From: Wine Musings Blog <comment-reply@wordpress.com>

Sent: Tuesday, April 28, 2020 6:46 PM **To:** Shulamith Z Berger <sberger@yu.edu>

Subject: [EXT] - [New post] The kosher wine business in the new Coronavirus world

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New post on Wine Musings Blog





The kosher wine business in the new Coronavirus world

by winemusings

Well, my part of California is <u>locking us away for another month</u> and I thought it was high time to talk a bit about the kosher wine industry in light of the situation we are all facing - the <u>Coronavirus</u>.

Kosher Wine business

This is not rocket science, us jews are not drinkers. Relax, I know some of you are tipplers, but the vast majority of the kosher wine world drinks on the weekend, no matter how much certain people complain about it.

Now, that is predicated on the theory that we are home and such. However, when we are invited to a party, wedding, dinner, etc. (remember those things where we actually sat next to someone that was not your wife or child)?? Yeah, in those settings we drink, it is simple, and yes, we may drink more than we expect, because well, we are out for an occasion. It is the common trait of most Jews I know. Throw in a dinner, event, party, and yeah, Jews drink, but we are still moderates.

Now, throw in restaurants, business dinners, evenings out with your wife or friend and we get a fair amount of wine/alcohol action.

Sadly, these events, these dinners, they do not come back when this insanity is over, we cannot make up for it. This is lost revenue that is not coming back. The longer people stay in the house, the longer we are locked up, the longer caterers, restaurants, and wine producers/importers will be in pain. The weddings may come back, those Mosdos/organizational dinners you hated going to may also make a rebound, but I do not see it coming back to the levels we saw in the past any time soon. Restaurants may not come back either and I think two things will change for the next few years:

1. Mevushal wine will take a hit. This is not a new thing IMHO. The kosher wine world has been pushing this so hard recently that I think many have either become numb to it or have given up hope for change. With the lack of public occasions for the next two years, minimally, we will see a huge drop in Mevushal wine interest, and I feel no sadness, it is time for the kosher wine world to move on. This will affect Israeli Mevushal more than say the few Cali or french that exist. Cali means Herzog and their Mevushal is irrelevant IMHO, I buy their wines and I never think Mevushal at all. Israel though will feel this the most I fear.

- 2. Home Delivery is on the rise and it will not stop anytime soon. The recent events will seriously change the way people see wine buying in the future. No, the average New Yorker will still go to his/her local shop, but there will be fewer. I have heard it over and over by the online wine guys NYC was a large buyer these past months, and that will not come to a screaming halt in the future. It will slow, but there will be lingering and residual folks who continue buying online, and that is a GREAT thing. The power of the local wine shop is seriously bad and it is time for the kosher wine industry to be further democratized, with better information and better selection. I see this in the USA and not so much in Israel for many reasons. Europe has been delivering wines for decades already and I do not see a huge shift there either.
- 3. No matter how much wine you THINK you are drinking and no matter how much you think you are buying, the wine importers are in pain. There is ZERO need to cry for Royal wines, they could care less about what is happening, they have the food business and they are run with extreme efficiency.
 We do need to care about what happens next for the other importers. The majority of the wine they sell is not to people's homes. It is for dinners, restaurants, caterers, and so on. With all that out of commission, for the time being, we really have to pray for the welfare of the kosher wine importers, if this goes on for as long as I fear we may lose a few and that is not such a good thing when all that means is that Royal will get bigger.
- 4. QPR will mean more going forward. Look, I have received a fair amount of feedback from my last post, and thanks. That said, I have heard from more than a few about how their ability to buy has been curtailed and that they are on a tighter budget than in the past. People are suffering unless you work in grocery, healthcare, hi-tech, they are in a less comfortable place. Lawyers have fewer clients, the same goes for CPAs. The famous Jewish jobs are not all they are cut up to be in this particular environment. Many business owners have no access or ability to run their businesses. This is a crazy world we live in and people will be looking for more affordable wines.
 - Hence, QPR is the answer and yes, I think as I roll it out more you will see wines that you did not expect to be so interesting become more valuable, given where some are today financially.
- 5. Wine sales will slow on the higher prices and the French wines will sell but even slower. Look now, 2016 is on the shelves everywhere when 2017 in the vintage in question. The 2015s are almost all gone and a few of the higher-priced 2014s linger. This will pass, but I hope it does not impact Royal and others. The main goal is to have wines for sale not to be sold out of wines.
 - Having an empty warehouse of fewer French wines is not a victory it is a loss for all. Making less of the wine, producing controlled amounts, numbers, where everyone gets a shot to buy but also balancing the book, is the correct manner to approach a sustainable longterm business in the world of wine that lasts a generation. We have Royal, IDS, and others to thank for the plethora of great wines to enjoy.

This will be a blip on the long term screen of life, a painful, unfortunate, sad episode, but a blip none the less. One cannot make a year-by-year decision on wine production, especially, when you have such good relationships with wineries and the industry as a whole.

Overall, the industry will change and people's buying habits may shift a bit, but a time will come when importers will need to look at the non-kosher world and ask, why do they sell 2014 and 2015 vintages of Giscours at the same time? Because they are different wines, very different, and buyers know it. Soon, Royal and IDS will have a pipeline of continuous vintages from some wineries in France and elsewhere

throughout Europe, and having vintages back to back on the shelf is a badge of honor not a badge of shame or poor salesmanship.

The kosher market does not need to blaze new trails we need to start to appreciate what we have and what wonderful worlds of wine we have been given the chance to enjoy.

I hope everyone is well, healthy, safe, and taking a moment to appreciate the family we have around us. Prayers continue for those less fortunate and I hope they are all answered quickly with good tidings.

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