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Gail, left, and Shirley Puryear, owners of Bonair Winery near Zillah, Wash., hold glasses of their Yakima Valley product. Wineries are on the upswing in the state.

Wineries popping up like corks

Production is up in Washington, but who will buy?

By Nicholas K. Geranios
of the Associated Press

YAKIMA, Wash. — Wineries are popping up like champagne corks in the state of Washington, but as production increases there are questions about who will buy the product.

Wine production in Washington climbed 68 percent in the fiscal year that ended last June 30, but overall consumption rose just 11 percent, and that gap is in danger of widening.

"The growth in the retail wine market is pretty stagnant," said Stan Clarke, general manager of Quail Run Vintners near Zillah. "Per capita consumption has not gone up much, but production has gone way, way up."

Indeed, there are about 70 wineries in the state, up from 11 in 1977 and 28 in 1983, according to the Washington Wine Institute. They employ more than 1,100 people.

Last year, Washington produced 4.5 million gallons of wine from a grape harvest of 28,000 tons. At 2.4 gallons per case, the state produced about 1.87 million cases of wine, third highest total in the nation after California, the leader, and New York.

This year's wine grape harvest was a record 40,000 tons, which translates to about 6.5 million gallons.

That production increase comes when the state's out-of-state wine sales were flat and when total national wine sales fell 3 percent.

But industry experts say that doesn't mean the state's wineries are in trouble.

"Our sales are climbing," insisted Simon Siegl, president of the Seattle-based Washington Wine Institute, an industry trade group.

Most of the growth, 17 percent, was in-state, as out-of-state sales grew just 4 percent, lowest in six years.

"At this point we're undermarketed and we need to put more emphasis on that," Siegl said, noting that only 44 percent of total Washington wine sales are out-of-state. "It's a very young industry."

Only the F.W. Langguth Winery of Mat-tawa, one of the state's biggest, has run into financial distress. The winery, plagued with a surplus of grapes, filed for protection from creditors under Chapter 11 of the federal bankruptcy code earlier this year, but is still a viable business, Siegl said.

The Washington wine country is centered on Yakima, the Tri-Cities and Walla Walla, an area which shares the same latitude as France's famed Burgundy and Bordeaux regions.

The area is noted for plenty of sunshine, low rainfall and cool nights, which are ideal growing conditions for grapes.

Despite an industry that is only two decades old, Washington is the nation's second largest producer, after California, of premium wines, defined as those costing \$4 or more per bottle. It is third in overall wine production, behind California and New York.

California, with over 700 wineries, produced 437.8 million gallons of wine in 1986, followed by New York with 29 million gallons, Washington, Virginia with 2.7 million gallons and Oregon with 650,000 gallons, according to The Wine Institute of California.

Many of Washington's biggest labels enjoy distribution in a couple of dozen states, but the majority sell their product only at the winery or stores in their immediate area.

Industry figures agree that lack of out-of-state sales is hurting growth.