



WINE OPINION-SHAPERS VISIT TO GEORGIA

COMPILATION OF TRIP REPORTS

FINAL

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USAID ECONOMIC PROSPERITY INITIATIVE (EPI)

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ABSTRACT

The Economic Prosperity Initiative (EPI) is working with Georgia's private and public sectors to improve tourism in Georgia through expanding global knowledge and familiarity with the Georgia wine and Georgian culture. The development of tourism in Georgia can go hand-in-hand with the efforts to develop the overall knowledge of Georgia by utilizing wines as the key that opens the door to Georgian tourism.

One of the efforts undertaken to expand knowledge about Georgia and tourism opportunities took place prior to the grape harvest in the fall of 2011. Through the EPI program, eight leading wine experts from the U.S. traveled to the wine regions of Georgia, met with the wineries, and explored the opportunities associated with Georgian wine and wine tourism in Georgia. This effort, coordinated by 2020 Development Company LLC built upon earlier efforts by USAID and 2020DC, brought wine opinion shapers in the form of four Masters of Wine (MW), a leading wine maker and three top journalists to Georgia. This collection of reports by the Opinion Shapers summarizes the findings of these individuals, addresses their concerns and ideas for developing Georgian wine tourism and wine industries.

ABBREVIATIONS

2020DC	2020 Development Company LLC
CDC	Center for Disease Control
COLA	Certificate of Label Approval
EPI	Economic Prosperity Initiative
EWBC	European Wine Bloggers' Conference
GWA	Georgian Wine Association
MW	Masters of Wine
OS	Opinion Shapers
USAID	United States Agency for International Development
USD	United States Dollar

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I. EXECUTIVE SUMMARY

In September 2011, USAID funded a visit to Georgia by eight of the top wine experts in the United States (U.S.). A group of wine experts and journalists were recruited and briefed by the 2020 Development Company LLC team who has been involved with Georgian wine since 2006, shortly after the Russian embargo. This group included four Masters of Wine (MW), a wine maker and three of the top journalists, bloggers, and wine twitter experts in the U.S. The first appendix of this report provides a summary of the observations and recommendations for Georgian wine and tourism industries that were discussed by the group prior to their return to their home or summarized from the reports that each Opinion shaper (OS) provided. The remaining appendices comprise the remainder of the individual reports. The final appendix is a report provided by EPI's staff member.

Globally, there are about 300 individuals who have achieved the distinction of MW from the UK-based Master of Wine Institute (<http://www.mastersofwine.org>). This designation is known around the world as the most distinguished degree available to wine industry experts. There are currently 30 MWs in the U.S. According to the Masters of Wine website, the objectives of the MW program are to “promote professional excellence and knowledge of the art, science and business of wine”. The MW program requires the MWs to pass three parts of the examination (Theory, Practical, and Dissertation). These individuals are experts in all aspects of the wine industry from grape production to winemaking, distribution, and marketing. On the OS trip to Georgia, there were four MWs from the U.S. The exposure of Georgian wine to these leading wine experts will leverage their experience and exposure not only to the U.S. wine industry, but the extended network of the global Masters of Wine network.

The trip also included three top U.S.-based wine journalists; one traditional journalist who is also the founder of the Dallas Wine Competition (www.dallaswinecomp.com) and two bloggers and wine tweeters with significant following. Both of these bloggers are experts in wine tourism. Luiz Alberto owns a wine tourism agency in Italy and Diane Letulle is often a speaker at wine tourism conferences, including one in Brescia, Italy in October 2011. As an added bonus, Luiz Alberto, one of the wine bloggers has a web-based portal to sell consumer wines direct through the Internet and specifically through terminals his company has established in Italian wineries. This concept can be duplicated in Georgia and this option will be explored further in this report.

The OS are the experts on wine and their views and suggestions are going to be specific in their recommendations on wines and to wineries. The first appendix in this report will summarize their findings, not from a wine perspective, but from a “where to go from here” perspective. The recommendations of this document can be utilized as a blueprint for future efforts in support of the Georgian wine and wine tourism industries.

II. APPENDICES

- A. SUMMARY OF OPINION SHAPERS' REPORTS (JIM KRIGBAUM)**
- B. PETER KOFF'S REPORT**
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A. SUMMARY OF OPINION SHAPERS' REPORTS (JIM KRIGBAUM)

OVERALL IMPRESSION OF THE GEORGIAN WINE INDUSTRY

Lisa Granik, a Master of Wine, returned to Georgia after 20 years when she lived there and worked for the Institute of State and Law in Tbilisi as a Fulbright Scholar. In the attached reports, she states “Wine quality has improved dramatically since my first visit to Georgia 20 years ago”. While I am not a Master of Wine, I too can attest to the fact that the wines and wine industry opportunities have improved significantly since my first visit in 2006 when USAID began working to support the Georgian wine industry. In 2006, the industry was in chaos, resulting from the loss of their nearly exclusive customer – Russia due to political reasons. Despite the loss of their number one customer, the industry retained its pride and potential, but was forced to reinvent their marketing strategy and distribution network. Rapid change was mandatory in order to survive the loss of their market. They had to rethink their business and rapidly expand to new virgin markets.

In our 2006 report, ‘Marketing Georgian Wine’ (USAID contract AFP-1-00-04-00004-00, TO#3 – dated December 15, 2006 – (http://pdf.usaid.gov/pdf_docs/PNADL552.pdf), we addressed several adjustments that the Georgian wine industry needed to enact in order to successfully diversify its markets and replace its dependence on a single market, to a globally market that required different products, labels, pricing, and higher standards of quality control. With this trip, I returned to many of the wineries that I had visited in 2006 and 2008. At these wineries, I was pleasantly surprised by the degree of change and the competitiveness that the wineries had achieved in all areas in a short period of time.

With the visit of the OS team in the fall of 2011, we were able to accomplish a high-level visit that could not have been accomplished without the foundation laid by earlier USAID and wine industry of Georgia efforts.

In earlier efforts, we were not able to attract the interest of the leading wine experts in the U.S. as Georgia remained an unknown factor in the global wine spectrum and the time and attention of the experts was focused on traditional wine-producing regions around the world. The visibility and credibility achieved through the earlier efforts that were accomplished with Exclusive Brands International (EBI), Georgian Wine House, Daqopa, Click Distribution, and Whole Foods Markets coupled with the pioneering work of individuals like Chris Terrell and the endless work of Georgian faithful like Mamuka Tsereteli, have raised the level of awareness of Georgian wines to the point where the pillars of the industry were willing to invest a week of their valuable time to explore Georgia and add their input, insight, and efforts to expanding Georgian wine and Georgian wine tourism. Each of the individuals on the 2011 OS trip is in high demand as speakers, judges, and consultants for the global wine industry. Therefore, getting them to commit a week of their time to visit Georgia was a tribute to the advances that Georgia has made in the eyes of the global wine experts.

The experts were not disappointed in their time or experience in Georgia; every one of them found the Georgian wine, people, culture, and history to be fascinating. Every one of them

took away memories and ideas that will be with them forever and will be disseminated throughout their network of associates, friends, and those who are influenced by them.

In the reports that follow, each of the OS identifies a minimum of five wines that they feel will be successful in the U.S. market. This opinion is based upon flavor, quality, image, production techniques, and to a certain extent integrity and image of the wine maker and winery. This is an outstanding sign and should provide great confidence to the industry in their ability to achieve success.

DISPERSING OF GEORGIAN WINE MYTHS AND CONCERNS

It is clear that Georgia will not compete with the low-cost producers of wine around the world and that should not be a concern or interest for the Georgian producers or those that support them. However, this does not prevent Georgia from having a significant and profitable market in the U.S. When considering the opportunities for Georgian wines, there are many opinions that have developed over the years from various different perspectives that are not supported by the facts as viewed by the OS experts, including:

Myth – Georgian wines are too sweet for the U.S. market.

Fact – None of the OS found the Georgian wines to be too sweet for the U.S. market. Georgia has many wines that are not classified as sweet wines from both conventional and qvevri production. Each of the OS identified a minimum of wines that they are confident in for the U.S. market.

Interestingly, we did taste some sweet wines and there is a debate among the OS about the potential market for these wines in the U.S. There was dissention in the OS ranks relating to the future of sweet red wines in the U.S. market. Upon returning to the U.S. the debate on the market for sweet red wines continues with the following article providing some support to those who believe that sweet red wines are on the upswing in the U.S.

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/10/05/BUKT1LA7LJ.DTL>

Myth – There is insufficient supply of Georgian wines to supply the U.S. market.

Fact – Georgian wines are not going to be mass marketed in the U.S. However, there is a niche that will support a significant volume of Georgia wines. Even with true success achieved, Georgian wines will not be found at every corner grocery or liquor store; they will have a definite niche among the high-end retailers where the consumers have a better-than-average understanding of wine and an income that places them in a position to buy a wine in the U.S.\$10.00-20.00 range. (The average cost of a bottle of wine in the U.S. is about U.S.\$7.50, however, this is not the target for Georgian wines and there is a significant market in the U.S.\$10.00-20.00 price range). The market for Georgian wines goes far beyond the traditional “Russian markets” and the current supply and supply infrastructure can support the increased market presence. The target markets discussed in this report provide a significant niche for Georgian wines that will be achievable with current and future production volumes.

Nearly every winery that we visited welcomes the chance to expand their export sales immediately, and every one of them is looking to expand their export sales with time and increased capacity of their production. The two that were not in a position to expand their exports are small niche producers with expanding, but limited, production – Pheasants Tears and the Alaverdi Monastery.

Myth - Georgian labels are not attractive or marketable in the U.S. market.

Fact – The Georgian wine labels have westernized significantly since 2006. Every winery in the world must get their labels approved before entering the U.S. market. The wineries are willing to adjust their labels to meet U.S. standards. So as long as the Georgians are willing to adjust their labels to meet the legal and market requirements for the U.S. market, this will not be an issue.

Myth – Georgian wine names are not acceptable in the U.S.

Fact – While some of the varieties and some of the wineries will need to adjust their names to fit the U.S. consumer, many names are marketable as they are, and all of them are adjustable to meet market and regulatory demands. Varieties like Saperavi and *Rkatsiteli* are perceived as being very marketable in the U.S. In fact, *Rkatsiteli* is currently sold in the U.S. from production in the Finger Lakes region of New York State. In that area, they refer to *Rkatsiteli* as “RCat” in order to meet local language conventions and conveniences. Westernization of the image of Georgian wines and varieties is only limited by the imagination of the marketing teams involved.

Myth – Georgian wines are not priced competitively for the U.S. market

Fact – Few of the wines tasted by the OS were considered too expensive for the U.S. market. It is not unusual for a winery to have a few wines in their portfolio which have limited markets due to high prices. However, these high prices are a result of supply and demand. The wineries objective is to sell all of their wine at the highest possible price while building for future business. The price is considered “too high” only when supply at that price point exceeds demand at that price point. We did not find a single producer who said that they had inventory that they could not sell at their stated price. Even when the OS considered the prices were “too high” for the U.S. market the winery often responded with “that is okay, we are sold out” or “we will sell everything domestically or to another market.”

There were sufficient supplies of Georgian wines that sell in the U.S.\$2.75-5.00 range to meet significant U.S. demand at a level significantly higher than is currently exported. An ex-winery price at this level will place the wine in the retail store at the U.S.\$8.50 to \$15.00 price range or the on-premise price range of U.S.\$25.00-45.00 per bottle. Both of these prices are well within the “acceptable price range” for those wines in the U.S. market.

Myth - Current selection of Georgian wines in the U.S. fill the existing market demand.

Fact – Yes, Georgian wines on the U.S. market do fill the current demand for products to be sold through the ethnic Russian and Eastern European stores. However, many of these wines are not representative of the quality that Georgia has to offer to the broader (targeted) market. With success of the Georgian wines outside of the traditional stores, the wines currently on the market will be able to maintain their current markets while other wines, more acceptable to the western consumer, will increase as consumer awareness increases. While the wines sold in the traditional stores can continue their sales, new and different wines will enter the broader market. While the quality and image are different, it is important that the wines sold outside of the traditional markets are somehow designated as different by meeting standards set by and monitored by the GWA. This is particularly critical when

dealing with the qvevri opportunities as a poor qvevri will turn people off on the value and unique aspects of the qvevri and hurt its long-term potential.

OVERALL IMPRESSION OF THE GEORGIAN WINE TOURISM INDUSTRY

The expansion of knowledge of Georgian wine and culture will be a catalyst to the expansion of Georgian tourism and Georgian wine exports. In the case of Georgian wine and tourism, knowledge is King. Without awareness of what Georgia and Georgian wines have to offer both will go undersold. In marketing, the saying “unseen is unsold” is critical in the case of Georgian tourism and Georgian wines. Until people hear about what Georgia has to offer, sales will not result. The OS all believe that both Georgian tourism and Georgian wines have a greater market than is currently being achieved.

It is also believed that the marketing of wine can help increase tourism and increased tourism will increase wine sales. In this case, the chicken sells the egg and the egg sells the chicken. Therefore, the successful increase of tourism numbers will result in increases in wine sales and vice versa.

The offerings of Georgian tourism to the global consumer are significant. However, attracting tourists and meeting their needs and expectations is a challenge which remains to be addressed. The OS agenda did not address tourism from a non-wine perspective, so we cannot address the best way to attract skiers to the Caucasus or sunbathers to the resorts of Batumi or Grigoleti.

The OS members and 2020DC believe that there are countless assets in the Georgian wine industry that can be utilized to attract and service tourists. Below is a list of some of these resources with a brief overview of their possible appeal. Additionally, ideas can be found from a review of the individual reports.

- The *unique heritage and cultural appeal of the wine regions*. The Kakheti region of Georgia offers a safe rural setting which cannot be duplicated in too many countries in the world. In this region, tourists can discover a living history of wine production, as well as a cultural and religious history and current day living.
- Qvevri wine can be a great draw to wine enthusiasts worldwide and the qvevri culture should be utilized as a marketing tool to attract tourists. Wine enthusiasts worldwide will become tourists to Georgia as the story of qvevri production and wine history reach a greater audience. The offering, packaged educational and exploratory wine tours in Georgia, will attract winemakers and wine enthusiasts from around the world. The wine enthusiast is a significant niche market with people who have the resources, time, and interest sufficient to justify the trip to Georgia.
- Religious tourism and tying the wine culture to the history and present day activities of the church would have a broad appeal to religious tourists and wine enthusiasts alike. The Alaverdi Monastery offers a site, culture, and hospitality that don't come from Hollywood or a creative marketers mind, but from a culture and custom that goes back hundreds of years. The Alaverdi Monastery does not exist for tourist purposes; it exists because of the culture it is in and this is appealing to people.
- Tsinandali Estate – this national resource is underdeveloped and underutilized to achieve its potential. The facility could be a wine and cultural center with displays, education, meals, and lodging to attract tourists and educate people in Georgian wine, culture, tourism, religion, and tradition.

- The old wines at Tsinandali Estate could be utilized to attract wine experts and connoisseurs from around the world utilizing this, and the other old wines owned by the government, to generate interest, knowledge, and exposure to Georgia – wines, culture, and history. Utilizing a few of these bottles to increase visibility would be a great use of an asset which has unknown value, possibly none or millions, would be a logical and justified investment. Annually selling a few bottles of this wine would create a buzz in the wine industry that would draw great attention to the region. The possibility of a buyer drinking ancient wines will be very attractive and very visible to the wine world while not depleting or significantly impacting the existing inventories.

These are just a few of the areas of interest and appeal. You will find more specific comments in each of the OS reports.

ISSUES WITH THE TOURISM INDUSTRY

2020DC is typically not a fan of the “cluster” concept of economic development that is discussed in Michael Porter’s many books and articles. We believe that in most industries, the cluster is the result of a leading company being a pioneer and succeeding and having others form a cluster to duplicate their efforts or in many cases spin out of the leader to start their own businesses. In most economies and industries, the leader of the industry does not want to openly tell others how they succeeded or tell the competition what is required to succeed. They, therefore, join the cluster and the cluster lacks a role model and the only direction that they receive is from outside consultants or government officials.

At 2020DC, we prefer to work with companies in the industry, help them to become the industry leader/role model, and then a cluster will form behind them and build the industry. We believe that the “cluster” is the natural result of the industry growth which starts with a pioneering, entrepreneurial company taking the lead, and others following in its footsteps. In the Georgian wine and tourism industry, Schuchmann, a great role model, and Chateau Mukhrani are rapidly following and will soon be creating a cluster of their own based upon their success.

Despite our focus on developing an industry leader, we understand that in tourism, a cluster is essential. The most beautiful tourist development will fail if there is not a cluster of private and public infrastructure, support, and ultimately competition to support it. For example, the Schuchmann Wine Chateau is a beautiful facility that includes eight guest rooms. A larger facility is possible with the resources of the winery. However, with current demand, it is not prudent for them to offer more rooms. A facility with 30 to 40 rooms would not be supported given the current tourism conditions. No matter how nice the single facility is, there has to be a draw to the area; restaurants, transportation options, English-speaking services, signs that are readable by English speakers, and acceptance of standard international credit cards – even Schuchmann does not accept American Express. Without a cluster and infrastructure to support it, a larger facility at Schuchmann or other local facilities would have a difficult time succeeding.

Georgia lacks the infrastructure for most tourist activities to succeed. As one OS visitor pointed out, without “dependable hot water, brewed coffee and reliable internet services” and “Restaurants being few and far between” tourism success is going to be difficult.

This lack of infrastructure is not to say that Georgia does not have an appeal or opportunity for international tourists; it simply means that efforts need to focus on targeted tourists that meet the profile of what Georgia has to offer currently. Therefore, it is important that those involved with developing, marketing, and supporting the Georgian tour industry identify who

they consider to be the “target” tourists to visit Georgia. It is believed by all of the OS that the wine industry “Geek” and enthusiast coupled with other agro and religious tourism would provide a sufficient base to “attract inquisitive and tolerant tourists” for significant tourism revenue. The growth of the industry and revenue achieved from these tourists will allow for further expansion to a wider target audience. Utilizing these targeted audiences, which are more adventurous than most tourists who are looking for luxury and relaxation, Georgia will be able to develop a tourism cluster, and individuals and the industry will succeed.

There are a number of specific recommendations in the OS reports which address ideas on developing tourism. We will highlight some of the ideas we find to be most attractive and provide the greatest return on investment for the government and private sector.

SPECIFIC RECOMMENDATIONS FOR THE WINE INDUSTRY

Throughout the reports from the OS, a number of specific recommendations for the advancement of the Georgian wine industry will be proposed. Development of the wine industry will, in turn, positively impact the tourism industry. Rather than paraphrase the suggestions of the OS, we simply add them and summarize them below with commentary with conclusions that tie all of the recommendations together. Many of these ideas are universal among the OS and 2020DC and, therefore, in many cases, we do not give credit to individuals.

CREATE A “BRAND GEORGIA” PROGRAM

Outside of the diaspora population from Georgia, traditional Russian or Eastern European grocery stores or specialty shops, Georgian wines remain relatively unknown in the U.S. Past efforts to expand markets in the U.S. have been successful at building a beachhead to expand sales. However, further work in promoting “Georgia” as an origin for wine is required. The industry has gained significant ground in popularity since the end of Russian imports in 2006 and many wine experts are beginning to follow Georgian wine activities, with many focused on the qvevri wines, which are unique to Georgia or have their roots back to Georgia.

It is important that Georgia build a brand image for wines that creates an image in the consumers’ mind that is in line with the reality, unique and positive elements of the Georgian wine industry. This concept was covered in the 2006 report for USAID by 2020DC and it remains a factor today despite significant success in consumer familiarity with Georgian wines. Despite past efforts, most Americans remain unfamiliar with Georgia as a country, not to mention as an origin for quality wine. Therefore, the work on creating a brand for Georgia needs to go beyond wine to the country as a whole. A marketing campaign for “Georgia” will promote both wine and tourism and the synergy between the two.

It is, therefore, recommended that the efforts to promote Georgian wine or tourism be coupled and coordinated with marketing Georgia as a whole. The wine and tourism efforts need to be tied to efforts to promote investment in the tourism and winery industry. We recommend the establishment of Georgian wine ambassadors; these ambassadors would be of the greatest value if they are supported by investment and tourism experts.

It is important that the wines exported to the U.S., with the recognition of the GWA, meet certain standards to ensure that consumers can have a given level of confidence when they buy any Georgian wine. One bad exporter can hurt all of the Georgian wine industry.

WINE AMBASSADOR PROGRAM

To develop an image for Georgian wines in the U.S. market, it is the universal opinion of the OS that a "Wine Ambassador" program be established. This program as envisioned by the OS members would include the following features:

- A team of ambassadors who can prophesize about Georgian wine, Georgian tourism, and Georgian investment opportunities.
- The ambassadors would be trained by the Masters of Wine on how to best promote Georgian wine at various events.
- The ambassadors would submit a request to represent Georgia at a given event and the ambassador administrator would approve their participation and budget for given events.
- The tourism and investment specialists would be retained to support all other ambassadors when appropriate.
- These ambassadors should not have an alternative motive in the promotion of Georgian wine. In other words, they should not be tied to a specific winery or profit from a single winery's sales into the market.
- They should be versed in Georgian wine, culture, history, qvevri, politics, and investment opportunities.

These ambassadors would attend various wine, wine education, and marketing opportunities throughout the U.S. on behalf of the Georgian wine industry. Further details on how this program would work are detailed below.

MAXIMIZE THE RETURNS OF QVEVRI WINE

Joel Butler, one of the WM on our trip and President of the Institute of Masters of Wine North America, stated in his report that qvevri wines can be the key hook to drive curiosity about Georgia's wine and ancient history, including wine traditions...Qvevri wines are a national treasure that should be promoted in the same manner as Sake and Kabuki are in Japan... Qvevri wines need to be promoted to high end, adventurous restaurants and stores only, where the consumer's knowledge is assumed to be higher regarding wine, and they often are more willing to try something completely new."

This sentiment accurately represents the overall opinion of all the OS members.

A key challenge to the success of the Georgian wine industry is to capitalize upon this unique asset. It was agreed by the OS members that some official, GWA-recognized, designation needs to be associated with the wine that meets an established standard of qvevri as established and affirmed by the GWA members and possibly by the Government of Georgia. This designation can take the form of a seal, label, wax seal, or custom bottle design that is unique and internationally registered to designate that the wine is from Georgia and is produced in a style and format that meets the standards set by the GWA for qvevri wine.

This can be a voluntary certification that wineries apply for in order to receive the designation; just as fair-trade producers or organic producers apply to call their products fair-trade or organic. The marketing behind what the mark means is critical so that the

consumer, at least the educated consumer, understands the difference between wine with this designation and wine that claims to be qvevri but is not designated with this mark/seal.

It is the opinion of 2020DC that the custom-molded bottle would be the best way to proceed. By using a bottle that is designed specifically to designate qvevri, you accomplish the following:

- A clear and easily identifiable designation of GWA-approved qvevri wine.
- By working with a custom bottle, it will be near impossible, or at a minimum very expensive, to counterfeit the bottle to capitalize upon the quality and image of the authentic qvevri.
- The synergy of all certified qvevri producers would allow for negotiations with the bottle manufacturer, logistics companies, and others tied to the cost of the bottle, thus allowing for economies of scale for all members while maintaining uniformity and quality.

It is important that the bottle not be “too unique” as to be a novelty that discourages sales or cheapens the image. It must be remembered that the bottle needs to fit on the standard shelf and while being unique it must not be so different that it does not find a space on the retail shelf as it will not sell. Also, it is important to remember that many of the qvevri sales will be through on-premise facilities and, therefore, the bottle is not going to “sell” the product but simply be a “seal of quality and standards” which will be recognized by the sommeliers and experts.

It is also important that the exporters maintain a price premium for the qvevri wines. This price needs to reflect supply and demand considerations for qvevri and not be priced out of the market; it should be priced high enough to be a premium over “conventional” wines from Georgia and other origins. It is important that the exporters keep in mind that the average retail cost of a bottle of wine in the U.S. is around U.S.\$7.50 per bottle with most “average educated” wine consumers purchasing the majority of their wine in the range of U.S.\$10.00-18.00 per bottle. It is also important to point out that as a rule of thumb, the retail price in the U.S. is going to be roughly three times the ex-winery price in Georgia. Therefore, a U.S.\$5.00 ex-winery price per bottle will hit the U.S. shelves between U.S.\$15.00 and U.S.\$18.00 per bottle. Wine by the glass on-premise typically ranges from U.S.\$6.00 per glass to a high of U.S.\$15.00 per glass, with five to six glasses per bottle. Also, keep in mind that restaurants will only open bottles of wines to sell by the glass for wines that they are confident they can sell within two days. Therefore, significant demand is required

DEVELOP A PROFESSIONALLY-PRODUCED VIDEO FEATURING GEORGIAN WINE AND TOURIST SITES AND INVESTMENT OPPORTUNITIES

A professionally-produced video documentary showing Georgian wine history (Ikalto Monastery to Tsinandali Palace), culture (Supra), winemaking (qvevri, traditional, and home production), and opportunities (investment) should be produced and distributed through appropriate channels, venues, and events. This educational documentary would help improve the visibility of Georgia and help drive wine sales and tourism. Further details on this program can be found below.

UTILIZATION OF THE INTERNET

The Georgian wine industry through the GWA and the Georgian Incoming Tour Operators' Association must develop a portal for Georgian wine education, marketing, and tourism

planning. This site should be done in “correct English” (British or American is okay but it must use correct spelling, grammar, and usage.)

The site should be developed as a “peel-able onion” with many layers allowing the visitor to start on the surface and to dig (peel) as deep as they want to go. It should cover at a minimum the following:

- Link to the English websites of all members of the GWA and Georgian Incoming Tour Operators’ Association
- Provide the playable and downloadable version of the video discussed above
- Provide podcasts of significant wine tastings, internet tastings, and videos showing various tourist destinations.
- Links to articles written on Georgian wine and tourism – a depository of articles (in PDF format) ranging from tasting reviews to scientific studies. This site can also be utilized as a reference for winemakers and others involved with the Georgian wine industry.
- History and details on qvevri and the qvevri standards recognized as discussed above.
- Maps and PDF files of wineries, monasteries, and other documents.
- Tour guide with maps, photos, consumer reviews, and links to appropriate sites.

Today’s consumers research travel destinations via the internet. In fact, many people can “travel” to Georgia without leaving the comfort of their homes with a good graphically-based website. Without a focused, well written and maintained English website, Georgian tourism and Georgian wine sales are severely limited compared to their competitors. The OS members would be an ideal group to help develop and edit the site to properly address the target audiences with the right level of sophistication and understanding of the situation and how to appeal to the target audience.

DEVELOP A WINE DEPOT IN THE U.S.

All of the promotion and public relations efforts in the world are not going to increase sales if the product is not available to the consumers. Therefore, it is critical that an outlet for Georgian wines be established in the U.S. The demand for Georgian wine is going to be geographically-spotty and, therefore, dependence on “local” inventories and sales is going to limit the success of the marketing efforts.

Establishment of a Georgian Wine “Depot” where wine from all of the key wineries exporting (and new ones) can be kept for delivery direct to customers, as samples to trade and press, as a ‘library’ for a Georgian wine ambassador to pull wines from for programs, meetings, dinners, etc. It will be important that these inventories be in a facility that allows for Direct to Consumer’ sales and shipments, as well as shipments to sub-distributors and on-premise buyers.

At 2020DC, we have a saying, “unseen is unsold”. In the case of Georgian wine, it is “unavailable is unsold”. It is important that Georgia overcome the fact that very few of the wines the OS identified as marketable in the U.S. are unavailable in the U.S. Two of the individual OS that were on the trip are in a position to import and distribute the wine – one via web-based direct to consumers, and the other through traditional wholesale distribution channels to consumers and on-premise buyers. If a Georgian wine depot is established that

has inventory available for just-in-time delivery, these individuals will be able to service the demand that is developed by the wine ambassadors and other marketing efforts.

ROAD TRIP OF SELECTED PRODUCERS TO VISIT U.S. MARKET

A "Road trip" by a selected group of producers to visit the U.S. on an annual basis to hold seminars or wine tastings to familiarize consumers and the trade with Georgian wines would be a valuable tool for developing a Georgian wine brand. During these trips, it would also be helpful if the individuals meet with distributors in various markets that can help them develop distribution in local markets.

This effort could include a "supra" experience in various cities with targeted guests that are wine, culture, tour, and investment influencers and decision makers. Top targeted cities for this effort would include New York, Chicago, Los Angeles, San Francisco, Miami, Seattle, and Dallas. Similar high-impact events can be sponsored through such organizations as the Institute of Masters of Wine, Society of Wine Educators, and others.

The GWA and brand owners should look to attract investments in Georgian wine. These could be direct investments, such as we observed at Schuchmann Winery or joint ventures with major producers in other countries, whereby Georgian wineries will have access to funds, expertise and established international distribution organizations. For this reason, we suggest that the wine ambassadors be supported by an investment expert that works with appropriate agencies and organizations in Georgia to develop investment briefs and coordinate efforts with the wine ambassadors and tourism expert.

FOCUS ON ON-SITE SALES

While qvevri offers a chance to develop a 'Georgian Signature' wine, the OS believe that the sales of modern-style wines should be the primary goal of Georgia's importers, with special regard for medium- to high-end restaurants, which are not ethnically tied to Georgia. Particularly for wine by the glass programs, these can be a great opening for restaurants, as long as the education is provided, the wines are fresh, and supply lines maintained. The wine ambassador role would be very helpful to these distributors, in being able to work with and discuss Georgian wines in the wider context, as well as regarding the specifics of distributor's wines. Working with distributors in that capacity to do staff training and tastings (as someone with "third-party credibility") would also be a key role for an ambassador in the context of marketing these wines.

We recommend on-site sales because educating sommeliers is easier and less expensive per unit sold than educating end consumers. The sommeliers are the initial consumers who will not only show a solid interest in exploring Georgian wine but they are also the same group that will most likely travel to Georgia. Tapping into the sommeliers network will be important and productive for the project. Marketing that is targeted to "end consumers" is costly as the competition at the retail store is severe, while getting the interest of sommeliers is going to be an easy sell given all of the factors involved with Georgian wine. The sommeliers are the target market for Georgian wine and Georgian tourism. These individuals have the profile of people who dedicate considerable time and effort to knowing the wine industry. Georgia has a great story to tell them and the excitement generated by the OS and the individuals attending the qvevri seminar will stimulate demand for more knowledge, experience, travel, and wine sales. Rebecca Murphy was one of the OS who travels to Europe, and as one of the first female sommeliers, is renowned within the sommeliers community and could be utilized as a great asset for Georgian wine and tourism.

FOCUS ON ONE OR TWO VARIETIES TO MAKE THEM THE “SIGNATURE” WINE OF GEORGIA

Each of the OS identified wines that they felt were superior and wines that they feel are marketable in the U.S. market. With the hundreds of grape varieties available, it is important that Georgia find a “signature wine” beyond the qvevri so that the “average” consumer has a Georgian wine that they can consume and learn to love. This concept also gives the retailer a focused slot to fill on the retail shelves, rather than a range of products too large for them to comprehend or market.

STANDARDS

Image and price sell wine the first time a consumer buys it. Quality sells it the second time. When consumers enjoy a wine, they often tell their friends and then the volume snowballs as more people are referred to the wine. Likewise, if the consumer doesn’t like the wine, not only will they not buy it (or others from the region) but they often tell their friends and again the snowball builds, but in this time in a negative direction. Therefore, it is important to foster positive results with the first and every bottle of wine. In the early stages of building the Georgian wine brand, a bad experience impacts the image of all Georgian wines. If a consumer, end-user, or sommeliers have a bad experience with Georgian wines, the chance of them buying more Georgian wines in the future is not very high.

To ensure that the first bottle of wine someone tries from Georgia is a good wine, it is important that the GWA, Government of Georgia, and the wineries themselves work hard to ensure that all wines sold in the U.S. market are up to the standards acceptable to the American consumer, and conform to the standard of identity of the varietal with standards set and maintained internally in Georgia, with the confidence of those outside of Georgia. We recommend a panel of experts be established to assist in designing and monitoring these standards. This should be some of the OS individuals and perhaps some of those on the Qvevri Symposium trip. This should not be just a panel of the wineries or individuals who have a stake in the success of individual wines.

Since my first visit to Georgia in 2006, the quality of the wines has improved significantly and the characteristics of wines between wineries has moved together so that the wines are now identifiable as the same variety and same production type from different wineries. However, there remains work to be done to ensure that the wines sold in the U.S. are to a quality standard that is representative of Georgian wine producers.

It is important that standards be developed and quality monitored to avoid shipments of sub-par wines to the U.S. market. The GWA should be the avenue for the industry for establishing and enforcing these standards. While qvevri is important, we trust that standard wines can also receive the attention of the GWA to ensure quality. A seal of approval by the GWA on export wines can be something that becomes recognizable by the wine expert and wine buyer.

While a government-enforced standard would be ideal, a voluntary industry-enforced standard can be established. A “Seal of Georgian Quality” can be issued to wines that meet the standard. This “seal of quality” would allow the wine buyers to have confidence in the quality of any Georgian wine with this designation. Education must accompany this “seal of quality.” This education will be done effectively by the wine ambassadors, importers, and distributors who carry wines with this seal.

SPECIFIC RECOMMENDATIONS FOR THE WINE TOURISM INDUSTRY

The success of tourism marketing efforts in Georgia will depend upon how accurately the effort profiles and targets the tourists that will visit Georgia. It is the recommendation of 2020DC that a profile of the target tourist for Georgia be discussed within the industry and documented so that everyone can be on the same page in their marketing efforts. With a clearly-defined target audience, it will be much easier to develop a strategy for attracting this customer.

The OS were not assigned the task to identify the targeted consumer; however, they firmly believe that the profile of the targeted Georgian tourist should include such adjectives or characteristics as follows:

Wine Industry Tourist	Adventure Tourists	Cultural Tourist
Wine geek	Agro-tourist	Religious tourist
Hobby winemaker	Adventure traveler	Religious historian
Wine enthusiast	Ecotourist	Culinary tourist
Wine educator	Youthful tourist	Musical tourist/historian
Natural winemaker		Cultural educator
Wine historian		Academics
Progressive and postmodern winemakers		
Sommeliers		

The tourist that travels to Georgia will be looking for “something different” to what they get in other destinations. Therefore, it is important that the Georgian tourism industry focus on answering the questions “why in the world would anyone want to travel to Georgia over all the other places that they can choose from?”

It is also important that the industry understand why a tourist would not choose Georgia as their next destination. By understanding why a tourist would not choose Georgia, the issue can either be corrected or the understanding can be utilized to help define the targeted audience and, therefore, the targeted marketing. For example, the following elements are reasons why a tourist would not want to travel to Georgia:

- Seeking luxury experiences and star treatment

- Too far to travel
- Unknown risks and opportunities
- Other places higher on their “bucket list”
- Unfamiliar with the culture, language, and history
- Unknown risk associated with relationship with Russia
- Unknown health risks (see malaria comment below)

Most travelers from the U.S. will consult the U.S. Department of State and the Center for Disease Control (CDC) prior to taking an international trip. The fact that Georgia is listed on the CDC site as a potential source for malaria is going to discourage several travelers from including Georgia on their plans. This is the information currently on the site:

Areas of Georgia with malaria: Present June–October in the southeastern part of the country near the Azerbaijan border, mainly in the Kakheti and Kvemo Kartli regions. None in Tbilisi. (more information)
<http://wwwnc.cdc.gov/travel/destinations/georgia.htm>

Efforts should be made to mitigate the impact of this statement. If it cannot be addressed directly through CDC, then at a minimum a statement on the Georgian tourism and Wine Association sites should address this issue to reduce the concerns of potential visitors.

PRODUCE AND PUBLISH A GEORGIAN TOURISM VIDEO WITH FOCUS ON THE WINE INDUSTRY, RELIGION, HISTORY, AND CULTURE.

This is identical to the recommendation made above. A video should be developed that covers many of the tourist sites – with consideration and focus on the targeted tourist. This video should be distributed through the following channels:

- Georgian Incoming Tour Operators’ Association website
- Georgian Wine Association website
- Every individual winery, hotel, and tourist site’s website
- YouTube and Vimeo
- College campuses
- Wine events
- Tourism events
- Food events
- The Opinion Shapers and Qvevri Symposium attendees

The Georgian wine ambassador program would be able to present this video at various appropriate venues and events.

OPINION SHAPER TOURS

The OS tour that was conducted for the wine industry should be duplicated for the tourism industry with people influential in the tourism industry. This tour should include tour operators, journalists, TV celebrities, and authors. An official invitation should go to such OS

in the tourism industry as Rick Steves, Anthony Bourdain, Adam Rickman, and Andrew Zimmern.

An effort should be undertaken to get Georgia on the Amazing Race. This reality TV show would create great visibility to Georgia with viewership often exceeding ten million viewers, many of whom would fit the profile of the targeted tourist for Georgia pretty well. In this show, there are challenges which often tie to local culture and traditions. In Georgia, the “challenge” could relate to such things as crushing grapes, stirring the qvevri, or eating all the food at a Georgian Supra! There could also be a challenge of finding the Alaverdi Monastery. This would expose people to Georgian country, people, wine, and culture and would have a major impact on Georgian tourism.

Other groups that should be invited to Georgia as OS would include celebrity chefs, sommeliers, and expanding beyond the wine production areas, Georgia could attract skiing celebrities and filmmakers.

Caveat – it is important that the tours include true OS not just people interested in visiting Georgia or friends of the group recruiting for the project. In the past, AgVantage included journalists and influencers on an OS-type trip into Georgia. However, the individuals were not of a level sufficient to generate any real interest or support for Georgia.

EXPLORE FILMMAKING OPPORTUNITIES

The rural countryside of Georgia, with pastoral scenes of traditional agriculture, the Caucasus Mountains and other beautiful scenery coupled with low wages, nonexistent film unions and beautiful people, lends Georgia to be a great low-cost production site for a wide range of movie sets.

DEVELOPMENT OF SKILLS AND SERVICES FOR GEORGIAN TOURIST DESTINATIONS

The tourist destinations in Georgia are weak in some key areas of service necessary to support growing tourists from developed economies like the U.S. and Europe. The OS on this trip are an experienced group of travelers with all of them traveling the world to explore wine, judge wine, and develop stories to write about wine and wine tourism. Therefore, they have insight into what other regions/countries do to promote wine tourism. While the volume of tourists may not support huge investments, attention to the small details to support those tourists that do venture to Georgia should be given.

The following suggestions were submitted by the OS team:

- Available hot water for showers – many of the hotels we stayed at did not have sufficient hot water systems to provide a hot shower in the morning.
- Instant coffee is not a coffee of choice by most Americans. Hot brewed coffee is almost a must for most Americans traveling and something they expect to get from their hotels.
- Acceptance of credit cards, including American Express – even Schuchmann did not accept American Express which is a preferred travel card for the experienced American traveler.
- Free internet or at least accessible internet – again many hotels did not have reliable internet and even the Marriott had it but charged a significant fee for access.

- Servers who speak English and know how to present the wines they serve
- Road signs in English
- A “wine region map” with key, and descriptions in English
- Shipping boxes for shipping wine back to the states – this would not be necessary if an inventory is established in the U.S. and a relationship is established with a group like TheWineHub.com as products would be available in the U.S. from the key wineries. However, until that is established, having wine shippers could be a profit center, while providing better service to visitors.

Training can be done at various levels of the tourism chain to improve these services.

DEVELOP TOURISM ITINERARIES TO FOCUS ON VARIOUS INTERESTS

The Georgian Wine Association in cooperation with the Georgian Incoming Tour Operators' Association should develop sample itineraries for visiting Georgia. This should include tours specifically designed for each of the target visitors. These itineraries should be posted on all available sites, including those for the hotels, wineries, tour groups, airlines, etc., and should be printed and available at all tourist locations.

A video of the designed tours should be produced and be made available through various channels.

Care should also be taken to develop the itinerary to include landmarks or road signs which will help the tourist find the locations on the tour/map. The publication and distribution of these documents and videos can be paid for by service providers ranging from airlines serving Georgia to banks, travel agencies, hotels, wineries, and tour guides.

UNDERLYING AND CROSSCUTTING EFFORTS AND RECOMMENDATIONS

Underlying to each of the issues discussed above is the fact that Georgia needs to advance its visibility in the mind of the wine buyer and the tourist. This can be done through a number of ways. However, it is the unanimous opinion of the OS that this need not be done with a large marketing budget but done through a grassroots effort. During the tour, the individuals talked at length about how to move forward with a cost efficient marketing effort.

The wine, tourism and investment ambassadors' concept is complex and difficult to write in a single paper. However, readers familiar with the objectives of development in Georgia and marketing concepts through the use of a spokesman, will be able to draw upon other pieces of the program that are not included in this paper to understand the value and concept discussed.

The basic concept of the Georgian wine ambassador program is to utilize OS in the U.S. and around the world to prophesize the story of Georgian wine, tourism, and investment opportunities. Let the individuals who have a large sphere of influence in the wine and tourism industry utilize that sphere of influence to promote Georgia. The OS trip and the visitors to the Qvevri Symposium have attracted a significant group of influencers from around the world. Each of these individuals could be trained, empowered, and motivated to promote Georgia to the world.

These individuals would represent Georgian interests at events ranging from wine tasting events to tour tradeshows, blogging conferences, and investment conferences. Some prophesizing will occur as a natural and intended result to the past trips. However, continued and focused efforts will need coordination, support, information, and motivation.

In our 2006 report, we talk about having an individual represent the Georgian wine industry. While this would be effective, we now believe that with the current base of influencers, many voices are louder and more influential than one. We believe that the funds and efforts necessary to support an industry spokesperson will be better spent to have multiple voices singing the praises and opportunities of Georgian wine, tourism, and culture. By working with the individuals from the OS tour and the Qvevri Symposium, rather than a single individual, you accomplish the following:

- Leverage several individuals, each with different spheres of influence and different experiences.
- Avoid downtime by paying only for services that are provided.
- Get wider exposure by allowing different individuals to represent the Georgian interests in multiple locations at the same time.
- Avoid excessive and unnecessary travel expenses – the ambassadors would be attending a wide range of events on their own, so there would be no reason for Georgia to pay fully for their travel, time, and expenses that are not directly associated with their ambassadorship efforts.
- Avoid conflict of interests – many individuals who have expressed an interest in this role in the past have direct ties to specific wineries and would be in essence double-dipping; making a profit on the ambassador program and the sale of their specific wine. Also, with ties to a specific winery, the ambassador would have a difficult time representing all of the industry fairly.
- Leverage resources of printed materials, videos, and websites between ambassadors in different locations and activities.

These individuals would be most effective if they were either empowered to support all three aspects: tourism, wine, and investment. However, they can be complemented by outside specialists and support. For wine, there are now dozens of individuals who could work as an ambassador; for tourism and investment, individuals can be identified and coordinated with the other ambassadors.

It is suggested that the ambassador program be complemented with one or two specialists in the area of investment and tourism. These specialists could work under part-time contracts to provide the ambassadors with materials and support to help promote tourism and investment along with wine.

While promoting Georgian wine and tourism, the ambassadors should also promote investment opportunities. Therefore, the ambassadors should be provided with training and materials to open the door for investment opportunities and have an avenue to refer these opportunities to others for direct follow-up.

USAID Tour of Georgian Wine Industry, September 17-24, 2011

Itinerary as Actualized

Organized by Jim Krigbaum, Chief Executive Officer, 2020DC, Jim@2020DC.com, www.2020DC.com, +1-425-882-2793

Saturday

- Met by Levan Davitashvili, Levan@2020DC.com
- Dinner with group at Mirzaani Brewery in Tbilisi

Sunday

- Drove to Kakheti region, lunch at Twins Winery with Qvevri Symposium group. Owners are two brothers, Gela and Gia Gamtkitsulashvili
- Visited 16th Century Gremi Citadel and Church
- Drove to Khareba Estate, formal international wine tasting of qvevri wines of Georgian and other European producers, and other Georgian varietal wines. Feast lead by toastmaster, John Wurdeman (Pheasant's Tears), live traditional music and dancing

Monday

- Visited Telavi Wine Cellar, (<http://marani.co/>), meeting with owner, Zurab Ramazashvili
- Tour of 6th Century Ikalto Monastery and 11th Century Ikalto Wine Academy
- Visited Kakhuri Winery (<http://www.kakhuri.com>), winery tour and tasting, meeting with the company director, Zura Goletiani
- Traditional Georgian Supra hosted by Kakhuri Winery

Tuesday

- Visited Alaverdi Monastery and 11th Century wine cellar, meeting with Archbishop David Alaverdeli
- Walked through Signagi town with John Wurdeman
- Visited Pheasant's Tears (<http://www.pheasantstears.com>), vineyard tour, qvevri wine tasting and traditional Georgian supra, discussion of East and West Georgia folk music, Svan songs, Zedashe songs, Georgian rugs

Wednesday

- Visited Tsinandali Palace (www.tsinandali.com) art museum and wine cellar containing 16,500 bottles (1841 – 1929)
- Tasted wine with David Maisuradze, consulting winemaker for Wine Man and Maisuradze Winery

- Visited Mildiani winery, tour and wine tasting, meeting with winery owners and winemaker, Goga
- Visited Schuchmann Wines Georgia/Vinoterra (<http://www.schuchmann-wines.com>), winery tour, wine tasting, and meeting with owner and winemaker, Giorgi Dakishvili (-Gogi")
- Traditional Georgian feast, party together with German GVI group

Thursday

- Meeting with EPI representatives
- Visited National Museum of Georgia and special exhibition of wine-related artifacts, meeting with scientists (wine historians and archeologists) of the museum
- Visited Chateau Mukhrani winery (<http://www.mukhrani.com/>), winery tour, wine tasting, and meeting with company management: Jacques Fleury, Director; Lado Uzunashvili, winemaker; Irakli Talakhadze, Commercial Director
- Visited Dzalisa archaeological site nearby with mosaic of Marriage of Dionysus and Ariadne. Toured Dionysian bath and temple excavation

Friday

- Joined by Tina Kezeli, Executive Director of Georgian Wine Association (www.gwa.ge)
- Meeting with Ia Tabagari of Georgian Incoming Tour Operators' Association (www.gitoea.ge)
- MW presentation at Tbilvino Winery. Meeting with Monika Gorzelanska, USAID
- Toured Tbilvino Winery facility with Giorgi Margvelashvili, Tbilvino President and Tamar Metreveli, Marketing Director - tasted soft, inexpensive qvevri wine. Tasting with Michael Kabilnitsky, Corus Imports based in Connecticut www.corus-us.com
- Visited Bagrationi Sparkling wine producing company (<http://www.bagrationi.ge/>), tour, wine tasting with George Ramishvili, General Director and influential Georgian Wine Association Board Member, and Hilarius Pütz, Chief Wine and Vineyard Specialist
- Dinner hosted by Bagrationi company

Saturday

- Visited Sarajishvili historical wine brandy producing company (<http://www.sarajishvili.ge>), tour and tasting of brandy with Chief Technologist, David Abzianidze

Suggestions for future trip:

- Khareba winery in old tunnel for aging wine (Kvareli, Kakheti region) <http://www.winerykhareba.com/>
- Nekresi 6th century Monastery and winery
- Bodbe Monastery, near Signagi

- Signagi Museum
- Mtskheta (ancient Georgian town), visit to the National Center for Grapevine and Fruit Tress Planting Material Propagation (Saguramo experimental wine collection center), Svetitskhoveli Church, short city tour
- Toured distillery at Sarajishvili
- Racha area for vineyards and scenery
- Shumi Winery
- Further exploration of Georgian National Museum for archaeological reasons
- Visited vineyards in Guria, Adjara, Imereti, and Samegrelo—the rest of the country

B. PETER KOFF'S REPORT

OVERALL IMPRESSION OF THE GEORGIAN WINE INDUSTRY

The Georgian wine industry is in a period of rapid change in the post-Soviet era. Old vineyards are being rehabilitated and replanted, new vineyards are being developed. There is similar activity on the production side to modernize facilities and develop new operations. Just in our short time in Georgia, we saw evidence of vineyard and winery investment from Georgian, French, German, Russian and U.S. sources, some of them substantial. The industry is very awake to its need to capitalize on its strengths to produce the quality and styles of wines demanded across the world, and to move away from the standardized Soviet-era production paradigm, aimed to a great degree at producing large volumes at low cost with low regard for quality.

Georgia has a long wine history, knowledge, expertise, and importantly, a corresponding wine culture. Georgia has quality wine grape varieties that whilst generally not well known in much of the consuming world, have the ability to make fine wines at key consumer price points that are viable to producers. There is no long-term structural impediment to Georgia's wine industry taking its place amongst those of the established wine world. The transition to a modern, quality-oriented industry in Georgia is not difficult outside of two important considerations, a) investments across the industry spectrum and b) the need to develop new markets. These two considerations are linked as investments will be made in direct proportion to the perceived economic opportunity. Effectively, what is required is to introduce a "new" wine producing country to the world, a world that has no shortage of excellent wines, correctly priced, packaged, and marketed and not requiring consumers to learn new grape varieties and new areas of production, complicated by words that are difficult to spell and pronounce. Can this be done? Yes, but it will take time, effort, and resources. Success in the U.S. wine market is a great and achievable goal. The time needed to achieve this will not be insubstantial; sound marketing investments will shorten this process.

OPINION OF OPPORTUNITIES FOR CONVENTIONAL WINE

Conventional wine refers to wines not made in the traditional qvevri. Conventional Georgian wines, both white and red, are being made in a range of styles and can satisfy consumers at viable price points. Some Georgian wines, though not all, currently on sale in the U.S., are old, not carefully selected, and are not positive for the image of Georgian wine. These should be removed from the market, one way or another, as soon as possible. New imports must be the youngest and freshest wines available, particularly at entry-level price points. It is a crowded field but given hard work, patience, commitment, and marketing investment, success is achievable.

OPINION OF OPPORTUNITIES FOR QVEVRI WINE

Qvevri wines, as we saw them in Georgia, generally embrace the traditional, artisanal winemaking practices of the past, informed and updated in the context of current knowledge, wine hygiene, and consumer demands. Qvevri wines are an important departure from the norm and represent a unique value proposition. Initially, they will appeal largely to wine cognoscenti, meaning that demand may be enthusiastic but will be limited. Price points will, out of necessity, be higher but will be achievable due to a combination of product quality,

uniqueness, and comparative pricing of other “amphora” wines. Down the road, given adherence to sensible price points and being careful not to depart too far from known customer style preferences, more main stream support will be achieved.

This reviewer believes that both conventional and traditional wines must be marketed at the same time – the money will come from the volumes of conventional wine, but the interest in Georgian wines will be fueled both ways.

OPINION OF OPPORTUNITIES FOR WINE TOURISM

In a region with such an extensive wine history and culture, wine and food will be an important component of tourism. From our limited view of tourism opportunities, it may be fair to say that, outside of Tbilisi, tourist infrastructure needs to be developed. We visited the Schuchmann Winery, which offers modern accommodation, a restaurant, winery visits, and wine tasting. As more such ventures get off the ground, Georgia will develop a critical mass of wine tourism offerings. Given the known offerings of say Italy or France or South Africa, this reviewer does not believe that wine tourism will be a major draw card for some time to come. The quality, styles, and value of Georgian wine available internationally will stimulate interest in Georgian wine tourism, more so than vice versa. More research on this topic is required before this reviewer will feel confident to offer more definitive insights.

TOP FIVE WINES FOR QUALITY

This personal preference must be viewed in the context of the necessarily limited amount of wine we could taste in one week. Also, the wines are viewed not just in outright quality terms, but in terms of quality for the price:

- Alaverdi Monastery, Kakheti Kisi 2010 (qvevri)
- Pheasant’s Tears, Kakheti Rkatsiteli 2010 (qvevri)
- Tbilvino, Kakheti Rkatsiteli 2010 (qvevri) – excellent value
- Marani, Satrapezo Kakheti Saperavi 2009 (qvevri)
- Alaverdi Monastery, Kakheti Saperavi 2010 (qvevri)

TOP FIVE WINES FOR MARKETABILITY IN THE U.S.

- Tbilvino, Kakheti Rkatsiteli 2010 (qvevri) – excellent value
- Marani, Kakheti Kondoli Vineyards Mtsvane – Kisi 2010
- Schuchmann, Kakheti Rkatsiteli 2009
- Kakhuri, Kakheti Rkatsiteli 2010
- Mildiani, Mukuzani Saperavi 2009

There is a growing acceptance of sweet red wines in the U.S. Georgia has been making these styles such as Khvanchkara for generations. Some of these sweet reds should be made available to the U.S. market as famous, traditional, and historically-authentic Georgian wine.

PRESS GENERATED

Series of “Tweets” to go out in October

RECOMMENDATIONS FOR FUTURE ACTIONS

The primary basis for successfully selling Georgian wine in the U.S. is that a critical mass of the most viable wines will be readily available. What this “critical mass” requires a joint exercise between U.S. and Georgian stakeholders. This reviewer makes the following broad recommendations:

- Under the auspices of the GWA, other industry bodies or an affiliated group of wineries select, in conjunction with U.S.-based specialists, a representative and critical mass of products to be made available in the U.S.
- Ideally, importers willing to buy these selected products by the container can be found. More likely, producers will initially be required to bear most of the risk of having products available for sale in the U.S.
- Contract with U.S.-based logistics company or companies for the following services:
 - Act as importer of record
 - Prepare necessary documentation such as COLAs and customs forms to facilitate importation
 - Maintain essential customs bonds and state tax bonds so that wine can be legally sold in the U.S.
 - Ensure federal and state compliance so that wine can legally be sold in the U.S., wherever there is meaningful interest
 - Provide warehousing and product management services
 - In addition, some logistics companies will also provide marketing services:
 - Send wines to publications for rating
 - Present wines to potential wholesalers in selected states
 - Offer wines to larger-volume purchasers: airlines, cruise lines, retail chains, restaurant chains, websites, wine clubs, etc.
 - Provide advice, guidance, and, if required, a home base for visiting Georgian wine industry personnel or a U.S.-based representative of the Georgian wine industry
 - Provide a clearing house for information on Georgian wines and the Georgian wine industry
- Development by Georgian wine industry members of a “Georgian Wine Route” to facilitate quality wine tourism in Georgia. This should be done within the context of broader Georgian tourism to offer the best overall experience to tourists; wine, food, antiquities, Black Sea resorts, etc.

VISIBLE HAND OF ASSISTANCE

This reviewer believes that the fastest path to success for the industry will be a joint effort spearheaded by the GWA or other industry body. The goal is to build “Brand Georgian Wine”

as an umbrella under which individual brand owners can build their brands. This is based on the theory that it will require industry cooperation to develop the initial interest in, and demand for, Georgian wine. Thereafter, brand owners can compete for their share of a growing business interest in Georgian wine.

The following activities are recommended:

- USAID to help develop Georgia as a tourist destination, including a “Wine Route” where tourists can experience hospitality, professional tasting, etc.
- Approach publications such as Robert Parker, Stephen Tanzer, Wine Spectator, not just to review wines but to do extensive write-ups and even visits to Georgia.
- Sponsor a multi-city tour offering, a Georgian wine tasting, and “supra” experience. Cities such as New York, Chicago, Los Angeles, San Francisco, Miami, Seattle, and Dallas could be considered. These events should be by invitation only and addressed mainly to key decision makers, plus a few carefully chosen media professionals. Similar high impact events can be sponsored through such organizations as the Institute of Masters of Wine, Society of Wine Educators, and others.
- The GWA and brand owners should look to attract investments in Georgian wine. These could be direct investments such as observed at Schuchmann Winery or joint ventures with major producers in other countries, whereby Georgian wineries will have access to funds, expertise, and established international distribution organizations.

FUTURE INTENTIONS

- My company would be pleased to offer the logistics and marketing support referred to above and to provide a list of other organizations providing some or all of those services. We will be pleased to offer advice and guidance on the most viable styles and to help with wine selections at the key price points.
- In the next few months, I will become the wine consultant for an online retail venture. There will be opportunities to sell Georgian wine and to write some blogs on Georgia and Georgian wine.
- We can offer insights into how to develop a Georgian wine route and how to integrate it into the broader area of Georgian tourism.

It must be stressed that this reviewer feels strongly that the best and shortest path to success in the U.S. for Georgian wine requires that a critical mass of carefully selected best of genre products be available in the U.S. as a prerequisite to serious marketing.

C. CLARK SMITH'S REPORT

SUMMARY

Emerging from behind the obscurity of the Iron Curtain, Georgia offers unique opportunities for visitors from the wine world, particularly professionals and passionate connoisseurs. The country lacks the infrastructure in the wine regions to support broad market luxury tourism, and should focus on the four identified constituencies in the short term, people who will not care about inconveniences because they simply have to go there. As a bonus, the wine expertise these visitors possess will assist Georgian winemakers and marketers.

It is my belief that Georgia can attract inquisitive and tolerant tourists in reasonable numbers to –The Wine Machu Pichu.” I envision that the resulting business will help feed infrastructure-building. I also believe that the country's charms will convert visitors into vocal and enthusiastic proponents, spreading the message with no compensation other than the chance to perform a fascinating show-and-tell for their friends and colleagues. That is what has happened to me.

In order to feed that effort and create –Georgia consciousness” in the U.S., importation of Georgian products supports building a base for tourism. Like Portugal, New Zealand, and Argentina have recently done, Georgia needs to gain share in the mind of the American wine lover.

A two-pronged approach is needed. The ancient and bizarre practice of fermentation in buried clay vessels (qvevri) has already drawn international attention, and must be exploited to enroll wine trade professionals. This will not result in useful sales volumes.

Our team settled on two indigenous varietal wines being generally produced in a modern style at U.S.\$10.00 retail which we believe can seriously challenge established wine segments appearing by-the-glass nationwide. Dry semi-aromatic Rkatsiteli can supplant Austrian Gruner Veltiner and Spanish Albariño's successes, and the highly-colored Saperavi with its distinctive blackberry richness should be able to challenge Italian Barbera and Nero d'Avola.

Increased awareness and respect of Georgia's winemaking traditions will feed expanding phases of tourism, which in turn can build exports.

In my dual roles as winemaking consultant and journalist, Georgia holds myriad possibilities for me. I hope to assist the Georgian Wine Association in building a website which will support both tourism and U.S. sales through articles, videos, and maps which instill familiarity with its grape varieties and wine styles. I would love to guide tours here and to consult winemakers on cutting edge California winemaking practices.

It is impossible to heap enough praise upon Jim Krigbaum and Levan Davitashvili of DC2020 for their efforts in organizing and executing this intensive immersion into the Georgian wine scene. Jim's unflinching dedication, flexibility, easygoing but firm leadership, and direction made possible an ambitious schedule which wasted not a moment, and Levan's easy command of English nuances, depth of knowledge of his industry, and cooperative approach which opened all doors were vital to the success of our explorations.

GENERAL IMPRESSION OF THE GEORGIAN WINE INDUSTRY'S PROSPECTS

In today's complex and vast world of wine, it is impossible to know everything worth knowing. Yet, during my 39 years in the wine industry as a retailer, winemaker, journalist, and consultant, I figured I had a pretty good handle on the basics. Not so. Before setting foot in Tbilisi, I was pretty sure that winemaking's oldest roots went back to 4,000 BC in Ancient Egypt, as I have been privileged to view hieroglyphics supporting this claim. But now I have seen proof positive that Georgian winemaking goes back at least 2,000 years previous to this.

Alexis Lichine's Encyclopedia of Wines and Spirits, my wine bible in the 1970s, contains 100 words about Georgia's wines, more erroneous than insightful. In this, Alexis Lichine may be forgiven, for Georgia's wines lay behind the Iron Curtain. Even since the fall of the wall, enthusiastic markets in former Soviet Bloc countries have eagerly consumed every drop. Were it not for Vladimir Putin's rash actions to close the border in 2006, we, in the West, might have gone to our graves, still ignorant of the country's historical attractions.

What makes Georgia so compelling to the wine enthusiast is that the ancient method of burying clay fermentation vessels called qvevris (still visible in the 4th Century wine academy at Ikalto Monastery) is still employed in every farmhouse in the country. The practice of sealing these pots stacked full of white grapes, skins, seeds and stalks for six months or more, fermented without the introduction of yeast or preservatives, and then returning to the ground for years or even decades, is so bizarre as to call into question all we know. Yet, the wines do not undergo vinegar or aldehyde spoilage. Anyone schooled in modern winemaking will tell you that this is not only laughably inadvisable, but also quite impossible.

These qvevri wines are certainly an acquired taste, but at best they are remarkably good wine. The connection of current practice to the methods of great antiquity (proving yearly that the methods actually work), together with the non-interventionist ethic and the literal connection to the earth have inspired the leaders of the Natural Wine Movement the world over. An International Qvevri Symposium including some 80-odd of the wine world's foremost scientists, marketers, merchants, and journalists assembled here during our trip. The presence of these busy people, normally taken up at this time of year with harvest and the pre-Christmas purchasing season, was proof positive that Georgia has ignited the imagination of the wine elite.

At the same time, the modern conventional table wines of the region, apart from their odd names, require no introduction whatever. Every winery offers crisp, dry, semi-aromatic whites ideal with seafood or Asian cuisine alongside richly colored reds generously packed with berry aromas and refreshing acidity for cheeses, vegetable stews, and grilled meats. We saw many examples of both styles that could retail in the U.S. at U.S.\$10-12.

A fascinating aspect of Georgia that is apparent to any visitor is how it marries seamlessly the ultra-traditional with immense creativity. Georgians are passionate innovators who simultaneously wear their ancient cultural imperatives as a comfortable and familiar suit of clothes that they would never consider discarding. It is wonderfully instructive for Americans, who come from a very young and individualistic cultural orientation, to connect with a people anchored by old wisdom.

Georgia's greatest asset is its people. Their open, hospitable manner, love of life, hauntingly beautiful music, and delicious and satisfying feasting traditions leave an indelible positive impression on any visitor, transforming us into unpaid spokespeople for Georgian tourism.

WINE TOURISM POSSIBILITIES, CHALLENGES, AND RECOMMENDATIONS

Georgia's main bar to tourism is its lack of infrastructure. Its hotels are sparsely scattered and lacking in amenities Americans expect, such as dependable hot water, brewed coffee and reliable internet services. Restaurants are few and far between. Roads and routes are poorly marked, if at all. The roads are somewhat perilous. Even in the major cities, such conveniences as wine shipping containers are unheard of. The main wine producing region of Kakheti is a designated malaria risk zone by the CDC, Hepatitis A and B are endemic, and water purity is questionable at best.

It's a chicken-and-egg problem. Increased tourism will breed more restaurants and raise hotel standards. In the meantime, the first wave of tourism needs to come from individuals and groups with a compelling reason to visit.

Tourism prospects in the near future should focus on constituencies that have a high tolerance for inconvenience. People like me. Why? Because I have to go there. Having been there, I have to go back, and endlessly tell my friends and colleagues all about it so they will have to go there, too.

THE WINE MACHU PICHU

The tourist bound for high Peru does not complain about the roads. In like fashion, Georgia's wine country affords opportunities unique in the world to get in touch with an ancient, pre-technological winegrowing tradition, which is vibrantly alive today. Targeted groups should include:

- Enological academics studying both historical methods and the peculiar wine chemistry of the qvevri. The tradition that a qvevri is filled with white grapes when a child is born and only opened to be drunk when he is married is so contrary to modern practice that it needs to be seen – and tasted – to be believed.
- Progressive and postmodern winemakers exploring what scientific advances have left behind, and seeking novel vinification methods and new varieties to suit their terroirs.
- Professional sommeliers and retail wine experts who thought they had ~~been~~ everywhere and seen everything," eager to keep current on the latest trends and fashions, as well as updating their understanding of wine's historical antecedents and origins. In this category, visitors from Japan should not be overlooked.
- Natural wine enthusiasts, including non-professionals seeking a return to wine unspoiled by technology.

Motivations vary among these groups. Academic enologists, for example, could be happily recruited to dissect old published papers, examine and test artifacts, and to investigate in their laboratories the properties of unusual winemaking techniques and the wines they produce with publication in scientific journals in mind. Progressive winemakers would be more interested in direct interaction with English-speaking winemakers from whom they could learn the minute details of radical winemaking practices. Trade professionals would

have a very limited comprehension of these aspects, and would be principally interested in speaking with winemakers and marketing representatives about general philosophy, palate descriptors, age-worthiness, food pairings, and details of familiar story aspects, such as yields, soil types (especially limestone), vine spacing, and other quality hat hooks.

While these groups will vary in attention span for the various activities, mixed groups can be beneficial by learning from each other as they elucidate to one another their areas of passionate interest.

The American wine industry has much to teach and much to learn from Georgia. As one of the world's foremost experts in wine technology and innovation, I find myself in a unique position to facilitate such exchanges, which would necessarily involve promotion and visitation to Georgian wineries and its academic community, including universities, libraries, and museums. Academic tourism packages to the enological Machu Pichu can include tastings of rare old wines (including many well-known French Chateaux), connection to previously unobtainable enological research technical papers from the Soviet era, and joint research to understand and improve qvevri production, including such areas as oxygen passage, natural yeast fermentation microbiology, polyphenolic chemistry, temperature effects, and reduction electrochemistry in grounded vessels.

An untapped resource in building infrastructure is the Georgian farmhouse itself. Thousands of enclosed dwellings line the roads of the country, each with its orchards, vine arbors, gardens, livestock pens, and buried qvevris. As in the Pennsylvania Amish country, a handful of these could be opened to provide real life supras for 8-12 visitors on tour. Working with tour operators and very small infusions of capital to improve appearance, creature comforts and water quality, select families coordinating with tour operators could offer classic supras, as well as to sell local products such as handicrafts. This system could expand easily from initial models without the necessity of investment in a full scale restaurant, offering an authentic experience and a personal connection between peoples.

It is critical that wine tourists have access in the U.S. to Georgian wines. It is also vital that they be able to purchase and bring home wines they purchase in Georgia. A professional facility needs to be developed to ship wines through U.S. customs in appropriate Styrofoam shipping cartons and required connections to customs brokers. The Wine Shop in Tbilisi, which possesses a nearly complete inventory of good Georgian wines, incredibly did not even know what a Styrofoam wine shipping box was! Such details are vital.

We were amazed at the lack of sophistication of Tbilisi wait staff in the rudiments of wine service. If the nation is to be taken seriously, its restaurants should be well advised to offer an acceptable standard of wine service. It is expected that the cork be pulled at table, not delivered already open. A taste is offered to determine if the bottle is sound. Wine glasses should not be filled to the brim. It is strongly recommended that a program of wine service education be initiated, at least in Tbilisi itself.

FIVE UNFORGETTABLE WINE TASTING EXPERIENCES

A great advantage to the wine connoisseur traveling in Georgia is the privilege to taste wines which have no commercial viability in the United States due to their high price and rarity.

The stunning Pheasant's Tears 2008 Rkatsiteli which graced our supra at John Wurdeman's table was a "fire wine," possessing a radiant orange cast which in special wines graces this variety from qvevri, and was accompanied by a bright and heady orange peel aroma and rich, round, oily flavor like bark and honey.

Perhaps, the most technically gifted winemaker we encountered was David Maisuradze, who treated us to his Maisuradze 2005 Paprisveli from 45-year-old vines on a limestone slope in this tiny emerging appellation of origin. With its intense blackberry aromas, wonderfully sweet tannins, and extreme minerality, it may have been, by Western standards, the best red we were offered all week, though quite expensive and not yet having integrated its French oak.

David also treated us to a great rarity (only 400 half-bottles produced), an ultra-sweet Maisuradze 2007 Ice Wine full of peach and passion fruit and not for sale at any price.

I shall remember always the cognac-style brandies so generously poured for us from barrel. I twittered the following 140 characters: –Sarajishvili 93: fig, rancio, plum, cocoa, apricot, marzipan, coconut, walnut. When diluted w H2O: add lavender, sandalwood. A supra in itself.” I also made sure to pack into my suitcase Winston Churchill’s preferred drink from the same producer, their Eniseli XO.

Equally life-changing was the opportunity to taste the Alaverdi Monastery 2010 Saperavi poured from the Archbishop/vintner’s own hand. In sharp contrast with the tee-totaling abstinence, which characterizes devout Christians in our country, Archbishop David Alaverdeli is both a high Orthodox cleric and a leading winemaker and advocate. This elixir was amazingly dense deep purple in color, and as packed with fruit aromas and dense, sweet tannins as any red experienced. It certainly came across as pure concentrated God’s love.

WINE TOURISM HIGHLIGHTS AND DESTINATIONS

Marriott as a starting place

A very comfortable and luxuriously appointed five-star hotel in downtown Tbilisi. The perfect place to begin and end a trip to Georgia. A lavish and delicious breakfast with many local specialties is included. Wines are breathtakingly overpriced, but there is an excellent wine shop just two blocks away.

National Museum of Georgia and special exhibition of wine-related artifacts (Tbilisi)

Here, we were treated to substantial evidence of the antiquity of Georgian winemaking. We viewed Saperavi seeds carbon dated to 8,000 years; silver-coated vine cane fragments from 3,000 BC; and a large collection of ancient ceramics, gold, and silver. A must-see for any wine professional or connoisseur.

Sarajishvili Distillery in Tbilisi

A brandy producer to rival the best of France, with attractive facilities and grounds and a rich history. Winston Churchill preferred their products to Cognac. Such a national treasure that its facilities and production were kept intact by the Soviets.

Restored town of Signagi, castle and wall, shopping plus hotel

Signagi is a special place. Federal funding has completely restored and upgraded the town, and the result is a model for what can be done, a cut above the rest of the country and quite suitable for the American tourist. A small and walkable perched village surrounded by the longest fortified wall in Europe, it is home to many artists, musicians, and artisans

Chateau Mukhrani winery:

Their modern winery is impressive and beautiful. When the restoration of the chateau (a replica of Chateau Lafitte) and its beautiful park is complete and its restaurant is up and running, this will be a must-visit quite suitable to American standards, close enough to Tbilisi for a day trip, adjacent to a Dionysian temple excavation, all right near the village of Stalin's birthplace.

Ikalto Monastery

A mind-blowing must-see monastery containing qvevris dating back to 400 AD and a 6th Century winemaking academy, which housed 800 students and faculty and a 2 km underground pipe system from its mountainous crushing station, probably used for aerating.

Schuchmann/Vinoterra Winery

An oasis of German style and organization amid the Georgian chaos. An espresso machine greets guests. The grounds include an excellent restaurant and lavishly comfortable rooms for the night. Both qvevri- and modern-style wines are very well made.

Gremi Citadel, church and excavations

The excavation of the city of Gremi was well displayed with notes in English. The Citadel is a short, memorable, and invigorating tour with lots of stairs to high places and a cool medieval feel.

Alaverdi Monastery/winery

A once-in-a-lifetime experience. The Archbishop is a wonderful mix of staunch traditionalist leader and savvy marketing hipster who carries an iPhone in his ancient cassock. His kind, merry eyes and wry biblical observations display a seamless marriage of good marketing sense and lifestyle wisdom, which presents a refreshing possibility for the role of the Church in modern times. His wines and honey are delicious and extremely memorable. The Monastery itself contains ancient and modern qvevri production, extensive architectural interest, and a large indigenous grape variety collection.

Tsinandali Palace – for its modern art and for its 16,500-bottle wine cellar (1841 – 1929)

A beautiful mansion containing baroque living quarters of the privileged ultra-rich of the turn of the late 19th Century, it contains much important art of Picasso, Salvador Dali, and other modern artists. The privilege to taste from the incredible collection of rare old wines, if determined to be in reasonable condition, could be a Mecca for wine collectors.

COMMERCIAL PROSPECTS IN THE U.S.

Any emerging product, be it a new wine or a fax machine, must go through the steps of

- Recognition (understanding what the product is),
- Concept marketing (product functionality and use),
- Positive image (usually associated with brand reliability), and
- Sales/distribution.

The first challenge in gaining visitors to Georgia is recognition of the country's very existence and rough location within a positive image. Georgian wines are ready-made to excite both the naïve consumer and the experienced enthusiast. Thus, an aggressive effort to make these wines generally available in the U.S. is a valuable strategy in promoting tourism, and vice versa.

The strongest and largest-growing segment of U.S. consumers is the Millennials -- young and inexperienced with limited means but a reasonable curiosity -- which has enabled the introduction of many new wines of moderate price in the last decade. Wines unknown 15 years ago, most notably Pinot Grigio, have become dominant phenomena, replacing much of Chardonnay's market share, and indicating an interest in un-oaked wines. The abundance of by-the-glass offerings in restaurants throughout the country of newly introduced imports, such as Austrian Grüner Veltliner and Spanish Albariño, both semi-aromatic dry whites made in a modern style, strongly suggest a commercial possibility for Rkatsiteli despite its challenging pronunciation hurdle.

Similarly, a growing appetite for rich reds such as Barbera, Nero d'Avola, Dolcetto, and Petite Syrah indicates possibilities for Saperavi, with its consistently rich color, generous and distinctive fruitiness, and soft texture. Barbera, in particular, shares its high acidity.

Many emerging winegrowing areas vie for the attention of American sommeliers, including India, Mexico, Canada, and domestic regions such as New York and Virginia. Georgia is an exception. Its antiquity and its Natural Wine image place it in the category of something which any wine professional is required to be familiar with. The wines of the qvevri movement, while representing a very small cash flow potential and far from easily appreciated, are a vital aspect of commercialization in the U.S., and it is critical that sommeliers have access to a good selection of tiny quantities, as well as highly knowledgeable, credible advocates for the tradition, in person and via Skype tastings.

Another advantage of Georgian wines, including qvevri and modern-made Saperavi, but also most notably the dry, aromatic Rkatsiteli, is that all three seem to possess very good shelf life. Georgian wines are well-suited to their feasting tradition because they tend to low alcohols in the 12%-13% range, rarely exceeding 13.5%.

WINE COMMERCIALIZATION RECOMMENDATIONS

- It is essential to have a small collection of very high quality Georgian wines available to interested buyers in the U.S. Initially, this may necessitate concentrating on target markets, which should include New York, San Francisco, Los Angeles, and Seattle. These markets combine the advantages of leadership in new wine style trends, cosmopolitan point of view, and an available concentration of Georgian wine enthusiasts.
- A likely decisive element in establishing Georgian wines into the American mainstream is the introduction of a spokesperson for Georgian wines as a whole. What is needed is a single dedicated individual who combines technical and cultural credibility concerning Georgian wine product knowledge, professional credibility, self-directed working skills, and U.S. wine marketing savvy and connections.
- An informative website for Georgian wines is vital to both in-country tourism and U.S. wine sales. It should explain in good American English the country's winemaking history; main varietals (how to pronounce, what they're like, and how they work with food); regional information, including climate, elevations, soil types, and so on. The site should include videos (both introductory fun for the novice and serious

information for the studios) and should be a “peel-able onion”, which doesn’t overwhelm but allows drilling down to more and more depth of information if the viewer’s appetite persists.

RESOURCES FOR U.S. WINE COMMERCIALIZATION

The USAID mission on the heels of the International Qvevri Symposium has already installed a small but vocal group of Georgian wine devotees in the U.S. Together with the small existing distribution network, these people and the articles, blogs, and videos they are producing constitute a rich resource for getting the word out on the uniqueness of Georgia as a wine producer. Because the Georgian “supra” feast is such an integral part of the culture, an additional untapped resource is the existing Georgian restaurant scene in the U.S., which is sure to get a boost from those of us who have been there and could do with a reprise and a way to show off the country’s charms to our friends.

Providing visitors with cooking classes, cookbooks, and videos will help them spread the Georgian culture when they return home. I myself would love to tap into some sources of their exquisite honeys, spice blend, condiments, and meat rubs.

It may be useful to utilize a third-party panel to characterize the flavors and styles of the varietal wines of the various regions. AppellationAmerica.com uses this approach to build websites to encourage tourism and iPod mobile applications to permit tourists to access information on wine styles, winery locations and recommendations, hotels, restaurants, and local attractions.

Challenges: Disharmony, imbalance, reduction, sulfite mismanagement. Confusion about basics of regions and varietals. Limited infrastructure for tourism.

Approaches: Strong sommelier buy-in and support. Website. Need a spokesperson. Need wine availability: ship two containers.

WINE RECOMMENDATIONS

In choosing wines to carry the Georgian flag in the U.S., the watchwords should be:

- Purity (avoid oaky wines, stress natural methodology)
- Rich history (stress qvevri winemaking)
- Authenticity (avoid European varieties, such as Chardonnay and Cabernet)
- Feasting tradition (moderate alcohol, good with food)
- Longevity (shelf life, healthy aspects)

It is critical that Georgian wines carve out a niche which is unique in flavor profile, yet also harmonious and enjoyable. For this reason, wines with obvious oak should be excluded, no matter how appealing to the Western palate.

To establish a market for popularly-priced wines which have the potential to command serious volumes of sales in the U.S., we also need to apply KISS (Keep it simple, stupid). We are talking about people who are very proud of having learned not to pronounce the “t” in merlot and pinot! It will require serious enthusiasm for people to accomplish the following:

- Distinguish the two Georgia’s.

- Pronounce Ri-cats-i-tel-ee.
- Pronounce Sah-per-ah-vee. (This is WAY easier)

Therefore, right at first, we must not confuse the issue by trying to teach them Tsinandali, Mtsvane, or even Kisi, or any of the place names, no matter how much we might wish to.

Categories of wines recommended for U.S. importation are listed in descending order of likely commercial volume. This is not to diminish the very great strategic importance of the rare qvevri wines, which shall serve as the country's flagship.

Popular dry whites in the U.S.\$10.00-12.00 retail range (U.S.\$2.50-3.00 ex- works)

I recommend that only wines labeled as Rkatsiteli initially be selected. These should ideally be under screw cap (to maintain freshness) and must be 2010 or 2011 vintage. The best choices I saw were:

- TOP CHOICE: Vinoterra, 2010 Rkatsiteli – Very fresh grapefruit, nettle, rich, and oily. Splendid. (I think this is an easier label than Schuchmann to pronounce, and links to the qvevri wines; however, Herr Schuchmann's story is worth publicizing, so either would do)
- 2nd CHOICE: Kakhuri, 2010 Rkatsiteli. Beautiful orange blossom nose, perfect style, good price (U.S.\$2.25).
- 3rd CHOICE: Chateau Mukhrani, 2009 Rkatsiteli if it were available below U.S.\$3.00 ex-works
- 4th CHOICE: Tbilvino, 2009 Tsinandali if it were labeled as Rkatsiteli (it's 85%)

For popular dry reds in the U.S.\$10.00-12.00 retail range (U.S.\$2.50-3.00 ex- works)

I recommend that only Saperavi wines initially be selected. These should ideally NOT be under screw cap (because these wines need a little oxygen which corking provides) and could be 2008-2010 vintage. The best choices I saw were:

- TOP CHOICE: Wine Man, 2010 Saperavi, Kakhpari - All stainless. Very pure aromas with no reduction. Intense, clean blackberry aroma. Well-formed tannins, appetizing acidity.
- 2nd CHOICE: Mukuzani, 2009 Saperavi – Balanced nose, well-resolved rich round tannins, soft and fat, good acidity. I tasted this wine by myself. It is offered through the Tbilisi Wine Shop. Marvelous.
- 3rd CHOICE: Kakhuri, 2010 Saperavi (Napareuli Region) - pretty tannin, but full, rich, and pure.

Modern wines, U.S.\$15.00-40.00 (U.S.\$3.50-10 ex-works)

It is important to provide an easy next step for curious diners and sommeliers so as not to create the impression of cheapness which has forever typecast the wines of Australia and Chile. For those who wish to move on to more sophisticated wines, there are several in the modern style to recommend, which might be included in small quantities:

Whites and Rosés:

- TOP CHOICE: Vinoterra, 2005 Tsinandali

- 2nd CHOICE: Chateau Mukhrani, 2009 Goruli Mtsvane – sur lies Loire style seems best Georgian modern style white of our trip. Complex wet stone, melons, lemon oil.
- 3rd CHOICE: Chateau Mukhrani, 2010 Taykveri Dry Rosé – So wonderful! Dry, but full of wild strawberry. Only U.S.\$10.00 U.S. retail -- admittedly, Rosé is a very tough sell in the U.S., but Lisa Granik and I will each take a case!
- 4th CHOICE: Tbilvino, 2009 Tsinandali
- 5th CHOICE: Bagrationi, Classic Brut sparkling wine, U.S.\$3.00 ex-works (U.S.\$12.00-15.00 retail).

Reds:

- TOP CHOICE: Wine Man, 2010 Saperavi / Cabernet – great fruit, big cherry, supple, firm sweet tannins.
- 2nd CHOICE: Marani, 2008 Mukuzani – very complex violet, sarsaparilla, plum, Earl Grey tea, minerality.
- 3rd CHOICE: Chateau Mukhrani, 2010 Shavkapito – Great fruit, balsam, plum, gamey. Caucasian oak.
- 4th CHOICE: Maisuradze, 2005 Paprisveli – 45-year-old vines on limestone; intense blackberry, extremely minerally. Would retail around U.S.\$50.00-60.00 in the U.S.
- 5th CHOICE: Tbilvino, 2009 Tsinandali
- 6th CHOICE: Kakhuri, 2004 or 2005 Saperavi Mukuzani
- 7th CHOICE: Mildiani, 2007 Rkatsiteli – A very nice wine at a good price, but I am skeptical that buyers will accept the old vintage. Also, the deletion of the “R” beginning Katsiteli is probably confusing to the consumer.

Qvevri wines

Contra-wise, for the professional wine geek, once hooked on qvevri wines, it is useful to confound with as dizzying an array of varieties, regions, historical data, and stylistic debate as possible. The fact that there are more varieties in Georgia (500) than in the United States (300) is a good start! It is therefore important to provide a broad range of qvevri wines, mostly in very small quantities.

In light of the confusion between qvevri and modern wines, and to prevent the counterfeiting of Georgian premium wines so prevalent historically, it is imperative that Georgian producers develop a custom-molded bottle for qvevri wines to be used by all producers, similar to the distinctive “crossed keys” bottle used by all Chateaufort du Pape. Since there are only about 10 commercial qvevri producers, strong leadership from Archbishop David Alaverdli and Vinoterra should be sufficient to persuade the others to follow suit.

Qvevri red wines

These are the “starter” qvevri wines. Paradoxically, red wines made in qvevri are not substantially different from conventional reds, except in concept and because many are made “pure,” without yeast or bacterial inoculations, additives, oak ageing, or filtration. They are generally given only two or three weeks of skin contact, and thus are essentially conventional wines, thus very easy for Westerners to like and evaluate for quality. Their non-interventionist ethic and historical roots appeal to the natural wine movement, and they

possess a varietal purity, modest alcohol, and bright acidity, which are attractive to connoisseurs who have tired of the high alcohol, over-oaked, low-acid-style, which has become prevalent in California.

- TOP CHOICE: Alaverdi Monastery, 2010 Saperavi – Deep violet aromas, dense, generous, solid, and profound. This wine is so uniquely rich in flavor and history, of such high caliber and with such a wonderful story, that any American collection would be greatly diminished without it.
- 2nd CHOICE: Pheasant’s Tears, 2008 Saperavi – Sweet center, pure, load of violets, complex, smoky, meaty.
- 3rd CHOICE: Shumi, 2010 Saperavi (biodynamic) – Blueberry, chocolate, lemon, capers.
- 4th CHOICE: Pheasant’s Tears, 2010 Taykveri – Black color, bright strawberry and anise aromas, fine tannins.
- 5th CHOICE: Marani, 2009 Satrapezo Saperavi – intriguing and well-integrated.
- 6th CHOICE: Vinoterra, 2008 Saperavi – Rich, clean, pure and sap-like, nice mineral energy.

Qvevri white wines

One must be honest: Most novices and many experts will conclude that qvevri whites do not taste very good. They are alarmingly brown in color and generally exceedingly harsh and bitter, resembling very strong tea laced with alcohol.

- TOP CHOICE: Tbilvino, 2010 –Qvevris” Rkatsiteli. This was only a short time on the solids, thus more conventional and less tannin, a really excellent bridge wine in style, and ridiculously underpriced at U.S.\$2.7 ex works. One would almost want to ask them to raise the price a little.
- 2nd CHOICE: Vinoterra, 2006 Kisi – Generally acknowledged Georgia’s best qvevri white.
- 3rd CHOICE: Pheasant’s Tears, 2010 Kisi – Exotic musk, dried apricot, sage.
- 4th CHOICE: Vinoterra, 2008 Mtsvane
- 5th CHOICE: Manavi, Royal Cru 2010 Rkatsiteli
- 6th CHOICE: Alaverdi Monastery, 2010 Rkatsiteli or Kisi
- 7th CHOICE: Our Wine, 2007 Rkatsiteli/Aharapi blend – Hardcore qvevri wine. Intriguing bow rosin, tamarind, and hard, tight tannins.
- 8th CHOICE: Marani, Satrapezo –40 Qvevri” 2007 Rkatsiteli – Dried flower sachet, orange peel, walnut.
- 9th CHOICE: Vinoterra, 2009 Rkatsiteli (Napareuli) – A lighter, more delicate style, a very good introductory wine for Western palates.

OMITTED CATEGORIES:

Methodo Champenoise Sparkling Wine

The wines we tasted were well below the standard of much less expensive wines from many parts of the worlds.

Dessert wines

In our tour, I did not encounter dessert wines of particular note. The very small lots of ice wine we enjoyed were extremely expensive and not competitive in the world market.

Cognac-style brandies

These are exquisite. But very good alembic pot still-style brandies made in many parts of the world do not sell, because they are not actually from Cognac. The Cognac market is dominated by the Chinese, who are much more interested in authenticity than intrinsic quality.

Sweet reds (yet).

The off-dry and semi-sweet red tradition in Georgia which is so popular in the Ukraine, Poland, and the Baltics is just beginning to be explored in the U.S. by small winery tasting rooms in the Midwest where visitors enjoy sweetened Merlots and Cabernets, and also by such national brands as Arber Crest who sell blackberry-flavored Merlot and the like. An October 5th article in the San Francisco Chronicle reports the growing popularity of sweet reds in the U.S, and Adler Fels, Gallo and Sutter Home are now marketing brands in the Midwest. Even in Southern California, sweet red sales tripled last year. It may be possible for Georgian wines of this type to be included in this growing trend a few years hence.

PRESS GENERATED

TWEETS:

September 24, 2011

Sarajishvili 1893 brandy: fig, rancio, plum, cocoa, apricot, marzipan, coconut, walnut. Diluted: add lavender, sandalwood. A supra in itself

September 23, 2011

Excellent presentation in Tbilisi by MWs Pat Farrell, Lisa Granik, Joel Butler and Peter Koff outlining MW program to Georgian candidates.

September 22, 2011

Georgian Wine Museum's cellar contains 16,500 bottles of 1re Cru Bordeaux, Burgundy, etc., avg 100 years old. 1841 Saperavi. Shall we dance?

Ch Mukhrani 09 Mtsvane Goruli sur lies Loire style seems best Georgian modern style white of our trip. Complex wet stone, melons, lemon oil.

September 20, 2011

Archbishop David Alaverdeli is a sweet, shrewd winemaker/Buddha leading the Georgian qvevri reformation. His 2010 Saperavi is unbelievable.

September 19, 2011

Visited Georgian monastery w qvevris (buried clay fermenter jars) from 400 AD. Great whites w/o sulfites, 6 mos. on skins, still being made.

Marani 2010 Rkatsiteli. Aromatic, dry, refreshing, and versatile. Georgia's Rkats are a wonderful alternative to Albarino. Ri-cats-i-tel-ee.

September 17, 2011

Expected a harsh, bitter, uncompromising red from Stalin's home town. Discovered instead Goruli Mtsvane - a wonderfully delicate dry white.

September 16, 2011

En route to Tbilisi on USAID delegation to discover the wines of Georgia (the country). Winemaking dates to 5000 BC, pre-Egyptian. Hmmm.

VIDEOS

I shot in country 61 hand-held videos totaling about three hours of raw footage, which I have uploaded to DropBox. These will be edited to produce a series of YouTube pieces for the trip.

INTERNET TASTINGS

I would like to work with the group to set up a nationwide tasting or series of tastings which Skype in John Wurdeman, Levan Davitashvili, and Archbishop Alaverdi would guide us through a tasting of Georgian wines.

MAGAZINE ARTICLE

I am in the process of completing an article on Georgian wines of approximately 3,000 words, which I will submit to various wine lifestyle magazines for publication, drawing on colleagues on the trip to support with photography.

THIRD-PARTY EVALUATION AND FLAVOR-MAPPING

Since my website is engaged in the characterization of the wines of emerging regions within the U.S. and Canada in order to promote wine tourism, I discussed with Tina Kezeli of the Georgian Wine Association the possibility that Appellation America's Best-of-Appellation tasting panel could do a survey of Georgian varietals, wine styles, and appellations and prepare a "Blue Book" for their website (and possibly an iPhone app we can develop), plus generating articles and videos in which the wines are further described and explained.

ALAVERDI MONASTERY BROCHURE

I volunteered my assistance to rewrite the monastery's brochure descriptions in plainer English.

GEORGIAN WINE ASSOCIATION WEBSITE SUPPORT

I offered my services to assist in writing an English language site to support tourism and U.S. wine sales.

GUIDE 2012 TOUR?

COMMERCIAL EXPORT RECOMMENDATIONS

Spice blends and meat rubs Penzey spices: <http://www.penzeys.com/>

Honey, especially Alaverdi Monastery's product

Qvevri home winemaking kits -- Small clay vessels and instructions on Kakheti-style home winemaking could be sold in the U.S. at <http://www.napafermentation.com/>, <http://www.thebeveragepeople.com/>, <http://www.stpats.com/>.

TECHNICAL WINEMAKING RECOMMENDATIONS

- Micro-oxygenation to soften tannins of young Saperavi and prepare it for early bottling without barrel time.
- Flotation for inexpensive rapid clarification and tannin removal of Rkatsiteli juices prior to fermentation
- Special custom bottle for all qvevri wine
- Qvevri research
 - Methods to soften tannins and avoid reduction without oak
 - NomaSense oxygen monitoring technology
<http://www.youtube.com/watch?v=7aMIY8vaK2s&noredirect=1>
 - Lees stirring with peristaltic pump
 - Earlier pressing
 - Ripeness
- Viticulture – Georgians have very little understanding of their soils, and the entire country seems planted at 300 vines per hectare with little experimentation in trellising. Davis-trained viticultural consultant Dave Gates, now in charge of Ridge Vineyards, a highly respected producer in the Santa Cruz Mountains in California, expressed to me an interest in coaching viticulture in Georgia. I highly recommend bringing him into the country to assess the situation and determine what might be done. dgates@ridgewine.com, 1-408-868-1360.
- Terroir mapping
- A mapping of soil and climate was recently completed for the State of New York by Cornell University. This kind of information would be invaluable for wine professionals learning the layout of Georgian winegrowing regions. <http://arcserver2.iaqt.org/vll/Default.aspx>

SUGGESTIONS FOR OTHER ORGANIZATIONS TO COOPERATE WITH

Public Relations firms in the U.S.

- Balzac Communications www.balzac.com
- Diaz Communications www.diaz-communications.com
- MST Creative Group NYC <http://www.mstcreative.com/>

Academie du Vin, Tokyo – The natural wine movement will resonate very well with Japanese connoisseurs. There are 3500 certified sommeliers in Tokyo (more than the whole United States) who have graduated from this institution in the last 25 years. I am a close friend of the Director, Mineo Tachibana, who invited me to deliver the keynote address for their 20th Anniversary. This is an excellent connection for tourism.

Assistance in staging international internet-based tastings: www.Winetwits.com

For importation of Georgian spice blends, curry seasonings, and meat rubs: Penzey spices: <http://www.penzeys.com/>

Society of Wine Educators – An organization of 4,000 wine educators. I could deliver a presentation at next year's conference in August on Georgian wines.

Court of Master Sommeliers

Importer prospect:

Hi Clark,

Kestral Vintners, from Prosser, has an interest in exploring partnerships with Georgian wineries through your upcoming USAID mission to Georgia. The contact is JJ Campeau, VP of Sales. Their website has their contact info.

<http://kestrelwines.com/>

I'll be their first sale if they get some Georgian wine to Prosser. Kestrel is already selling in China so they have some international experience. Please let me know if I can be of further assistance. I look forward to hearing about your trip!

*Safe Travels,
Charlie Bush
City Administrator
City of Prosser, WA
509-786-8217*

COMMENTS ON ITINERARY

Luis Alberto's great pix of the trip at <http://thewinehub.blogspot.com/2011/09/usaid-tour-of-republic-of-georgia-sep.html>

Saturday

- Met by J Levan Davitashvili, Levan@2020DC.com

- Dinner with group at Mirzaani Brewery in Tbilisi

A pleasant, informal restaurant with a decent menu and wine list in English. Very reasonably priced, comfortable, and with large booths suitable for six to eight persons.

- Marriott Hotel in Tbilisi

A very comfortable and luxuriously-appointed hotel in downtown Tbilisi. The perfect place to begin and end a trip to Georgia. A lavish and delicious breakfast with many local specialties is included. Wines are breathtakingly overpriced, but there is an excellent wine shop just two blocks away.

Sunday

- Drove to Kakheti region, lunch at Twins Winery with Qvevri Symposium group. Owners are two brothers, Gela and Gia Gamtkitsulashvili

An interesting introduction to Qvevri winemaking on a large scale.

- Visited 16th Century Gremi citadel and church

The excavation of the City of Gremi was well displayed with notes in English. The Citadel is a short, memorable, and invigorating tour with lots of stairs to high places and a cool medieval feel.

- Drove to Ch Khareba Estate, formal international wine tasting of qvevri wines of Georgian and other European producers, and other Georgian varietal wines. Feast led by toastmaster, John Wurdeman (Pheasant's Tears), live traditional music and dancing

A great delight. This is a large facility with good acoustics suitable for a party of 100.

- Hotel = Alazani Valley

Like most rural Georgian hotels, characterized by spare appointments, undependable internet, screenless windows, undependable water temperature and pressure, and instant coffee.

Monday

- Visited Telavi Wine Cellar (<http://marani.co/>), Owner Zurab Ramazashvili

A solid, business-like winery in the process of rapid modernization and conversion of an old Soviet tank farm and dilapidated warehousing. Good wines, savvy marketing.

- Toured 6th Century Ikalto Monastery and 11th Century Ikalto Wine Academy

A mind-blowing must-see, containing qvevris dating back to 400 AD and a 6th Century winemaking academy which housed 800 students and faculty and a 2km underground pipe system from a mountainous crushing station, probably used for aerating.

- Lunch at Kisi Restaurant

A clean, homey, agreeable spot where we lunched several times, apparently the only one in the region. Delicious and accommodating.

- Visited Kakhuri Winery (<http://www.kakhuri.com>), winery tour and tasting, meeting with the company director, Zura Goletiani

A basic conventional winery with some good wines in the modern style at decent prices.

- Traditional Georgian Supra hosted by Kakhuri Winery

A small, somewhat run-down restaurant which however had a lovely garden and delicious food.

Tuesday

- Visited Alaverdi Monastery and 11th Century wine cellar, Archbishop Davit Alaverdeli

A once-in-a-lifetime experience. The Archbishop is a wonderful mix of staunch traditionalist leader and savvy marketing hipster who carries an iPhone in his ancient cassock. His kind, merry eyes and wry biblical observations display a seamless marriage of good marketing sense and lifestyle wisdom, which presents a refreshing possibility for the role of the Church in modern times. His wines and honey are delicious and extremely memorable. The Monastery itself contains ancient and modern qvevri production, extensive architectural interest, and a large indigenous grape variety collection.

- Walked through Signagi town with John Wurdeman

Signagi is a special place. Federal funding has completely restored and upgraded the town, and the result is a model for what can be done, a cut above the rest of the country and quite suitable for the American tourist. A small and walkable perched village surrounded by the longest fortified wall in Europe, it is home to many artists, musicians, and artisans.

- Visited Pheasant's Tears (<http://www.pheasantstears.com>), vineyard tour, qvevri wine tasting and traditional Georgian supra, discussion of East and West Georgia folk music, Svan songs, Zedashe songs, Georgian rugs

John is a native of Santa Fe, New Mexico and Virginia who has been here for 15 years. He is an articulate and passionate spokesman for qvevri winemaking, the town of Signagi, and Georgian culture. Apart from his fascinating wines, he is a painter, musician, and dealer in oriental rugs. Pheasant's Tears is a delicious restaurant not to be missed.

- Overnight in Signagi at Rcheuli Marani hotel

Not a great improvement over previous hotels. Given its position in Signagi, they really should work on improving the standard of service here.

Wednesday

- Toured Tsinandali Palace (www.tsinandali.com) art museum and wine cellar containing 16,500 bottles (1841-1929)

A beautiful mansion containing baroque living quarters of the privileged ultra-rich of the turn of the late 19th Century, it contains much important art of Picasso, Salvador Dali, and other modern artists. The privilege to taste from the incredible collection of rare old wines, if determined to be in reasonable condition, could be a Mecca for wine collectors.

- Tasting with David Maisuradze, consulting winemaker for Wine Man and Maisuradze Winery

One of the most highly-skilled winemakers in Georgia, with wines already available in the U.S. under the Wine Man label

- Visited Mildiani winery, tour and wine tasting, meeting with winery owners and winemaker, Goga

Another very basic Soviet winery not for the tourists. While the wines were perfectly sound, nothing has been done to spruce up the place from Soviet times. Lots of rust, little paint, thus alarming to any uninitiated visitor.

- Lunch Kisi Restaurant
- Visited Schuchmann Wines Georgia/Vinoterra (<http://www.schuchmann-wines.com>), winery tour, wine tasting and meeting with owner and winemaker Giorgi Dakishvili (“Gogi”)

An oasis of German style and organization amid the Georgian chaos. An espresso machine greets guests. The grounds include an excellent restaurant and lavishly comfortable rooms for the night. Both qvevri- and modern-style wines are very well made.

- Traditional Georgian feast, party together with German GVI group

Thursday

- Drive to Tbilisi
- Meeting with EPI representatives
- Visited National Museum of Georgia and special exhibition of wine-related artifacts. Meeting with scientists (wine historians and archeologists) of the museum

Here, we were treated to substantial evidence of the antiquity of Georgian winemaking. We viewed Saperavi seeds carbon dated at 8,000 years, silver-coated vine cane fragments from 3,000 BC, and a large collection of ancient ceramics, gold, and silver. A must-see for any wine professional or connoisseur.

- Visited Chateau Mukhrani winery (<http://www.mukhrani.com/>), winery tour, wine tasting, and meeting with company management: Jacques Fleury, Director; Lado Uzunashvili, winemaker; Irakli Talakhadze, Commercial Director

Jacques and his team are very professional and forward-thinking. Their modern winery is impressive and beautiful. When the restoration of the chateau (a replica of Chateau Lafitte) and its beautiful park is complete and its restaurant is up and running, this will be a must-visit quite suitable to American standards, close enough

to Tbilisi for a day trip, adjacent to a Dionysian temple excavation, all right near the village of Stalin's birthplace. The winemaking is first class.

- Toured Dionysian bath and temple excavation. Visited Dzalisa archaeological site nearby with mosaic of Marriage of Dionysus and Ariadne
- Hotel Marriott Tbilisi

A lovely and comfortable five star experience.

Friday

- Joined by Tina Kezeli, Executive Director of Georgian Wine Association (www.gwa.ge)

A young, bright, charming, and energetic leader at the helm of the GWA. They are lucky to have her.

- Meeting with Ia Tabagari, Georgian Incoming Tour Operators' Association, (www.gitoea.ge)

Ia is another bright, energetic leader. For the near future, guided tours are essential for tourism because of the sparse infrastructure and navigation difficulties. The association should support and encourage islands of tourist-supporting commerce such as hotels and restaurants, simultaneously exerting pressure for improvement such as a rating system with minimum standards.

- MW presentation at Tbilvino Winery. Met Monika Gorzelanska, USAID
- Toured Tbilvino Winery facility with Giorgi Margvelashvili, President of Tbilvino, and Tamar Metreveli, Marketing Director - tasted soft, inexpensive qvevri wine
- Tasting with Michael Kabilnitsky, Corus Imports based in Connecticut (www.corus-us.com)
- Visited Bagrationi Sparkling wine producing company (<http://www.bagrioni.ge/>), tour, wine tasting with George Ramishvili, General Director and influential Georgian Wine Association Board Member and Hilarius Pütz, Chief Wine and Vineyard Specialist

Bagrationi is a beautiful facility and our hosts were charming and hospitable. Their top wines were, however, priced as if they were top French champagnes, and came nowhere near them in quality. Their charming wines, however, were reasonably priced and delightful.

- Dinner hosted by Bagrationi company

Saturday

- Visited Sarajishvili historical wine brandy producing company (<http://www.sarajishvili.ge>), tour and tasting of brandy with Chief Technologist, David Abzianidze

A cognac producer to rival the best of France, with attractive facilities and grounds and a rich history. Winston Churchill preferred their products to Cognac. Such a national treasure that its facilities and production were kept intact by the Soviets.

D. DIANE LETULLE'S REPORT

OVERALL IMPRESSION OF THE GEORGIAN WINE INDUSTRY

The Georgian wine industry, as viewed on the recent 2020DC trip, seems to be a mix of industries. We saw some ultra-modern facilities that were making fresh, modern-styled wines in steel tanks and using French oak barriques, as one would find in wineries around the world. However, Georgia also has a unique heritage style of winemaking as seen in the qvevri wines. The wines were mostly good or better, and the modern style wines in particular offer some interesting new varieties for American consumers to try. Saperavi wines offer delicious, full-bodied reds. Rkatsiteli, Mtsvane, and Kisi offer interesting and refreshing whites. We had a stand-out Rose from Taykveri at Chateau Mukhrani. Chacha is an interesting alternative to Grappa, especially when made in the artisan style we tried at Pheasant's Tears. Some of the facilities we toured were clearly not good targets for wine tourism: rusted, peeling fermentation tanks, worn facilities, and one with an unpleasant odor, and did not present the image that Georgians would want the world to come away with. Others that have had an influx of investment post-communism, or that are relatively recent such as Schuchmann, do offer attractive facilities that are good destinations for wine tourists.

OPINION OF OPPORTUNITIES FOR CONVENTIONAL WINE

I believe that the opportunities for conventional Georgian wine are good. The Saperavi, Rkatsiteli, Mtsvane, and Kisi wines are easily accessible wines to the American palate. I believe that with a unified marketing campaign, similar to what has been accomplished by Wines of Chile, Austrian Wine, etc., Georgian wine can penetrate the American consciousness. Just as Americans have learned to love Malbec with their steak, they could learn to reach for Saperavi with their veal. Rkatsiteli is already known in New York State's Finger Lakes, which may be a good market to introduce the Georgian version of that wine. The flavors of the wine will appeal to many Americans. Saperavi is relatively easy to pronounce and after a period of introduction will be easy to remember. Kisi is easy to say, easy to remember and, very appealingly, can be associated with romance.

OPINION OF OPPORTUNITIES FOR QVEVRI WINE

Qvevri wines are surprising to those who have never tried them before. They are esoteric wines with deliberately oxidative flavors that are not necessarily "sipping" wines but that do pair very well with many styles of cuisine. Their spicy notes are similar in certain ways to other "spicy" wines such as Gewurztraminer, but with a great deal more tannin from the skin and stalk contact in the qvevri. I believe there will not be widespread acceptance of this wine, but there could be a niche market for it. Just as certain tapas bars in New York City feature Sherry flights, I think that qvevri wines could make inroads with the highest level of wine aficionado – the man or woman who belongs to wine clubs, visits wineries, attends wine festivals and tastings, perhaps participates in social media wine events. These qvevri wines offer something special and unique in the world of wine, and the same people who visit their wine stores looking for a bottle of Amontillado may also wish to purchase a qvevri wine – once exposed to them. Sampling qvevri wines along with some education will be keys to their niche success in the U.S. Wine store sampling, educating sommeliers, blogger samples, media samples, will all help spread the word about this wine. One aspect that everyone on the 2020DC trip agreed upon is that the qvevri wines need to have a clear mark

of distinction. My suggestion is a gold seal, at least an inch in diameter, with a simple qvevri drawing on it, rendered in a modern illustrative style that says something like “Qvevri Wine of Georgia – Fermented in the Ancient Tradition,” or something to that effect.

OPINION OF OPPORTUNITIES FOR WINE TOURISM

SITES THAT ARE READY FOR TOURISTS TODAY

As of now, wine tourism can happen in Georgia in only a limited fashion. Of the wineries that we visited, these are most welcoming to American tourists: Schuchmann and Pheasant’s Tears. Each of these wineries provided good tourist destinations for a number of reasons. Schuchmann offered a beautiful facility situated in a scenic part of the country. Everything about this winery said “luxury” and “hospitality”, from the well-appointed, spacious porch, to the large dining room with the lit fireplace, to the espresso machine, which offered a welcome alternative to the instant coffee or Turkish coffee served at hotel breakfasts. Schuchmann makes both excellent quality modern style wines, as well as the culturally-significant qvevri style. The fact that there are limited hotel rooms at the winery, which I believe are slated to expand, also makes this winery good to visit. Even the simple things, such as a sign from the main road pointing drivers to the turnoff for the winery, are taken care of.

Pheasant’s Tears offers another very good destination for wine tourism. The fact that the facility is located in a very appealing Georgian tourist destination makes it even more appealing. Signagi is a recently renovated town that has many attractive buildings, charming cobblestone streets, a view of an old defense wall snaking over the hillsides. The music festivals that were mentioned offer perfect times to visit the town, and Pheasant’s Tears is a great stop to include. While we did not see the winemaking facility – and I wonder if it was available for tourists to view – John Wurdeman provides a very easily accessible window to Georgian culture for Americans. Indeed, he is like a walking ambassador of Georgia who speaks perfect English. His commitment to Georgian folks song, rug making, cuisine, are all great ways for Americans to be exposed to these parts of Georgian culture. Being able to understand the culture enriches the overall tourist experience, creating richer memories that tourists will take home and share with their friends and family. His facility includes a restaurant – and from our dinner I venture to say that the food is very appealing to Americans – as well as a place to shop for folk song CDs and antique rugs as well as John’s own paintings – a true cultural potpourri. Pheasant’s Tears is also a good destination to highlight Georgia’s unique qvevri wines, as John is passionately committed to them.

SITES THAT SHOW FUTURE POTENTIAL FOR WINE TOURISM:

In the future, certain destinations that we visited could be developed into wine tourism destinations. The Alaverdi Monastery was a fascinating place, but I was not sure that they are currently inviting tourists in for tasting wine, or if it remained open only to media or by special invitation. I was told that drinking with the brothers, as we did, is not available to the tourists, and I saw that other tourists were only touring the church and not going beyond the gate that separated the winery area. The addition of brochures in English explaining the wines of Alaverdi, a website with English and visiting hours (checking online there is no website that I could find just for the monastery or its wines), English language guides, would all make this a very good destination for wine tourism. This is a place with tremendous potential that has many of the pieces in place, but needs the completion of certain basics in order to truly make it a world-class wine destination.

Ikalto Monastery is also fascinating but completely unprepared for American visitors. There is no brochure, no English language materials, no one and nothing that can provide explanation to Americans. However, it is a beautiful and fascinating part of the ancient Georgian wine tradition.

Chateau Mukhrani will be an outstanding destination for wine tourism when its renovation is complete. The tasting room we visited was very chic and all the winemaking facility and equipment and buildings that we saw were attractive, modern, and impressive. In addition, their location close to a fascinating Roman ruin is very good for tourists as well, although as we understand it, the ruin is not open to the public. If that changes in the future, it will make the combination of visiting Chateau Mukhrani and the ruins that depict wine drinking in Roman tiles a very well-rounded and satisfying tourist visit.

PROBLEMATIC SITES WITH REGARD TO WINE TOURISM:

Although Bagrationi has some large public spaces and does a brisk business in hosting weddings, the winemaking facilities look worn and would not be impressive to American eyes. Similarly, the tanks of Telavi Wine Cellar look aged and are unsightly for Americans who are used to seeing gleaming Napa Valley Tanks. While Telavi has some lovely tasting rooms that could welcome tourists, their tank area should not be part of a wine tourists' itinerary.

Twins Winery is a very attractive rural winery. However, the lack of welcome that our group felt – standing around for two hours without being offered wine – was not the kind of hospitality that wine tourists want. In addition, its very remote location is problematic – even our Georgian driver had to stop for directions.

Tsinandali Palace should be a good wine tourist destination. However, the lack of placards in English in the rooms is a problem. In addition, even though we finally had a guide who spoke English, her admonition not to stand on the rug was very off-putting -- a real problem. Our group of wine professionals was watched by hawk-eyed matrons who treated us as if we were a group of rowdy teenagers about to break the furniture. It was not a welcoming tourist experience. Also, the fact that there was an amazing wine cellar did not seem to be highlighted in any way. The tasting bar was well set up and attractive, but, once again, I was not clear that this was publicized properly. We were led to it, but would all tourists find it?

TOP FIVE WINES FOR QUALITY

I have used this list to highlight quality wines that I don't think will be immediate contenders in the American marketplace.

- Chateau Mukhrani, 2009 Shavkapito – while this wine is delicious, I don't think this grape is going to be the one for the American market
- Chateau Mukhrani, 2007 Grand Reserve Saperavi – very fine wine, but probably not an entry-level wine for American market.
- Pheasant's Tears, 2008 Rkatsiteli "fire wine" – delicious, but not available in large quantities.
- Pheasant's Tears, 2007 Saperavi – the batch made with green stems. It has developed beautifully, but again quantity is limited.

- Vinoterra, 2008 Mtsvane Qvevri – I think the combination of an unpronounceable grape and qvevri on the same label may inhibit this in the American market; however it was a very well made, delicious wine.

TOP FIVE WINES FOR MARKETABILITY IN THE U.S.

- Tbilvino, 2010 Qvevri Rkatsiteli – this is a good entry-level qvevri wine for the American market. The wine was only on pumice for 3-4 weeks, which made it less tannic than some other qvevri wines. I smelled attractive aromas of clove and cinnamon and got spiced pear on the palate.
- Marani, Tsinandali – I thought this wine had great fruit and a pleasing roundness on the palate.
- Marani, Mukuzani 2008 – a delicious wine that I think Americans will really enjoy – it was one of my own hands down favorites.
- Kakhuri, Rkatsiteli 2010 – Wine was very crisp and refreshing and I think Americans will enjoy it as an alternative to Sauvignon Blanc.
- Wine Man, 2010 Saperavi – delicious fruit and fresh flavors.

Honorable mention goes to:

- Chateau Mukhrani, Taykveri Rose – fresh and delicious. I see a great deal more dry rosé drinking in the U.S. and this one is delicious.

PRESS GENERATED

To date, the press my trip has generated can be found in the following blog posts:

<http://loveswine.blogspot.com/2011/09/so-what-am-i-doing-in-georgia-anyway.html>

<http://loveswine.blogspot.com/2011/09/georgia-wine-on-my-mind.html>

Also on my Twitter feed under the #GeorgiaWine hashtag. As of the fifth day of the trip, these tweets had reached over 100,000 Twitter users. I plan on writing and placing more online articles about Georgian wine soon.

RECOMMENDATIONS FOR FUTURE ACTIONS

A very large hurdle to Georgian wine promotion:

Here is a huge problem: America already has a Georgia and it's down south and known for its peaches. In the U.S., if you do an internet search of "Georgia wine tourism," you get results on the U.S. State Georgia wineries – not on wine tourism in Georgia. There needs to be a website dedicated just to wine tourism in the Georgia, or it could be part of a larger website for Wines of Georgia.

Also, I think that Georgia wine labeling for an American market needs to make sure that it's clear this wine is foreign. I think that Chateau Mukhrani's labels – classic but which include the Georgian alphabet as well as "Fine Wine of Georgia" work well. I also strongly recommend putting a map on the back labels of all Georgian wine that shows the country in relationship to bordering geographic elements. In addition, the region the wine is from could be highlighted on the label.

As far as labeling, I believe that more information is better, especially with new varieties. The grape blend or variety should be listed as well as food-pairing suggestions. In addition, if the wine was oak-aged, this could also be listed. Qvevri wines should all have an explanation of that process.

The GWA should develop a comprehensive, multilingual website that explains the most common white and red varieties. A pronunciation guide for English speakers would be very nice for these as well, even with an embedded sound bite so people could hear how these words sound. The www.austrianwine.com website is a fantastic resource to model the Georgian wine website after.

The Georgian Wine Association should pool resources to begin to make inroads in America. Some wine regions have pulled together small scale tastings in key cities around America – New York, Chicago, and San Francisco to start. I attended a variety-specific tasting of Austrian wine a year and a half ago in New York. It was a tasting for Blaufrankisch – a grape name that is challenging much in the same way that Rkatsiteli or Mtsvane is. In this small tasting, winemakers from Austria came with their bottles and spoke English and a small group of press and bloggers and wine trade came to experience this variety, which has, even since then, become more widely known in America.

Large consumer events offer another opportunity to showcase Georgian wine. Large wine festivals, such as the New York Wine Expo, the Saratoga and Newport Wine Festivals, and other events are good venues for consumer exposure.

The Georgian Wine Association should devote some resources to social media. There should be an –official” tweeter for the association. In addition, English-speaking winemakers and winery owners or others on staff should undergo social media training in order to establish a Georgian Wine presence on Twitter.

In addition, wine bloggers and other wine social media people, can be targeted with live tasting experiences in which everyone tastes and tweets the same wines at the same time. This usually involves a lot of sampling, and some sales of a pre-established line up of wines. On the evening upon which it occurs, it gets a lot of traction from Twitter and it also exposes a lot of –wine influencers” to the wines of Georgia.

Wine Twits <http://winetwits.com/> is one outfit that arranges live online tastings. A winemaker can attend the filming, which generally takes place in New York City. Snooth <http://www.snooth.com/articles/brancott-virtual-tasting/> is another major website that has winemakers come into the studio to discuss their wines, all while targeted members of the community have received wine samples and everyone tastes and discusses the wines virtually through a website or Twitter.

In addition, having a table or two at the two wine blogger conferences (North America and Europe) <http://winebloggersconference.org/> is a smart idea. Wines of Portugal have made very big inroads with the blogger community for doing just that. In fact, some European wine makers attend the blogger conferences so they can bring blogging into their winery websites. Being an attendee of a blogger conference provides an invaluable opportunity to befriend wine bloggers and writers, and it is that personal contact that is the glue that holds the other social media efforts together.

WINE TOURISM RECOMMENDATIONS

I believe that from a wine tourism point of view, the overall tourist industry needs to be beefed up to target Americans. This would include an easy-to-use and find Tourist Office in Tbilisi. The tourist office that includes information on Rioja wineries in Spain is a brightly lit space with a large map of the wine region. There are several brochures on local wineries, as well as a full pamphlet with phone numbers and addresses of dozens of wineries to visit. In addition, the staff at the tourist office speaks English and can be of great assistance in deciding which wineries to visit. These will all be helpful for tourists in Georgia who would like to explore the wine region.

In Hungary, there is a husband and wife team <http://www.tastehungary.com> who operate a wine touring company out of Budapest. They take small groups into the countryside to wineries and often arrange special activities for them. The couple both speaks excellent English (the wife is American). Also, the wife has written a book about Hungary and its food. Hungary is like Georgia in that it has remote countryside where few people speak English. So, this small tour company is a good resource. Perhaps reaching out to the local culinary community, there could be one or two people persuaded to take on this type of culinary/wine tour in Georgia.

Within Tbilisi, it would be wonderful to have wine classes available to tourists. The Bordeaux Wine School <http://www.bordeaux.com/Ecole-Du-Vin/default.aspx?culture=en-US&country=FR> offers these classes, which are a real, treat to tourists hoping to explore the vineyards there.

To expose Americans to Georgian wine and wine tourism, the New York Times Travel Show in New York and the LA Travel Show in Los Angeles are excellent venues that attract huge consumer crowds. My recommendation would be to do a wine tasting as part of the show, as I have seen Wines of Israel do. As very little food and drink (nonalcoholic) are distributed at the show, these tastings are really popular. Also, because it gives attendees strolling, a huge exhibit hall the chance to sit. The audience is large and captive and interested in travel.

FUTURE INTENTIONS

I will write several more articles and blog posts about Georgian wine. Also, in my life I will be a walking expert on Georgian wine and I will make opportunities to share these wines with fellow wine writers and lovers. As for the future, I would welcome the opportunity to work further with the Georgian wine industry.

E. JOEL BUTLER'S REPORT

OVERALL IMPRESSION OF THE GEORGIAN WINE INDUSTRY

According to statistics supplied by a representative of the GWA, the total production of wine in Georgia today is approximately 2.8 million 9L cases. To put this in perspective, that is slightly more than the yearly production of Columbia Crest winery in Washington State, USA. Yet, prior to 2005-2006, when the Russian market collapsed, production was nearly three times higher. That today there are now approximately 35 wineries, several with foreign investment that has significantly upgraded the quality potential for the wines, points to the energy of the Georgian people to rebound from difficult straits. Nonetheless, the slow re-growth of sales, combined with still insular and non-cooperative relations between many of the wineries, attests to the great need for assistance in technical and marketing sectors. This assistance should be combined with a fresh outlook that takes a more holistic view of the wine industry and its place within the greater framework of developing tourism in Georgia, as well as a more consistent and effective industry approach to the global market.

What are the key strengths of the Georgian wine industry? They are: a glorious, long historical continuity of quality wine production from which to draw inspiration (and lessons!); a plethora of unique, autochthonous wine grape varieties, many of excellent quality, all of which have characteristics often found nowhere else; a distinctive ancient production method (Kakhetian Qvevri) utilized by a critical mass of producers making a wine style not seen for 2000 years, effectively; and a new generation of wine producers willing to take the chance and spread the word about Georgia, its wines and traditions, and the beauty of the country to a western audience open to 'authentic', different ideas about what to drink and eat and where to go!

These are the facts. My one week in country is not nearly enough to form a very strong opinion, especially as we didn't visit several other production regions, and certainly none of the most important and beautiful sites for tourism, *a principal cornerstone for development of the country and its appeal at all levels to foreigners*. What I can say is that the industry already has a small but growing core group of producers who are making fine wines in the modern style with the local varieties that can hold their own qualitatively with their peers from major areas elsewhere. This group has the latest equipment and generally, the technical/intellectual ability to produce a range of very tasty wines at prices that *can be* competitive, provided the will is there and no one is too greedy.

There are still, however, many producers that simply must upgrade their equipment, and probably their viewpoints, to produce higher quality modern wines, and require investment that may be difficult for many, given current economic turmoil. This is an area where government support, possibly through long-term low interest loans, assistance from foreign investment in Georgian wineries (the country needs about a dozen more Herr Schuchmann's, and guidance from key outside technical advisors (well-respected oenologists and equipment manufacturers) would be of immense help.

I believe the strongest suit Georgia's producers can play for *growing* their market share is growing the sale of high quality, Georgian varieties made in the modern, fresh style. I also think the focus should be on 2-4 white varieties and 1-2 red ones, in order to focus people's attention and create an 'identity' for iconic Georgian wines. Georgia needs to create in

people's minds an immediate association of Georgia and Saperavi', for example, in the same manner that Grüner Veltliner has for Austria, and Malbec for Argentina.

Simultaneously, to establish Georgia's *unique heritage and style* with the consent of consumers, the classical Georgian qvevri wines must be more fully exploited. Likewise, this aspect will be discussed in more detail below.

The enthusiasm and camaraderie I witnessed between a few of the younger producers encountered, including their willingness to share information, is heartening to Georgia's young/old industry, and must be more strongly encouraged, especially at the production level; even more so at the marketing/promotion level. Until the Georgian wine industry takes a more cooperative approach to dealing with the difficulties of expanding into foreign markets to replace the Russian one, Georgia will not become a more recognized and vital player in the global wine market.

Organizations like GWA are working hard to develop a more global approach, but there is work to do, which won't be easy given that local Georgian traditions, from what I have observed, revolve so closely around family and community. It's not easy to open your thinking to strangers, let alone potential competitors. Creating "Brand Georgia" must be a high priority that takes precedence over individual breakthroughs.

OPINION OF OPPORTUNITIES FOR CONVENTIONAL WINE

Creating a larger market in the U.S. for Georgian wines hinges on providing a greater awareness of Georgia, its culture, beauty, and products in the U.S. Wine is one of those elements that can provide more awareness, but marketing Georgian wine in the U.S. will need to be co-supported by greater attention to promoting Georgian tourism, giving the 'why' for people to come to this small country half-way around the world.

There are enough wineries now in Georgia (more needed, however) who produce clean, fresh, vivid wines from the local varieties. My recommendations hinge around promoting three white wines; Rkatsiteli, Mtsvane, and Tsinandali, and one red; Saperavi. This has already (de facto) been done for the last five years, but it is imperative that producers focus on a limited number of wines to not overwhelm a linguistically challenged consumer market. And, these are probably the best varieties consistently produced in Georgia!

These wines, produced for a reasonable price (to retail on U.S. shelves between U.S.\$10.00-17.00) are those which will communicate to the widest consumer population. They are also the wines made to commercial volumes.

The primary market focus should be on high-quality wine/liquor stores where there is enough staff who can engage customers and 'hand-sell' the wines. Georgian wines will likely never be household names, nor command the ease of recognition of, for example, Australian Shiraz or Italian Chianti. Thus, the best outlets for sale will be to stores with qualified sales staff who are educated and curious themselves, and mid- to high-level restaurants who are interested in different styles, the unique, and those wines able to tell a story.

OPINION OF OPPORTUNITIES FOR QVEVRI WINE

Qvevri wines *will be the key hook to drive curiosity* about Georgia's wine and ancient history, including wine traditions.

But I caution against placing emphasis on their sale above that of modern-style wines in the U.S. Why? My caution has more to do with the white qvevri than red versions. These are extreme wines which even for an experienced palate are difficult to fathom, given their phenolic structure, aged taste, relatively higher price. One can appreciate them, however, aesthetically, and/or for their historical and symbolic nature. I doubt many will appreciate them for the former, but many will for the latter. Simply put *these are ancient wines, probably not all that different* from wines made during biblical times, during antiquity. They speak to a more natural, simpler, and 'cleaner' period; something that many people are searching for.

The red qvevri wines, however, are not only uniquely made, but fortunately share much of the same taste profiles of more modern, full-bodied red wines. They are not so eccentric as to contradict many consumers' idea of what good red wine tastes like. Promoting the red wines, in my view, should be the primary focus to establish qvevri's role as a flagship icon of Georgia's culture in America. Qvevri Saperavi, made in enough quantity selling for somewhere between U.S.\$15-30 retail, could obtain a strong cachet among the gatekeepers of the U.S. wine industry, even though it will never be a household item, so to speak!

Qvevri wines are a national treasure that should be promoted in the same manner as Sake and Kabuki are in Japan. The only opportunities for sale, however, will come from promoting knowledge of them through a select few adventurous restaurants in the country, similarly driven retailers, and much focused "Wine Ambassador" tastings with key gatekeepers in the press and trade.

I see qvevri wines as one of the principal hooks for any programs designed to expand Georgian tourism to westerners. Qvevri is a living descendant of ancient Georgian traditions and lifestyles, is made by delightful people (including the ineffable 'allure' to some of being able to meet with ancient monastically groups still making the wines in their spiritual milieu), and with more work, will be more accessible to visitors to the lovely region in which it is primarily made; Kakheti. *Its production, its history, its style should be a 'front and center' focus for any tourist program envisioned by government, private parties, and visible hand assistance.*

OPINION OF OPPORTUNITIES FOR WINE TOURISM

These two topics should not be separated. Even with one week in country, it is apparent that to grow Georgia's wine industry, more tourism is needed in general, and to encourage people to come to Georgia's wineries, they must be shown the 'real' Georgia of unique cities, the beautiful mountains, and the remains of ancient cultures and so on.

Commensurate with the primary goal of re-establishing the high number of tourist's pre-2006, the focus must be to lure 'higher-paying' travelers to come to Georgia by offering packages that combine wine tourism and 'experiential' tourism.

I see the principal targets of such a program as: serious and adventurous wine drinkers (those who read Decanter magazine, for example), both trade and consumer, well-educated folks looking for a novel experience and who don't mind a certain lack of amenities in order to experience a beautiful and 'unknown' place (readers of Travel and Leisure, the NY Times travel section), travelers interested in the cultural, historical, and /or religious nature of so old a country (academics, art historians, archaeologists, and those like me who enjoy tromping around sites, going to museums, visiting obscure monuments, or churches), and finally, those who want to experience the cuisine and culture of an unfamiliar place, where learning experiences can be built into the trip (chefs, food writers, those who are constant readers of the food section of major newspapers and magazines like Saveur).

TOP FIVE WINES FOR QUALITY AND TOP FIVE FOR U.S. MARKET

Those marked by ** are priced to sell and thus more likely to find an immediate market in the U.S. All were marked 17/20 points or higher by me- a very high mark for quality based upon balance, intensity, and uniqueness. Those marked with a 'q' are qvevri wines. Wines not listed in order of preference.

Top QUALITY

- Schuchmann/Vinoterra, 2009 Rkatsiteli Napareuli
- Telavi, 2009 Marani Saperavi Kindzmarauli
- Mukhrani, Saperavi Grand Reserve 2008
- **Mukhrani, Taykveri Rose 2010
- Pheasant's Tears, 2010 Mtsvane Manavi 'q'; and 2008 Saperavi Tibanni 'q'

TOP for having a market in the U.S.

This has much to do with price, considered for style (see remarks later for qvevri wines).

- #3 above
- **Mukhrani, Goruli Mtsvane 2009
- ** Telavi, Marani Kondoli Rkatsiteli 2009/10
- ** Wine Man, Saperavi Kakheti 2010
- ** Telavi, Marani Mukuzani Saperavi 2008

ALSO EXCELLENT WINES

- Mukhrani, 2009 Shavkapito; 2009 Rkatsiteli**; 2007 Saperavi**
- Shumi, 2008 Bio Saperavi **
- Schuchmann/Vinoterra, 2006 Kisi 'q'; 2010 Rkatsiteli Napareuli; 2009 Vinoterra Rkats. 'q'; 2008 Vinoterra Saperavi Select Napareuli
- Telavi, Tsinandali 2010 **; 2010 Satrapezo 10 Qvevri Mtsvane (barrel sample) 'q'; 2007 Satrapezo 10 Qvevri Rkatsiteli 'q'
- Kakhuri, 2010 Rkatsiteli **
- Alaverdi, 2010 Saperavi Qvevri 'q'
- Tbilvino, 2009 Saperavi Mukuzani

RECOMMENDATIONS

My recommendations can be divided between those for encouraging market development in the U.S., achieved by producers, GWA, government and visible hand assistance, acting individually or in concert, and those which are aimed at developing in-country tourism.

Focusing on the latter first, one must start by noting the obvious, which must derive primarily from government and private efforts, and have mostly to do with infrastructure issues. Developing better highway access, hotels outside of Tbilisi in wine areas and elsewhere, as well as developing a national center for learning about 'customer service' probably are issues that are already on the front burner.

If nothing else, appealing to Georgians' natural sense of hospitality should be a key component of gaining the basic cooperation of stakeholders in pushing forward with programs to develop infrastructure while training people for the kind of service-oriented jobs greater tourism will incur. I cannot speak to more particular recommendations at this level; the financing aspects currently present a challenge no doubt. But here are some recommendations from an 'outreach' perspective that could serve to bolster tourism to Georgia, and wine tourism as a key subset.

ENCOURAGING TOURISM AND WINE TOURISM

- Financing made available to integrate a significant "Georgian wine and wine regions" section into all generic tourist information published or distributed on the web.
- An English language highly-detailed Georgia website (properly written, grammatically correct); "The Original Georgia", which conveys via strong graphics and expertly written (enthusiastically) sections that highlight all that Georgia offers to the traveler seeking a new destination. I understand that GWA has created something. If true, this could be the basis for a wider reaching country-wide website.
- In conjunction with a U.S. "Wine Ambassador" being brought on board and paid for via government/GWA/other funding, there should be training for that or another "ambassador on all of the touristic aspects of Georgia, from mountains to beaches, so to speak! Wine tourism can thus be promoted alongside the bigger picture directly to those specifically targeted.
- Recommendation to reach out to key Wine Education companies, Wine and Spirits Trust (WSET) especially, as well as solid local/regional ones in N. America/U.S., and offer a specific Georgian wine training 'manual'. Additionally, I would recommend that GWA and Georgian tourism organizations arrange an annual trip for Wine Educators/students with WSET to visit Georgia and see for themselves. Visiting a country is perhaps the single most important stimulus for enthusiastic support and message-spreading I know of.
- An important consideration for wine tourism would be to assist more wineries in all regions (of a certain minimum size) to consider building and operating small hotel/restaurant complexes. Firstly, this will help alleviate the critical shortage of rooms in many regions. Secondly, it guarantees a secure, friendly place where tourists will feel comfortable and welcome. This is where visible hand assistance, combined with government (low cost loans, etc.) would be likely very helpful. Comfortable, moderately priced (no more than U.S.\$100/night), full-amenity (clean water, functioning toilets, etc.) rooms in greater abundance should be a priority for developing tourism. As is done in other key wine tourism areas (New Zealand, Austria, France, and Italy) winery hotel/restaurants are a very productive draw for people, and generally fairly lucrative for the owners if responsibly and creatively financed. A key aspect of this type of operation is that it allows for local employment of people, who can be trained for service-oriented roles, while not taking away critical, more specialized wine production people from their normal work.

- Organize tourism to the key touristic regions of Georgia (e.g. Racha) in such a way that there is always a wine component to it, where possible. People will appreciate an end-of-day wine tasting/meal at a good winery after a day spent sightseeing. Wine and history are so linked in Georgia that this should be easily done in most areas!
- No doubt the following is already being considered, but Georgia should produce a solid HD video program in which wine/wine tourism is a key component of the greater piece. I can envision a program with chapters devoted to: Ancient history, Wine, the Mountains, the Sea, Unique Cuisine, Amazing Music, etc. This is a project that should be disseminated to PBS like stations, educational organizations, key wine tourists, travel journalists, etc., and something where visible hand assistance could be very important for its successful production and dissemination.

ENCOURAGING GEORGIAN WINE SALES IN THE U.S.

- Establishment of a Georgian Wine "Depot" (s) on the East coast, and also West Coast, where wine from all of the key wineries importing (and new ones) can be kept for delivery as samples to trade and press, as a 'library' for a Georgian Wine ambassador to pull wines from for programs, meetings, dinners, etc.

This depot would be supported by GWA and all producers who would be selling in the U.S. There is a logic to the Wine Hub in New Jersey and Fairest Cape in California being those depots in as much as they handle import licenses, are a distribution organization, and can do the necessary compliance tasks for COLA, interstate transport to non-licensed recipients (like wine ambassador or press). This is a critical function that must be organized to really be able to promote the wines properly, especially if trade wants to buy wine on short notice. What it *cannot do*, however, is act as the sales arm for producers in the U.S.; is rightfully the job of the importers, for legal and ethical reasons. It can and should, however, act as general conduit to promote and forward potential sales to distributors/importers. The one exception is if Wine Hub is subsequently licensed to sell directly to consumers interstate, and/or designated as wholesale distributor/importers for particular brand(s).

- A focus on Tsinandali, Rkatsiteli, and Mtsvane white wines, and Saperavi reds (dry, rose and semi-sweet; the first being most important). The idea is to repeatedly identify Georgia with these four wines so that consumers will not be deflected and confused easily. As Austria has done with Gruner Veltliner, focusing people's attention on 'archetypal' wines singularly identified with Georgia helps with 'brand Georgia' identification.
- Sales of modern style wines with these varieties and region should be the primary goal of Georgia's importers, with special regard for medium- to high-end restaurants, which are not ethnic. Particularly for wine by the glass programs, these can be a great opening for restaurants, so long as the education is provided, the wines are fresh, and supply lines maintained well. Wine ambassador roles would be very helpful to these distributors, in being able to work with and discuss Georgian wines in the wider context, as well as regarding the specifics of distributor's wines. Working with distributors in that capacity to do staff training and tastings (as someone with "third-party credibility") would also be a key role for an ambassador in the context of marketing these wines.

- The creation of a high resolution, digital map that can be printed as PDF, which highlights the key wine producing regions of Georgia, and highlights the principal varieties grown in each of them all with enough detail to allow for delineation of sub-appellations in Kakheti, for example. Altitude should also be delineated on the map. This can be offered for sale in large format sizes through retail outlets, but should be available in 8.5x11 format too as promotional material. Cost could be subsidized by visible hand assistance organizations.
- Qvevri wines need to be promoted to high-end, adventurous restaurants and stores only, where the consumer's knowledge is assumed to be higher regarding wine, and they often are more willing to try something completely new. The example of this phenomenon previously happening is the rise of Amarone di Valpolicella in reputation and sales beginning about eight years ago, due to strong focus by the press, key buyers and promotion by some key producers showcasing its ancient history, unique production style, and complex taste that meshed with a variety of cuisines. I propose a "Questions about qvevri" foldout pamphlet/PDF be created which accurately conveys all aspects of this ancient style, and what to expect. It should include enough pictures to convey the reality

This approach should be looked at further to develop similar results for qvevri wines, albeit they will take a bit more work to 'sell', particularly the white wines. Therefore, my recommendation is an initial focus on red qvevri wines, to ease buyers into the style with wines that bear resemblance to some other currently made wines. Saperavi's delicious nature and indigenous origin can make this an easier sell. Later, or with more adventurous buyers, the white qvevri wines can be introduced as something ancient, something new and 'completely different' to wines anyone has previously experienced. As colleague Clark Smith noted; "These wines completely turn on its head our notions of what constitutes quality wines and how to produce them".

- Creation of material in English detailing the romance, history, and character of Georgia's pre-eminent wine styles, varieties, and regions. This should be done in mind that more and more, information is transmitted via the web. But salesmen still need handouts, with information that they can handily refer to as well.
- Creation of a Georgian Wine Sales Kit for distributor/retailer use. This would take some of the same information as in the above recommendation, but be honed towards sales issues: e.g. why should one buy Rkatsiteli instead of something similar but more common? The creation of these tools should be done by a well versed wine ambassador, wine expert, in conjunction with GWA or other Georgian expert. Funding, I think, could be a key EPI/USAID goal, and not be terribly expensive (less than U.S.\$30,000, including web content development).
- A coordinated approach by GWA producers at least (others if possible), to *not promote* cheap wines that are not in keeping with the image and goals established (hopefully!) by a consensus of the industry, and in line with guidelines that may be developed by OS and other key U.S. industry gatekeepers over a reasonable time. The worst thing that can happen is that inferior, sub U.S.\$8.00-9.00 wines will be promoted which don't represent the significant quality and style Georgia wishes to convey in the U.S. Georgia is neither Chile, nor cheap and cheerful Southern Italy! The focus must be on uniqueness, heritage, and quality.

FUTURE INTENTIONS

From the outset of participation on the recent USAID-sponsored trip, I had three goals. The first was visiting a country that is at the foundation of winegrowing in our culture, and thus having more understanding of the transition to domesticated winegrowing and ancient styles in preparation for my upcoming book; "Following the Bible Wine Trail, Ancient and Modern". Secondly, I was curious about the current state of Georgian wines, learning more about them, tasting a wide range, and thus having knowledge that can be used in my educator context with my wine education/consulting company, Wine Know LLC, in Seattle. Third, I wanted to visit the country to get a sense of how serious the country is about developing its reputation for wines, so that I can offer my services to assist provided there was serious intent.

I discovered very positive results for my three goals. On the first topic, I have a greater appreciation for where Georgia fits into the ancient wine story, and found new information along with taking pictures of artifacts that amply demonstrate Georgia's place in the scheme of things. On the second, I was impressed with many of the wines tasted, and certainly the qvevri story has profound consequences for both my writing and teaching about wine. Tasting the wines also confirmed to me that there is now a viable basis for promoting the sale of Georgian wine in the U.S.; clearly very different than the situation even 5-10 years ago, let alone 20 or more, when last I had a Georgian wine while travelling in the East Bloc.

Lastly, the commitment I saw to continue improving quality, establishing a fundamental desire to promote wine and wine tourism, and further development of vineyards and fine wine in Georgia, convinced me that I should try to be a part of that future.

F. LISA GRANIK'S REPORT

OVERALL IMPRESSION OF THE GEORGIAN WINE INDUSTRY

Wine quality has improved dramatically since my first visit to Georgia 20 years ago. If producers are willing and able to work together, they should be able to exploit opportunities to build their brands abroad and begin to recover from the shock experienced from the closure of the Russian market. That said, neither the wine industry nor the tourism industry is sufficiently developed to stimulate demand via wine tourism.

Overall, I found the white wines to be much more successful on a consistent basis than the red wines. While Saperavi has appeal in that the name is easy to pronounce, the variety has a distinctive and different character from others in the marketplace, the inconsistency in quality and style among the different producers, as well as the tendency to over-oak the wines will send a confused message to consumers, inhibiting the variety's ability to make an impression and gain traction in the market.

Producers need to understand that they serve themselves best by being true to the variety and their own terroir by either following the traditional qvevri methods of production, or producing wines in a modern style that are pure. In other words, they should work for the modern wines to be crisp, clean, balanced, and pure; they should not mask the variety and terroir by the use of new oak. They should not try to chase the market by forcing their wines to conform to an international style; rather, they need to exploit their points of difference.

While certain producers, such as Schuchmann and Chateau Mukhrani, met an international standard of hygiene, other producers did not appear so diligent, sometimes with a deleterious effect on their wines.

OPINION OF OPPORTUNITIES FOR CONVENTIONAL WINE

The high quality of wines produced by producers such as Telavi Wine Cellars, Schuchmann, and Chateau Mukhrani demonstrates that Georgia is capable of producing wines that are of a high level of quality and individuality to merit a place even in the crowded American market place. More specifically, compared to other non-classic regions (e.g. Chile, Romania, and Slovenia), Georgian wines offer the following attributes:

- They can be clean, fresh, and balanced wines
- They offer delicious fruit components that appeal to the contemporary consumer
- They come from distinctive, high-quality indigenous grape varieties offering a significant point of difference
- A favorable price: quality ratio

What is significant here is that the top wineries are producing wines that have all of these qualities, all of which are necessary to be appeal to both consumers and the trade. It is important that these wines maintain this price: quality ratio, particularly as in recent years (and the foreseeable future), buyers are increasingly looking for wines that can deliver margin, and consumers are looking for wines in the U.S.\$10.00-15.00 range that offer both hedonistic pleasure and some "authenticity" (i.e. sense of place).

As noted below, the qvevri wines offer the opportunity for Georgia to establish itself as a high-level wine producer, and not be branded as a “cheap” wine producer. The small nature of the Georgian conventional wine industry offers a different advantage, in that there currently is the possibility to forge new relationships with both retail and on-trade whereby margins are secured, and the retailers have an incentive to promote whichever Georgian wines suit their niche.

The diversity of the Georgian wine offering is another strength. The American market is not monolithic, with wine tastes varying among demographics and geography. Georgian producers would be well-advised to segment the American market accordingly, promoting the sweeter styles of Kindzmarauli, for example, to the millennial generation, or to consumers in the country’s mid-section where sweeter red wines have traditionally had greater popularity; and the Rkatsiteli, Kisi, and Mtsvane wines to more mature consumers.

In light of the recent article on the growth of demand for sweet red wine, it is important to note that it does not matter whether these consumers “graduate” to dry wines. What is important is to attract, grow and capture that market share. The approachability and easy-drinking quality - linked with the romance of history, tradition, and authenticity – substantiates the viability of Georgian sweet wines.

OPINION OF OPPORTUNITIES FOR QVEVRI WINE

Qvevri wines offer a hook for trend-setting sommeliers and specialty wine shops to “discover” a new wine region and build their own brand while creating buzz about Georgia at the same time. While the price and style of these wines may not be appropriate for all consumers, they have appeal to consumers who are adventurous (this includes the buyer in the millennial demographic), to those curious about “natural wines,” and those interested in traditional and historical styles. As much wine is sold by virtue of its romance conveyed, qvevri wines have an authentic story, and, in terms of their wine style, a unique point of difference that will be useful to exploit in capturing the attention and imagination of both wine trade buyers and consumers.

Maintaining a price premium for the qvevri wines also establishes a quality marker for Georgian wines. This price premium needs to be maintained to ensure Georgia does not become associated with a “cheap and cheerful” trap, such as that affecting Chile.

OPINION OF OPPORTUNITIES FOR WINE TOURISM

There are two types of wine tourism: consumer and trade. At this time, Georgia is not prepared for general consumer wine tourism as only one winery is equipped with what the Italians call “agriturismo” facilities where winery visitors can sleep and eat while visiting a wine region. Second, travel outside of Tbilisi is extremely difficult for anyone not speaking or reading Georgian, as most signs – to the degree that there are signs – are mostly in Georgian. Third, the level of hospitality expected by the average American tourist is not met outside of the Western hotels in Tbilisi.

One small possible niche for consumer wine tourism might be tours developed by university alumni associations (e.g. Georgetown and Yale each have dedicated tours for alumni). This might be tucked within a broader tour of Georgia that also considers its history and culture.

As for trade wine tourism, it could be very useful to bring influential sommeliers and wine buyers to see Georgia, to introduce them to the varieties and the producers; to see the vineyards in order to understand the “terroir;” to see both the qvevri ruins and the modern

qvevri production; and to convert them to become brand ambassadors of Georgian wine in their locality. It is important, however, to understand that the U.S. market is segmented, and that large retail (off-premise) buyers have different interests and sales imperatives than, for example, wine buyers of small independent wine shops and restaurants. The way in which buyers partial to the qvevri wines are presented wines produced in the modern style also must be carefully structured and scripted to overcome some of their prejudices, to enhance their education and understanding of the wines and varieties.

It is worth noting that at least two buyers on the trip confided to me that Georgia was not yet equipped in terms of hospitality or understanding their needs to capitalize properly on the Qvevri Symposium. They felt a great opportunity was missed in educating them about the indigenous varieties, the lay of the land and the specificities of the Georgian terroir. They would have preferred to have visited wineries and vineyards, and to have talked with producers to understand each producer's vision and interpretation of his terroir.

TOP FIVE WINES FOR QUALITY

- Chateau Mukhrani Shavkapito, Taykveri Rosé, Saperavi, and Saperavi Reserva 2007 (I found this to be an excellent producer overall.)
- Alaverdi Monastery, 2010 Kisi
- Telavi Wine Cellar, Kondoli Mtsvane-Kisi 2010, and Tsinandali 2010
- Vinoterra, Mtsvane 2008
- Shumi, Tsinandali 2010

TOP FOUR WINES FOR MARKETABILITY IN THE U.S.

- Chateau Mukhrani, Takveri Rosé, and Shavkapito
- Telavi Wine Cellar, Tsinandali 2010
- Marani and Schuchmann, Kindzmarauli
- Vinoterra, Rkatsiteli

PRESS GENERATED

- Article in World of Fine Wine (forthcoming 2012)
- Tastingworks blog: granikmw.wordpress.com (forthcoming)
- Article in Wine & Spirits magazine (pending)

RECOMMENDATIONS

- Organizing a trip of opinion-setting sommeliers to the region: I would argue that this is likely to bring more concrete results than a trip for Master Sommeliers, because for an area as obscure as Georgia, it is the sommeliers that are regarded as the "discoverers" or "tastemakers" and are often more important than sommeliers with post-nomials.
- Organizing a trip of Master Sommeliers to the region.

- Brand ambassador of Georgian Wine to organize and hold seminars and tastings about Georgian wines in key American markets, to raise awareness about Georgian wines. The ambassador might also blog and tweet regularly to keep Georgian wines at top of mind for both trade and consumer.
- Arrange a “Road trip” by a selected group of producers to visit the U.S. on an annual basis to hold seminars or wine tastings to familiarize consumers and the trade with Georgian wines. This should coincide with a large trade tasting seminar on Georgian wine (such as one for Greek wines held annually in NYC and other cities). A core group of MWs and leading sommeliers, plus a few producers can present a group of 15-20 wines to teach and familiarize the trade audience about Georgian wines.
- On a much smaller scale, the International Wine Center (IWC) in NYC holds periodic seminars for its graduates. Each seminar has space for roughly 40 people. These seminars usually explore lesser-known wine styles or regions. An IWC seminar, led by a Master of Wine and a representative from the Georgian wine industry, with wines from a variety of producers, could raise awareness among the trade about Georgian wine. This, it should be noted, would be a one-time event and offer less reach than a road trip. (The IWC coordinates WSET programs in the U.S.)
- The Georgian Wine Association should develop a well-constructed and user-friendly website that can operate as an educational resource about Georgian grape varieties, wine regions, sub-regions, appellations, and comprehensive vintage assessments. See the Austrian Wine Board’s website as a good example.
- Well-constructed, user-friendly winery websites with fluid English offering comprehensive information regarding conditions in which wines are grown (soil types, elevation, exposure, yields), and some general parameters about their production.

FUTURE INTENTIONS

Through my company, Tastingworks, I expect to hold a number of trade- and consumer-focused, analytical wine tasting seminars exploring the characteristics and different expressions of indigenous Georgian grape varieties. These tastings will be reported and discussed in my related blog. As an outgrowth of additional trips, tastings, and articles, I would like to write the first comprehensive English-language book for wine professionals and engaged consumers on Georgian wine.

G. PATRICK FARRELL'S REPORT

OVERALL IMPRESSION OF THE GEORGIAN WINE INDUSTRY

This is not easily answered as a single overall impression. Most wine industries are fragmented by types of wine produced, size of producer, and whether the producer is "traditional" or "innovative". As per most regions in the world, the quality levels of wine produced varied markedly.

The Georgian wine industry does not have as strong a domestic market as do most other wine producing regions. As such, the wine industry is trying to serve two, very different masters: those of traditional markets from Soviet times (Eastern bloc nations and ex-Soviet republics) and western markets. The former are willing to purchase and drink styles of wine that have minimal commercial potential in western markets, including those in the United States. We tasted a range of wines that were successful in the old Eastern bloc nations. Many of these wines suffered from faults, including oxidation, off-aromas, and volatile acidity. Smaller and mid-sized, quality-minded producers are capable of producing high-quality, flavorful, and interesting wines that may have significant commercial potential in the United States. Very high price expectations on the part of some-quality minded, Georgian producers diminish their commercial viability.

My opinion upon completing our visit was that brand Georgia could be established in the United States by focusing primarily upon the small to mid-sized, quality-minded producers. Upon further reflection, it is my belief that the larger, more traditional producers need to be simultaneously modernized (at least for those wines shipped to the United States) for the effort to be successful. Otherwise, the positive branding/press/reviews of the higher quality wines will be negated by negative branding/reviews and press obtained by producers making wine for the ex-Soviet republics and eastern bloc nations.

The "hook" in terms of interest, novelty and quality has to be the qvevri wines. When well made, and not all are well made, these wines offer unique flavor and textural profiles (especially the white wines) to appeal to sommeliers, wine writers and adventurous wine drinkers.

Clean, fruity, crisp white wines made from Rkatsiteli and other indigenous varieties, when priced competitively, are also viable on the American marketplace. This will take significant branding efforts.

Saperavi and other dry, red wines were more variable in style and quality than were the crisp versions of Rkatsiteli. When ripe, lush, fruity, juicy, and easy to drink, Saperavi was at its best and most apt to represent a successful style for the American marketplace. Some examples suffered from green flavors and hard tannins. It's unclear if these are a function of poor vineyard site selection, inadequate canopy management or suboptimal winemaking. Less hygienic versions of Saperavi and other indigenous red wines were all too commonplace, which may make success on the American market for the broader industry a challenge. I remain uncertain about the ageing potential of most Saperavi wines.

Off-dry and semi-sweet wines suffered from some of the same problems as the dry red wines, though to a greater degree. Oxidation, Brettanomyces, volatile acidity, and premature ageing were problems encountered. That said, when made cleanly, such somewhat sweet

wines represent a segment of the American marketplace that may afford untapped opportunities.

Sparkling wines and dessert-style wines will face steeper challenges in the U.S. Quality levels often are not sufficient for the American market. When quality is high enough, prices were also very high so as to make these wines hard to sell in the American marketplace. Equipment upgrading is needed for some sparkling wine producers.

Other aspects of the wine industry include closures, bottles, and packaging. As of the time of our trip, there was not a wine bottle producer in Georgia. Such ancillary aspects of the wine industry may also afford opportunities for American companies.

OPINION OF OPPORTUNITIES FOR CONVENTIONAL WINE

Marketing and a presence of employees in the United States is essential for opportunities in the United States to pan out. Placement of producers with small importers will fail unless there is adequate support in branding Georgia. To compete with Albariño from Spain and Gruner Veltliner from Austria, Georgian white wines need to price very competitively.

Crisp, clean, fruity white wines made from Rkatsiteli would be the preferred style, perhaps with other varieties. Pricing needs to be very competitive for opportunities to exist. Fruity, round, and easy drinking examples of Saperavi that are ripe and lack faults can be successful if priced competitively and backed up with marketing.

OPINION OF OPPORTUNITIES FOR QVEVRI WINE

Hand-crafted, high-quality examples of qvevri white wines are sufficiently different from any other type of wine to be considered a prospect for successful niche placement and initial branding of Georgian wine. The qvevri story, archeological tie-ins and focused, tutored tastings in the U.S. could make a compelling argument for these wines.

Not only are the qvevri wines interesting, they are also very good with food. Throughout the trip, we were astounded as to how well these wines, especially the whites, went with food. Upon returning to the States, I discovered that these wines are also very good with ethnic foods, such as Chinese food, as well.

These wines need to be placed in an overall marketing plan for all Georgian wines.

OPINION OF OPPORTUNITIES FOR WINE TOURISM

The wine tourism industry is very new to Georgia. The lack of a significant domestic market (many Georgians make their own wine) makes kick starting wine tourism somewhat difficult. Service in restaurants varied markedly. Having servers familiar with standard service would help. Infrastructure remains a problem. Outside of Tbilisi, hotels were much more rustic and service less attentive. Several wineries with western European ties have made impressive inroads in creating very good facilities to produce wine and to receive tourists. Some are taking advantage of nearby archeological sites of interest, which will be substantial draws in the future.

Wine tourism needs to be tied into the branding of Georgia (“the other Georgia”) and the branding of Georgian wine. Success in the U.S. of quality-minded producers, along with a strong and focused marketing effort will drive tourism interest in the United States. Television

programs, articles, and other press could help to develop this marketing story that will be essential to branding Georgian wine.

I do not believe that WSET courses for the Georgian wine trade will spur tourism.

TOP FIVE WINES FOR QUALITY

I have chosen five top white wines and five top rose/red wines.

Whites:

- 2010 Alaverdi Rkatsiteli (qvevri)
- 2010 Alaverdi Kisi (qvevri)
- 2008 Pheasant's Tears Rkatsiteli (qvevri)
- 2009 Vinoterra Rkatsiteli (qvevri)
- 2005 Vinoterra Tsinandali

Rose/Reds:

- 2010 Alaverdi Saperavi (qvevri)
- 2007 Pheasant's Tears Saperavi (qvevri)
- 2008 Schuchmann Saperavi (qvevri)
- 2010 Wine Man Kakheti Saperavi
- 2010 Mukhrani Takveri Rose

Note: This quality list is heavily represented with qvevri wines. The older non-qvevri white wine was simply delicious. There were red wines that were more "serious" than the rose wine that I selected, though this was an excellent example of delicious rose.

TOP FIVE WINES FOR MARKETABILITY IN THE U.S.

I would refer the reader to the top quality wines. Finding a market for wines in the U.S. will be dependent upon value pricing, better labeling, more readable names (producers and varieties) and promotion of those wines. By branding the best wines first, this will send a message to other producers as to what is working on the U.S. marketplace. In terms of more specific selections, I will defer to Lisa, Joel, Peter, and Luiz, who have more experience with the marketing of individual wines.

PRESS GENERATED

I have shared a bottle of qvevri white with the tasting coordinator for the Wine Enthusiast magazine and we discussed the prospect of doing a tasting and writing an article together once there are wines so available.

FUTURE INTENTIONS

Private investment from European and American sources has yielded some impressive wines with international appeal. Additional, private investment will be required to aid in a range of activities essential to establishing brand Georgia in the “west”. These include: facility and equipment improvements for larger producers, development of optimal vineyard sites and encouraging the development of additional wineries near those that have begun to attract international visitors and tourists. Investment will also be required to establish brand Georgia in the United States. Funds will be required for educational seminars and tastings to introduce the United States wine trade to a range of Georgian wines. These wines need to be in the United States and available for promotions, branding, and tastings. The wines need to be available for sale in the United States and internet sales may be a good way to start. Georgia needs an “on the ground” presence in the United States for branding to have a chance. Co-branding the wine, food, culture, and desirable travel sites in Georgia may be a good approach.

Tutored tastings to wine educators and the trade represent the way to gain entry into the marketplace. Possible venues for such tastings include: Society of Wine Educators Annual Conference, Master of Wine Educational Seminar, Tex-Som Conference, etc. Key sommeliers at high-profile restaurants need to taste qvevri wines (only once they are available in the States) for inclusion on their wine lists. Articles need to be written, both by some of the attendees of this trip and by their contacts. Selected wines should be entered in the Dallas Morning News Wine Competition as there will be senior judges there having expertise with Georgian wines. Explorations of Georgian wines with a range of foods afford prospects for articles and restaurant placements.

One can only do so much without wine to taste. Any of us can be excited and convey that excitement to other wine professionals. That excitement only becomes infectious when the other professional tastes the wine as well. There needs to be a central source of wines available for tastings, both large and small. These wines should represent the wines that are deemed most commercially viable.

I have already shared a bottle of qvevri wine with two wine professionals. One works for the publication Wine Enthusiast and the other for Christie’s Auction House. I can place Georgian wines with the tasting coordinator at Wine Enthusiast as a precursor to an article and tasting notes. My friend from Christie’s was excited by the wine and even more excited when I told him that at least two cellars of old, untouched Georgian wines existed. He agreed that the wines needed to be tasted by experts (such as him, myself, and others) to determine their condition and commercial viability. This could lead to some subsequent tastings with journalists and some fantastic press. If there are wines that are alive and delicious, then the prospect of some wines generating high prices at auction exists.

H. REBECCA MURPHY'S REPORT

OVERALL IMPRESSION OF THE GEORGIAN WINE INDUSTRY

The area that is now Georgia is considered one of the oldest, if not the oldest in the world. The tradition and culture of wine is an integral part of Georgian lifestyle where nearly everyone is a home winemaker. However, the commercial wine industry, especially for fine wines appears to be a relatively new or an increasing aspect of wine production. Most of the wineries are operating in facilities that were built by or confiscated by the Soviets for bulk wines. With a few very well done exceptions, most of the wineries are unappealing in appearance with tanks that are covered in rust and equipment in disrepair. In some cases, it is clear that no thought is given to how the winery looks to an outsider; a turn off for winery visitors. The state of these wineries is quite understandable, given the last 50 years of political turmoil visited upon Georgia and the lack of financial means. The loss of Russia as the major export market has been a crushing blow. In the search for an alternative export market, the Georgian producers are developing a strategy of focusing on the U.S. market for Georgian wines.

Fortunately for that strategy, Georgia offers unique qvevri wine with eons of tradition as well as modern style, clean fresh, delicious wines made with an amazing array of indigenous grape varieties to satisfy the most jaded palate. Accomplishing the strategy will not be easy. The U.S. market is flooded with wines from all over the world, but imports represent only 23-25 percent of the market. The remaining 75-77 percent of wine choices is produced by U.S. wineries with avid fans that are loyal to their home-grown wines. Most distributors and retailers will say the last thing they need is another wine to occupy their efforts. So, Georgian producers have an uphill battle to fight to gain a share of the U.S. market. It is not an impossible feat to accomplish, but it will require a collaborative effort that includes producers, the Georgian government, assistance from other government and non-government agencies and a network of U.S. wine professionals to advocate on behalf of Georgian wines.

OPINION OF OPPORTUNITIES FOR CONVENTIONAL WINE

Pros - The best of the wines we tasted were fresh, flavorful, lively, and interesting and food friendly. The different grape varieties are different and exciting, not just another chardonnay or cabernet.

Cons - They are made from grape varieties that are, for the most part, unfamiliar and unpronounceable for Americans. It can be argued that German wines do not sell well in the U.S. because the language on their labels is incomprehensible to the average consumer. The more savvy wine companies are simplifying their front labels with the more specific and required information on the back label.

The wineries should consider creating simpler nicknames for grapes like Rkatsiteli (r-cats), Mtsvane (sounds like Swanee as in the Steven Foster song "Old Folks at Home" or Swanee River"). Kisi is a great name to play with on a label.

OPINION OF OPPORTUNITIES FOR QVEVRI WINE

Qvevri wines are unique in the world and have a long and illustrious history. It's a wine for early adopters, wine geeks, sommeliers, and fine wine shops. Austria's Gruner Veltliner was an overnight success on U.S. wine lists due to the enthusiasm of sommeliers

There is a vocal group of wine aficionados in the U.S. who advocate "natural" wines made by minimal human intervention. Qvevri wines meet this definition and should be promoted as such.

The qvevri whites are the antithesis of what most American wine consumers look for today, but that doesn't mean there is no audience for them. Sommeliers are early adopters of any well-made new wine style, wine region, or interesting grape variety. They like to lead the way with the newest, latest, and hottest and they have a strong communication network.

OPINION OF OPPORTUNITIES FOR WINE TOURISM

Academic research has shown that wine tourists enjoy not only tasting wine, but gaining knowledge about winegrowing processes and having fun. Several elements need to be in place to be successful at wine tourism and it seems that those involved in have a grasp of these elements and recognize that there is much work to do.

Georgia has a wine association, which can serve as the central point for organizing efforts, providing funding. This group is essential for success. Apparently, there are members who have the financial resources and the will to work together.

There need to be more and better hotels and restaurants in wine country. The hotels we stayed in had the basic amenities, though hot water for bathing was not always available. Real coffee at breakfast should be provided. Wi-Fi was mostly available. We were told that restaurants are not plentiful since Georgians traditionally don't eat out, so it's hard for a restaurant to survive.

Other tourist attractions are desirable and fortunately Tbilisi and the surrounding wine regions are also home to a treasure trove of archeological wonders. Multilingual guides are a necessity, but were not apparent to us.

There need to be well-marked roads and wine trails, but signage is not readily apparent on roads and many wineries we visited had no signage at the front of the winery. In addition to signage, winery websites should provide GPS coordinates as well as their addresses.

The international gateway to eastern Georgia is the Tbilisi airport located within two hours of the Kakheti wine region.

Tour operators are essential, especially since it would not be easy at this point for individuals to undertake winery visits on their own.

Based upon our experience, customer service and hospitality are not universally understood, so training hospitality staff is essential.

Currently there doesn't appear to be coordinated wine public relations and marketing.

The wine industry seems to have the support of regulatory bodies though financing appears to be difficult.

TOP FIVE WINES FOR QUALITY

- Chateau Mukhrani, Taykveri Dry Rose 2010
- Chateau Mukhrani, Goruli Mtsvane 2009
- Vinoterra, Kakheti Rkatsiteli 2009
- Pheasant's Tears, Kakheti, Dry Unfiltered Amber Wine, Kisi 2010
- Alaverdi Monastery Cellar, Qvevri Traditional Kakhuri, Kisi 2010

TOP FIVE WINES FOR MARKETABILITY IN THE U.S.

- Chateau Mukhrani, Taykveri Dry Rose 2010
- Chateau Mukhrani, Goruli Mtsvane 2009
- Vinoterra, Kakheti Rkatsiteli 2009
- Wine Man, Kakheti Saperavi 2010
- Tbilvino, Kakheti Qvevris 2010

PRESS GENERATED

I will pitch Wine Business Monthly for a story about the state of the Georgian industry and their efforts to market in the U.S. I will feature a Georgian wine available in the Dallas market as Wine of the Week in The Dallas Morning News. I will pitch a consumer publication for a story about Georgian qvevri wines. Seattle Magazine or Seattle Monthly might be interested in the Seattle ties to Georgia.

RECOMMENDATIONS

- Create a one-stop website with information about the wine regions, wineries, grape varieties, wine touring opportunities, other tourist opportunities.
- Create a logo or stamped bottle that is mandated by law for qvevri wines so they are immediately identifiable. These are special wines with unique character and a long history and should be recognized as such.
- Develop education packets, generic brochures for wine department staff and retailers and wine placemats for tutored tastings.
 - Invite Rick Steves (<http://www.ricksteves.com/>) to visit. He is on PBS radio and television stations. He appeals to adventure travelers. Get a Georgian winemaker on his TV or radio show to talk about what to do and see in Georgia. He likes to talk about the food, culture, local etiquette.
 - Invite Anthony Bourdain (<http://www.anthonymbourdain.net>) to report on the cuisine and food ways of Georgia. In his Travel Channel program, 'No Reservations', he visits countries, eats their food and drinks their wine, beer, and spirits.
 - Create a group of independent "Georgian Wine Ambassadors/Educators" who will provide presentations, tastings, or informational exhibits at various wine events throughout the year. The group that just visited Georgian wine

country can serve as the core group. Each is involved in different segments of the wine trade or industry and attends many meetings and conferences annually.

The Society of Wine Educators

<http://www.societyofwineeducators.org/> is a non-profit membership organization that provides certification programs for the wine trade. Their annual conference features in-depth seminars on wines and wine regions throughout the world. They solicit proposals for conference presentations about nine months before the conference which is usually in late July, early August. The 2012 conference is July 25-July 27, Marriott Hotel - San Mateo, California

International Association of Culinary Professionals

<http://www.iacp.com/>, a non-profit membership organization consisting mainly of cooking school owners and teachers, cookbook authors, nutritionists, food historians, etc. The annual conference is a good venue for a seminar on the Georgian table, food, and wine. It is not necessary to be a member to present a seminar. Requests for seminar proposals are usually 9-10 months before the conference usually in late spring early summer. The 2012 conference is March 29-April 2, New York.

TexSom, Texas Sommelier Conference

<http://texsom.com/> is organized by the Texas Sommelier Association. Attendees are members of the wine trade, primarily from Texas, but the conference is attracting more out of state guests. Perhaps the largest gathering of Master Sommeliers in the country, seminars are in-depth and aimed at professionals. A sommelier competition is held during the conference to select the Best Sommelier in Texas. Seminar presenters are by invitation only. There are also sponsorship opportunities, a tasting event open to the public and hospitality suites. The 2012 conference is August 12-13 in Dallas, Texas.

Wine Bloggers Conference

<http://www.winebloggersconference.org> is aimed at wine bloggers, new media innovators, and wine industry leaders with the goal of learning about and discussing the intersection of wine with the world of new media including blogging and social media. The 2012 conference is scheduled for August 17-19 in Portland, Oregon.

Encourage wineries to participate in one or two wine competitions in the U.S. The Dallas Morning News and TexSom Wine Competition based in Dallas, TX is open to wineries from all wine regions. In 2012, all wines will be judged by region as well as grape variety. Two or three of the participants of this trip will be judges and will be qualified to evaluate both traditional qvevri wines and modern style wines. Since it is my competition, I have a favorable bias.

FUTURE INTENTIONS

I am now a big proponent of Georgian wines and the people who are involved in making them. I am willing to assist in areas where my skills can be of most value.

I. LUIZ ALBERTO'S REPORT

OVERALL IMPRESSION OF THE GEORGIAN WINE INDUSTRY

I didn't know much about Georgia and its wine industry. But I had heard/read that Georgia (and other parts of the Caucasus) is considered to be the oldest wine-producing region of the world. I also had heard that the country has more than 500 indigenous grape varieties. Psychologically, this is already a great advantage for Georgian producers to market their wines. Both reasons intrigued me to go on the trip and also can seduce many other people to try Georgian wines and visit the country. These facts can be the basis for any future efforts to market Georgian wines in the U.S.

The 2006 boycott on Georgian wines declared by Russia certainly had a huge impact on the entire industry. For the most part (despite the financial hurdle Georgia had to endure), the changes that the entire industry had to go through were good. There are several wineries today producing both conventional and qvevri wines of high quality and, as I heard from people with far more Georgian wine knowledge than I possess, this was not the case during the years when Russia was the biggest importer of Georgian wines (and quantity was a priority over quality).

It was good (and certainly not a coincidence) that we spent most of our week in the Kakheti region. It is the most important region in Georgia for wine production with about 70% of the vineyard area and certainly most of the wines that are going to be commercialized in the U.S. will (most likely) be produced in this region.

Georgia is both "old world" and "new world". It was very interesting to see the dichotomy between these two realities happening in the same country. Old world wines, in general, would be the ones displaying earthiness, low(er) levels (and a consequent lighter body) of alcohol, cooler climate flavor profiles, etc. Well, some Georgian wines can have all of these characteristics; while some others can show a very "new world" style, with lots of fruitiness, high(er) levels of alcohol (and a consequent heavier body), and warm climate flavor profiles. Not to mention that some wines are labeled as an appellation (geographic location), such as Mukuzani (as the wines are labeled in the old world, such as France or Italy), while others are labeled after the grape variety from which the wine is produced, such as Saperavi (as the wines are labeled in the new world, such as the U.S. or Australia).

OPINION OF OPPORTUNITIES FOR CONVENTIONAL WINE

The only Georgian grape variety I knew and had tasted before going to Georgia was Saperavi. I still believe that this grape variety can be a good postcard for Georgian wines. They can deliver a message of an identity to the "Georgian terroir" (if not over-oaked as we saw in a few cases) with the advantage of being very easy to pronounce (some other wines are much harder).

I also see good opportunity for some white wines. Kisi, Rkatsiteli, and Mtsvane were the white wines that we mostly tasted and, in general, they have what it takes for a white wine to be successful in the U.S. They are fruity, fresh, and well balanced, just like a good Grüner Veltliner can be.

The prices for these wines (both reds and whites) need to be competitive. The American market is already crowded with wines from many wine regions of the world and, if the wine doesn't have the "right" quality/price ratio, it becomes a hard thing to sell. However, it's important to remember that being competitive is very different than being cheap. Georgia cannot compete at the lower levels of the market, as the cost structure in some New World countries (such as Chile, Argentina, and Australia) is much lower than the one existent in Georgia. The time spent visiting wineries and tasting wines came to prove that Georgia is able to produce "European wines" (or conventional wines) of high quality. This constitutes the stepping-stone for any future marketing and sales efforts. Entering a "price war at the low levels" is not an option for the country.

OPINION OF OPPORTUNITIES FOR QVEVRI WINE

A symposium on qvevri wines was held in Georgia in September with some famous participants leading it, such as wine writer Alice Feiring and Isabel Legeron MW. These people are very involved in what's called the "natural wine movement", and one can certainly assume that this fact alone will help bring attention to the Georgian wine industry. Moreover, some of the qvevri wines that were tasted during our trip were of very high quality (of my five top wines for quality, four of them are qvevri wines).

Qvevri wines are the type of treasure that many other wine regions of the world are trying to emulate. The difference here is that, in Georgia, wines have been made in qvevri for thousands of years. Our job is simply to educate the "right consumer" and they will become instant advocates of their new (and yet so old) discovery.

PRESS GENERATED

- TheWineHub BlogSpot:

<http://thewinehub.blogspot.com/2011/09/usaaid-tour-of-republic-of-georgia-sep.html>

<http://thewinehub.blogspot.com/2011/10/usaaid-tour-of-republic-of-georgia-sep.html>

<http://thewinehub.blogspot.com/2011/08/republic-of-georgia-birthplace-of.html>

- TheWineHub BlogSpot: An article by Diane Letulle (forthcoming)
- Several tweets that generated thousands of impressions, while we were visiting Georgia. Unfortunately, there's no way to track those numbers.
- TheWineHub received the highest number of impressions every time I ran a report on "#GeorgiaWine" during our trip.
- Some bottles of Georgian wine were shipped to Brescia for the European Wine Bloggers Conference and they also generated several tweets and comments on Facebook.
- I posted this on Facebook: "The people of the Republic of Georgia were very kind and they sent a few bottles of wine to me in Brescia. Some of you had the opportunity to taste the Alaverdi Monastery Rkatsiteli there with me and I would love to hear your sincere opinion on it... Thank you very much!"

Here are some of the comments:

- Ricardo Bernardo: I remember this one!

- Ricardo Bernardo: Different, unforgettable, remarkable, with great tannins! I will try to repeat!
- Magnus Reuterdaahl: I liked it, tannins of a red wine, some oxidation, fresh acid, yellow, and exotic fruits. Odd in a good way, not for everyday drinking - would be interesting to pair with food, I'm thinking goose or veal.
- Wendy Crispell: Wow! I wish I had. A Finger Lakes winery makes a fabulous wine from this varietal.
- Brett Jones: Ripe red fruits, not too much tannin and medium bodied. I enjoyed having the opportunity to taste this very interesting wine and I agree with Magnus Reuterdaahl's food ideas. Grazie Luiz for sharing this treasure!
- Wink Lorch: I'm not sure what Brett was tasting, but it was after a long day and we were rushing out, it's true... I did not write it down, and I did not concentrate hard enough, but I think Magnus' note is great. My memory is of true #orangewine and those wild tannins were very shocking! Sincerely very different, not for the uninitiated, would love to try it in Georgia with their local food.
- Luiz A. G. Alberto: Yes Wink, Brett is probably thinking of a different wine... lots of flavors but the tannins are massive (or, as Ricardo said, "great tannins!"). And I can make the description that Magnus gave to the wine my own... just adding that it goes well with many different types of food. I had the opportunity in Georgia and it is phenomenal for that. Thanks to you all for sharing!
- Elisabeth Gstarz: I only had a small sip of this and I very much agree with Magnus Reuterdaahl description. It's definitely a different style of white wine than people in central Europe would expect from a white. Nothing you would go for on a hot summer day, but for sure a great food-pairing surprise.
- Oscar Quevedo: I wasn't there, wasn't this tasted in the unofficial EWBC room?!?
- Luiz A. G. Alberto: Yes Oscar... I thought you were there...
- Brett Jones: Unlike Oscar I was there but was obviously on another planet. Or, as this was a monastery wine, in another of the seven heavens!
- Roger Kolbu: Did I arrive too late in the evening, or was this the wine I was poured the last drop of...?
- Caroline Henry: Was this the delicious golden colored wine we had at the after after party in room 400 on Saturday?
- Thomas N. Burg: Once you get used to this style of wine (fmpov similar to some of the Carso's and those fermented/matured in the amphora) you can't drink any default whites anymore ;-)
- Noel Pusch: Highly interesting stuff! Can't add much to Magnus Reutherdaahl description, it pretty much hits the spot. Just this: I loved the fact, that the "old wine"-yellow color leads you to the wrong expectation of a ripened wine & then the fresh acidity (broad acid, not sharp; malolactic ferm.?) really hits you in the face while the strong tannins tell you: "this is a red wine". Makes your brain spin, regardless of the alcohol! For the experienced drinker and a great pirate for blind tastings! :-)

- Tell me more 'bout the food you had Luiz, I bet the combination of high tannins and the fresh acid include a wide range of food.
- Brett Jones: Ah ha. Thanks Noel Pusch "while the strong tannins tell you: "this is a red wine"."...
- Luiz A. G. Alberto: Indeed it goes well with a vast array of foods. It has enough structure to be matched with red meats and game, but that floral and fruity touch (remember, it is a white wine after all) makes of it a good pairing for lighter dishes as well. I remember loving it with a "Chakapuli" (braised lamb chops).

OPINION OF OPPORTUNITIES FOR WINE TOURISM

If one searches for "Republic of Georgia" on Google, the top result comes from the BBC news: "Situated at the strategically important crossroads where Europe meets Asia, Georgia has a unique and ancient cultural heritage, and is famed for its traditions of hospitality and cuisine."

With such good credentials, it's easy to imagine that Georgia would be a natural candidate for the top spots in the tourism industry, as many other nice things can be said about the country. However, if you have ever been there, you probably can relate to this description:

Unfinished beauty. Mountain ridges and hills occupy about eighty percent of the country, so everywhere you look in rural Georgia, there's some sort of a beautiful background to the scene. The "unfinished" part comes from recent wars and struggles of the country. It's very hard to find buildings that have been painted entirely, as the soviet "grayness" is still very much present in the way everything is built. This fact alone may present a few challenges to any effort to promote tourism in the country, but this becomes almost irrelevant if one listens to the story that goes around when Georgians talk about how they came to possess the land they deem the most beautiful in the world: When God was distributing portions of the world to all the peoples of the Earth, the Georgians were having a party and doing some serious drinking. As a result they arrived late and were told by God that all the land had already been distributed. When they replied that they were late only because they had been lifting their glasses in praise of Him, God was pleased and gave the Georgians that part of Earth he had been reserving for himself.

This is probably the best marketing campaign ever created for a country! Who will not be interested in visiting the place on earth that God had reserved for himself? On top of that, Georgia claims to be the birthplace of winemaking, where some 10,000 years ago wine production started. This is arguable, but some archaeological evidence suggests that the earliest known wine production occurred in what today is the country of Georgia. Moreover, wine is still made today in qvevris as it was made thousands of years ago. This fact alone should help to attract tourists.

Speaking of qvevris, one of the highlights for any wine lover who has been to Georgia must be Alaverdi Monastery, located 25 km from Akhmeta, in the Kakheti region of Eastern Georgia. Parts of the monastery date back to the 6th century. The beautiful cathedral dates to the 11th century but, more importantly, amazingly good wines are being made there in qvevris by the monks. And if you love wine, this is one of those unique experiences in life.

This is not just another Georgian attraction, but more likely a “must visit” to anyone who loves wine.

With all of that being said, Georgia is a “great unknown” to most Americans. The easiness to pronounce its name is counteracted by the confusion it brings with the state of Georgia in the U.S. Besides, Georgia was until recently, “just” one of the members of the USSR, and not much of its history, geography, and culture were taught in American schools. It’s easy to assume that Americans, in general, have very little knowledge about the country of Georgia, and that definitely doesn’t help to spur the interest of “mainstream tourists”. With that being said, however, the more adventurous type of tourist will possibly be attracted to the mysteries and the uniqueness of Georgian culture. Lack of knowledge in this case is not a barrier to tourism, but rather an incentive.

Language can be another barrier: Georgian, a South Caucasian (or “Kartvelian”) language is one of the oldest living languages in the world and has its own distinct alphabet. In practice, for a tourist, what it means is that if a sign is not in English (there are some), you won’t have a clue of what it means. Unlike some other western languages where the meaning can be deduced by logic or similarity, you won’t be able to tell (from a sign) what a restaurant is. Therefore, touring the country without a guide or a Georgian friend can be challenging. A company offering guided tours is possibly the only recommended option for American tourists.

There’s one more important drawback to be considered: building a considerable influx of American tourists to Georgia (and its remote wine regions in the countryside) may not be feasible in the short term due to the lack of infrastructure. There are some good efforts being made in the country. Pheasant’s Tears, Schuchmann Wines, and Chateau Mukhrani are examples that it’s possible to deliver a very nice experience to American wine lovers, but this fact brings a question: Is that enough? Many may argue that it is not; especially if we are referring to American tourists who have visited Napa Valley or Champagne for example, where wineries are more like an attraction on a theme park. Moreover, there’s not enough critical mass of attractions (in this case, wineries) in Georgia that will justify the long haul that an American has to endure to get there. But then again, this will not stop the adventurous traveler from going there. In fact, not being “Disneyland” is what attracts many of these more audacious tourists. And, we all know, lack of structure never stopped tourists from going to Machu Pichu.

TOP FIVE WINES FOR QUALITY

- Alaverdi Monastery, Rkatsiteli 2010
- Alaverdi Monastery, Kisi 2010
- Pheasant Tears Rkatsiteli 2010
- Vinoterra, Kisi 2006
- Marani, Mukuzani 2008

TOP FIVE WINES FOR MARKETABILITY IN THE U.S.

My list with the “top 5 wines for quality” shows a strong preference for white wines made in qvevri. It’s unclear at this point if this type of wine can generate a considerable amount of sales, but certainly this style of wine should be used to promote the brand “Georgia” in the U.S. However, a grape variety, such as Saperavi, should be used as the main pusher for

volume. Something similar to what New Zealand does with Sauvignon Blanc or Argentina does with Malbec.

Top four Saperavi wines:

- Grand Reserve Saperavi Chateau Mukhrani, 2007
- Saperavi Mukuzani Marani, 2008
- Saperavi Mukuzani Tbilvino, 2009
- 2010 Wine Man Kakheti Saperavi

RECOMMENDATIONS

Georgia already has a presence in the U.S. market, but the volumes sold seem to be very limited and the areas where they can be found, even more so. A viable strategy would be to sell the wines DTC (Direct to Consumer), as it would drastically expand the markets where the wine can be purchased (currently, 23 states - Alaska, Arizona, California, Colorado, Connecticut, Washington DC, Florida, Indiana, Illinois, Louisiana, Massachusetts, Missouri, North Carolina, Nebraska, New Hampshire, New Jersey, New Mexico, Nevada, New York, Oregon, Virginia, Wisconsin and Wyoming - allow direct shipment to their residents). The almost direct relation “winery x consumer” avoids the mark-ups that are pertinent to the three-tier system (winery > importer > distributor > retailer > consumer), and makes the wine more attractive financially by being able to provide a significant price reduction.

One very important question to be asked prior to any decisions on importing wines into the U.S. is which wine style the American is interested in buying. The very traditional, flavorful (but sometimes unpalatable) qvevri wines that have, as mentioned above, a strong pull from the “natural wine movement” subscribers; or what is called “European style”, a much more approachable type of wine to the American palate? Regardless of personal tasting preferences, it would be hard not to argue that the correct answer is “both”. The more traditional qvevri wines have an appeal on some segments of the market, but it’s unquestionable that a more accessible style should also be made available to less acquired tastes. The good news is that some of the wineries in Georgia can offer both styles with good quality.

An educational website (in English) is a must for any future efforts to market Georgia and its wines in the U.S. Austria - <http://www.austrianwine.com> - and Chile - <http://www.winesofchile.org> - have very good examples of how a site can be instructional and visually attractive in one package. This website must be useful for both efforts (promoting wines and tourism).

FUTURE INTENTIONS

The hospitality of the Georgian people was amazing and I want to have a sound business reason to keep this connection with the Georgian wine industry going. The quality of some wines also exceeded my expectations and I certainly needed this to keep my intentions of marketing Georgian wines intact (I can’t sell a product if I don’t believe in it).

TheWineHub (my company) would be pleased to become the “U.S. Depot” for Georgian wines. All of the promotion and public relations efforts in the world are not going to increase sales if the product is not available to the consumers. Therefore, it is critical that an outlet

for Georgian wines be established in the U.S. The demand for Georgian wine is going to be geographically-spotty and therefore dependence on:

“local” inventories and sales are going to limit the success of the marketing efforts. Establishment of a Georgian Wine “Depot” where wine from all of the key wineries exporting (and new ones) can be kept for delivery direct to customers, as samples to trade and press, as a ‘library’ for a Georgian Wine ambassador to pull wines from for programs, meetings, dinners etc.. It will be important that these inventories be in a facility that allows for ‘Direct to Consumer’ sales and shipments, as well as shipments to sub-distributors and on-premise buyers.” Jim Krigbaum.

TheWineHub - <http://www.thewinehub.com> - already sells wines DTC on the internet and we would be perfectly capable of providing all the services and logistics mentioned by Jim in his comments above.

It was very interesting to be a –Georgian Ambassador” for one night during the European Wine Bloggers Conference (EWBC) in Brescia, Italy. I’m definitely interested in doing more of this in the future, especially, if the event is related to social media. There are plenty of opportunities for that, but certainly the American Bloggers Conference that will take place next year in Oregon is the biggest of them (approximately 400 people attended this year’s conference in Virginia). However, social media can be also a virtual event (#cabernetday, #champagneday, etc.). It has been very successful in the past and this is an opportunity that certainly can be explored to promote a grape variety such as Saperavi. #Saperaviday. Developing social media strategies to promote Georgian wines is certainly one of my top interests.

A documentary on the history of winemaking and the beauty of Georgia by Zev Robinson: Zev has an art background and he has been producing wine-related documentaries for the past few years. To learn more about him and his work:

<http://zevrobins.com>

[Life on the Douro screenings in Los Angeles, San Francisco and at the Toronto Portuguese Film Festival and Paso Robles Film Festival](#)

[Life on the Douro \(trailer 3\) by Zev Robinson](#)

Being a Masters of Wine student, I intend to write articles about Georgia and its wines on a regular basis on my blogs (“My Wine Studies” and “The Wine Blog”). This is one of the most effective ways for me to learn and, hopefully in the process, many other American wine lovers will become interested in the rare wines that Georgia has to offer. I can easily see myself talking about Georgia’s long winemaking history and culture, its vineyards and the beautiful countryside, the unbelievable meals and the great Georgian hospitality; but most of all; I can picture myself creating awareness for its amazingly unique wines.

J. GIA BIBILEISHVILI'S REPORT

SITE VISIT SCHEDULE

TRAVELER(s) NAME(s): Gia Bibileishvili

POSITION(s): EPI Greenhouse Manager

PURPOSE OF TRAVEL: Accompanying/facilitating wine opinion shapers trip to Georgia

DESTINATION(s): Kakheti, Mtskheta-Mtianeti, Tbilisi (Telavi, Signagi, Kvareli, Kisiskhevi, Napareuli, Mukhrani, Tbilisi)

DATE(s) OF TRAVEL: September 18-24, 2011

TRAVEL INFORMATION: Departure from Tbilisi: - September 18, 2011

Date	Institution/Name	Location
September 18, 2011	Twins Cellar, Khareba winery	Napareuli, Kvareli
September 19, 2011	Telavi Wine Cellar, Kakhuri winery	Telavi
September 20, 2011	Alaverdi Monastery winery, Mildiani winery, Pheasant's Tears winery	Signagi
September 21, 2011	David Maisuradze Wines, Schuchmann Wines	Telavi, Kisiskhevi,
September 22, 2011	Formal meeting at EPI, National Museum, Chateau Mukhrani winery	Tbilisi, Mukhrani
September 23, 2011	Wine master class at Tbilvino, Bagrationi Sparkling wine-producing company	Tbilisi
September 24, 2011	Sarajishvili Brandy-producing company	Tbilisi

The group of wine opinion shapers visited Georgia from September 18-24 for an initiative focusing on Georgian wine exports and tourism promotion. The group consisted of eight highly qualified experts in the field of winemaking, wine journalism and wine trade with four distinguished Masters of Wine represented. The trip was conducted throughout eastern Georgia and accompanied by 2020DC representatives and an EPI Agricultural Component

Value Chain Manager. The trip included site visits to the wine processing plants, tastings, discussions, and mentoring on the opportunities for Georgian wines to penetrate the U.S. market and wine tourism prospects. The tastings were conducted in order to determine the quality and taste profiles of the proposed Georgian wines, as well as their pricing and production capacity. The majority of wines tested by the participants received high acclaim, especially the qvevri-type wine that was considered by the experts as the future flagship for Georgian wines. The experts distinguished two grape varieties, namely Rkatsiteli for whites and Saperavi for red wines as having the biggest opportunity for entering the U.S. market and competing in their categories. While there was an overall positive feeling expressed towards wine quality and taste profiles, there were also some concerns with regards to ex-work pricing of wines, which in some instances seemed to create competitive disadvantage due to unreasonably high costs. The group members also underlined the importance of infrastructure development which is a necessary prerequisite for wine tourism development in Georgia and also pointed to the need for service sector improvement. The experts also mentored the Georgian Wine Association and their member companies on their findings and provided preliminary recommendations on different critical issues pertaining to the industry. Below is a description of the daily activities and general outcomes of conducted visits.

September 18, 2011 - Twins Cellar, Khareba Winery – The first day of the visit was completely dedicated to the Qvevri Symposium activities that took place at the Twins Cellar and the closing ceremony at Khareba winery. The experts had the chance to get acquainted with qvevri wines that were presented at the tastings, and also to network with Qvevri Symposium participants, both locals and foreign guests.

September 19, 2011 - Telavi Wine Cellar, Kakhuri Winery – During the second day, experts visited one of the most prominent Georgian wine companies, Telavi Wine Cellar, which is renowned for the quality and diversity of the wines they produce. The impression was quite positive; however, experts expressed skepticism on pricing of some wines that could be uncompetitive on the U.S. market. The second visit was conducted to Kakhuri Winery, which is focusing on the CIS market and which was severely hurt by the Russian embargo imposed in 2006. Experts almost unanimously agreed on the correct pricing of the tested wines and noted that this winery has a good chance for capturing the U.S. medium price wine market niche.

September 20, 2011 - Alaverdi Monastery Winery, Mildiani Winery, Pheasant's Tears Winery – The third day was dedicated to visiting Alaverdi Monastery wine cellar and meeting with Archbishop David Alaverdeli who leads the qvevri wine development movement within the Georgian wine industry and is a chairman of the recently-established Qvevri Foundation. The group also had the chance to meet monastery winemaker, Father Gerasime. The meeting with the Archbishop and tasting monastery qvevri wines proved to be the turning point of the trip as the majority of the experts could for the first time sufficiently appreciate qvevri wines and understand the specifics of the technological process of qvevri winemaking. The second visit was to the Mildiani Winery, which has already introduced their wine to the U.S. market. Experts had the unique chance to attend the grape handling process at the processing plant and afterwards taste their wines which were positively estimated by experts, especially taking into consideration price/quality ratio. The last visit of the day was to Pheasant's Tears Winery in Signagi. The host, John Wurdeman, who is a co-owner of the winery, guided the group around Signagi after which the tasting of company wines was held.

September 21, 2011 - David Maisuradze Wines, Schuchmann Wines – The tasting of David Maisuradze wines was held in Tsinandali Palace and was led by the famous winemaker personally. The group had an opportunity to taste different types of wines ranging

from dry to semi-sweet to ice wines. Experts appreciated the quality although they also had some reservations on the proposed price which seemed to be too high to compete on the U.S. market. The second visit was to the Schuchmann Winery, which is run by German businessman, Burkhard Schuchmann. The winery, in addition to the processing plant, also accommodates a small guesthouse and restaurant. The facility is excellently suited for wine tourism and can be considered as an example for wine tourism development in the country. The tasting received positive appraisal from the experts, especially their qvevri wines with softer tannins, which seemed to match the taste palette of U.S. wine buyers.

September 22, 2011 - Formal meeting at EPI, National Museum, Chateau Mukhrani Winery – The formal meeting between wine opinion shapers and EPI management took place at the EPI office where experts shared their thoughts and experiences of the trip with EPI personnel. The visit to the National Museum of History proved to be fruitful as experts obtained valuable information from museum representatives regarding ancient wine-related artifacts. This visit was especially important for Joel Butler, a Master of Wine who is currently working on a book called Biblical Wines. The last visit of the day was to Chateau Mukhrani Winery in Mukhrani village, where experts were guided by the company's chief winemaker, Lado Uzunashvili. The experts especially liked their crisp white wines, though had some reservations on reds and their prices.

September 23, 2011 - Wine master class in Tbilvino, Sparkling Wine-producing Company – The master class took place at the leading Georgian wine exporter company Tbilvino and was attended by the wine industry, media, and donor community representatives. It was the first tasting event in Georgia that gathered four Masters of Wine and this fact made the event special. After the master class, the tasting of Tbilvino wines took place which revealed interesting wines and quite affordable pricing, especially for qvevri white wine. The last visit of the day was made to Bagrationi, where experts had a chance to taste Georgian sparkling wines, which seemed to have less opportunity to enter the U.S. market and capture a market share. The day was concluded by a mentoring session for representatives of the Georgian Wine Association and their member companies. Experts shared their thoughts and observations regarding Georgian wines and their tasting profiles, as well as pricing and sales issues, and prospects for wine tourism development.

September 24, 2011 - Sarajishvili Brandy-producing Company – The last day of the trip was dedicated to visiting renowned brandy-producing company –Sarajishvili". Experts were nicely surprised by the quality of Georgian brandy, of which they had little information before and had considered it to be far inferior to the French cognacs. However, the Georgian brandy impressed all experts with reach and balanced flavor qualities.

The trip will be followed up by the comprehensive feedback from the OS which will include concrete recommendations on the subject of Georgian wine quality, pricing and potential for penetrating the U.S. market, as well as wine tourism development prospects. The individual reports will be compiled by 2020DC and distributed to EPI and the Georgian Wine Association for further considerations.

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