

Premiere 2022 — Collaboration on display

TIM CARL
Mar 3, 2022



Guests at Premiere Napa Valley tasting at Charles Krug Winery taste the wine from made by collaboration between Hourglass and Favia wineries, which fetched one of the highest prices at the auction.
Tim Carl LLC

In a show of tenacity, perseverance and community, the Napa Valley Vintners, organizers of the annual Premiere Napa Valley (PNV) wine auction, brought in \$2.7 million last weekend.

The numbers were flat from a year prior and not even half of what they were in 2015 (\$6 million), but the take remains impressive, given the challenges of the vintage that was on display. Not only was the 2020 vintage plagued by, well, a plague, but it was also a year devastated by the Glass Fire that ripped through the region and torched 67,484 acres, damaging or destroying nearly 30 Napa wineries.

Explaining the Premiere Napa Valley wine auction

Now in its 26th year, the annual PNV is a multi-day event held in February that culminates with a live auction at the Culinary Institute of America at Greystone in St. Helena. The PNV has never been a typical

auction. Instead of raising money for charity, the event is an opportunity for the NVV and its member wineries to interact with

All of the proceeds from the auction go to the NVV, who use the funds to augment the annual membership fee and help pay for administration and marketing efforts to champion the Napa Valley as one of the world's premier wine regions.

The wines auctioned are provided by NVV members who donate wines that are often still aging in barrels, creating special “lots” in various case amounts (e.g., five, 10, or 20 cases) that are eventually bottled and distributed (sometimes a year or more after the event) using a special “Premiere Auction” label. The attending wine trade bid on select wines because they believe they can sell them later to their own customers back home. Thus, the Premiere auction has become a bellwether for Napa Valley vintages.

The Napa Valley wineries who donate their wines to PNV do so for a host of reasons, but most important is their desire to support the mission of the NVV. They also enjoy the opportunity to commingle and build relationships with the trade.

Assessing the success of the PNV

Most auctions measure their success by the total number of dollars received. Using this measure, the PNV has been on a steady decline since 2015, when it brought in a record \$6 million. Because the number of winery members has hovered around 550 for the last decade, that means that the loss of these funds might have a negative impact on the NVV's operating budget. Because the NVV is a non-profit and must file IRS 990 forms, it's relatively simple to see the financial health of the organization, at least up through 2019.

Recent 990s from the NVV reveal that although revenue declined between 2015 and 2019 by more than 12%, these declines were at least partially offset by a 5.8% reduction of expenses during the same period. Also, because the NVV resides within a wealthy, economically savvy, and generous community, there was a 5.4% increase in the assets of the NVV — growing from over \$33 million in 2015 to over \$41 million in 2019.

Measuring the success of PNV — a 2020 vintage perspective

Typically, the PNV focuses primarily on a single vintage of Cabernet Sauvignon. However, because 2020 was ravaged by the Glass Fire, this year's auction had a wide selection of wines that covered multiple vintages. Even so, there were more than 30 wines showcasing the 2020 vintage, many of them Cabernets.

Sipping through the wines at a tasting event held at Charles Krug winery before the auction, I was happily surprised to find that the wines that did make it through the tragic 2020 vintage ranged from fantastic to others that, although tasting delicious in their own right, contained within them some element of the story of that fateful year. Each of the 2020 wines revealed the courage and tenacity of the vintners, winery workers, and owners, many of whom overcame flames, smoke, and power outages to create what is certain to become coveted wines from a historic vintage.

The 2020 Cabernets on display from such producers as Alpha Omega, Silver Oak, and Whitehall Lane were mind-boggling fantastic. Some other 2020 Cabernets, including Inglenook and, Lewis, Palmaz, OneHope, Quilt, Bougetz, Bennett Lane, Angwin Estate Vineyards, Pride Mountain, Spottswode, Turnbull Cellars, Grgich Hills Estate, and a few others, each made me mourn for the less-lucky wines forever lost to those insidious fires. Beyond Cabernet there were other 2020 standouts, too: The Duckhorn Merlot was ethereal, as were the Kenefick Ranch Malbec, Kale Syrah, and the 2020 Hudson Chardonnay.

Good as those wines were, one wine captured the spirit of both the event and the 2020 vintage best. A collaboration between Hourglass and Favia fetched one of the highest prices at the auction. According to Jeff Smith — the proprietor of Hourglass — after most of their structures and vineyards had been lost to fire, a few barrels' worth of Merlot survived. They joined forces with another fire-affected winery, Favia, to create a blend — 50% of the surviving Hourglass Merlot and 50% from a batch of Favia Cabernet. The result was splendiferous — mouthwatering aromatics, explosive flavors, and a silky mouthfeel.

Measuring the success of PNV — a price-per-bottle perspective

The highest price paid at the PNV was for a wine made by the recently sold Shafer Vineyards, whose 2021 Cabernet Sauvignon brought in \$75,600, or \$1,260 per 750 ml bottle. This reminds me of 2019 when Schrader Cellars ended up with the top average per-bottle price — an impressive \$1,333 per bottle — after being purchased by Constellation.

Other high flyers at this year's auction included the Alpha Omega and Hourglass/Favia, which fetched \$540 and \$450 per bottle, respectively.

The average price per bottle of red wine was \$234 and white wines had an average price of \$108 per bottle, making the overall average bottle price \$211. To put that in perspective, at the 2015 event the PNV (touting the exceptional 2013 vintage) brought in an overall average bottle price of \$286.

Measuring the success of PNV — a community perspective

As a sign of the times, this year's PNV included a few novel elements. First, all participants were required to show proof of vaccinations and take rapid COVID-19 swab tests before each of the day's events. Second, for the first time ever, Sotheby's conducted the auction. Third, instead of one auction, there were three — a Library Wine Auction, the normal Premiere Napa Valley auction, and a Perspective Wine Auction, with each including some level of online bidding.

While the 2022 PNV will not go down as being the most lucrative, this year's auction might just go down as setting a new tone — one that is a little bit pared down, perhaps, but one focused on collaboration and camaraderie rather than a frenzied search for record-breaking numbers.

https://napavalleyregister.com/wine/premiere-2022-collaboration-on-display/article_06042007-ae0d-5f32-a1e1-ab1122e95763.html