has brought an onslaught as producers around

the globe angle in on the action, threatening to overwhelm the trade. Confidence in consumer demand is high; over-supply, on the other hand, could be problematic.

Two forces are at play here: Provence rising above the rosé pack, and the rest of

the market exploding. We may find 2018 to bring both a glut—driven by the New World, new brands and new extensions—and a tangible tightening if not outright shortage of Provence coming off a good but tough 2017 harvest.

PROVENCE ASCENDANT

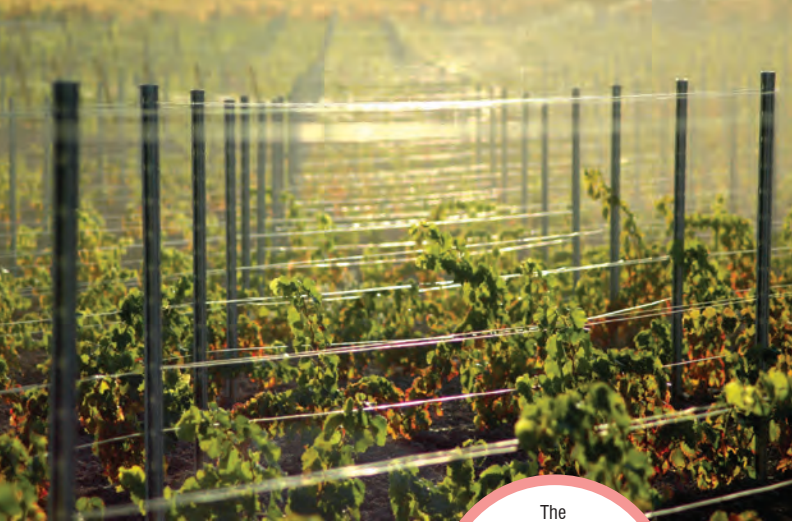
Perhaps the most significant sub-lesson of the current boom is that Provence—the spiritual homeland of rosé—is ruling the rosé roost. Suppliers report strong demand and in many cases are posting gains above the category pace. More important, Provence has set the standard for the industry for style, consistent quality and recognition. As Brian Mitchell, Beverage Director at the Connecticut-based Max Restaurant Group, notes, “People remember Provence rosé, and ask for it. They even expect to pay more for it.”

The Max Group is ready for the pink wave circa 2018. Provence rosés are in place by the glass at all the Max restaurants, plus one less expensive rosé—and at the flagship, a whole page of rosés beckons at the front of the list.

But rosé is neither place- nor grape-dependent. Dry pink wine is easy (and fast) to make, practically anywhere. The pipeline is getting stuffed. Samantha Dugan, French buyer for The Wine Country in Long Beach, CA, says the parade of 2017 samples started this year

For a category that represents less than 5% of the overall table wine market in the U.S., rosé has taken on extraordinarily high visibility, spilling over into pop culture and social media—in turn strengthening the trend.





The U.S. has been Provence rosé's #1 market since 2016, and now represents 50% of the region's exports by value.

in early January. “Over-supply is a huge issue right now,” says Dugan. “Not only am I seeing probably three times the suppliers as I usually do, they are coming in with back vintages trying to get us to take a stand on those as well. It’s like everyone got the memo about rosé and they all ran out, without doing too much research, and got them some. It’s sort of nuts.”

SUCCESS BREEDS...SUPPLY

Relative ease of production and obvious demand are creating perfect-stormlike conditions: nobody is making less rosé for 2018, and many suppliers are making more. New labels keep coming, and established lines keep extending—to wit, **Cavit** and **Kendall-Jackson** are releasing rosés for the first time with their 2017s, in sufficient quantities to be featured nationally.

E. & J. Gallo staked a claim in Provence last year, launching Fleur de Mer with the 2016 vintage. Also new from Gallo within the past two years: Barefoot Brut Rosé; Dark Horse Rosé in cans; Prophecy Rosé; Edna Valley Vineyards Rosé; and Gallo Family Vineyards Sweet Grapefruit Rosé.

Last summer **Josh Cellars** launched their first rosé, and it quickly became the best-seller in its price tier and third-largest largest SKU within the category. The robust young Josh is flanked in the Deutsch portfolio by the brand-new Fleurs de Prairie (Provence) and Layer Cake (first rosé vintage 2015), among other rosés.

Delicato launched two rosés last year: Noble Vines 515 and the 3L Bota Box Dry

Rosé, which soared to the #8 rosé by volume among domestic rosés. A Bota Mini (500ml, \$5.99 SRP) is joining this year. Delicato sold 199,000 cases of rosé in 2017 between Bota and Noble Vines; in 2018 they hope to ship 195,000 cases of Bota Rosé alone.



Pink wines are comprising powerful mini-portfolios within some companies. **Kobrand** has 11 rosés in the portfolio, from Argentina to Tavel; Louis Jadot and Fuedo Macari were added last year, Tenuta de Salviano (Umbria) this year. **Frederick Wildman & Sons** has 13 rosés on offer, and **Rapitala** from Sicily on the way. **Bronco Wine Co.** has more than a dozen rosés, from California, Oregon and beyond; best-seller, not surprisingly, is their Côtes de Provence rosé, Sables d'Azur.



The Winebow Group has been especially busy stocking their pink departments. Their national import portfolios, Craft + Estate, Leonardo LoCascio Selections and MundoVino, comprise a total of 36 rosés, including seven sparkling, from around the world; 12 are new within the past two years, thanks in part to acquisitions. Some recent highlights include a new look for Fat Bastard (distinct from the rest of the line); a Pinot Noir rosé by Clean Slate from Germany; Provence rosé in cans from Amble + Chase; and three rosés from Greece.

HOT TICKET: Last year's inaugural RoséFest drew 800 people to Sterling Vineyards in Napa Valley for a big pink al fresco party with 30+ Napa wineries pouring. This year, on June 9th organizers expect 1,000 pink fans; before the end of March, more than a third of the tickets were pre-sold, and a new VIP level added for 2018 sold out completely.

Treasury Wine Estates, already keepers of the Provence gem Château Minuty (which was up 89% in 2017) and a cache of New World pinks, is adding “L’Etre Magique,” a Côtes de Provence rosé under their brand new Maisson de Grand Esprit label.



Chateau Ste. Michelle is releasing its very first rosé, 100% Syrah that previously was a wine club offer only. Ste. Michelle Wine Estates’ Tenet Wines label has just added a Costières de Nimes rosé called “Le Fervent.” Erath, SMWE’s Oregon winery, made a limited-release 2016 rosé of Pinot Noir; they made enough 2017 to join stablemate 14 Hands Rosé on the national circuit.



It is interesting to note that 2017 was a big year for launches, and those debuts

ROSÉ ALL DAY

The astutely branded Rosé All Day, which started last year with one Grenache-based Pays d’Oc, added a 2017 Beaujolais and a sparkler—and got picked up by Target.

Kobrand's The Seeker has sourced their rosé in Provence since the 2013 vintage debut.





The Wine Country in Southern California, has been pushing rosé for 20+ years. “Côtes de Provence is king, without question for us,” says veteran buyer Samantha Dugan. “The new rosé-driven domestic producers tend to price themselves out and come winter I am still looking at \$20 domestic rosés and all my Provençal wines in the same price are gone.”

are naturally ramping up this year. **Opici Wines’** Grenache-driven Provence rosé, *Âme du Vin*, earned a Wine Spectator “Top 100 Value of 2017” accolade in its first vintage, 2016; import quantities are being doubled for the 2017 vintage. **Rodney Strong** released 2,500 cases of a 2016 Russian River Valley Pinot Noir Rosé in a handful of markets. It was a rosy success—15,000 cases of 2017 are being released with some bundled with other Rodney Strong wines, à la “Red, White and Rosé.”

CARVING UP THE BIG PINK PIE

The next logical question is: Can Americans drink all this stuff? As Constance Savage, VP of Supplier Relations at Kobrand, puts it, “The offering of rosé wines continues to increase for 2018, yet while the pie is continuing to get bigger, each slice gets smaller. The summer of 2018 will be a telling season and we will be carefully watching the market’s reactions. One of the questions is: Will we see some ‘fatigue’ at some point?”

The month of May, of course, is too early to tell. However, it is certainly not too early to say that, Provence aside, it is a buyer’s market at the re-sellers’ tier. Rob Bralow, GM of the retail store Blue Streak and owner of the wine bar BLVD in Long Island City, NY, notes: “I have completely



A GREENER SHADE OF PINK

Emiliana **Natura** Rosé from Chile, made from organic Merlot, Cabernet and Syrah grapes, was first introduced in 2014; it is now national and the brand hopes to make 20% more of the just-fermented 2018. California’s **Bonterra** is another brand bringing organic rosé coast to coast. Last year, 2,000 cases of the 2016 sold out well before mid-summer; the brand has 11,000 cases of 2017 ready this go ’round.



stopped pre-ordering, except for extremely limited wines. There is enough rosé year ’round that I do not feel obligated to lock into a set number of cases.” In the wine bar, Bralow is carrying fewer options by glass, but more by bottle: “I find that customers do not really want more choice



Provence has managed to separate itself from the pack, demonstrating high recall and low price resistance. New canned releases will test the category’s format flexibility.

The 2017 La Chapelle Gordonne Rosé, part of the Vranken Pommery portfolio, launched at Le Bernardin in NYC with a tasting dinner curated by Chef Eric Ripert with a wine pairing and discussion by Wine Director and Sommelier Aldo Sohm. The wine is a blend of Grenache, Syrah and Cinsault grapes.

when they are out with friends—they want to pick between two or three options.” In the shop, he plans to stock about the same number of wines as last year: between 16-24 brands over the summer, expecting some to sell out by mid-August.

The very notion of “rosé season” is changing. Whole Foods is running a huge “special price” promotion that started the week after Easter and ends May 31st. Among the dozen (eight of which are touted as exclusive) featured wines: rosés from Portugal, Spain, Italy and Greece, as well two Provence rosés in both 750ml and magnum.

PINK POSITIVE

Indeed, even with possible over-supply looming, there are plenty of positive signs—and still much room for growth. Marcy Whitman, Palm Bay International SVP of Marketing and Brand Development, explains why Palm Bay feels now is a perfect time for Cavit to enter the rosé fray: “We believe that the rosé category still has a lot of growth ahead. There will be continued inroads as far as expanded seasonality and more growth in the consumer base as more men turn to rosé. In addition, the on-premise has not caught up with consumer enthusiasm for rosé and Cavit [at SRP \$8.99] is well positioned to take advantage of all of these trends.”



Kendall-Jackson's inaugural rosé, a 2017, is bottled under screwtop.

Overall, there is plenty of tempered optimism in the wine industry with regard to the Great Pink Drink. "There's no end in sight to rosé's popularity," observes Steve Slater, EVP and GM of the Wine Division for Southern Glazer's Wine & Spirits. "Even while there are many new entries in the U.S. market, the core brands are not suffering. What's different is that we're seeing more domestic entries, from places like Oregon, Napa and Sonoma. And

they are copying what's popular in terms of the dry flavor profile, and pale, salmon-colored pink." With only a handful of brands earning strong loyalty (Whispering Angel is one), Slater adds that American consumers are willing to try new rosés, especially by the glass. Not surprisingly, The Palm by Whispering Angel, just released at the lower SRP of \$14.99, is aiming to solidify the brand's trend-setting cachet.



TREND WITHOUT END?

Expect more packaging experimentation—especially among new brands. Even within Provence, known for its very traditional shape, suppliers are testing alternatives. Castel, importers of Aime Roquesante, a best-selling brand both in France and the U.S., has big plans for large formats—but they will have to wait until they have enough 2018 vintage wine to execute.

The reality of quality rosé in cans is happening. Winebow's Amble + Chase



Amid the general wave of rosé, there is still opportunity for brands to catch fire. Hampton Water Rosé—a collaboration between Languedoc veteran Gérard Bertrand, rocker Jon Bon Jovi and his son Jesse Bongiovi—sold its entire 2017 vintage before April.

and Pacific Highway's Pure Provence are hoping that Provence's cachet will translate from glass to aluminum.

The rest of France should continue to benefit from Provence's halo; areas to watch: Côtes du Rhône (#1 brand Belleruche outpaced even Provence last year, growing 79% over 2016); the Loire Valley (second in volume behind Provence, and offering distinct styles); Vin de France (this young designation's flexibility is ideal for creating new brands).

Glut and shortage concerns aside, we can all expect more experimentation with blends and different grapes, perhaps even styles. As Provence continues to try to separate itself from the rest of the big Pink Wine Sea, wineries (and marketers) in other wine nations are bound to keep chasing the leader. ■

CAN WOOD BE GOOD FOR ROSE?

BY VICKI DENIG

As rosé season kicks in, wine-traders are apt to let fly words like fresh, crisp and fruity when sipping their mouth-watering pinks. As most in the trade know, dry rosés get their backbone of zesty acidity thanks to stainless steel fermentation. And yet, some winemakers believe that wood may actually add some serious character to everyone's favorite summertime sipper.

"The first vintage of the Château d'Esclans "Garrus" rosé started as more of an experiment, [rather] than a conviction to use oak in rosé," says Paul Chevalier, National

Fine Wine Director of The Lineage Collection division of Shaw-Ross International Importers. "The results proved that the use of barrel fermentation and aging, combined with the free-run juice from old vine vineyards, resulted in a new style of rosé from Côtes de Provence." While steel tends to put the focus on the fruit, barrel fermentation can add depth and complexity to the fruit, "ultimately making a bigger style of wine with more mouthfeel."

Over in California's Santa Ynez Valley, brothers Lyle and Eric Railsback also use/neutral barrels to ferment their Railsback Frères "Les Rascasses"

Rosé (named for a fish that stars in rosé-friendly bouillabaisse). "It changes the texture of the wine and can help soften the palate,"

explains Eric Railsback. "Wines aged in stainless steel are not able to breathe during the élevage process, which can make the wines more reductive." Railsback asserts that more airflow, albeit the slight exchange through the pores of the wood, can soften the final wine and flesh out the texture. "Les Rascasses" is Grenache dominant (50%), rounded out with Carignan and Cinsault. The wine spends five months total in neutral French oak.

On-premise, oaked rosé is not exactly being greeted with bear hugs. "To the general consumer, rosé is a style. It is a color, a feeling that a guest is looking for, or is convinced that they should be drinking," says Jon McDaniel, Corporate Beverage Director at Chicago's Gage Hospitality Group. "When you oak pink wines, you are changing the direction of what the guest is looking for... much like why you never see any oaked



New Zealand Sauvignon Blanc—it takes away the expression."

Jack Mason MS, of Pappas Bros. Steakhouse in Houston and Dallas, sees rosé in oak as an interesting shift. "I think there are some pretty compelling, serious examples of worthy of aging, such as Valentini or Simone, that benefit from vinification in oak," says Mason. "The traditional techniques help to make them rosés that can benefit from a few years before pulling the cork!"



Garrus, first produced in 2006, is predominantly Grenache and Rolle, and spends 10 months in new and once-used oak barrels, with twice weekly bâtonnage.