MARKETING ORGANIC WINES IN NEW YORK

Walter Pedersen
Owner and Founder
Four Chimneys Winery and Vineyard
Himrod, New York

We at Four Chimneys have been asked to comment on marketing organic wines in New York. As North America’s first winery producing and selling wines from certified organically grown grapes, now in our fifteenth anniversary year, we probably know more about the subject than anyone, only because for most of those years we were the only vineyard on the East Coast to produce and market organic wines. We have recently been joined by our friend, Richard Figiel, at Silver Thread Vineyard.

When we first approached wine stores and restaurants in the early 1980’s we were most commonly met by a puzzled look on the faces of proprietors and wine buyers. Customers, too, were rather befuddled. Many, maybe the majority, had never heard the term “organic” in an agricultural sense and certainly never applied to wine. Many of the comments regarding organic chemistry were apparently not just poor attempts at humor, but a sincere desire to comprehend something new.

In the history of organic wine marketing in New York, I recognize four phases. In phase one, Four Chimneys was it. There was no other. No one had heard of the hundreds of organic growers pre-existing in Europe. Wine buyers, proprietors, and consumers were very doubtful when informed of our organic European counterparts. In addition, at that time there was a vehemently anti-New York sentiment regarding New York wines in general. This attitude is evaporating before our very eyes in the 1990’s. I remember bringing our 1980 Cabernet Sauvignon that had received a silver medal in a prestigious wine competition to Soho Wines and Spirits in Manhattan. The wine buyer at the time wondered out loud whether it was the soil in New York that made this Cabernet taste like Concord. (Honestly, we didn’t blend any “natives” in to add character!) It was during this phase we began fantasizing: can you imagine if we imported organic wines from some of our French and Italian colleagues, it would be like shooting ducks in a pond with these “European” New Yorkers!!

Phase two was later in the decade when a number of small California producers brought their wines into New York. Many of these had wine disease problems or were oxidized (maybe they couldn’t sell them in California?), mostly because the winemakers were new and hadn’t worked the kinks out of winemaking. By this time, the image of “hippie” had caught on for organic wines: stinky, countercultural, and unkempt.

Phase three was when we finally got our act together and imported our first container of wines from six of our friends in France - all excellent wines, certified organic, and of varying prices. Although we didn’t see the writing on the wall before we ordered, in hindsight what happened is not all that surprising. What sold out like hot cakes was the cheapest of the Côtes du Rhône. Wine snobs were not interested - they were still in phases one and two (see above).

Phase four is the present era; represented by at least two events. The first is the present symposium. The second (preceeding the first in time, and possibly, in importance) is the launching of Fetzer’s new Bonterra line of wines from certified organically grown grapes. We
have become acquainted with the Fetzer family who began the Fetzer wine production. They are a very large family (somewhat like us in our beginnings, but with a lot of money) with all but one of ten siblings involved in the operation. They, however, recently sold the winery, maintaining only the organic grape production. The new owner is responsible for the daring move of adding an organic line to their already existing non-organic production - something others in California have resisted fearing the boomerang effect it might have on the image of existing non-organic products.

Where things are headed in phase four is anybody’s guess. However, with good wines coming from organic growers on the West Coast - a Garden of Eden for organic viticulture, compared to cold and damp New York - we should be seeing a change in the perception of our product. It is very rare for anyone in the trade to ask “what’s organic?” these days. Consumers are, for the most part, still somewhat unaware, although this is very much a function of where the consumer lives. It appears that organic consciousness is in reverse proportion to the distance from agricultural production areas. New York City, especially Manhattan, and Long Island consumers appear to be the most educated. The inhabitants of the larger communities in our region - Syracuse, Rochester, and Ithaca - have some level of organic awareness. The rest of the state is less so.

With regard to our own marketing, the major outlet is from our estate. National Geographic awarded us the monicker of “most picturesque winery in the Finger Lakes.” Our Victorian house and barns, our chamber music series (which just ended its tenth year), and our setting on the lake are selling points - as is our large selection of wine styles, including some “foxy” items. I am sure that many more than half our customers are not buying the wines because of their organic quality, though there is no way of really ascertaining that.

We also sell to over 200 liquor stores and restaurants in New York State. Our UPS deliveries, very profitable in comparison to sales to wholesalers, has dropped off precipitously over the past few years. Two reasons explain this phenomenon. First, no carrier is willing to ship wine over state lines from the Finger Lakes (although they freely do it for the wine industry in other regions of the country) and this has created a tremendous loss of sales for Four Chimneys as well as other wineries in the region. Second, as our sales to retail stores have been increasing over the years, many former UPS customers are buying the wines at those outlets.

When it became legal to sell wine at not-for-profit farmers’ markets in New York State, we were the first winery to sell in the New York City Greenmarket system in 1984. Of all the marketing we do, this is the least profitable and bears with it the most liabilities. With two vans stolen, a number of van break-ins, two major thefts of a week’s take, and one armed robbery, not to speak of hundreds of tussles with criminals, the mentally deranged, the homeless, and the banana republic politics of the Big Apple, it certainly is the most problematic of all our sales venues. Most of the many wineries that attempted selling at the Greenmarket have pulled out. We are presently looking into export as being a simpler alternative.

In addition to the problems of UPS out-of-state shipments and the Greenmarket nightmare (which would be common problems to all wineries in the region), there are at least three more problems that relate more specifically to the marketing of organic wine. First is the price factor. In order to pay for the greater labor needs and other higher costs both in grape growing and winemaking, organic products must move at higher prices. There is often much resistance by middlemen who do not appreciate the organic difference.
Second, health food restaurants, which should be the best customers of an organic winery, often would rather not serve organic wine if their menu is not organic, not wanting to draw attention to that. This is slowly changing as the popularity and demand for organic wines increases.

Third is the problem with organic legislation. Wines grown organically cannot be labeled as such unless they are certified. Certification agencies unanimously require three years of organic practices - which for perennial crops can mean in essence up to four years - before a product can acquire an organic label. It is precisely during this start-up period of time that the grower needs whatever extra price increment the market can offer to offset the economic stresses of the transition to organic. The organic movement is well aware of this problem, and in some quarters this is regarded as an apt way of keeping the market small. In Europe there is a transitional designation that is understood by consumers, thus offering at least economic aid from the marketplace to growers who are undergoing what most likely will be the riskiest part of their organic history. What the solution will be for the US, or whether there will be one, is still up in the air.

As for the future and phase five, I really do not know. Interest in organic is definitely on the rise, as evidenced by this symposium. Perhaps one day conventional growing will become so ecological that organic will simply merge with it, and the organic movement’s role as a cry in the wilderness will vanish as the essence of its message will have been heard and received. I hope so. At that point the “history of organic marketing” will be over.