

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL	
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person* CONSTELLATION BRANDS, INC.			2. Issuer Name and Ticker or Trading Symbol CHALONE WINE GROUP LTD [CHLN]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director _____ 10% Owner _____ Officer (give title below) _____ X Other (specify below) _____ See note (3).		
(Last) (First) (Middle) 370 WOODCLIFF DRIVE, SUITE 300			3. Date of Earliest Transaction (Month/Day/Year) 08/21/2004					
(Street) FAIRPORT, NY 14450			4. If Amendment, Date Original Filed (Month/Day/Year)			6. Individual or Joint/Group Filing (Check Applicable Line) X Form filed by One Reporting Person Form filed by More than One Reporting Person		
(City) (State) (Zip)			Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned					

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	08/21/2004		C(4)		1,033,363 (1) (2) (3)	A	\$ 9.4207	6,589,466 (1) (2) (3)	I	See note (3).

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V		(A)	(D)	Date Exercisable	Expiration Date				
9% Convertible Subordinated Promissory Notes	\$ 9.4207	08/21/2004		C		1,033,363	(5)	08/21/2004	Common Stock	1,033,363 (1) (2) (3) (4)	\$ 0	0	I	See note (3).

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CONSTELLATION BRANDS, INC. 370 WOODCLIFF DRIVE, SUITE 300 FAIRPORT, NY 14450				See note (3).

Signatures

Richard Sands, Chairman and Chief Executive Officer, ON BEHALF OF CONSTELLATION BRANDS, INC.	10/25/2004
Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The Reporting Person disclaims beneficial ownership of such securities, except to the extent, if any, of the Reporting Person's pecuniary interest therein. See note (3).

(2) Based on information provided by another person (the "Other Person"). The Reporting Person has no responsibility for the accuracy or completeness of such information.

The Reporting Person does not own any securities of the Issuer, but may be deemed to be a member of a group, within the meaning of Rule 13d-5 under the Securities Exchange Act of 1934, which may be deemed to beneficially own the reported securities. The securities reported in column 5 of Table I and column 7 of Table II are directly owned by the Other Person who may be deemed to be a

(3) member of such group. The Reporting Person has a contractual right to receive a portion of the proceeds of the sale of such securities under certain circumstances. Neither the filing of this Form 4 nor any of the information contained herein shall be construed as an admission that the Reporting Person has formed or is a member of any such group, or beneficially owns or has a pecuniary interest in any such securities. See note (1).

(4) Based on information provided by the Other Person, \$11,000,000 aggregate principal amount of 9% convertible subordinated promissory notes of the Issuer (the "Notes") held by the Other Person were automatically converted upon maturity to 1,033,363 shares of the Issuer's common stock.

(5) Based on information provided by the Other Person, the Notes were automatically convertible on 08/21/04 unless converted earlier at the option of the holder upon a change of control of the Issuer.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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