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Wine Packaging Design Awards

SALARY SURVEY Wine Industry Salaries Up 2.6 Percent

Labor Market Remains Tight



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"EVERYTHING THAT GOES INTO THE BOTTLE SHOULD REFLECT THE GOODNESS WE PUT INTO THE WINE."

Five-time James Beard Award nominee and Food & Wine winemaker of the year Steve Matthiasson uses Green Line closures because they're sustainably made from plant-based materials and carbon neutral to boot. Closures with karma.



by S VINVENTIONS

vinventions.nomacorc.com/trendsetters

month in review

Lessons in Leadership

* "The art of mobilizing others to want to struggle for shared aspirations."

AS WE PUT THE finishing touches on this month's issue we've just wrapped up the annual *winejobs.com* SUMMIT, an event *Wine Business Monthly* produces for human resources professionals. The summit focuses on recruiting, developing and retaining talent. This year it also concentrated on managing one's time effectively and on leadership.

During the summit, leadership coach Kevin Odom reminded attendees about five essential practices of exemplary leadership.* I'm paraphrasing but they include: modeling the way, or setting an example by aligning actions with shared values; inspiring others with a vision for the future; challenging processes and looking to innovate; enabling others to act by fostering collaboration and building trust; and celebrating victories by showing appreciation and saying 'thank you.'

Like fine wine, leadership comes in many varieties and styles. This month's issue recognizes 50 of the top leaders in the wine industry as selected by our editorial team, a list of leaders shaping the industry today. Some of them are well known while others may be new to you.

Salaries are always a topic of discussion at SUMMIT and attendees were given a sneak peek at topline results from the 2019 *Wine Business Monthly*/Western Management Group Salary Survey Report. The results are included in this issue. When we started publishing the salary survey many years ago we scheduled it for October because of a myth that winemakers don't read during



harvest. They actually do read in October, however, and we've established a tradition. Suffice it to say, the salary survey report is one of the most popular articles we print each year.

Recruiting and developing talent is one of the most important issues facing wineries today, to be sure, but this issue includes a wealth of information on other topics, from benchmarking sustainability to keeping barrels and tanks clean, to how wineries use oak, to which cover crops are best in the vineyard.

We also focus on leadership in packaging and design, announcing the winners of the sixth annual Packaging Design Awards, a competition within the Wine Packaging Conference judged by an esteemed panel of distinguished wine industry experts. Awards were given in five categories: Best Classic Format Package Design; Best Alternative Format Package Design; Best Luxury Package Design; Best Package Redesign; and Best Package Series Design.

Here's to leadership, in all its expressions and styles. *Cyril Penn – Editor*

> *SOURCE, JAMES M KOUZES AND BARRY Z POSNER IN THE LEADERSHIP CHALLENGE WORKSHOP, 4TH ED. @2010

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Editor Cyril Penn Editor-at-Large Jim Gordon Senior Technical Editor

> Curtis Phillips Managing Editor

Erin Kirschenmann
Staff Writer/News Editor

Kerana Todorov Assistant Editor Stacy Briscoe PWV Editor

Don Neel **Eastern Editor** Linda Jones McKee

Copy Editor Paula Whiteside

Contributors W. Blake Gray Mark Greenspan Jake Lorenzo Bill Pregler

Andy Starr Andres Eduardo Valero

Design & Production Rebecca Arnn, Scott Summers

Director, Analytics Group Alan Talbot

Editor, Wine Analytics Report Andrew Adams

Winejobs.com Marketing Manager Stacey Burkman

Web Developers Burke Pedersen, Peter Scarborough

President & Publisher Eric Jorgensen Senior Vice President, Operations Chet Klingensmith

> Associate Publisher Tamara Leon

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Wine Industry 2019 Leaders

A leader is someone who makes an impact or shapes how people act or how things occur—an agent of change.

When **Wine Business Monthly** created this list, we wanted to acknowledge the multitude of leaders shaping the industry today. We have a general list of leaders as well as four trend-based category lists. This year, we saw leaders emerge in understanding environmental shifts, propelling the Oregon wine industry forward, promoting alternative packaging, and spearheading direct-to-consumer and e-commerce efforts—all areas that made an impact on the industry in 2019.

winemaking







Barrels Are Supporting Actors
at Chateau Montelena 54
An interview with Napa Valley winemaker Matt Crafton
Jim Gordon

Product Review:

what's cool



New Sanitation Products from the 2019 Eastern Winery Exposition . . 64 Colloidal Tank Cleaning and Retro-Fit Stainless Floor Drains Bill Pregler

Winemaker Trial

Wanting to create more complex layers in their single-vineyard Mourvèdre, William Chris Vineyards' Tony Offill and Chris Brundrett decided to experiment with various maceration times. The five-, 60- and 120-day macerations each offered unique aromas, flavors and textures, creating a more well-rounded, and interesting, final blend.

Stacy Briscoe

COVER DESIGN: Scott Summers

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"After 10 years of screen printing, we can definitely say that brand performance is directly affiliated with the visibility of the product as ours has certainly improved. We wanted a heightened shelf presence. It is popping on—and off—the shelf." *-Stefan Jolley, vice president of operations at Klinker Brick*



grape growing



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Andres Eduardo Valero

departments

month in review
news
people
jake lorenzo House Wine
advertiser index 128
winemaker of the month
Jean Hoefliger, winemaker/partner, Alpha Omega, Napa, CA



"Wine Business Monthly is a publication I really enjoy reading because it's a great balance between the past, present and future in every aspect of the industry."

sales & marketing



Brewer Clifton Bottle Wins Best of Show..... 94 Judges award gold to Bandit, Chehalem, Dry Creek Vineyard and AXR Napa Jim Gordon

Retail Sales Analysis

Wine Sales Flat,	but Top	
Price Segments	Grow1	06

technology & business

SALARY SURVEY

Wine Industry Recruiting Techniques:

Outsourcing HR Management Provides Options for Compliance at Small Businesses 122 Professional employer organizations share liability, risk and save time Erin Kirschenmann



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Ron McManis, president and co-owner, McManis Family Vineyards, "How the WBM 50 Make Wine," page 36

"I didn't go to college; I went to the school of hard knocks. The one thing I did learn is to surround yourself with the right people."

Matt Crafton, winemaker, Chateau Montelena, "Barrels are Supporting Actors at Chateau Montelena," page 54

"Barrels here might be a slight support element, not a crutch per se, but more of a way to help potentially accentuate nuances, not provide overt flavor or aroma to putty over any deficiencies."

Jeff Bitter, president, Allied Grape Growers, "Smoke Exposure Language Included in Winegrape Contracts," page 80

"A grape buyer should not be expected to accept tainted fruit any more than a grower's fruit should be rejected without reasonable cause. The question is, where is the middle ground contractually and practically?"

Julie Chuharski, founder and principal, Wine & Spirits Recruiting,

"Wine Salaries Increase by 2.6 Percent; Labor Market Remains Tight," page 108

"To attract solid candidates in this environment, clients are either offering more attractive compensation packages or willing to consider high-performing candidates that may have a bit less experience and have to grow into their roles."

Nicole Cummings, director of human resources, Cakebread Cellars,

"Wine Industry Recruiting Techniques: Enticing Talent to the Trade," page 118

"We used to think that the wine industry alone would attract people, but that concept is not as prevalent as it once was."



CEDAR







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OAK

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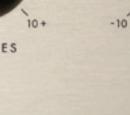
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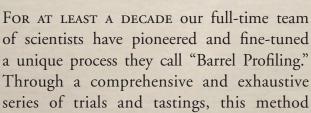












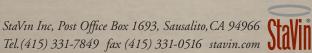
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a unique process they call "Barrel Profiling." Through a comprehensive and exhaustive series of trials and tastings, this method allows a winemaker to precisely recreate (and tweak, if need be) their wine aged in the exact barrel of their choice-using our alternative aging tools. We offer the widest spectrum of toast levels and techniques. Our cutting edge Barrel Head products combined with our Micro-Oxygenation component demonstrate StaVin's thirty vigorous years of experience, learning and understanding the fickle nuances

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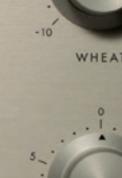


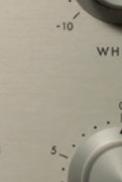


ALMOND









-10





Top Stories from WINE BUSINESS.com – In Case You Missed It



Direct-To-Consumer Wine Sales Slowed

The direct-to-consumer channel growth in the wine industry has slowed so far this year, according to the 2019 mid-year report by **ShipCompliant** and **Wines Vines Analytics**. Wine shipments have increased by 4.6 percent in volume and by 7.1 percent in value, according to the **Direct-to-Consumer Wine Shipping Report**. The growth volume and value rates are slower than those reported at the same time last year and below a 7-year average.



Treasury Wine Estates Names New Head to Lead North American Division

Australia-based **Treasury Wine Estates** has appointed **Angus McPherson** as president, Americas and global sales effective Aug. 19. McPherson will be based in Oakland. He succeeds **Victoria Snyder**, the former president of America-Treasury Wine Estates, who left the company on Aug. 19. McPherson has been with Treasury Wine Estates for more than eight years.



Handheld Device Measures Color Accumulation in Berries to Track Fruit Maturity

A new handheld device monitors color accumulation in berries to track how ripe the fruit is. The new device, known as a bacchimeter, scans grape clusters after veraison at the same spot in the vineyard and converts that data into an index that is uploaded into a **Fruition Sciences**' online platform. The goal is to help determine the best time to pick the fruit. Australian researchers wrote about the decoupling of sugar and color accumulations in berries farmed in regions affected by climate change nearly a decade ago.



New System Estimates Vineyard Crop Yields

A company based south of San Francisco is developing a new computer vision system to estimate vineyard crop yield in collaboration with **UC Davis**. **Terroir AI**'s system uses sensor cameras strapped on ATVs or other vehicles to collect data on the number of clusters and volume per row. The system is expected to reach the market in 2020. The company in a second phase of development wants to use artificial intelligence models to predict yields months before harvest.



Napa County Advocates Pull Cannabis Measure from March 2020 Ballot

The group that collected enough citizens' signatures to place an initiative to allow cannabis cultivation in unincorporated Napa County in August decided to withdraw the measure from the March 2020 ballot. The supported cited Napa County's "good faith" efforts to come up with an ordinance to regulate commercial cannabis. Napa County supervisor **Belia Ramos** was among those who welcomed the decision. "The withdrawal of the initiative will give our community the time to delve deep into this subject matter and deliberate about what should be included in an ordinance without the unnecessary comparison to the former initiative," Ramos said.



U.S. Court of Appeals Rules Against Wal-Mart's Attempt to Sell Distilled Spirts and Hard Liquors in Texas

The **U.S. Court of Appeals** for the Fifth Circuit in New Orleans ruled in August that a Texas law that bars publicly traded companies like **Wal-Mart** from owning package store permits to sell distilled spirits and hard liquors in the state did not violate dormant commerce clause and was constitutional. The case pitched Wal-Mart against the **Texas Alcoholic Beverage Commission** and the **Texas Package Stores Association**. The case has been remanded to the lower court. **WBM**

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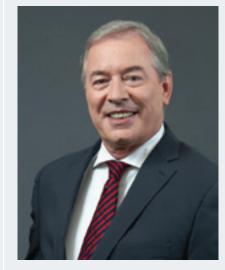
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Wine Business Monthly is privileged to announce the opening keynote speaker for this year's Wine Industry Financial Symposium: **Jim Clerkin**



Jim Clerkin President and CEO, Moët Hennessy North America

Over his 40-year career, Jim Clerkin has worked for many prominent companies in the wine and spirits industry. In his current role, as President and CEO of Moët Hennessy North America, Jim is part of Moët Hennessy's Global Executive Team, with responsibility for the company's portfolio of global brands such as Hennessy, Moët & Chandon, Dom Pérignon, Veuve Clicquot, and Belvedere, across the USA, Canada and Mexico.

Jim began his career in Ireland, where he rose through the ranks at Guinness, to ultimately become an executive member of the Board of Directors. In 1994, Grand Metropolitan recruited him to head its Irish wines and spirits division. Following his tenure at Grand Metropolitan, Diageo appointed him as EVP and President, assuming responsibility for Diageo's wine and spirits division in the Western region of the United States, and consecutively, he joined Allied Domecq in 2003, to lead their business in the Americas as President for North America and Canada, reporting to the Global CEO. Following the sale of Allied Domecq to a consortium led by Pernod Ricard, Jim was appointed CEO of The Jim Beam Company for USA, Canada and Mexico. In 2008, Jim joined Moët Hennessy, the wine and spirits division of LVMH, as Executive Vice President and Chief Operating Officer of Moët Hennessy USA, where he was appointed to the position of CEO and President of Moët Hennessy USA in 2010. Currently Jim is the President and CEO of Moët Hennessy North America. Jim is also a Non-Executive Director on the Board of C&C. He is a Board member and former Chairman of the

Jim is also a Non-Executive Director on the Board of C&C. He is a Board member and former Chairman of the Distilled Spirits Council.

Other Featured Keynote Speakers: Phil Markert, VP marketing and merchandising, Vons/Safeway/Albertsons -The Changing Distribution and Sales System

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Wine Industry 2019 Electron 2019

A leader is someone who makes an impact or shapes how people act or how things occur—an agent of change. Making and selling wine is a multi-faceted endeavor led by those brave enough (or crazy enough) to pave a new way forward, inspiring generations to come. There are different ways to be a leader. Some of the leaders on this list have discovered new ways of doing things: new ways of marketing, tapping into trends and building brands. Some were entrepreneurial. Others developed a specific expertise; found niches or rallied behind causes they believed in. Some of the influential people on this list are known to virtually anyone who follows the wine industry, while others are influential yet fly "under the radar." All of them are leaders in the North American wine business.

When **Wine Business Monthly** created this list, we wanted to acknowledge the multitude of leaders shaping the industry today. We have a general list of leaders as well as four trend-based category lists. This year, we saw leaders emerge in understanding environmental shifts, propelling the Oregon wine industry forward, promoting alternative packaging, and spearheading direct-to-consumer and e-commerce efforts—all areas that made an impact on the industry in 2019.

Here's to WBM's Top Leaders in the Wine Industry 2019!

The Environment

U.S. wineries continue to build on sustainable practices. At the same time, research shows young consumers are paying attention to the impact of their choices, wine included, on the environment. These leaders have made efforts to raise awareness and find solutions to climate-related problems.

Giancarlo Bianchetti

CEO, Fetzer Vineyards/Bonterra

Guiding the leading supplier of South American wine with sustainable approach

Fetzer Vineyards has long been a sustainability leader, a legacy that continues under Giancarlo Bianchetti's leadership. Fetzer Vineyards recently became the largest winery in the world certified



as a **B Corporation**, adopted additional technologies for saving water and energy and was the only wine company to receive a "Momentum for Change" Climate Solutions Award from the **United Nations** at the 2017 Climate Change Conference in Bonn, Germany. Bianchetti oversaw a doubling of Fetzer Vineyards' sales volume in 2018 with a transaction that brought the Chilean exports of parent company **Viña Concha y Toro** and Argentine property **Trivento** under management of the Fetzer Vineyards marketing organization in the U.S.

Adrian Bridge

CEO, Taylor Fonseca Port Group

Leadership on climate change

Adrian Bridge has been leading Taylor's Port since 1994, taking an active role in consolidating the Port sector, developing distribution while taking Port into the 21st century. He's been instrumental in revitalizing Porto: boosting tourism, among other things, by developing luxury hotels and attractions.



Taylor Fladgate hosted the inaugural **Climate Change Leadership Summit** in 2018 that included a keynote speech by former U.S. President **Barack Obama**. **AI Gore** headlined at the 2019 Climate Change Leadership Summit and the "**Porto Protocol**" was launched. The Porto Protocol involves companies pledging to make changes to mitigate climate change and sharing information.



Tom Collins

assistant professor, Washington State University Wine Science Center

Researching smoke-exposed grapes

With wildfires devastating much of the West, the effects of smoke exposure on winegrapes are an increasingly significant concern for wineries and growers. **Tom Collins** is among the world's top researchers looking at the effects of smoke exposure on winegrapes. From an analytical chemistry laboratory and research winery at the **Ste**. **Michelle Wine Estates WSU Wine Science Center**, Collins studies the composition of grapes and



wines, evaluating changes while fruit ripens throughout the winemaking process, correlating chemical composition with sensory perception.

Julian Gervreau

vice president, sustainability, Jackson Family Wines

Helping decarbonize wine

Julian Gervreau leads an internal innovation group developing technology and strategic partnerships, reporting to Jackson Family Wines' svp of corporate social responsibility, Katie Jackson. The company has reduced water use by 31 percent since 2008 and is the U.S. wine industry's largest solar producer. JFW achieved a 33 percent drop in greenhouse gas emissions. This year the company launched International Wineries for Climate



Action with **Familia Torres** of Spain to help wineries measure emissions and develop best practices.

Greg Jones

director of wine education and research climatologist, Linfield College

Teaching the wine industry about climate

Climate change is top of mind and when it comes to climate change and wine, **Greg Jones** is the go-to-guy. He's a climatologist with an interest in growing winegrapes. He has given hundreds of international, national and regional presentations on climate and wine-related research. His family is active in the wine industry with **Abacela** in Southern Oregon. Jones oversees the wine education program at **Linfield College**.



Karissa Kruse

executive director, Sonoma County Grapegrowers

Sustainable practices in Sonoma

A few years back, the **Sonoma County Grapegrowers** set a goal of becoming the nation's first 100 percent certified sustainable wine region and they're getting close. Ninety-five percent of the vineyard acreage in Sonoma County has been certified through a sustainability program so far. In addition to these efforts, **Karissa Kruse** spearheaded efforts to create new farmworker housing developments, provide educational and



financial opportunities for workers and hold workshops to address labor issues, best practices and grower concerns.

Anita Oberholster

cooperative extension specialist in enology, UC Davis

Making wine research useful

Dr. Anita Oberholster's research focuses on the influence of viticulture practices and environmental factors on grape ripening and wine quality. Dr. Oberholster has been effective in keeping current with fellow researchers and getting new research findings into the hands of practitioners who can make use of it. She earned her Ph.D. from **Adelaide University** in Australia.



Kerry Wilkinson

associate professor of oenology, University of Adelaide

Improving methods for detecting and mitigating smoke exposure

Dr. Kerry Wilkinson, associate professor of oenology, **University of Adelaide**, leads group focused on applied research: from the improved utility of oak for wine maturation, to objective measures of sparkling wine style and quality, to strategies for managing wine alcohol content. Her most significant contribution to wine science is research into the impact of bushfire smoke on grapes and wine. Her research gave grape and



wine producers improved methods for detection and amelioration.

Allison Jordan

executive director, California Sustainable Winegrowing Alliance; vice president, environmental affairs, Wine Institute

Building alliances for sustainability and driving continuous improvement

Allison Jordon was involved with developing a benchmarking tool for wineries and growers, the **Code of Sustainable Winemaking Practice**, and more than 1,000 California vineyards have been certified, representing a quarter of the state's vineyard acreage. The certified sustainable logo is starting to show up on wine bottles while research has shown that members of the trade often



consider sustainable practices in making wine selections.

Wine Industry 2019

Oregon Rising

The wine industry in Oregon is gaining consumer attention and growing, with 799 wineries in Oregon now open for business, per **Wines Vines Analytics**. A recent report indicated Oregon's wine industry has an economic impact to the state of \$5.6 billion.

Jim Bernau

founder/winegrower, Willamette Valley Vineyards

Champion for Oregon wine

Jim Bernau has long been a leader. He's one of the people that helped build the Oregon wine business. As a young lobbyist, he was involved with creating legislation making wineries a permitted use on farmland and establishing the Oregon Wine Board. That leadership continues: Willamette Valley Vineyards has grown to more than 16,000 wine enthusiast shareholders and is listed on NASDAQ.



Tom Danowski

president & CEO, Oregon Wine Board

Driving marketing, research and education for Oregon wine

Tom Danowski, an Oregon native and graduate of the University of Oregon, joined the Oregon Wine Board in 2011, providing leadership and managing growth at a critical time. The Oregon wine sector continues to flourish as shown in an economic impact report released last year indicating the sum of economic activity in Oregon related to wine was \$5.61 billion compared to \$3.35 billion just three years prior.

Eugenia Keegan

general manager, Oregon, Jackson Family Wines

Vision for Jackson Family Wines in Oregon

When Jackson Family Wines, the leading California producer of Pinot Noir, started branching out into Oregon with the purchase of what would become **Gran Moraine**, **Eugenia Keegan** was among the first to welcome her new neighbors. She probably didn't realize she'd wind up serving as Oregon general manager for the Jackson family's projects. Keegan acted as founding wine-

maker for Gran Moraine, establishing a house style,

and continues as a consultant. Keegan has four decades of experience in winemaking and distribution and owns Keegan Cellars, which operates in Roussillon, France.

Luisa Ponzi

winemaker, Ponzi Vineyards

Second generation leadership at Oregon winery

Luisa Ponzi combines her winemaking experience with her lifelong work with her father, Dick Ponzi, at their Willamette Valley vineyards and winery. Since 1993, Luisa has brought her knowledge of Burgundian practices and personal experience to the family-owned winery since taking over for her father. For more than two decades, she's helped sustain Ponzi Vineyards' nearly 50-year tradition of producing world-class wines.



Sam Tannahill

founder and director of viticulture and winemaking, A to Z Wineworks

Collaborating with growers

After working in wineries and vineyards in Burgundy, California and Oregon, **Sam Tannahill** joined his wife, **Cheryl Francis**, and **Bill** and **Deb Hatcher** in launching **A to Z Wineworks**. A to Z quickly became one of Oregon's largest wineries. Tannahill has served as the president of the **Oregon Wine Board** and the **Oregon Winegrower's Association** and is chair of the **Oregon Businesses Association and Oregon**



Business and Industry. A to Z has worked with more than 100 vineyards in Oregon, encouraging sustainability certification. Distributed in 50 states, A to Z is still majority-owned by the founding partners.



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Can-do Attitudes

The growth of wine in cans was the most notable trend in the wine business this year. There were a number of can-evangelists who helped make it happen in 2019.

Andrew Browne

founder, president and CEO, Precept Wine

Northwest's fastest growing wine producer does cans

Precept Wine is a nimble wine producer focused on innovation with annual sales approaching 2 million cases. **Andrew Browne** has driven growth by focusing on wine quality, but also by nurturing relationships. Precept has been distributing and marketing **House Wine** since 2006 and launched House Wine in cans two years ago.



John Wilkinson

managing partner, Bin to Bottle

Boosting cans at custom crush

John Wilkinson is managing partner at Bin to Bottle, a custom-crush winery in Napa providing winemaking services with "high quality/high touch production methods." He had clients waiting to can their wine before he even finished installing a new wine canning line last year.

CANNED WINE?

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Wine Industry 2019

Ryan Harms

founder, Union Wine Company - Underwood

Pioneering wine in cans

Union Wine Company chief executive Ryan Harms was basically first to produce and market wine in cans in the U.S. with the Underwood brand. Now, large international wine companies are entering the category and big grocery chains are carving out real estate in their wine sections for cans. The canned wine segment is actually a segment— not just a fad.

Jordan Kivelstadt

founder, Free Flow Wines

Tapping wine in kegs and cans

Back in the day, there were folks who tried to make a go of wine in kegs but they sputtered. Jordan Kivelstadt basically created the wine in kegs category— and made it work. Last year the company moved from Napa into a 58,000-square foot building in Sonoma—a \$10 million investment. The company fills more than 370 wines in kegs

and branched out, building its canning business with a new \$5 million automated canning lines by German manufacturer **Krones**. Kivelstadt recently stepped down from the day-to-day operations to pursue new projects but remains active with the company.





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Wine Industry 2019

The Future of DTC & E-commerce

The direct-to-consumer segment continues to be an important growth channel for wineries and accounted for \$3 billion in sales in 2018, according to the latest **ShipCompliant** and **Wines Vines Analytics** report. Wineries shipped more than 6 million cases of wine in 2018.

Larry Cormier

VP, general manager, ShipCompliant

The automated DTC compliance standard

Larry Cormier leads ShipCompliant, addressing the need for any winery to access up-to-date state regulations and tax rates for direct shipments to consumers and, at the same time, track shipments to ensure compliance. ShipCompliant by Sovos also provides software for shippers, carriers and state alcohol regulators to digitize and streamline the regulatory approval process



Adam Ivor

co-founder, VP of operations, Gliding Eagle

Facilitating DTC wine sales to China

Founded in 2010 with teams in the San Francisco Bay Area, Europe and China, **Gliding Eagle Inc**. is a technology company specializing in international direct-to-consumer logistics. The company tracks each individual bottle from the winery to consumers in China, reducing barriers to purchase for Chinese customers with marketing support, translation services, Chinese payment platforms, door-to-door white glove delivery, and customer service.



Lisa Mattson

director of marketing and communications, Jordan Vineyard & Winery

Thought leader on marketing luxury wines

With two decades of experience in writing, event planning, public relations, marketing and digital media strategy, **Lisa Mattson** is considered a thought leader in video storytelling, social media and digital brand strategy for luxury wines. Wine marketing is typically stuffy and intimidating—not so at **Jordan Vineyard & Winery**. Video makes it easier to get and keep people's attention. Mattson created a video-centric strategy for wine marketing



that exudes personality while telling a story, capturing the fun and personality of people, along with authenticity.

Mike Osborn

founder and executive vice president, wine.com

Wine's leading online retailer

Mike Osborn has been a pioneer in online wine retailing since founding eVineyard in 1998. He leads **wine.com**'s merchandising and manages key industry relationships. Wine.com's revenue reached \$130 million in 2018 and has reportedly grown 15 to 20 percent per year for several years. Millennial consumers now make up one-third of wine.com shoppers and are the fastest-growing segment in revenue.



Cory Rellas

CEO and co-founder, Drizly

Changing how wine reaches consumers Cory Rellas co-founded and now runs an alcoholic beverage e-commerce platform operating in more than 100 markets across the U.S. and Canada. **Drizly** lets users order beer, wine and spirits directly from local retailers within their immediate location through the company's mobile app or website. Drizly charges liquor and wine stores a monthly fee to use its order fulfillment software.



Robert Trone

co-founder, Total Wine and More

Building a retail wine juggernaut

Total Wine & More's "superstores" have a large selection at all price points with low prices on items in wide distribution. A typical store carries 7,000 wine items. For its private label program, Total encouraged direct deals with small suppliers, leaving wholesalers with smaller percentages. Next up for the company: expanding its home delivery services.



Jeff Zappelli

GM Hall/WALT Wines

Driving successful DTC efforts

Jeff Zappelli joined HALL Wines in 2006, helping define one of the most successful direct-toconsumer efforts in Napa Valley. In 2012 his role expanded to both HALL and the WALT brand and in 2016, he was appointed general manager of WALT. Zappelli is an active speaker and has been part of the conversation on direct-to-consumer trends, wine industry technology, CRM and direct marketing campaigns.





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Wine Industry 2019 <u>2019 Honorees</u>

Annette Alvarez-Peters

chief wine buyer, beverage alcohol division, Costco

Leading Costco's wine program

Costco sells at least \$4 billion each year in wine, beer and spirits, if not more. The company has members in 49 million households. Costco has 12 wine buyers spread throughout the U.S. Annette Alvarez-Peters aims to select brands that deliver the quality and low prices Costco is known for.



Greg Baird

president and CEO, Breakthru Beverage Group

Running a \$6 billion wholesale juggernaut

Greg Baird runs Breakthru Beverage Group which was formed by the merger of Charmer Sunbelt and Wirtz Beverage with operations in 19 markets representing more than \$6 billion in annual sales.

Corey Beck

Innovation, creativity, and giving back Winemaker Corey Beck was promoted to CEO

Women Spirits, Mammarella Foods pastas and

Beck, a believer in giving back and in mentoring

others, is a frequent speaker at industry seminars

and is active in several industry organizations and

CEO, The Family Coppola

non-profits.



Gordon & Marjorie Burns

co-founders/technical directors, ETS Laboratories

Created the analytical backbone of the wine industry

Gordon and Marjorie Burns founded ETS Laboratories in 1978, and ETS has been a leader in wine analysis since. This year, ETS made significant contributions to Cal Poly San Luis Obispo and Fresno State University's wine and viticulture programs.



Jim Clerkin

president, Moët Hennessy strategic development

Driving growth in volume and profit

Jim Clerkin, long time Moët Hennessy North America president and CEO, was just appointed to a president of Moët Hennessy strategic development and will be an advisor to Paris-based global CEO **Philippe Schaus**. He's mentored numerous industry executives and, going forward, will focus on global distribution, mergers and acquisitions.



Tom Cole

CEO, Republic National Distributing Co.

Merging two of the industry's largest distributors

While the merger of RNDC and Breakthru Beverage Group didn't come to fruition (the FTC threw in a monkey wrench), RNDC merged with Young's Market this year with no geographic overlap between Young's and RNDC outside of a joint venture in Arizona. The combined company now serves 33 markets.



Nick Dokoozlian

vice president of viticulture, chemistry and enology, E&J Gallo Winery

Defining flavor/Brix relationships

Dr. Nick Dokoozlian is responsible for research and innovation in grape and wine production, including growing practices that improve yield and quality, the development and application of grape and wine chemical quality metrics and the impacts of processing but, most recently, Dokoozlian and his team developed a 100-point metric scale to define flavor/Brix relationships and found many of the flavor/Brix relationships are disconnected, mostly due to undercropping related to hang time.



David Duncan

proprietor/chairman & CEO, Silver Oak Cellars

Continuous improvement and commitment to sustainability

David Duncan's commitment to continuous improvement fuels Silver Oak's evolution. When a fire destroyed Silver Oak's Oakville winery, Duncan saw the opportunity to build an ideal space—the first commercial winery in the world to be LEED Platinum certified. Most energy needs are met through onsite solar, and 100 percent of processed water at the Alexander Valley winery is treated onsite and reused.





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Wine Industry 2019

Merry Edwards

chief executive officer, Merry Edwards Winery

Shattering glass ceilings

Merry Edwards, the Pinot Noir specialist known as one of the women who shattered glass ceilings in California winemaking, has been a leader in wine for nearly five decades. The accolades and awards are many. This year Edwards sold her Sonoma County winery to The Louis Roederer Champagne house and stepped down as winemaker though she remains chief executive. Edwards' career began at Mount Eden Vineyards in the Santa Cruz Mountains



after she graduated from UC Davis. She was with Matanzas Creek and consulted prior to establishing her own winery.

Margareth Henriquez

president & CEO, Krug Maison De Champagne

Improving luxury marketing at Krug

Margareth Henriquez was named president of estates and wines at luxury company LVMH. As president and CEO of the Champagne house Krug, Henriquez recognized luxury brands are often tied to an individual, usually the founder, and a vision that goes beyond what others are doing with a particular product. Realizing that buyers of luxury products won't buy products they don't understand, she provided transparency in terms of composition



of the blends with individual identification codes on back labels.

John Hinman

founding partner, Hinman & Carmichael LLP

Leading attorney for alcoholic beverage compliance

John Hinman has been advising and representing alcoholic beverage industry clients in all phases of industry regulation, from trade practice, distribution, importation to product fulfillment, retail licensing and production. He's defended more than 200 administrative accusations and hearings, both at TTB and the ABC, in the last 25-plus years.



Chris Indelicato

president & CEO, Delicato Family Vineyards

Leading a third generation of family management

Chris Indelicato leads one of the fastest growing wineries and one of the largest wine companies (production exceeds 11 million cases)—a company that has more than 90 years of California winemaking and grapegrowing history. His grandfather, Gaspare Indelicato, broke ground on the family's first vineyards in 1924. Chris Indelicato assumed the role of president and CEO at Delicato Family Vineyards in 2004.



Sahap Kaan Kurtural

assistant cooperative specialist in viticulture, UC Davis

Improving production efficiency and

pushing vineyard mechanization forward Dr. Kaan Kurtural's research focuses on improving production efficiency in vineyards by applying principles of canopy and crop load management using vineyard mechanization and applied water amounts, as well as identifying quality improvement traits in berry composition by translating fundamental research into applied production practices in vineyards.



Eric McLaughlin

CEO and managing partner, Metis

Getting deals done in the Northwest

Eric Mclaughlin runs the Northwest's leading mergers and acquisitions firm specializing in alcoholic beverages and hospitality. Metis advises privately-held businesses, including wineries, on capital transactions including mergers, acquisitions, divestitures and recapitalizations.



Towle Merrit

general manager, Walsh Vineyard Management

Bringing mechanization to luxury wine As general manager at Walsh Vineyard Management, which operates in Napa Valley, Towle Merritt has helped move the level of knowledge and the dialogue on mechanical harvesting forward. His firm continues to encourage customers to try new technology cost-effectively and has been instrumental in educating clients.

Juan Munoz-Oca

executive vice president, winemaking, vineyards and operations, Ste. Michelle Wine Estates

Taking a legacy of innovation forward

In January 2019, **Juan Munoz-Oca** was promoted to executive vice president, winemaking, vineyards and operations, at **Ste. Michelle Wine Estates**, succeeding **Doug Gore**, when he retired. Munoz-Oca a third-generation winemaker from Argentina, oversees all winemaking. One of the

most upbeat and down-to-earth winemakers you'll meet, he worked his way up through the winemaking ranks.

Beth Novak Milliken

president & CEO, Spottswoode Estate Vineyard & Winery

Early adopter of organic vineyards

Spottswoode Estate, founded by the Novak family in 1972, began farming 100 percent organically more than 30 years ago—before "sustainable" and "green" were buzzwords. Because its Cabernet Sauvignons are highly regarded, this approach



influenced other wineries. Spottswoode also contributes to organizations that share its environmental values.



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Wine Industry 2019

Dan Petroski

winemaker, Larkmead Cellars/Massican/Band of Vintners

Thought leader among winemakers

Dan Petroski is winemaker at Larkmead Cellars as well as founder of his own label, Massican. Petroski has hosted a number of salons gathering leaders to discuss strategic issues, such as the future of Cabernet Sauvignon in Napa Valley. Larkmead recently planted a three-acre research block to test grape varieties that could potentially be blended with Cabernet if Napa Valley becomes too hot.



David Ramey

founder, Ramey Wine Cellars

Calling attention to the role of oxygen transmission

After earning a graduate degree at UC Davis, with his thesis on how aromas evolve in wine, David Ramey worked for Matanzas Creek, Chalk Hill, Dominus Estate and Rudd Estate, then founded Ramey Wine Cellars. Through the years, he's emphasized artisan techniques, such as eliminating skin contact for whites, using oxidized juice in making white wine and sur lie aging whites in barrel. Ramey is keen on the continual use of wine



trials to elevate quality and has also been outspoken on using closures to customize oxygen transmission in the bottle.

Karen Ross

secretary, California Department of Food and Agriculture

The advocate for agriculture

Karen Ross, secretary of the California Department of Food and Agriculture, was appointed to that post by Governor Jerry Brown and reappointed by Governor Newsom. She served as chief of staff to U.S. secretary of agriculture Tom Vilsack, and from 1996 to 2009 was president of the California Association of Winegrape Growers.



Ray Rouleau

sales and service, Vermont Information Processing (VIP)

Leading the "revolution" in sales data and depletions

Software and information provider **Vermont Information Processing** (VIP) purchased **Beverage Data Network**, a supplier of wholesaler depletion data to the wines and spirits industry, five years ago. The company makes daily transactional data for three-tier wine sales available to wineries, a step forward in the way wineries track and manage depletion allowances.



Heidi Scheid

senior vice president, Scheid Vineyards

Championing Monterey and growing the family business

Heidi Scheid's family farms 4,000 acres of grapes, sells grapes and operates a large custom crush facility, while also making wines for its own brands, which are growing quickly, accounting for some 600,000 cases this year. She served on the California Association of Winegrape Growers board for nine years, and was chairman for two, and is a long-time director of the Wine Market Council.



Tom Steffanci

president, W.J. Deutsch & Sons

Stewarding the fastest-growing wine brand

Tom Steffanci leads Deutsch Family Wine & Spirits, the marketer and importer of wine and spirits behind Josh Cellars, the fastest-growing wine brand in the U.S. Deutsch Family Wine & Spirits markets wine and spirits from family-owned companies around the world. Deutsch brands include: [yellow tail], Kunde Family Estate, Girard, Cigar Zin, Vidal-Fleury, Barone Fini and more.



Bob Trinchero

chairman, Trinchero Family Wines

Retired CEO chairs second-largest family owned winery

Louis "Bob" Trinchero's family business rose following the popularity of White Zinfandel and then the move toward higher-end wine. Now retired from running the family business (Bob Torkelson was promoted to CEO), Trinchero continues as chairman. Bob Trinchero and brother Roger Trinchero are not just known for building a sustainably minded wine company, they're also



known for taking care of their employees and supporting their local communities.

Brian Vos

president & CEO, The Wine Group

Innovating in the "premium-plus" price segment

While **The Wine Group** has long been a leader in value, the company continues to grow its premium business in the \$8 to \$15 segment, while introducing new brands and line extensions. At the helm is Brian Vos, named president and CEO in 2012.



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Wine Industry 2019

Emeritus

David Adelsheim

founder and director, Adelsheim Vineyards

David Adelsheim founded Adelsheim Vineyard with Ginny Adelsheim in 1971. On behalf of the Oregon wine industry, he has led work on clonal importation, wine labeling regulations, establishing statewide and

regional industry organizations, and creating the **International Pinot Noir Celebration** and **Oregon Pinot Camp**. As one of the founders of the Oregon wine industry, he's helped set standards of excellence.

Barbara Banke

chairman and proprietor, Jackson Family Wines

Jackson Family Wines' chairman and proprietor has spent the last two decades leading the company she co-founded with her late husband Jess Jackson while building and expanding some of the most well-known wineries in the nation. Jackson Family Wines is the

leading supplier of Pinot Noir and Chardonnay. **Barbara Banke** takes a hands-on role in the development and promotion of various Jackson Family wine estates. After a wave of acquisitions in recent years, Banke has focused on digesting them and on developing vineyard and winery operations in Oregon.

Ted Baseler

former chief executive officer, Ste. Michelle Wine Estates



Ted Baseler dedicated his career to building Washington state into one of the world's top wine regions. He led the expansion and acquisitions with a "string

of pearls" strategy, a self-described collection of estate wineries whose vineyards produce some of the best wines in the world. Under Baseler's leadership, **Ste. Michelle Wine Estates** ran a big tent, a widely inclusive operation that was welcoming to all. Baseler has been committed to community service, serving on boards for several organizations, the **Wine Market Council** among them. He announced his retirement after 34 years with the company earlier this year.

Andy Beckstoffer

vineyard owner, Beckstoffer Vineyards

One of the most important early leaders in the evolution of the Napa Valley's emergence as a world-class grape-growing region, **Andy Beckstoffer**, a founding director of the **Napa Valley Grapegrowers Association**, tied the price of grapes to retail bottle



prices. He led the Napa Valley Grapegrowers in establishing the **Winery Definition Ordinance**, requiring 75 percent of grapes used in Napa Valley labeled wines to come from the appellation. Beckstoffer Vineyards owns and farms 3,600 acres.

Linda Bisson

former professor, UC Davis Department of Viticulture & Enology

Dr. Linda Bisson retired from the viticulture and enology faculty at the end of 2017. Through extension courses and professional organizations like ASEV, where she has been the science editor of the AJEV for



many years, her research in yeast genetics is a scientific legacy that will not be surpassed easily. Most of the teaching material she used for the initial UC Davis Extension winemaking class is accessible to all and can be found on the UCD V&E website.

Harvey and Wayne Chaplin

chairman and CEO of Southern Glazer's Wine & Spirits, respectively

Following the merger of **Southern Wine & Spirits** and **Glazers Distributors**, the nation's largest distributor is **Southern Glazer's Wine & Spirits**, operating in 44 states with more than 20,000 employees and distributing more than 150 million cases of wine and spirits annually. **Harvey R. Chaplin** serves as chairman while **Wayne E. Chaplin** is chief executive.



Joe Ciatti

principal, The Zepponi Company

Joe Ciatti has more than 40 years of industry experience, a deep network and a long track record. Ciatti's grandfather, **Guiseppe Bagnani**, owned Sonoma County's **Geyser Peak Winery** in Alexander

It's often said, "You can't get the deal done without Tony." **Tony Correia** specializes in the appraisal of

large, complex agricultural properties and difficult



Valley for several decades after Prohibition ended. **Joe Ciatti** established the **Joseph W. Ciatti Company**, which grew into the world's largest brokerage of grapes and bulk wines. These days, Joe Ciatti is active in mergers and acquisitions as a principal with **Zepponi & Company**.

Tony Correia

principal, The Correia Co.



appraisal assignments. He is a frequent instructor of appraisal courses and seminars throughout the nation, and a public speaker on agricultural, appraisal, taxation and estate planning issues, and the vineyard and wine industries.

John DeLuca

former president and CEO, Wine Insitute

John DeLuca served as president and chief executive officer of Wine Institute from 1975 to 2003. Not only did he direct the industry's legal and governmental activities in the U.S. and overseas, but he was





Nat Dibuduo

former president, Allied Grape Growers

Nat DiBuduo is a native of the San Joaquin Valley, and his family was among the first to plant varietal winegrapes in the valley in the early 1970s. He joined the **Allied Grape Growers** cooperative in 2000 and

retired from just Allied this year. Allied represents 550

growers throughout the San Joaquin Valley and North Coast, marketing some 200,000 tons of grapes.

Mel Dick

Driving force with distribution

Mel Dick has been in the industry for six decades, five of them with Southern Wine & Spirits, now Southern Glazer's. He has played a part in shaping the wine

market in America, introducing Americans to higher-quality wines from California and Europe, while boosting educational programs to expand knowledge. He's also been key to the annual **South Beach Wine & Food Festival** in Miami benefiting **FIU**'s **Chaplin School of Hospitality & Tourism Management**. The festival has raised more than \$28 million.

Paul Draper

former winemaker, Ridge Vineyards

Paul Draper, a verifiable legend in the California wine industry, developed a philosophy about how to make wine and how to treat people—and he stuck with it. For nearly 50 years, Draper has championed traditional



winemaking techniques, promoted the concept of terroir and became one of the first to recognize the opportunities of site-specific, single-vineyard winemaking. He was also among the first to treat Zinfandel with respect and champion the variety as an age-worthy wine of greatness. Draper officially retired as winemaker for **Ridge Vineyards** in 2016 but he's still involved. He turned operation of the winery over to key staff members who have worked at Ridge for decades.

Frank Farella

founding partner, Farella Braun + Martel

Frank Farella, a founding partner of Farella Braun+ Martel, supervises many of the firm's mergers and



acquisition transactions and plays a leading role in the firm's international hotel practice. Farella has a long history in the wine industry and has been a key player in the growth of the Napa Valley. He served on the board of directors of the **Robert Mondavi Corporation** and represented **Robert Mondavi** with respect to his philanthropic activities, including the establishment of the **Robert Mondavi Institute** and the **Robert and Margrit Mondavi Center for the Performing Arts** at **UC Davis**.



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Wine Industry 2019 Leaders Emeritus

Fred Franzia

co-founder, Bronco Wine Company

Calling Fred Franzia a colorful character would be an understatement. Bronco Wine Co. changed the industry in 2002 by selling \$1.99 wines at Trader Joe's stores under the Charles Shaw label. It's now

sold something like 1 billion bottles of "Two Buck Chuck." Bronco is the fourth-largest wine company by volume. The latest: Launching Shaw Organic with the capacity to ramp up to 1 million cases of organic wine.

Jon Fredrickson

founder, Fredrikson & Co

Jon Fredrikson runs America's oldest consulting firm specializing in wine industry matters, offering a broad range of consulting services in wine industry economics, strategic market planning and wine property acquisitions and divestitures.

David Freed

co-founder, Wine Industry Symposium Group

David Freed served as chairman of Silverado Wine Growers and Silverado Premium Properties, privately held real estate investment funds with more than 10,000 acres of vineyard holdings in California. Freed also made another major contribution to the industry:

He helped bring new sources of capital into the industry at a time when there wasn't much of it available, co-founding the annual Wine Industry Financial Symposium.

Joseph Gallo

president and CEO, E&J Gallo

E&J Gallo is the world's largest family-owned winery with sales exceeding 85 million cases. During the past two decades years, the company has completely transformed itself, continuing to dominate in popularly

priced wines while also producing wines at the higher price tiers, and moving into the spirits business. He will step aside for his son, Ernest, to take the reins.

Agustin Huneeus Sr.

owner/partner, Huneeus Vintners



Agustin Huneeus Sr. purchased a stake in Concha y Toro in 1960, transforming it from jug producer to export powerhouse, the largest winery in Chile. In 1971, he moved to New York to head Seagram's

worldwide operations, including Paul Masson wines and other brands. He moved to California in 1977, founding Noble Vineyard in the San Joaquin Valley, later acquiring Concannon Vineyard in Livermore. Huneeus has influenced California wine with a focus on the principle of attaching wine to a place.

Robert P. (Bobby) Koch

president and CEO, Wine Institute

Bobby Koch leads the largest advocacy and public policy association for California wine, representing the industry at the state, federal and international levels. He was named president and CEO of Wine Institute in

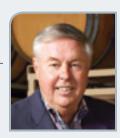


2003, having joined Wine Institute in 1992. Wine Institute is the voice for California wine representing 1,000 wineries and affiliated businesses.

Jerry Lohr

chairman, J. Lohr Wines

Jerry Lohr's work on behalf of the entire wine industry has included posts as director and chair of the Wine Institute and chair of the Monterey Winegrowers Council. He was one of the four founding members



of Wine Vision, an industry group that promoted a long-range view of the wine industry. Lohr founded the National Grape and Wine Initiative, representing grape growers, processors, wineries and academic institutions committed to improving the industry.

Norm McKibben

founder, Pepper Bridge Winery

Norm McKibben, a founding father of Walla Walla's wine industry, is known as "Stormin' Norman," because of his endless energy. In his 30-plus years



in Walla Walla, the valley has evolved and credit for that goes largely to McKibben. He's served as a partner and director at Canoe Ridge Vineyards and Hogue Cellars, and worked closely with Walla Walla's leading vintners. By 1996, in partnership with Gary Figgins of Leonetti Cellar and Marty Clubb of L'Ecole No. 41, McKibben increased his vineyard holdings to 200 acres. He started **Pepper Bridge Winery** in 1998.

Michael Mondavi

founder, Folio Fine Wine Partners and Michael Mondavi Family Estate



Michael Mondavi helped establish and build the Napa Valley wine industry through the family business fifty years ago and the legacy continues through Michael

Mondavi Family Estate and Folio Fine Wine Partners, a sales and marketing company for family-owned wine estates around the world.

Robert Nicholson

principal, International Wine Associates

Robert Nicholson has completed more than 55 separate transactions with a combined value of more than \$1.5 billion, including sales of many well-known wine estates, vineyards and businesses.

Robert Parker

founder, Wine Advocate

Robert M. Parker Jr. is the best known, and most influential, U.S. wine critic. His wine ratings using a 100-point scale and his newsletter, The Wine Advocate, are a major factor in setting the prices for

newly released Bordeaux wines. Parker has now formerly retired.



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Linda Reiff

president and chief executive officer, Napa Valley Vintners

For the past 23 years, **Linda Reiff** has guided the evolution and extraordinary growth of the **Napa Valley Vintners** with a mission of promoting, protecting and enhancing the Napa Valley appellation. She not only

guided the direction of the nation's leading wine auction, but created it: **Premiere Napa Valley**, the nation's leading charity barrel auction.

Michaela Rodeno

former CEO, St. Supéry and Domaine Chandon

Michaela Rodeno is one of just a few female CEOs in the wine business, with a four-decade career in Napa Valley. Her career spans the development of two prominent French-owned Napa Valley wineries, **Domaine**

Chandon (1973-1988) and **St. Supéry** (1988-2009), from inception to financial success. Rodeno is active in wine industry leadership, serving on two trade association boards: **Visit Napa Valley** and the **Wine Market Council**.

Marvin Shanken

publisher, Wine Spectator

Wine Spectator is the dominant magazine for wine consumers. In many ways the magazine's growth has mirrored that of the U.S. wine industry. *Wine Spectator* helped the premiumization of wine by showcasing wine as a lifestyle.

Richard Smart

Founder, Smart Viticulture

Richard Smart has been involved with viticulture since 1966. He studied agricultural science and sunlight use by vineyards in Australia before earning a Ph.D. from Cornell University and then a D.Sc. Agric. degree from the University of Stellenbosch, South Africa. He

authored or co-authored more than 380 publications, including the internationally acclaimed book Sunlight into Wine, regarded as the reference on canopy management. He's helped popularize the role of viticulture in an industry where the limelight is usually given to winemakers.

Mario Zepponi

founder, Zepponi & Co.

Mario Zepponi's firm has served as a transaction advisor to several companies with recent transactions such as Meiomi, Kenwood Vineyards, Chalk Hill

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How the WBM 50 Make Wine McManis Family Vineyards

Expanded winery, advanced technology, increased case production

W. Blake Gray



W. BLAKE GRAY

How the

The team at McManis Family Vineyards has continually grown the operation with an eye toward innovation and with a vineyard-first mentality.

RON MCMANIS WANTS YOU to know that his family are grapegrowers who make wine, not the other way around.

It would be easy to misinterpret **McManis Family Vineyards**' recent winery expansion as a move toward making a lot more branded wine. The Ripon, Calif.-based winery bought a neighboring almond farm in 2018 and now covers 60 acres, three times as much space as it had before the purchase.

McManis has already added another grape receiving station, and winemaker **Mike Robustelli** said that has increased its processing capacity by 33 percent. Currently, McManis has 8.9 million gallons of fermentation and storage capacity, all of it in 321 insulated stainless-steel tanks with individual temperature controls.

But the winery makes only 350,000 cases of wine a year. The great majority of the McManis winery's output goes into the bulk market.

"We make 5.5 million gallons a year, and we bottle 840,000 gallons," Robustelli told *Wine Business Monthly*. "The balance leaves here as juice or bulk wine. We've got a lot of room for McManis to grow and for our bulk wine customers also."

McManis Family Vineyards' size and scope are surprising, unless you're an industry insider.

Vineyard Operations First

The company farms 3,500 acres in four regions. The company's first base of operations is its 640 acres of grapes in the River Junction AVA, a cooler zone west of Modesto where the San Joaquin and Stanislaus rivers meet. If you haven't heard of River Junction, it's because the members of the McManis family are the only grape farmers in the 9,000-acre AVA, and they don't allow wineries that buy fruit from them to use the AVA on bottles, reserving that label designation only for their own wines.

They also farm 1,700 acres in Lodi, where they get most of their red varieties, and in 2016 they expanded with the purchase of 750 acres of vineyards in Clarksburg to farm Chardonnay and Pinot Noir. They also have 360 acres of vines in District 12 outside of the River Junction AVA; this fruit is labeled California AVA.

"We started buying land in Lodi in 2007," **Ron McManis** said. "We started buying in Clarksburg in 2017. Every 10 years we spread out."

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A Brief History of the McManis Brand

Ron McManis is part of the fourth generation of a family of farmers. Earlier generations of his family farmed almonds, peaches and winegrapes, but when it came time for Ron and his brother **Steve McManis** to join the family business, they decided to split up the crops. Ron, the oldest son, was able to choose which he wanted. He took the grapes; Steve got the nuts.

"There are times when I have regrets," Ron McManis said. "Steve doesn't have regrets."

Ron McManis graduated from high school in 1979 and used his savings to buy a grape harvester. Soon, he had a thriving business harvesting his neighbors' grapes. He lucked into an abandoned bulldozer and added that to his agricultural services company.

"I didn't go to college; I went to the school of hard knocks," McManis said. "The one thing I did learn is to surround yourself with the right people." Today, the winery has about 30 full-time employees, with another 20 fulltime employees in the vineyards.

For the first 15 years, McManis sold all of the grapes from his family's Ripon vineyards; they went straight into blends with other grapes. But he thought his Chardonnay grapes were of higher quality than the grapes grown in warmer parts of the San Joaquin Valley.

In 1995, McManis connected with **Bill Turrentine** who arranged to custom crush a couple tons of Chardonnay. River Junction is cooler than the surrounding regions, and the grapes showed well. So, in 1998, they began making McManis Family Vineyards-branded wines to showcase that high-quality fruit and built their first winery. In the beginning, about 90 percent of that branded wine was made of Chardonnay, which went through full malolactic and strong oak treatment—the style of the day.

"Now we're 70 percent red, 30 percent white," McManis said. "The reason to buy vineyards in Lodi ... is for our red wine customers. Lodi reds are an easy sell. We have no whites in Lodi." (The Clarksburg addition, he noted, was not purchased for the McManis brand.)

The McManises bottle nine different varietal wines from the 14 varieties they grow: Pinot Noir, Petite Sirah, Merlot, Petit Verdot, Cabernet Sauvignon, Zinfandel, Teroldego, Tannat, Chenin Blanc, Sauvignon Blanc, Chardonnay, Muscat Canelli, Viognier and Barbera.

Of their bottled wines, they're probably best known for Chardonnay and Petite Sirah. McManis exports about one-third of its branded wine, a huge amount for a California brand of its size. Its top markets are Sweden and Ontario, Canada (**LCBO**).

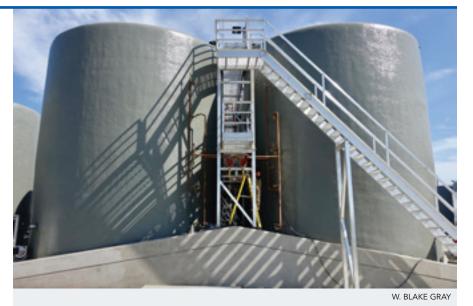
The Latest Growth

Ron McManis believes strongly in reinvestment. He said he puts all the money the winery makes back into the operation, whether it's buying vineyards or becoming more technologically advanced. This is not a place with concrete egg experiments; but for quality processing of large quantities of grapes, it's fully equipped.

"Every couple of years I get something new to play with," Robustelli said.

This year's expansion is all on the winery side. McManis' modern operation is technologically advanced, and **Justin McManis**, one of the fifth-generation family members working at the winery, said that all of the grapes that come into the winery see the full advantage of that effort.

"Every grape that crosses that scale is treated as if it goes into the McManis program," Justin McManis aid. "It gets the same processing, the same oak treatment. After the wine is made and filtered and aged in oak, we sit down as a team and determine which will fit really nice into the McManis program.



Most of McManis' wine is made in 200-ton stainless steel fermenters with three inches of foam insulation.

We evaluate what's going to fit best for the McManis profile, and the balance goes for bulk wine."

That doesn't mean the bulk wine they sell is any less; it's just a different facet of their business and a facet that plays a vital role. "Bulk wine is a core part of our business. I don't think we'll ever be out of the bulk wine business," Robustelli said.

They will, however, be out of the grape-buying business by 2021 if they follow through with their current plans. Right now, McManis buys about 15 percent of its grapes from outside growers. The addition of vineyards in Clarksburg, some of which are being grafted over from Sauvignon Blanc to Chardonnay and Pinot Noir, will change that.

Large-scale Winemaking

Most of the wine is made in 200-ton stainless steel fermenters. The McManises started with 50-ton fermenters; but because their wine production grew so rapidly, in 2012, they moved to 200-ton models. All the fermenters have 3 inches of foam insulation on the side and 6 inches on top. The fermenters are cooled by glycol lines submerged beneath the ground to save water.

"We took the same dimensions of the 50-ton fermenters and blew it up," Robustelli said.

The grapes come in through receiving hoppers from **P&L Specialities**, along an incline auger from the same company. They can be lifted on a 7.5-ton hoist from **Hico Pacific**.

McManis has four **Bucher Vaslin** 320-hectoliter presses and a **Delta** E10 crusher-destemmer. All grapes received are moved by a **Waukesha** 320 positive displacement pump. Wine moves to the tanks through flexible hoses, from both **Cellarmaster** and **Goodyear**. Every tank has its own dedicated pump for pump-overs and its own dedicated variable frequency drive (VFD).

The McManises are fairly obsessed with temperature control, perhaps a legacy of the fact that they started out by making only white wine. Justin McManis adapted the cooling system by putting a submersible thermometer in the center of the cap to see the difference between the center of the cap and the rest of the wine.

As for oak: "We use everything," Robustelli said. "If they make it, we use it. We try to stay away from oak dust in the fermenters. We use staves, blocks, dominoes: everything from really small to really big. We've used balls. We're always trying to get better every year.

"We can make wines that we all like but we're not going to sell much if our customers don't like it," Robustelli said. "We have to adapt our style to market trends." SUSTAINABLE ALTERNATIVE PACKAGING

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Certified Sustainable

Both the vineyards and the winery are certified sustainable.

"We haven't changed anything. It's just documentation," Justin McManis said. "We've been doing the same thing year after year. We're the fifth generation. We have to be sustainable."

All water used at the winery is recaptured. It's used to grow grass crops mostly sedan grass and barley—that are sold to a local dairy farmer. "A typical winery uses 3 to 5 gallons of water per gallon of wine," Justin McManis said. "We use 0.6 gallons of water per gallon of wine."

The winery also has its own well as a water source, and Justin McManis said the levels on their wastewater ponds have not changed despite the droughts.

Other sustainable practices include hauling away used pomace to a local dairy farm and recycling all cardboard and most glass.

Impressive Bottling Line

McManis has invested in an impressive state-of-the-art bottling line that uses **FT System** visual sorters at several spots to automatically kick out aberrant bottles. The operation is fully automated from the beginning: An **Emmeti** glass debulker separates the bottles, a **DS Smith** carton erector builds boxes and a **Wayne Automation** partition inserter turns the boxes into cases.

The bottling line is from **MBF Superblok** in Italy. Its capacity is only 125 bottles per minute and is usually set up for screwcaps as McManis only produces one cork-finished SKU. "It's one of the slower lines but we're not about going fast; we're about a quality product going in the bottle," Justin McManis said.

The first FT System visual sorter inspects bottles as they are first sent into the line; it compares empty bottles to an ideal standard and kicks out those that have defects.

The machine then inverts each bottle, and purges it with nitrogen gas. "It had the capacity to purge it with water," Justin McManis said. "But being in California and the water crisis we're in, we don't think using water is the right thing to do."

Before it fills the bottle it again purges it with nitrogen again to create an anaerobic environment. Another visual sorter checks the fill height; and if it isn't right, the machine doesn't put a cap or label on it, allowing the wine and glass to be recycled.

"We bottle just in time," Justin McManis said. "We like to keep about a month's inventory on the floor." The rest of the wine stays in tanks until needed.







The FT System performs a final six-camera visual inspection of every bottle, checking the screwcap and the straightness of the label. During a tour and interview with *Wine Business Monthly*, 0.24 percent of bottles, with screwcaps that looked slightly dented, were rejected.

A **Delkor** machine then puts the finished bottles into boxes. An automatic packer weighs each case to make sure it has 12 bottles. Finished boxes are also checked by a visual sorter before being stacked by a **Columbia** FL 2000 palletizer.

"This is pretty state-of-the-art," Justin McManis said. "For a winery of our size to have this kind of equipment, it's what sets us apart."

It's a very nice winery, very technically advanced. But remember—the McManises are grapegrowers first. **WBM**



McManis installed a new bottling line that automatically eliminates defective or improperly filled bottles.



Technical Spotlight Eden Rift: California History Meets Viticultural Perspective

Stacy Briscoe

CALIFORNIA HISTORY CROSSED WITH viticultural perspectivethat is how Eden Rift Vineyards' proprietor Christian Pillsbury describes his piece of wine country located in the Cienega Valley AVA of San Benito County, just east of Monterey, California.

Prior to purchasing the property in 2016, Pillsbury, a San Francisco native, worked in the corporate wine world, most recently for the preservation system Coravin, heading the company's Asian market. When he decided to leave his position to put his own mark on the grapegrowing and winemaking sector of the industry, as a lover of Pinot Noir and Chardonnay, Pillsbury immediately began his search in Napa and Sonoma counties. In fact, Pillsbury said he was very close to closing a deal in Napa when a friend of his took him down south to an AVA so secluded, Pillsbury had never even heard of it.

"When I came here, I'd been a specialist in American wine for 20 years, but I'd never heard of this property," Pillsbury said. "When I rolled through the gates, my jaw dropped-how could I not know about this place?"

The 120 acres of contiguous estate vineyards date back to 1849, the heart of the Gold Rush era, before San Benito County existed, before California was even a state, making it one of the oldest continually producing estate vineyards in California. Rarer still, vineyards were planted to Pinot Noir as far back as 1860, during a time when rustic field blends of Zinfandel, Carignan and Petite Sirah were the norm.

Pillsbury calls his estate's story a "weird layering of histories." The property has been through seven separate owners and five different brands. "But the land itself never changes," Pillsbury said.



Key Points:

• More than 100 acres of contiguous estate vineyards date back to 1849

EDEN

- New proprietorship brings back Pinot-focused plantings
- Data gathered by Davis Systems weather station help reduce water use by 80 percent
- Old Vine Zinfandel finds a home within the Pinot program

Stacy Briscoe is the assistant editor of *Wine Business Monthly.* She has been writing about wine professionally since 2015, freelancing for multiple publications including The San Francisco Chronicle, Edible Communities and Napa Sonoma Magazine, among others. She also maintains her own website, BriscoeBites.com, dedicated to wine reviews and tasting notes. Outside of wine writing, she also contributes as a freelance editor for the independent publisher She Writes Press. Stacy has a Bachelor of Arts degree in English-language literature from the University of California, Santa Cruz.



Talking Terroir

Located in the foothills of the Gavilan Mountain Range, Eden Rift is situated on top of the San Andreas Fault. Here, elevation ranges from 1,200 feet at the estate's lowest point, up to 1,600 feet at its highest. The soils are a combination of decomposed granite, limestone and dolomite.

Pillsbury said many mistake the estate's location for a warm-weather region. But, despite mid-day summer temperatures that can get quite high, the overall climate stays quite cool. The position of the Gavilan Range in reference to the Monterey Bay creates a literal rift (part of the reasoning behind the name "Eden Rift"), pulling in a heady fog during the night hours that sinks deep into the vineyard and lingers until mid-morning. In the early evening, that rift pulls in a cooling breeze, ripe with maritime aromas perfect growing conditions for delicate Pinot Noir grapes and for producing the Old World-style Chardonnay that inspires Pillsbury.

Another interesting, if not unique, feature of Eden Rift's topography is the numerous terraced vineyards: 2.5 acres of terraced Chardonnay (76 and Wente Clone), 8.5 acres of Pinot Noir (Calera clone) and 3.3 acres of Pinot Gris (clone 9)—what Pillsbury suspects is one of the only terraced Pinot Gris vineyards in California.

The terracing, much like the rest of the vineyard and winery, was an inherited feature of the estate. But what Pillsbury and his small team have added during his short time as proprietor is specificity in vineyard planting.





The Restoration Project

Pillsbury calls his winery venture "the spirit of restoration," with an eye toward pursuing the best quality grapes from the property. "The first thing we did here was dig 30 open pits just to try to understand what the subsoils were and what we'd be working with," Pillsbury said. "It's paid off because it's informed all of our decisions about what our plans are going to be."

The estate has always been primarily focused on Pinot Noir and Chardonnay, save for a brief time in the 1990s when a previous owner's fascination with Italian varieties created a Tuscan-inspired interrupt. When Pillsbury moved in, there were still scattered, confused plantings of Sangiovese, Merlot and Zinfandel.

Cory Waller, who was hired as head winemaker by the owner immediately preceding Pillsbury, said that a prior restoration project had already begun to bring back the heart of the land—Pinot Noir—but that project was "piece-meal" in execution. "Christian went at it full-force," Waller said. "Since he came in, we've grafted 42 acres, planted 27 acres."

"We're really rediscovering the history of this place through action," Pillsbury said. He noted that he doesn't have the advantage of regional grapegrowing or winemaking notes throughout the years, as he would if he had purchased property in Napa or Sonoma. Instead, he, Waller and their vineyard manager, **Sandy Matthews**, are constantly testing various lots in blocks and working as hard as they can to assemble that breadth of knowl-edge as quickly as possible.

Though the previous owner had begun bringing the site back to a Pinotfocus, that focus was specific to Dijon clones: 828, 115 and 667. But Pillsbury asked himself, "How do we reach further back into history besides Dijon clones?"

"We have 120 acres of contiguous estate vineyards with different elevations, exposures and soil types. We had a variety of voices we wanted to illustrate," Pillsbury said. "So we decided to use California heritage clones as that voice—the voice that we want to use to tell the story of the vineyards." Today, the estate is 65 percent Pinot Noir across eight different clones, including Dijon 777, 115, 667 and 828; Swan; Pommard; Calera; and a recent addition of Mt. Eden—all of which are planted with site specificity.

"Clones are a shortcut to differentiation. They allow us to do a lot of comparison between one site and the next and how each expresses itself. The clones help us find the path toward the wines we want to make," Pillsbury said.

One of the best examples of Pillsbury's use of the land—both visually in the vineyard and aromatically in the glass and on the palate—is the terraced Calera clone Pinot Noir. Originally planted to Zinfandel, the block was grafted to Calera in 2016. "They're thick-skinned and not super-vigorous, which makes them more ideal for terraces," winemaker Waller said.

Those terraced grapes produce a wine that's more masculine in style, providing a counterpoint to the more delicate Dijon clones. The Calera acts as an excellent blending component for the Estate Pinot Noir but is also a very structural—and still aromatically beautiful—expression as a single vineyard in the winery's Terraced Pinot Noir. Helping winemakers perform their magic from grape to glass for over 28 years

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Functionally Organic Farming

According to Waller, the estate has seen a 95 percent take rate success with the vines they've grafted and planted from 2016 through today. One of the tools used that has played a role in that success is the weather station provided by **Davis Systems** and managed by **Farm Data Systems**.

Pillsbury said his site required a radio mesh set-up as the area is not covered by cell signal and "wired install was impractical." The system allows Pillsbury and his team to gather critical environmental data, such as temperature, wind speed and direction, solar radiation and even irrigation condition by block (rainfall, leaf wetness, soil moisture and temperature).



Eden Rift - Calcerous Subsoil - Mine on Ridgeline

Eden Rift estate vineyards are predominantly water-fed through irrigation. But Pillsbury said that he's been able to cut down the water consumption by 80 percent by implementing more mindful, and data collection-centered, farming methods. "We can cross-reference that to what we're actually exhibiting in phenological development and decide where we actually need to apply water and when," Pillsbury said.

Pillsbury and Waller call their vineyards "functionally organic," meaning that they farm with organic methods such as planting organic cover crops, spreading organic composts and not using glyphosate as an herbicide. But the two have no interest in pursuing an official certification. "I don't buy into the programs because there's a lot of stuff they miss," Pillsbury said. "And it's sustainability as well," he added. "Sustainability encompasses so much more—it's a better litmus test of stewardship to the land."

In keeping with that stewardship, Eden Rift's vineyards are all farmed by hand. Pillsbury said he's experimented with machine harvesting some of the fruit they sell, but "the jury's still out," as a lot of the harvest came back with too much MOG. "We're always looking to enhance in terms of efficiency, but not at the risk of vine health or wine quality," he said.

The Winery

Eden Rift, in its current form, is only on its third vintage. The winery produces just 6,000 cases annually under its own label. With a 55,000-case capacity, the space is also utilized as a custom crush facility for local wineries.

There was a lot of infrastructure already in place when Pillsbury took over, including the 25,000-square-foot barrel shed and the 12,000-square-foot winery. The winery houses nine 5-ton and four 2-ton open-top stainless fermentation tanks supplied by **Quality Stainless** and **Paso Robles Tanks**, respectively. There are also 24 closed-top fermenters, ranging from 1,600 to 13,000 gallons in capacity, supplied by **Santa Rosa Stainless**.

Waller said he prefers the use of open tops almost exclusively as he feels that he has more control over the fermentation. The closed-top fermenters are used solely for custom crush during harvest, as well as blending and bottling some of Eden Rift's larger lots. The 550-gallon **Portotank** and 500-gallon variable capacity tanks are used for the smaller lots.

All tanks include glycol jackets sourced from **Refrigeration Technology**, but Waller said he rarely uses them. "We don't cold soak. We cold soak by virtue of night picking," he said, explaining that grapes come in at 45° F to 50° F.

"Because we do all native ferments, we monitor pretty closely," Waller said. "If I start to smell any off-odors, we'll use our portable glycol heater to bring the temperature up to push the growth phase. I use the cooling system if the ferment gets too hot or ahead of the curve."



Eden Rift's 12,000-square-foot winery





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CALIFORNIA HISTORY; INTERNATIONAL MARKETPLACE

Six-thousand cases may seem like a small case production, but Pillsbury is able to spread the Eden Rift story far and wide. About 50 percent of its sales are made direct-to-consumer, with a number of the wines only available at the tasting room or through the wine club. One hour away from Monterey, Carmel and Silicon Valley, Eden Rift has become a day-tripper's location for those just a tad too far from the "traditional" wine country of the North Bay.

"It's a privilege, as a winery, to be able to build a business like that," Pillsbury said. But he also noted that, in addition to selling his wines in a number of U.S. states, he has established a very strong international market as well. Eden Rift wines are currently available in the U.K., Japan, China, Hong Kong and Denmark, and Pillsbury said the list continues to grow. "I believe in building our business that way instead of going to a giant U.S. retailer and saying, 'Please, please, please buy this many containers,'" he said. "We want to be able to diversify and build a sophisticated client base without worrying about raising any prices."

The trick, Pillsbury said, is conducting all this business in person. Though he admits that because he was based overseas for 10 years prior to his Eden Rift proprietorship, and does have a few contacts, he also recognizes that business relationships are not something he can "luck into."

"You can't do international from a desk. You have to get yourself on the plane. You have to make yourself relevant to the wine conversation in whatever market you're in," Pillsbury said.

The Winemaking

PINOT GRIS

Eden Rift was originally planted to 10 acres of terraced Pinot Gris, but Pillsbury cut it back to 3, keeping "only the highest quality block." It's a low-yielding block, producing just under 2 tons of grapes last harvest. "It's kind of nutty, business-wise," said Pillsbury of his decision to keep any of the Pinot Gris at all. "But not everything needs to be directly profitable. This is more about our philosophy of exploring the site—that's how it folds into the rest of the program."

Though he admits the Pinot Gris isn't economically sensible, Pillsbury believes that the grape has gotten a "short hand" in the wine industry. It is, as Pillsbury noted, a Grande Cru grape (if you take the Alsatian model), and he and Waller enjoy the addition of Pinot Gris into the portfolio as something different to their Chardonnay.

The Pinot Gris grapes are hand-picked at night, pressed whole cluster to tank to settle overnight. The wine ferments in combination stainless steel and neutral French oak (about 60 and 40 percent, respectively). The wine does not see any malolactic fermentation (MLF). Instead, to add a bit of body to balance the grape's innate racy acidity, Waller prefers bâtonnage every two weeks, which can be anywhere from one to four times during the fermentation process, depending on the wine. "Considering Pinot Gris doesn't spend much time aging (about three months in barrel), we have to be a little more cognizant of stirring directly after primary," he said.

The Pinot Gris is fined with bentonite, cold-stabilized and sterile-filtered before bottling. Waller uses **Supradisc II** from **Pall** for "polishing" all his white wines and **Millipore** cartridges at the bottling line for wines that don't go through MLF, like the Pinot Gris. Bottling takes place in-house with a **GAI** 16-head bottling line.



Pinot Gris on the terraces

The terraced Pinot Gris is something special, indeed. Though the juice sees no skin contact during the winemaking process, the final product presents an almost rose-gold hue in the glass. "That's the innate color of the wine," noted Pillsbury. On the palate it has just a touch of phenolic grip—just enough backbone and structural lift to enhance the light-bodied white wine.

"We really wanted to see, if we take it as seriously as it can be taken, what would we get? I love this wine," Pillsbury said.

CHARDONNAY

Pillsbury and Waller both describe their Chardonnays as more reductive in style. The grapes are picked "a bit later," with the last vintage harvested between mid-September to mid-October. It's a broad range of picking dates at Eden Rift due to the sheer amount of diversity in elevation, aspect and soils the estate's topography provides.

Like the Pinot Gris, Chardonnay grapes are pressed whole cluster in the winery's **Diemme** AR-80 press directly to tank to settle. The exception to this rule are the grapes coming from a portion of the estate's O-block, which goes directly to barrel.

"There is a quarter of the block that is interplanted and unilateral. I found in previous years this wine to be incredibly too lean and, to boot, more sluggish to finish MLF," Waller explained. "I think pressing directly into barrel really helps the mid-palate, and I've also started using yeast hulls to supplement some of the solids for the main portion of this block."

All wines at Eden Rift go through native yeast fermentation, with the Chardonnay and red wines going through native MLF as well. The Chardonnay ferments and ages in French oak (about 17 to 20 percent new) for anywhere

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Christian L. Pillsbury Proprietor

Cory Waller Winemaker

Sandy Matthews Vineyard Manager

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YEAR BONDED	1989
DIRECT-TO-CONSUMER SALES	50%
APPELLATION	Cienega Valley AVA,
VINEYARD ACREAGE 117 total variety blocks	Pinot Noir - 88 acres; ½ Dijon, ½ heritage; Calera, Mt. Eden, Swan;
	Chardonnay – 20 acres; Old Wente, New Wente, 76, and 4;
	0.66 acres Old Vine Zinfandel planted in 1906;
	3 acres terraced Pinot Gris;
	1 acre Grenache
SOIL TYPE	Calcareous limestone and decomposed granite
CLIMATE	Temperate with coastal influence
WINERY CASE PRODUCTION	6,000
AVERAGE BOTTLE PRICE	\$38
TONS USED VS. TONS SOLD	50/50





YEAR BUILT	2000
ARCHITECT	Christina Perez
ENGINEER/	Structural Engineers Inc.,
MECHANICAL ENGINEER	www.structuralengineersinc.com
LIGHTING	Retrofitted to LED by Lights, Lux and Lumens, <i>3lusa.com</i>
WASTEWATER	San Benito Engineering
RECEIVING HOPPER	Scharfenberger VS 3,6 by Euro-Machines, euromachinesusa.com
CRUSHER/DESTEMMER	Delta E4 by Bucher Vaslin North America, www.bvnorthamerica.com
TANKS	
5-ton open tops	Quality Stainless Tanks, www.qualitystainless.com
2-ton open tops	Paso Robles Tank, www.pasoroblestank.com
Closed top from 1,600 gal – 13,000 gal	Santa Rosa Stainless Steel, www.srss.com
GLYCOL TANK HEATING/ CHILLING	Refrigeration Technologies, www.refrigtech.com
PUNCHDOWN DEVICES	MTM Mechanical forkliftable
	R.S. Randall and Company custom punchdown, www.rsrandallandco.com
PUMPOVER DEVICES	Toad and Lotus
PRESSES	Diemme Enologia AR-80, www.diemme-enologia.com
BARRELS	Predominantly Tonnellerie François Frères, www. francoisfreres.com
YEAST/NUTRIENTS/ENZYMES OR OTHER ADDITIONS?	Native yeast, Ferm O and Yeast Hulls for nutrients Scott Laboratories, www.scottlab.com
CELLAR HUMIDITY CONTROL	Refrigeration Technologies, www.refrigtech.com
ANALYTICAL EQUIPMENT	Anton Paar DMA 35 density meter, www.anton-paar.com
	Admeo Y350 Semi-automatic analyzer, www.admeo.us
	Denver Instrument 250 ph meter, www.denverinstrument.com
	Accumet AB150, www.fishersci.com
PACKAGING	
BOTTLING LINE	GAI America 16 head, www.gai-it.com
GLASS	M.A. Silva, www.masilva.com
	Tricorbraun, www.tricorbraun.com
CORKS	Portocork America, www.portocork.com
CAPSULES	Ramondin, www.ramondin.com
LABEL DESIGN	Mash, www.mashdesign.com
LABEL PRINTING	Tapp Label, www.tapplabel.com

between nine and 12 months, receiving regular bâtonnage—a regimen that has changed with each vintage as Waller continues to learn how his grapes react.

"We were initially stirring Chardonnay every two weeks, but due to sluggish MLF, I was at an impasse between over-stirring and trying to help encourage MLF activity. I've backed off to monthly so that we can prolong stirring and help move MLF along," Waller said.

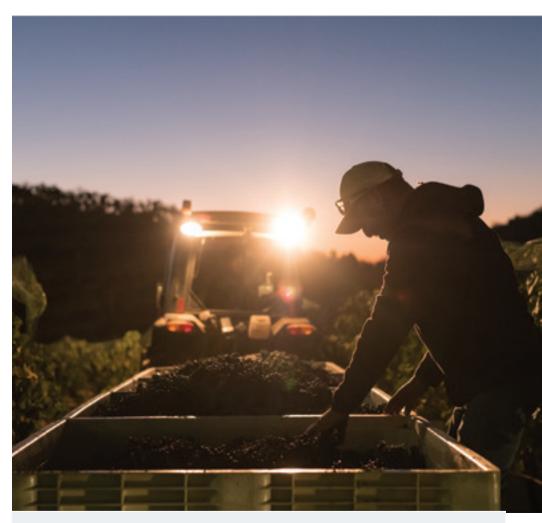
Currently, wines are predominantly aged in **François Frères** cooperage, but Waller is constantly trialing other coopers—as well as amphora.

"I think earth-based fermenters are happy mediums between stainless and neutral oak," Waller said of his amphora, calling pure stainless "too high-toned" and "lackluster." "We're looking for a medium that can add or enhance texture, flavor or general complexity...we're always willing to play around with alternative fermentation and aging vessels," he said.

Although Waller liked what the amphora did for his Chardonnay and he's currently trialing Pinot Noir in the vessel, he and Pillsbury have yet to find a place for the style within their small-lot program.

PINOT NOIR

In general, Waller describes his winemaking practices as hands-off and minimal intervention. "What I've noticed about these vineyards, growing Pinot Noir and Chardonnay, on the winemaking side, I've had to do very little," he said, adding that it's given him freedom in the winery.



Night harvest at Eden Rift

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Technical Spotlight: Eden Rift

That freedom, specific to Pinot Noir, means "playing around" with whole cluster percentages and extended maceration in pursuit of the perfect blending tools to make age-worthy Pinot Noirs. "As the vineyard quality gets better, we get more color, more phenolics, and Cory's been able to adapt to that," said Pillsbury of his winemaker's ability to evolve with the growth of their historic, but still-maturing, vineyard.

Harvest for Eden Rift Pinot Noir lasts from early September through mid-October, with the grapes that are kept whole-cluster picked about two weeks after those that will get destemmed in the winery's **Bucher-Vaslin** Delta E4 destemmer. "We like a bit of the ripeness in the whole cluster," Waller said. "Underripe, and it will be too peppery, green, bitter."

Waller uses about 20 to 30 percent whole cluster in his Pinot Noirs, a bit more in the Terraced Pinot Noir, consisting of Calera clone exclusively. The 2017 vintage of the Terraced Pinot Noir contained approximately 65 percent whole cluster inclusion. "With the grape's skin-to-juice ratio, it can handle a bit more whole cluster. I'm not afraid of going for it with the Calera clone," Waller said.

All lots are kept separate through every stage of the winemaking process. The lots for the Estate Pinot Noir program will age in barrel for nine to 12 months; the single-vineyard programs will see anywhere from 12 to 16 months in barrel. New French oak usage ranges between 20 to 30 percent.

In general, Waller prefers not to move his wines until he has to, with Pinot Noir leaving barrel just a month before bottling. "I prefer a reductive style of winemaking," Waller said. "The only time I'll move a wine out of barrel other than for bottling is if there's an issue that needs to be addressed."

All red wines are bottled without any filtration.

OLD VINE ZINFANDEL

Though the more recent plantings of Zinfandel have since been grafted over to Pinot Noir and Chardonnay, Pillsbury chose to leave in the ³/₄-acre vineyard whose claim to fame is being the oldest continually producing block on the property. The Zinfandel vines here date as far back as 1906.

In the beginning, Pillsbury and Waller discussed what part Zinfandel could play in a Pinot Noir-focused program. "Zinfandel was never a part of the plan; but if this is a stewardship project, then the idea of altering a vineyard that old is completely off the table," Pillsbury said.

He noted, too, that Zinfandel's reputation is as a "hot weather grape," simply because much of California's Zinfandel comes from Lodi. But Pillsbury, Waller and Matthews don't consider that assumption to be true. "Zinfandel has a wonderful capacity for elegance and bright acidity," Pillsbury said, adding that his "cold weather Zinfandel" was his fastest selling wine last year.

The Zinfandel produced at Eden Rift is by no means a modern interpretation of the variety. In fact, everything from the way the vines are farmed to the way the wine is made harkens back to history. Matthews, who previously worked at **Tally Vineyards** in San Luis Obispo (SLO), said he had had experience farming old vines from a neighboring vineyard whose Zinfandel was first planted in 1880. Here, he learned about *en gobelet* vine training—a method widely used in the 19th century.

When Matthews began his role as vineyard manager of Eden Rift in 2017, the old Zinfandel grapes were left as bush vines, with many clusters sitting on the ground. The uneven light penetration meant that clusters ripened unevenly, making the block nearly impossible to maintain and Waller's job in the winery quite difficult. In fact, Pillsbury invested in the winery's new **Scharfenberger** VS 3.6 sorting machine from **Euromachines** just for this block.

With the *en gobelet* vine training, once vines have lignified, Matthews gathers the canes into a basket, or globe, then shapes and ties them with twine at the top and bottom. "It's basically like giving a man-bun to Side-show-Bob," Waller joked.



Old Vine Zinfandel

What this does, Matthews explained, is relieve the clusters of excessive sun exposure while simultaneously ensuring even exposure between all clusters. "The way the clusters hang, with the wind we get, they almost rotate throughout the year. So, generally, it's all ripening at the same time," Matthews said. And, according to Waller, the amount of sorting he has to do has dramatically decreased since employing this vine training method.

Like a few of Eden Rift's other original blocks, the Old Vine Zinfandel vines are own-rooted and unaffected by phylloxera. Thus, Matthews can use the traditional French method of vine propagation, plunging cordons directly into the soil to re-establish the clonal stock when a vine becomes dormant.

To keep history alive for years to come, Pillsbury and Matthews have started on a new Old Vine Zinfandel project, propagating canes from the original vines into a new 1-acre vineyard just adjacent to the other. "Twenty to 30 years from now, when that vineyard is exhausted, we'll have a new one ready to go," Pillsbury said. "It's a commitment to the whole stewardship idea. In 30 years, it'll be too late to plant an old vineyard."

The Old Vine Zinfandel block is, as of right now, the only one that is dry-farmed at Eden Rift. Harvest for these grapes takes place relatively early, around the middle of October. "The Brix aren't that elevated, and it's not a color champion. It doesn't have massive alcohol or extraction—that would be at odds with our vision," Pillsbury said.

Primary fermentation takes place in open-top stainless steel tanks, receiving twice daily pump-overs. The wine is then pressed and ages in barrel for 12 to16 months. And the result is, in fact, a lighter, more delicate expression of the variety, exuding a high-toned fruit profile outlined by just a touch of texture on the tongue. **WBM**



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Barrels Are Supporting Actors at Chateau Montelena

An interview with Napa Valley winemaker Matt Crafton

Jim Gordon



Jim Gordon, editor at large for *Wine Business Monthly*, writes and edits articles on grape growing, winemaking and wine marketing. He has been covering wine and the wine business for more than 35 years, notably as the editor of *Wines & Vines* from 2006 through 2018. A role as contributing editor for *Wine Enthusiast* magazine began in 2014, in which he reviews California wines and reports on various California wine regions. He was executive director of the annual Symposium for Professional Wine Writers at Meadowood Napa Valley from 2008 to 2015. Dorling Kindersley (DK Books) of London published his first book as editor-in-chief, *Opus Vino*, in 2010, which was chosen as a finalist in the James Beard Awards. In 2002 he was co-creator and managing editor of the long-running Wine Country Living TV series for NBC station KNTV in San Jose/San Francisco.

MATTHEW CRAFTON IS THE winemaker at **Chateau Montelena**, one of Napa Valley's few legacy wineries from the 19th century that are thriving today. The winery is tucked away amid towering evergreens and beside a Japanese garden near the town of Calistoga, and really does resemble a French chateau with its imposing, ornate, stone façade that dates from 1882.

Chateau Montelena came to the world's attention through the success of its Chardonnay in the famous **Judgment of Paris** blind tasting in 1976. The winery continues to make Chardonnay, along with Sauvignon Blanc, Riesling and Zinfandel, but it's the estate-grown Cabernet Sauvignon that frames the winery's reputation and arguably represents winemaker **Matt Crafton**'s biggest responsibility.

Decisions on cooperage oak are important to almost any California Cabernet program. They are especially critical for Crafton as he guides the making of an average of 6,000 cases per year of estate Cabernet that currently retails for \$175 a bottle, and which many of its buyers will age for years before popping the cork or consigning it for auction.

But in spite of all that presumed pressure, Crafton keeps the role of oak in perspective. "Wood has always been a secondary or even tertiary consideration on the winemaking side," he said during an interview focused on the subject with *Wine Business Monthly.* "It's maybe not what people want to hear, but anybody can buy expensive barrels. So we look at it, first and foremost, that the wine has to speak for itself before you even start discussing wood."

Crafton earned a Bachelor of Arts in economics at the **University of Virginia** in his home state before pursuing his interest in wine by working in cellars and vineyards, first in the East Coast and later in California's North Coast. He received a Bachelor of Science in viticulture and enology at the **University of California, Davis** in 2008, and Chateau Montelena hired him that year as assistant winemaker. He became the head winemaker in 2014 when he took over from **Bo Barrett**, whose family had been operating the winery since its modern-day revival in 1972. Barrett remains master winemaker and CEO.

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Not for Covering Deficiencies

At Montelena, which now has 120 acres of vines and makes 50,000 cases annually, Crafton found that oak barrels were considered supporting actors, not stars. "Barrels here may be a slight support element, not a crutch per se, but more of a way to help potentially accentuate nuances, not provide overt flavor or aroma to putty over any deficiencies. It's definitely a different tack than what I've seen at other wineries...I think some people use oak as a **Band-Aid**."

Montelena ages its estate Cabernet in 25 to 40 percent new French oak and the rest neutral, while many Napa Valley luxury-level wines use 50 to 100 percent new oak. Barrels typically get three fills of Cabernet Sauvignon that last 22 to 26 months before he cycles them out. Crafton declined to name his preferred coopers but said he uses six different coopers for the estate Cabernet and a total of 10 to 12 barrel types after including varied features from the same coopers.

He said that great terroir and meticulous winemaking are even more important when oak is not in the forefront. "Bo and I make a joke about the Riesling, which has exactly one new barrel on it every year, and we make about a thousand cases of that. The joke is that showing the Riesling is like standing in front of the room wearing a **Speedo**. There's nothing left to hide. It's literally just the fruit. If the grapes aren't good, if the winemaking isn't sound, if anything gets screwed up, it's going to show. So you have to be pretty confident in what you're doing." When asked if he could make the estate Cabernet with as little new oak as the Riesling, or without oak at all, he didn't hesitate. "Yes. Given what we're looking to accomplish here, I think we could absolutely make our estate Cabernet without new wood.

"We have neutral barrels in the program every year, and so there's always that hypothetical question: if we knew that, for instance, there's an embargo and we can't get any French oak, what would we do either on the farming side or on the winemaking side to, again, add a little bit more nuance potentially?"

Crafton added (also hypothetically) that with no wood at all, the wine could be fermented in stainless steel or concrete but would still need some form of micro-oxygenation to substitute for the softening and maturing influence of oak.

"**Randall Grahm** once told me that you can break down every wine ever made into a wine of place and a wine of effort. And there are very few wines of place that are actually made—probably about a dozen really super spectacular vineyards in Napa Valley, maybe at most two dozen. We have one of those. It's a lot more work making a wine of place, no question about that. It takes a lot of work to make yourself disappear, but I don't have any doubt that we could absolutely make our estate Cabernet this way without wood."

How the Oak Program Evolved

Crafton said that 20 years ago Montelena was using no more than about 25 percent new oak barrels, but he understands from tasting verticals and conferring with Barrett that they were buying high-impact barrels at the time. So with marginally more new oak today, "You wouldn't detect any more oakiness or oak flavor in our wines now.

"Back then, it was about getting the flavor you wanted and the quantity you wanted with consistency, so we were buying expensive wood from high quality coopers and hoping we'd get the barrels we wanted. We were hoping they were consistent, clean and that they were going to impart the flavor profile we expected.

"Now we're much more proactive. We're kind of tailoring our cooperage use to the specific characteristics of the vintage. So I'll go ahead and order a minimum number of barrels based historically on what we've used and what we like. We have the luxury of being able to look at different stylistic inputs, as needed, to help complement the vintage. So in a cooler vintage we might skew towards a certain cooper that is a little bit softer, more elegant, that'll help accentuate some of the fruit flavors that are a little bit more delicate in a cooler vintage. Whereas in a warm vintage, we may look for barrels that impart a little bit more power, again to complement the flavor profile we're getting in the vintage. That's really the key."

He restated the goal of making oak a complementary component in the wine's sensory expression. "If somebody smells our wine and starts giving out descriptors that are extremely oak-driven, then I think we've probably put a bit too much wood on the wine. We want vineyard character really to be the first component that people recognize, and that's what people should really enjoy. The barrel kind of works in the background, adding complexity. It is a factor, I'd say, as the wine starts to mature.

"Blessed or not, we have customers who absolutely intend to hold onto our wine 30, 40, 50 years, so thinking about where that wine is going to be from a maturity standpoint for the next few decades is a big part of what we do. That vineyard character starts to soften over time, and some of the secondary characteristics that eventually come from the winemaking side become a little bit more prominent, so we have to make sure that those are in balance with what we're tasting from the vineyard."



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Asked if Montelena ever tailors the oak treatment for different markets or has tried to please fans of unoaked wine, Crafton said, "We make the wines we want to make, that we like, and we don't commission research studies looking at people's preferences or anything like that. We make what we believe is the best expression here: and if you like it, great; if not, there are plenty of other wines for you."

Working with Coopers

Crafton said he wants every barrel and every cooper in the Montelena program to have a specific purpose, which can vary by vintage. Riffing on "The Lord of the Rings," he said, "I've learned in my time that there really is no 'one barrel to rule them all.' Each has its own positives, and a lot of them have drawbacks. To ask one barrel to do everything is kind of ridiculous."

Whether or not a barrel is achieving its specific goal is the over-arching standard that must be met before he adds a barrel or cooper. When Montelena

Calling for TCA-free Barrels

Matt Crafton said that for all the progress coopers have made in barrel consistency and control of various attributes, they haven't done enough to keep TCA out of their barrels. He said Chateau Montelena hasn't bought a tainted barrel in his 10-year tenure, but he thinks the threat of trichloroanisole in oak is still present.

"I have friends who have had it happen. I think the coopers need to be more proactive. The mentality right now is very similar to how the cork industry was 20 years ago, with a few exceptions. There are a few coopers now who test all of their barrels and certify them.

"So when our coopers have come to visit, I've said, 'Where is my certification? Where's my guarantee? Where's the testing?' Some of them have decided to be very proactive, and some of them haven't, which is disappointing."

But Crafton believes there's an opportunity for a cooper—maybe more than one—to step up in the very competitive cooperage market: "Take the leadership role and say, 'You know, we are soaking every single barrel up with water, and we're running GCMS [gas chromatography-mass spectrometry] on the liquid in there,' because 300 bottles is a lot of wine to lose if you have a barrel with TCA in it." does trials with new barrels, he explains clearly what they want to achieve. "It would drive me nuts, as a supplier, for someone to come in and say, 'Hey I'm looking for some barrels. Just make them good."

Montelena's oak trials involve two barrels per vintage for two vintages. At the end of the second year of the second trial, they decide whether or not to add that barrel to the program.

Crafton has learned not to encourage a cooper to customize a barrel for Montelena. "I have had them reach out before and say, 'We're happy to go ahead and make a specific barrel for you but what do you want?' And the reality is there isn't one barrel that I need; I need a bunch of them that all do different things really well."

Instead of telling them how to make a different barrel, he tries to tell them

what effect he wants to see in the wine. "Some coopers find that to be very liberating because it's defined and it's specific, and they jump right onboard, and they get into the details, and they'll make a recommendation on forest or grain tightness or toast profile or tannin potential, stave thickness, all those things.

"And for the most part, we're saying, 'You're the expert on your barrels so we're going to go with your recommendation,' but at the end of the day if it doesn't work, then we just tell them. You know, 'Thank you for the trial, it didn't work, and if an opportunity becomes available again, we'll make sure to reach out.' But it's very straightforward, and it's about as objective as you can get."

New Sales Approach

Crafton notes a change in the sales approach of some coopers in recent years, touting barrels with less impact on the wine. "For instance, we brought a cooper in for a trial, and it was a nice barrel, but ultimately, I said that it just tastes like a neutral barrel, like our second fill. And they were like, 'That's the idea.' And I said, 'Why wouldn't I just go get a second fill or a neutral barrel?" And there was a kind of stunned silence."

Still, Crafton appreciates how coopers have upped their game. "I've observed over a few decades now, that they have more and more control over their processes, from harvesting the trees, to seasoning, to other kinds of features." A couple of decades ago an elusive goal in buying barrels was simply finding dependable ones, he said. "We were looking for a very consistent flavor profile. If you were lucky, you stuck with the coopers that gave you that consistency and you varied your quantity up and down based on how much of that profile you wanted in the wine. It was an accelerator pedal more than anything else.

"I don't want to put words in their mouths, but the coopers weren't dealing with the understanding that they have today regarding the differences between forests and tannin potential, grain tightness and all those things. Obviously, they've made a lot of progress." WBM

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Product Review: Barrel Sanitation

The difference between cleaning and sanitization, and steam, ozone and ultraviolet light

Andy Starr

THIS ARTICLE IS FOCUSED primarily on common sanitizing methods, such as steam and ozone, plus the emerging ultraviolet light technology. Nearly every winemaker interviewed had a similar cleaning method, using hot (160° F to 185° F) water and a high-pressure spray ball supplied by **Gamajet**, **Alfa Laval** or **AquaTool**, or as part of a **Tom Beard Company** barrel washing system. Hot water not only removes gross lees, it goes deep into the pores to melt away tartrates.

Steam

Marc Gagnon is the director of winemaking at Caldwell Vineyards in the Coombsville district of Napa Valley and a consultant to additional wineries as well. Caldwell has around 300, mostly newer, French oak barrels. Gagnon starts with a five-minute cleaning cycle, using an Alfa Laval high-pressure spray ball. The sanitation step is done by inserting the ARS SWASH Electro-Steam steam unit into the barrel on its barrel rack for five minutes. The spray ball has a double wand, allowing him to steam two barrels at once. Gagnon prefers to use steam with the bung hole up, believing that provides the most even heat dispersion. Steaming with the bung hole in a horizontal position could cause a temperature differential, with the barrel top getting excessively hot and the bottom potentially not hot enough.

Immediately after steaming, the bung is inserted and left in for one to two minutes. During this time, the barrel cools, and a partial vacuum is created, which pulls additional cooked lees out of the wood pores. The bung is then removed, and the barrel is rinsed with hot water for 30 seconds and then left to drain.

Gagnon prefers steam to ozone simply because he trusts steam to kill everything. Gagnon emphasized the use of waterproof timers to avoid variability, noting that if you leave the steamer on too long, then "the vacuum pulling stage can collapse the barrel."

Rene Calderon is the winemaker for **Dashe Cellars**, an 11,000-case facility in Alameda, Calif. Zinfandel makes up 75 percent of Dashe's production, which includes 13 separate Zinfandel bottlings each year. Calderon takes barrel sanitation seriously, noting, "We all have things to do, but barrel sanitation

Sanitation Terms

Wine Business Monthly last completed a product review on barrel sanitizers in May 2014. It is worth repeating what **Curtis Phillips** wrote then about the misuse of terms that can lead to faulty barrel treatment.

Perhaps the most important facet of winery sanitation is grasping that "cleaning," "sanitizing," "disinfecting" and "sterilizing" are not synonymous terms. We tend to use these terms sloppily and interchangeably in the wine industry. In my opinion, this is simply because no known human pathogens can live in wine. The terms are not synonymous but hierarchal: One must clean before sanitizing, sanitize before disinfecting.

These definitions are taken primarily from the USFDA.

Cleaning is a macro-scale process. The idea behind cleaning is to remove all the organic matter that can give microbes a place to hide.

Sanitizing is a "5-log reduction" of microorganisms of public health importance. This means that 99.999 percent of human pathogenic microorganisms have to be killed or removed. This is a bit different than the norm in the wine industry, where a 3-log (99.9 percent) reduction in spoilage microorganisms is generally viewed as being sufficient, though removing 99.9 percent of the viable *Brettanomyces* cells still leaves enough behind to ruin a wine.

Disinfecting is the reduction or elimination of all harmful microorganisms. If an object is considered sanitized when 99.9 percent of the microbes have been eliminated, it isn't disinfected until 99.9999 percent (a 6-log reduction) or more of the original microbial population has been killed or removed.

Sterilization means 100 percent reduction of the initial microbial population. Practically, this means the usual 180° F regime that is the industry standard for "sterilizing" barrels is nowhere near enough for true sterilization.

is one worth taking the extra time." He brings barrels down to the floor the day before emptying. He then sprays 100 ppm peracetic acid (PAA) around the bung opening to ensure a clean area before opening the barrels. To clean the inside, he uses an Aquatool pressure washer with 130° F water. For those that held new wines with heavy lees and tartrates, he will wash for six to seven minutes. For cleaner, older barrels, it's a three- to four-minute cycle.

Barrels are then steamed with a SWASH Electrosteamer generator (480 volt) for six minutes, with the goal of bringing the barrel's internal temp to 175° F to 180° F, which is verified with a laser thermometer. Calderon also seals the barrel immediately after steaming, waits two minutes then lets the lees extracted from the pores drain. Finally, he rinses briefly with 130° F water.

Barrels are left to dry for one to two days, with a paper cup in the bung hole to keep microbes out. To ensure quality, Calderon insists on smelling each barrel before they are put away. At that point, Calderon added, "If you don't have a good barrel, it's because someone skipped a step." It is his belief that this process makes the barrel surface like new.

Calderon isn't opposed to ozone, finding that ozone removes less flavor from new barrels, but he seldom uses new oak. He uses what's best for his wine styles, adding that "knowing what works for your wines is what they pay you for." His ozone safety concerns have gone away now that it is commonly delivered in water.

For long-term storage, Calderon will burn one-third of a sulfur wick to remove oxygen and add SO₂. Every two to three months the empty barrels are sniffed, and anything that doesn't smell right gets steamed for five minutes.

Co-owner **Dan Martin** of **Martin Ranch Winery** in the Santa Cruz Mountains has between 550 and 750 barrels on-site. He uses neutral barrels for most of his winery's volume, and new barrels for his ultra-premium **Soulmate** brand, as well as his wife's brand, **Thérèse Vineyards**. Martin stresses the importance of removing tartrates as "tartrate build-up creates a big issue with contamination." Tartrate crystals form something like a glass wall that prevents wood sanitation, as well as sealing off the oak from direct wine contact and oxygen transmission.

After cleaning, he steams with his reliable diesel-powered **Optima** steamer until the barrel temperature is between 200° F and 205° F range (usually two to three minutes). He places a solid bung immediately after steaming to pull material out of the pores. He proved that material was coming out of the pores when he tested the pore residue post-steaming and found it had a pH of 3.6 with 80 ppm SO₂.

"Steam keeps the barrel breathing. How the barrel breathes determines its lifespan," he said. Martin wears insulated gloves and safety glasses for protection.



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Product Review: Barrel Sanitation

Ozone

Luis Fuentes is the cellarmaster for **Materra Wines** in Napa, Calif., an 800-ton facility that produces wines under the Materra brand, as well as for several custom crush clients. Currently, 3,900 barrels are stored on-site.

Fuentes uses ozone on every barrel, with the exception of brand-new barrels. For barrels that held wines with heavy lees, he will pressure-wash with 160° F water then rinse with cold water ozonated with a **McClain** ozone generator for three minutes. For those that held cleaner wines, he uses a Tom Beard barrel washer with 160° F water for two minutes then rinses with cold ozonated water for three minutes. He does not do an additional rinse to remove residual ozonated water, unless the barrels are to be immediately refilled. Fuentes prefers cold water over steam, which produces a cool barrel at the end of the sanitation process, and notes that one should "never leave it hot." Barrels then air-dry for one day if left outside on a warm day, or two days if sanitized indoors on a cool one.

Fuentes only uses steam when the condition of the barrel is either unknown or suspect, or if a client requests it. For example, when a client's used empty barrels are delivered to the winery, Materra staff will automatically steamclean them then rinse with cold, ozonated water. They will also steam-sanitize any barrel that smells off.

Ultraviolet Light

While ozone and steam are the most common barrel sanitation methods, Ultraviolet Germicidal Irradiation (commonly known as UVGi light) is now an alternative. While relatively new to winemaking, UV light technology has been widely used to sterilize municipal drinking water for more than 50 years.

Blue Morph in Oakland, Calif., is the pioneer in adapting UV light sanitation to the wine industry. CEO **Alex Farren** said his goals are to reduce water, energy and environmental waste during the sanitization process. Since 2015, the technology has proven itself as a tank sanitizer. In August 2019, Blue Morph introduced a barrel sanitizing unit called the UV60G.

I admire the simplicity of Blue Morph's technology. The lamp is inserted into a clean barrel for five minutes, and the built-in timer and LED readout indicate when sanitizing is complete. The system can be used either immediately after cleaning, before the next filling or both. Farren suggests that if you only plan to use it once, then use it just before refilling, as cleaning with 180° F water kills most microbes. "The UV60G has no moving parts and uses no chemicals. It's reliable, robust and simple," he said.

Blue Morph's UV60G barrel unit promises to use far less resources, essentially eliminating the high water usage associated with ozonated water, and the high energy needs of steam. There is little required maintenance, as the 10,000-hour bulb simply needs to be kept clean. Safety-wise, the UV60G avoids the potential for steam burns or ozone inhalation, and the light can be blocked by any polymer-based protective eyewear. The light bulb is encased in Teflon, which will retain all pieces in case of breakage.

As a sanitizer, UV-C effectiveness is similar to ozone in that it kills surface organisms, but is less effective than steam in getting deep into the wood pores. So, you have the same trade-off as ozone versus steam. Is it more important to sanitize deep into the pores or to retain more oak flavor? **Amy Aiken**, technical sales representative for **Collopack**, the Blue Morph distributor, emphasized the oak flavor trade-off: "People are spending a lot of money for the oak flavor, so they don't want to lose any of it, especially the toast character," she said.

Prior to the introduction of the UV60G, Blue Morph produced a prototype barrel- and keg-sized UV unit used by **Chris Russi**, winemaker for **Comstock Wines** in Healdsburg, Calif. Comstock makes 13,000 cases annually, between their own brand and custom crush clients, and has 300 barrels on-site.

Russi cleans his barrels with 165° F water in a high-pressure, low-volume **Barrel Blaster** unit to remove tartrates then lets the barrel dry for two to three days and gasses with SO₂. He uses the Blue Morph unit when preparing to refill, inserting the unit for three to four minutes, then rinsing. For empty barrels, the Blue Morph system could be used in place of sulfur wick, SO₂ gas or ozone gas.

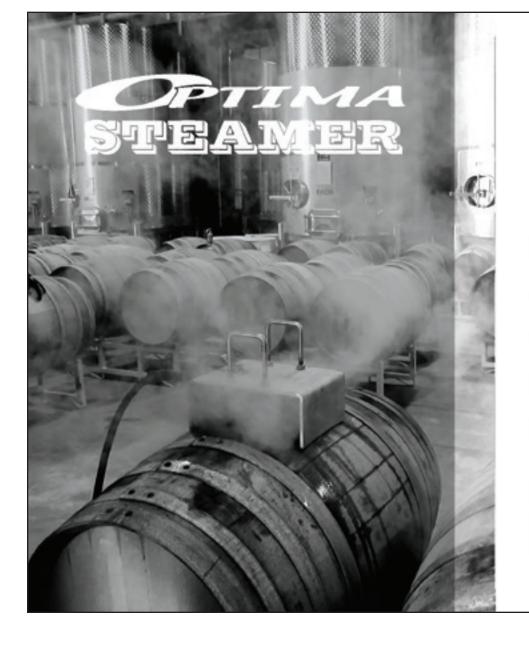
The only time Russi used his unit immediately after cleaning was for a client whose barrels had some volatile acidity. The UV treatment resolved the problem, and the barrels were successfully used afterward.

Russi prefers UV light over ozone for safety reasons as he'd need to wear a mask if he used ozone. He believes steam is aggressive on the oak and can change the wood chemistry.

Additional Considerations

- Fuentes and Calderon both believe it is important to keep the bung hole and outside of the barrel clean and sanitized as well. Fuentes uses a brush and a solution of **Peroxyclean** and citric acid while Calderon washes with a 70 percent ethanol and peracetic acid solution and will spray that around the bung hole to prevent contamination.
- The long-term care of empty barrels via burning of sulfur sticks, SO₂ or ozone gas, or UV light is also critically important.
- Keep in mind that you are not only deciding on which sanitation method to use but also how you will use it. Do you use 160° F or 185° F water to clean? Do you want to steam for three minutes or five minutes? How long will you choose to let barrels dry before putting them away?

Finally, while these cleaning and sanitation methods meet the needs of the winemakers using them, one should recognize that all of them have tradeoffs. There is no single method that (a) kills the most microbes, (b) leaches the least wood flavor, (c) uses the least amount of water, (d) needs minimal energy and (e) requires zero safety precautions. **WBM**





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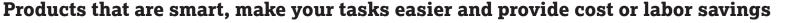
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what's cool



Bill Pregler

Bill Pregler has worked in the winery equipment industry for many years and is a writer for *Wine Business Monthly*.

New Sanitation Products from the 2019 Eastern Winery Exposition

Colloidal Tank Cleaning and Retro-Fit Stainless Floor Drains

DISCOVERING NEW SANITATION PRODUCTS for the winery is always high on my list when attending annual trade shows. This year, the March 2019 gathering at the **Eastern Winery Exposition** showcased two really cool products.

The first is a collaboration between **InventeK Colloidal Cleaners** of Mt. Laurel, New Jersey and veteran equipment supplier **AaquaTools** of Rancho Cordova, Calif. Together they are introducing a new "green chemistry" sanitizer program for tanks. Time-tested and certified for years in the food industry, this colloidal cleansing solution will now be exclusively distributed from AaquaTools and paired with its **Hot-Carts** and impingement heads. Perhaps we can finally say goodbye to caustic.

The second is a prefabricated, stainless steel floor drain from **Slot Drain Systems** headquartered in Winnipeg, Canada. In a past product review ("Reviving your Cellar Floor," June 2008, *Wine Business Monthly*) I noted how cleaning everything in the cellar, from tanks to barrels, results in all the contamination hitting the floor and emphasized the need for a strict sanitation protocol. For this story, I thought to start high with the tanks and move down into the drain.

Colloidal Tank Cleaning

Colloidal technology, called nanotechnology, is nothing new to the food industry. It has been a mainstay for years and is best described as the science of emulsifiers. In food production, think of mixing organic molecules and keeping them in suspension, like salad dressing or mayonnaise. On a more serious level, broadcast colloidals break-up and "dissolve" an offshore oil spill, cutting through heavy carbon chains and not allowing any reconstitution.

For the wine industry, this means a new, "green solution" to address tank sanitation. Bio-based, micelles (colloidals) will again penetrate and emulsify organic matter and tartrates. Once in suspension, the contaminants are simply flushed away. The science is long done, but my hunch is prior attempts to move into the wine industry used improper application, meaning the equipment was never in sync with the cleaning science.

This is about to change thanks to **Steve Buchan**, owner of AaquaTools. They make everything, from impingement heads and spray balls to portable steam generators, hot water pressure carts, on-demand water heaters and



The all purpose HotCart from AaquaTools will power the impingment head inside your tank to disperse the the colloidal cleaner.

more. We were both freezing in Syracuse at the March tradeshow when he broke the news of his exclusive distributorship with InventeK.

The wine world has always wanted alternatives to caustic tank cleaners, and here at *WBM* we have long promoted steam as a viable and effective alternative. The problem is that while 212° F tank wall temperature kills bugs and melts tartrates, it is not so good with jacketed tanks and glycol systems. Enter this colloidal cleaner, now utilizing proper impingement psi and adjustable water temperatures.

InventeK's colloidal cleaner uses nanotechnology is not a soap, detergent or solvent, but a blend of plant-based products (micelles) and water. Literally made from food-based, fibrous materials, such as soy, grains or forestry products, they are processed to form minute particles in the shape of a sphere, roughly 1 to 4 nanometers.

According to InventeK, "The micelle's small size, combined with its extremely high surface-to-volume ratio, allows it to penetrate complex carbon molecules and emulsify organic matter. They are sub-microscopic, electrically charged particles that, when activated with water, repel each other in endless, agitated movement." They not only address tartrates, but proteins, yeasts and molds as well, and are why they are becoming popular in the craft beer industry. Colloidal cleaning is a perfect fit for AaquaTools as they will be supplying the perfect agitation and temperatures required with their HotCart product and impingement equipment.

The cleaning process begins with a thorough hot rinse of the tank to remove large organic matter. Then the solution, roughly 40 to 50 gallons of water with micelles product, will circulate and clean a 20,000-gallon tank in roughly 20 minutes. Naturally, these are ballpark numbers as each tank or type of wine will dictate any cleaning requirements.

After the first tank is cleaned, the pH of the solution is checked, adjusted if necessary to reactivate, then recycled for additional tanks. The solution can be used for hoses and barrels as well. Naturally, a winemaker should test with swabbing and adjust cycle time and dilution strength to individual situations, like tartrate build-up.

Reviewing the safety data sheet supplied from InventeK shows this tank cleaner-concentrate is totally green. Of particular interest was **OSHA's Hazards Communication Standard** (29 CFR 1910.1200), which declares the cleaner is a "Non-Hazardous Chemical." The report concluded that, "Potential health effects ... including eye or skin contact, inhalation or ingestion, showed no evidence of adverse effect."

What's Cool: AaquaTools is introducing a time-tested and eco-friendly cleaner that uses little water, can be recycled and will save a lot of heat energy. As a viable alternative to caustic, it will help the bottom line and solve plenty of OSHA issues. Basically, you can now clean your tanks in flip-flops and shorts.

For more information contact: AaquaTools in Rancho Cordova, Calif. at 916-635-2922 or www.aaquatools.com.

Slot Drain Systems

As a custom fabricator of stainless steel for the food industry since 1988, Slot Drain Systems has moved into the craft brewing industry and is now targeting wineries. They understand that floor sanitation is critical in any food production. This year marked their first appearance at both the Eastern Winery Expo and the **Unified Wine & Grape Symposium**.

Back in 2008, I called a compromised, porous concrete cellar floor the ultimate "Bug Hotel." I advised all wineries to seriously consider replacing their concrete floors with monolithic urethane or epoxy sealants, but that is no cure-all. Bugs "swimming" on the floor ultimately head for the last area that needs to be cleaned—the drain.

What I really like about the Slot Drain is how adaptable it is for new winery construction. At the same time, it easily retrofits into old cellar floors that need improved drainage. The prefabricated, stainless components are simple to assemble, affordable for any winery to install and will immediately afford measurable results. They replace older, moveable grated drains, which are notorious for high-load (forklift) safety issues. Grates must be removed to clean, and the trenches easily trap contamination in recesses and squared corners.

Along with the *WBM* article on floors have been many articles since about evolving bioluminescent technology or hand-held, bug detection-swabbing kits. Today winemakers have run out of excuses if faced with poor sanitation issues. The science is done, and according to **Dr. Randy Worobo**, professor for the Department of Food Sciences at **Cornell University**, studies repeatably bear out that the number one source of contamination in a cellar is the



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What's Cool: New Sanitation Products from the 2019 Eastern Winery Exposition



A single stainless #9000 section showing the slope tabs and a one inch slot.

drain. The number two source is the floor leading to the drain. And that makes sense. The number three source, and what should grab everyone's attention, is the area around the bung hole!

This should come as no surprise since cellar workers are constantly dragging hoses across barrel room floors while topping off. And then, while sampling, there is the ever-present wine thief. According to Dr. Worobo, when you lay your wine thief down atop one barrel by the bung hole then move it to the next, you are simply spreading contamination. Why limit yourself when you can contaminate the entire barrel room?

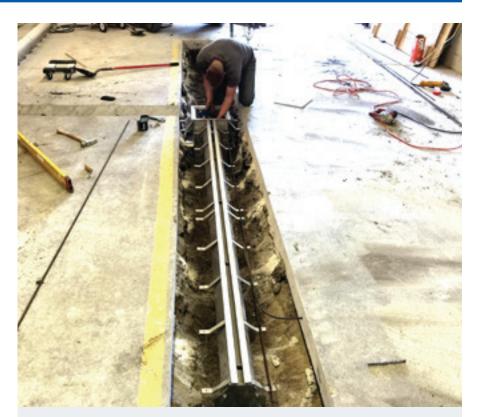
Installation for these drains is a snap. Based in Winnipeg, Canada, the fabrication facility starts by determining the total length and number of slot drain sections required. This is usually done with photographs and a tape measure. To help, there are company representatives located in the Northeast, Central and Western United States, and most specification can be done over the phone.

For a retrofit installation, once distances are determined, slope is automatically built into a metal strip (tab) design that will suspend the individual sections. A 24-inch wide trench is dug and excavated. The pieces will arrive on pallets direct from the Canadian distribution center in either 9-foot, 8-inch or 4-foot, 10-inch lengths. The pre-fabricated sections are simply bolted together. The installation is surprisingly easy and low on labor.

The entire length is then suspended atop small mounds of poured concrete to temporarily support the sections. A final pour will completely encase the drain and bring the trench flush with the surrounding floor. Most applications are slab on grade but can also work in structural slabs.

Drains can be custom-made to accommodate specific depth or flow requirements. Fully engineered drawings are available from the factory to assist with new construction and local permitting. What is totally cool is the Slot Drain is almost invisible compared to grated systems. They look good in cellars, in the bottling rooms or areas with public access.

The drains are either stainless steel, fiberglass or galvanized. I would immediately specify the T304 stainless for longevity but also because part of your sanitation protocol should be regular use of your steam generator. Fiberglass will not withstand these high temperatures, though I was told CIP systems are available that allow you to use detergents with lower temperatures.



Individual sections are simply bolted together and sloped toward the central catch basin.

The slot widths can even be specified to accommodate different water flow rates. A 0.5-inch slot opening allows 11 gallons per minute per foot of floor length; a 1-inch slot allows 18 gallons per minute per foot, and 1.5 inches allows 27 gallons per foot. Any of these is plenty for a winery.

The drains come with an extensive list of national and international certifications, including **NSF**, **ASME**, **CSA** and Europe's **DIN**. In combination, these will more than satisfy any requirements for sanitation codes and OSHA oversight. I particularly like how their 9000 Series stainless received a European DIN 19580 classification to withstand weight loads up to 200,000 (+) pounds. That is for Slot Drains in commercial airport taxi-ways and should alleviate any concerns about forklift traffic in your cellar. Beyond this impressive list of certifications, they are also totally ADA-compliant for both indoor and exterior installations.

Finally, the drains are easy to clean if solid materials enter the system. I am thinking here of processed grapes or corks and/or capsules in a bottling room. A circular paddle or brush, which conforms to the interior shape of the drain, can be inserted through the slot, turned ninety degrees and pulled toward a removable basket in a catch basin. There are absolutely no nooks or crannies for the bugs to hide in the circular design. Maintenance is essentially nonexistent, and the corrosion-resistant 304 stainless will insure years of life.

What's Cool: Slot Drain Systems are an absolute home-run. Easy to install and maintain, efficient, effective and affordable—there is not a winery anywhere that does not have a production area needing this technology.

For more information contact: **Kyle Michalick** at 855-497-7508 ext. 116 or kmichalick@slotdrainsystems.com or visit www.slotdrainsystems.com. Be sure to watch their installation video on **YouTube**.

The Wrap: Going to the East Coast trade show was enough to lure me into part-time retirement. There are great new products introduced every year to keep me engaged, and I'm truly happy to share the knowledge.

These last two discoveries are definitely spot-on for cellars and also a continuation of one of my favorite topics: winery sanitation. I highly recommend winemakers to research both of these products. Food industry sanitation managers have dealt with government oversight for years, and their experience translates directly to wineries. WBM



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Whither Cannabis?

Why Cannabis Infused "Wines" Have no Alcohol

Curtis Phillips

EVER SINCE OREGON AND Colorado decriminalized various *Cannabis spp.*, including *C. sativa*, *C. indica* and *C. ruderalis* (hereafter collectively referred to as cannabis) and its cannabinol derivatives, it seems a week doesn't pass without someone either asking or pitching a story about the cannabis industry. I find this a little odd considering that I usually don't field those sorts of inquiries regarding the tobacco, bottled water or dietary supplement industries. It doesn't help that a lot of the cannabis-related pitches that come across my desk have the smell of, if not reefer madness, but the pump-and-dump penny stock scheme.

Frankly, cannabis, with the notable exception of hemp fiber products, bores me as a subject. As any child of the 1960s, I am not unfamiliar with the fact that some have quasi-, or genuine, religious reverence for cannabis. I don't. I'm just not interested. As a subject, cannabis does not interest me at all, except as it impacts the wine industry. After all, making wine and writing about making wine are what I do. I have spent my entire adult life as a wine-maker and wine consumer. All the same, I suppose that this is a column I was going to have to write once a significant minority of states legalized cannabis.

The Repeal of Prohibition Redux

The situation is even more unpredictable than that right after the repeal of Prohibition. At least there *was* an established wine industry prior to Prohibition and some idea as to the size of the market. I don't think anyone has anything close to an accurate estimate of the size of the cannabis industry and, thus, a firm grasp on whether it should be legalized nationally and interstate cannabis commerce allowed. My own suspicion is the initial boom will be substantially larger than even the most optimistic of the current estimates. After that, who can say? I think that those buying into cannabis, as a head-start for national legalization, are banking that the post-boom slump will be soft. I tend to be a pessimist, so I'm not in that camp for a couple of reasons.

I don't think there will ever be truly free interstate trade for cannabis and its derivatives. The precedent of the tobacco industry, and especially the alcohol industry, presents legalization with restrictive regulation. My guess: Should cannabis ever be legalized at the national level, the alcohol industry will be used as the regulatory model, and cannabis will be explicitly exempted from the free commerce clause of the Constitution. This would allow the individual states and counties to decide just how cannabis products would be distributed and sold—if at all.

Curtis Phillips, an editor for Wine Business Monthly since 2000, is a graduate of UC Davis, and has been a winemaker since 1984 and an agricultural consultant since 1979.



Cannabis and Grapes

It is getting to be a rare event, but I still occasionally do hear the lament that grapevines have muscled out a lot of orchard crops, like walnuts, peaches, cherries and apples in "Wine Country." Leaving hobby and lifestyle "farmers" aside, most farmers are fairly predictable. In the main, a farmer is going to prefer to farm the crops that are perceived to be the most profitable per acre. We certainly see this in the Central Valley where stone fruit, grapevines and almonds are dispassionately ripped out and replaced as the dance of costs versus profits plays out.

In more famous wine regions, winegrapes have pushed out, or are in the process of pushing out, most of the walnut, peaches, dairies and row crop farms. That may seem tragic, but vineyards have hitherto been the only crop profitable enough to even attempt to hold back the tide of urban sprawl.

Winegrapes *were* the only crop, that is, until now. For grapegrowers, the sad fact of the matter is that cannabis growers stand to make a good deal more money per acre than even a premium vineyard. This means that unless local ordinances intervene, cannabis hoop-houses are going to push vineyards off the very land they took from the orchards and dairies.

Beyond this, it is becoming apparent that cannabis will prove to be a poor neighbor for any other agricultural endeavor. In California, at least, it is illegal for cannabis and cannabis extracts to contain any detectable pesticides or fungicides. **Raw Garden's** current lawsuit (as reported by **NPR**) against **Fiddlestix Vineyard** over fungicide drift demonstrates the potential legal risk any neighboring vineyard, orchard or farm faces when they have a cannabis farm as a neighbor. One could argue that any such vineyard could convert to organic farming. I am unsure if organic vineyard processes are immune from similar lawsuits. As I see it, copper residue from the application of Bordeaux mixture (an aqueous combination of copper sulphate and slaked lime) would be the first area of concern faced by organic farmers and viticulturists.

There is also concern that the "drift" may go both ways. It's not that cannabis farms are spraying anything, of course, but the concern that is being voiced is that cannabis produces a lot of volatile organic compounds while growing. I am waiting for more research on the subject to be published, but my hunch is that having a vineyard next to a cannabis farm will prove to be something like having a vineyard next to a stand of eucalyptuses. The larger the grove or farm the greater the sensory impact on the wine made from that vineyard.

Why Cannabinols and Alcohol Can't Mix

Sometimes it takes a long time for the penny to drop. All of the cannabis extract-infused products I've seen have been made with de-alcoholized wine. In the main, when I drink wine, I expect the alcohol to be there. De-alcoholized wines taste out of balance and, well, wrong to me. It's as if there is a hole in the middle of the palate and the aromas are all wrong. If it's a matter of having a non-alcoholic beverage, there are plenty that I prefer over a de-alcoholized wine.

Then it occurred to me that there is no way one could sell a cannabis extract-infused wine because while cannabis may be legalized at the local and state level, all alcoholic beverages are regulated at the Federal level by the **TTB**. Cannabis is still listed as a **DEA** Schedule 1 drug. As far as the Federal government is concerned, cannabis and its extractives are narcotic drugs with no known acceptable medical use that carry a high abuse potential. Then the answer as to why cannabis-infused not-wines are de-alcoholized is that submitting a COLA to the TTB that lists cannabis extract as an ingredient in a formula wine is probably a bad idea.

Don't Forget the Other Feds

In those states where cannabis is legal, as long as one is obeying the relevant local laws, it is unlikely that one would get arrested by the local police or sheriff merely for possession of cannabis. Everyone seems to be forgetting that cannabis is still illegal at the Federal level. This means that local and state legalization of cannabis would likely provide no protection from the DEA. As of the writing of this article, cannabis has been legalized in 11 states and the District of Columbia. At the same time an additional 22 states are considering legalization. If only fifteen of them follow through and do indeed legalize cannabis, it would seem that Federal law would be seriously out of step with the national will.

I admit that's it's unlikely that the Feds would bother much about a consumer in possession unless they were crossing a state border or within a hundred miles of an international border. The problem is that most of the population of the U.S. lives within a hundred miles of a border, the coast or an international airport.

Follow the Money

I think that a lot of people are looking to cash in on cannabis, probably for good reason. Some people stand to make a fortune. I also think that a lot of people are going to lose everything chasing the (pardon the expression) "pot" of gold at the end of that particular rainbow. Should cannabis ever be de-listed at the Federal level, I fear many would-be cannabis tycoons will find a multinational corporation standing between them and any big pay-off.

I'm Not a Lawyer

I'd like to make a gentle reminder that I am not a lawyer. Nor are any of my scribblings offered as a substitute for genuine legal advice. Should any reader be considering any business decisions in light of what I write, please go seek proper legal advice before doing anything. **WBM**

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Winemaker Trial

Impact of Varying Intervals of Extended Maceration on Texas Mourvèdre

Wanting to create more complex layers in their single-vineyard Mourvèdre, William Chris Vineyards' Tony Offill and Chris Brundrett decided to experiment with various maceration times. The five-, 60- and 120-day macerations each offered unique aromas, flavors and textures, creating a more well-rounded, and interesting, final blend.

Stacy Briscoe

Stacy Briscoe is the assistant editor of *Wine Business Monthly.* She has been writing about wine professionally since 2015, freelancing for multiple publications including The San Francisco Chronicle, Edible Communities and *Napa Sonoma Magazine*, among others. She also maintains her own website, *BriscoeBites.com*, dedicated to wine reviews and tasting notes. Outside of wine writing, she also



contributes as a freelance editor for the independent publisher She Writes Press. Stacy has a Bachelor of Arts degree in English-language literature from the University of California, Santa Cruz.



Tony Offill, winemaker for William Chris Vineyards, has been in the Texas wine industry for the past six years. During his tenure at Texas Tech University, Offill completed serval harvests in the Texas High Plains, where he developed a passion for winemaking and winegrowing. He has since taken his passion for the craft and has worked to enhance the quality of Texas wines throughout the state. Offill joined William Chris Vineyards in 2017.



William Chris Vineyards' co-owner and winegrower, **Chris Brundrett**, has been a part of the wine scene since college at Texas A&M University. He currently manages and farms vineyards throughout the state in partnership with William "Bill" Blackmon. In 2008, Brundrett and Blackmon formed William Chris Vineyards, one of Texas' most acclaimed boutique wineries. With a focus on the importance of each wine's sense

of place, Brundrett and Blackmon take pride in sharing "a piece of our world" in each and every 100 percent Texas-grown bottle of William Chris' wines.

TRIAL OBJECTIVE: This trial analyzes the sensory profile of Texas High Plains Mourvèdre that underwent an extended maceration for varying times.

TRIAL DESCRIPTION: A block of 21.84 tons of own-rooted Mourvèdre was used for the trial. The block was machine picked at 25.1° Brix, 3.86 pH and 197.4 ppm YAN, then separated into three lots. We explored varying extended maceration lengths before and wanted to examine the effect on sensory profile in a controlled experiment. Each lot was fermented to dryness, went through malolactic fermentation and then "locked up." Lot 1 (control) was pressed after five days from the start of alcoholic fermentation. Lot 2 was pressed after 60 days from the start of alcoholic fermentation. Lot 3 was pressed after 120 days from the start of alcoholic fermentation. Each lot was fermented in a 20 hL foudre.

Lot 1: Control, pressed five days after start of alcoholic fermentationLot 2: Pressed 60 days after start of alcoholic fermentationLot 3: Pressed 120 days after start of alcoholic fermentation

TRIAL CONCLUSION: The basic chemistry of each lot was surprisingly similar after the extended macerations were completed. Visually, lot 1 and lot 2 are similar in color intensity and hue. Lot 3 was predictably less vibrant in color intensity and hue, most likely due to binding of anthocyanins to fermentation solids. Lot 1 and lot 2 exhibit a fruitier nose; however, lot 3 exhibited a fuller, more rounded mouthfeel. Phenolic panels still need to be run on each lot to complete the experiment and have more comprehensive data.

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Winemaker's Post Mortem

Why were you interested in studying the effects of extended maceration on Mourvèdre? Was there any reason you chose this grape specifically?

Offill & Brundrett: We produce between 8,000 and 10,000 cases annually of Mourvèdre, both single-vineyard wines and larger-production wines appellated Texas High Plains. We were searching for the best expression of terroir in a more layered approach. We have experimented in the past with some two- to 50-day extended macerations and have been really pleased with the results. We feel using these methods to create blending tools can help coax out the soulfulness of a region.

Was there a problem you were looking to solve or a goal you wanted to achieve in conducting this experiment?

Offill & Brundrett: There wasn't necessarily a specific problem to solve; the trial was born out of a desire to produce a wine with more layers. Although regions with warmer climates, like ours, can grow styles that are fruit-forward and are ready to enjoy sooner than cooler climates, there are a few drawbacks. Producing wines with fresher, more aromatic components sometimes leaves more to be desired in the mid-palate and finish. With this trial we wanted to see if we could remedy those drawbacks, making a more rounded, full and more complete wine that would be great after one year or 10 years.

Describe how you set up this trial.

Offill & Brundrett: We had a 21-ton lot of Mourvèdre coming in from a single block, and we decided to look at multiple oak tank fermentations. We take a more formal approach in keeping these lots separate during èlevage rather than marrying them post-press in order to analyze ageability and mouthfeel.

Did your team or colleagues have any input?

Offill & Brundrett: Our winemaking team has been working on some extended maceration trials for several years after tasting some very interesting work coming out of **Lewis Wines**, which is another company we work closely with. We felt like there was an opportunity to take a deep dive. Chris and **Josh Fritsche**, our previous winemakers, were always enthusiastic to make these trials a growing part of our program.

Did you encounter any complications during the course of the trial? If so, how did you address these issues?

Offill & Brundrett: Malolactic fermentation was a concern; but as we did not inoculate, it ended up not being an issue. Our biggest concern was bacteria. In the end, we ended up with no issues at all and smooth sailing from start to finish. Surprisingly, this was one of the easiest processes to manage in our cellar.

What was the outcome? Were the results as you predicted or did anything unexpected occur?

Offill & Brundrett: The most surprising aspect was that there was virtually no change in pH the longer we macerated. We anticipated more changes in chemistry, which in the end proved not to be the case. Mouthfeel depth was improved more than we anticipated, which is positive.

What were some of the winemaking lessons you learned? In light of this new information, do you plan to adjust your current winemaking methods? Why or why not?

Offill & Brundrett: We learned that we could use this across more of our varietal programs in order to add depth and mouthfeel with a bit more reductive strength. In addition, we would reduce volumes across the lots of extended maceration in order to make it a smaller percentage of the final blend so it's easier to thread.

What were the reactions from your team or colleagues? Which wine did they prefer?

Offill & Brundrett: The feedback was mostly positive. The greenness on the 120-day lot was, and is, a bit challenging to blend. However, the positive attributes in mouthfeel far outweigh the aromatic components. Most of the team was skeptical about the 120-day maceration, but we held strong. In the end, we all liked the spectrum we got. It gives us some great tools to make a wine with a little more depth.

Do you plan to do a follow-up trial to re-test these results? Would you or will you conduct the same experiment with a different variety?

Offill & Brundrett: Yes. We plan on doing more dèlestage throughout fermentation, potentially a cooler fermentation and would also like to thread the extended macerated wines back into the control blends earlier to see how integration is impacted. We also have plans on doing similar trials in smaller lot Rhône varieties. **WBM**



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Cover Crop Selection for Vineyard Conditions

You could just buy a standard blend, but is that the best you can do?

Mark Greenspan

USE OF SOWN COVER crops is not universal, but in the North Coast, it is quite common. In wet winter climates, they are sown in the tractor rows usually following harvest (and occasionally before harvest if the harvest drags on long enough). Lack of cover crops in wet climates can lead to serious issues of erosion and compaction, not to mention the absence of their benefits, which will be discussed below. On the other hand, in dry winter climates cover crop establishment can be challenging, or borderline impossible, because it requires rainfall—specifically, rainfall when temperatures are moderate. Of course, overhead sprinklers could supplement rainfall to establish a cover crop, but using additional water to grow a cover crop that sucks up more water from the ground in a dry climate does not seem desirable or logical. So, I restrict my thoughts to wetter growing regions.

And by wetter regions, I am thinking primarily of the West Coast winegrowing region, which receives the majority of precipitation during the winter months and has a relatively dry summer season. This is quite different from much of the rest of the country, which receives substantial and sometimes tremendous amounts of summer rainfall. Yes, they need cover crops in those regions and for many of the same reasons we need them here on the West Coast. But, the specific species of cover crops are necessarily different in most regions than out west.

Why Use Cover Crops?

I feel a little silly going over this because it seem so ingrained in our practices already, but there was a time, even early in my career, when cover crops were seemingly not mainstream, as they are now. So, writing about their benefits seems like preaching to the choir. You already know that cover crops help firm up the soil under wet conditions, thereby reducing compaction by tractors and other equipment, reducing erosion, improving water infiltration, improving soil organic matter, increasing soil aeration, providing substrate for soil microbiota, moderating vineyard microclimate and reducing dust and, thereby, insects, such as spider mites. Didn't you? And you also knew that cover crops can (albeit moderately) compete with vines for water and nutrients to control vine vigor, fix atmospheric nitrogen by association with specific soil microbes (leguminous plants only) and support insects, both beneficial and potentially harmful—but mostly beneficial.



Dr. Mark Greenspan has more than a quarter-century of scientific viticulture research and viticultural field experience. He specializes in irrigation and nutrition management, yield and canopy management, vineyard climate and microclimate, vineyard design and vineyard technology. He is the founder of Advanced Viticulture, Inc. based in Windsor, California (*www.advancedvit. com*), providing consulting, technology, vineyard management and vineyard development for wineries, winemakers and wine growers devoted to producing premium wines. Please direct queries to *mark@ advancedvit.com* or 707-838-3805.



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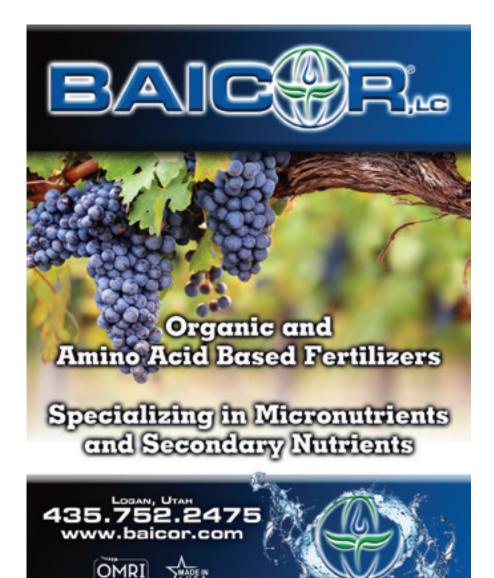
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Cover Crop Selection for Vineyard Conditions

On the other hand, cover crops can cause excessive competition with vines, potentially over-stimulate vines with nitrogen fixation, deter soil microbiota and harbor vertebrate and insect pests. Hence, while cover crops are largely beneficial, they require management, and that begins with their selection. It's rather commonplace to select the generic all-purpose blend from the local seed company; and while that is usually better than nothing at all, it's not suitable for all situations. The most successful growers will determine one or two (or three) blends for their vineyards and apply them where appropriate. Blends can be ordered through most seed companies, so they need some lead time; and if you are choosing blends while you are reading this article, you may possibly already be too late.

Grasses

Grasses form thick, fibrous root systems and are therefore great for building organic matter in the soil, adding stability and firming the surface of the soil. They can also be quick-to-establish, which is important because they are needed most when it starts raining. And when rain falls torrentially, you'll want to have them established by then. Grasses are also very good at water extraction and are relatively wasteful with water. That can be beneficial for wet spring years, as the grasses will help to extract that moisture more quickly than a vineyard without them. But, as I mentioned in a recent column¹, the depth of moisture extraction is restricted mainly to the upper foot of soil depth and is short-lived. Nevertheless, it's important that the upper soil profile be dried out, after spring rainfall events, to allow for tractor/sprayer access.

The competition effect of grass cover crops may be less than is often believed, but it is still a factor. Grasses consume not only water but also nutrients, and those nutrients can be effectively immobilized temporarily in this manner, which can help modulate the nutrient availability to the vines, as the minerals are released as the organic matter breaks down over time. For most situations, we use annual grasses, such as dwarf barley and oats in the cover crop blends, though other grasses may be successfully used.

Some grasses can be very competitive with vines, but those are mainly perennial types. Perennial grasses can be deep-rooted and compete with vines much more deeply into the soil profile than the annual grasses and are, therefore, rarely suitable except in the wettest of climates or highest waterholding capacity soils. The exception to the non-desirability of the perennial grasses is dwarf varieties of fescues, which can be used in many situations, are shallow-rooted but form a nice firm carpet in the vine rows that can last for years before requiring a refresh of new seed.

Grasses may also compete with vines in other ways besides water and nutrient competition. Grasses, like some other plants, can compete chemically—called allelopathy—where root exudates are mildly toxic to vine roots. Truly, vines don't get along with others very well, and so maintaining an under-vine cover crop is rarely a good idea, especially with grasses. Ryegrass is thought to have some allelopathic effects on vines and so is often discouraged, especially if it is to grow near the vine row itself.

Legumes

Legumes have a niche in many vineyards for their unique ability to fix nitrogen. Actually, it's the nitrogen-fixing bacteria that form an association with legume roots that do the work of fixing the nitrogen. A field of legumes can fix 50 to 100 pounds per acre of nitrogen, but fortunately most of that is in the form of organic nitrogen. If allowed to break down slowly, this can form a nitrogen source that can virtually replace fertilizer sources. Yet,

many or most growers till in their cover crops, including the legumes, so the breakdown may be rapid, and much may be released back into the atmosphere. Yet, with minimal or no tillage becoming more common, legumes can play an important role in a cover crop blend. There are many to choose from, including various peas that are usually quite successful in a blend. Fava beans, also called bell beans, are often also successful in a blend, and can produce quite a lot of biomass and organic matter for the soil.

Clovers can be quite successful as cover crops, but they emerge late and can often become buried within the taller grasses when they begin their development. I have had limited success with clovers in blends and, as a result, usually don't include them. However, vineyards that require more legumes than grasses, clovers can be quite successful, producing a thick green carpet with showy flowers when planted mostly on their own.

Most standard cover crop blends for vineyards include vetch, which would be an excellent cover crop were it not for its propensity to creep into the vine rows, where it becomes difficult to manage. Vetch likes to crawl up vine trunks and so can be difficult, especially when herbicides are not used to keep it from doing so. Hence, it is a cover crop component I usually avoid, except for open fields prior to planting, in which case it can be a very good pre-plant cover crop, along with clovers, provided it is mowed down before going to seed.

Flowers

Flowers can provide both a functional role and an aesthetic role. Aesthetics are obvious. Who doesn't enjoy looking at a row of flowers between rows of vines? Winery customers love them, and, indeed, many rows of under-vine flowers have been established to provide a pleasing entrance to a tasting room or processing facility. But they also serve a functional role, largely as an insectary.

Many growers will sow insectary rows every eight to 10 rows as a means to retain insects in their vineyards. In theory, their purpose is to harbor beneficial insects—those that prey on our vineyard pest insects. In reality, they are not specific enough to favor the beneficial insects: Flowers can harbor and attract both beneficial and pest insects. So, are insectary rows really that beneficial? Well, consider the vineyard ecosystem without showy flowers. Vineyards are usually monocultures, and grapevines themselves are not insect-pollinated. So, vineyards do not attract many insects compared to a more natural ecosystem. We're not striving for an insect-free vineyard, so attracting a population of insects into our vineyards should help strike a balance between pests and predators. All in all, it just feels right even if it has questionable real benefit to a commercial vineyard.

Brassicas

We often get asked to plant brassica plants, primarily mustards, wild radish and canola. Many people love the look of a vineyard in the spring with a nice stand of showy mustard flowers. Again, an aesthetic function. Is there also a functional reason to plant brassicas?

There is some evidence that brassicas deter nematodes. I spoke with **UC Davis** professor **Andy Walker** years ago, and he told me that the nematode suppressive effects of brassicas were modest and that a field infested with nematodes could not be practically relieved by planting a field of mustard. That said, a long-term fallow, such as six or seven years, may include a brassica cover crop because, why not? It couldn't hurt. But who fallows ground for that long anymore? For short-term fallow, brassicas will offer no real benefit against nematodes.

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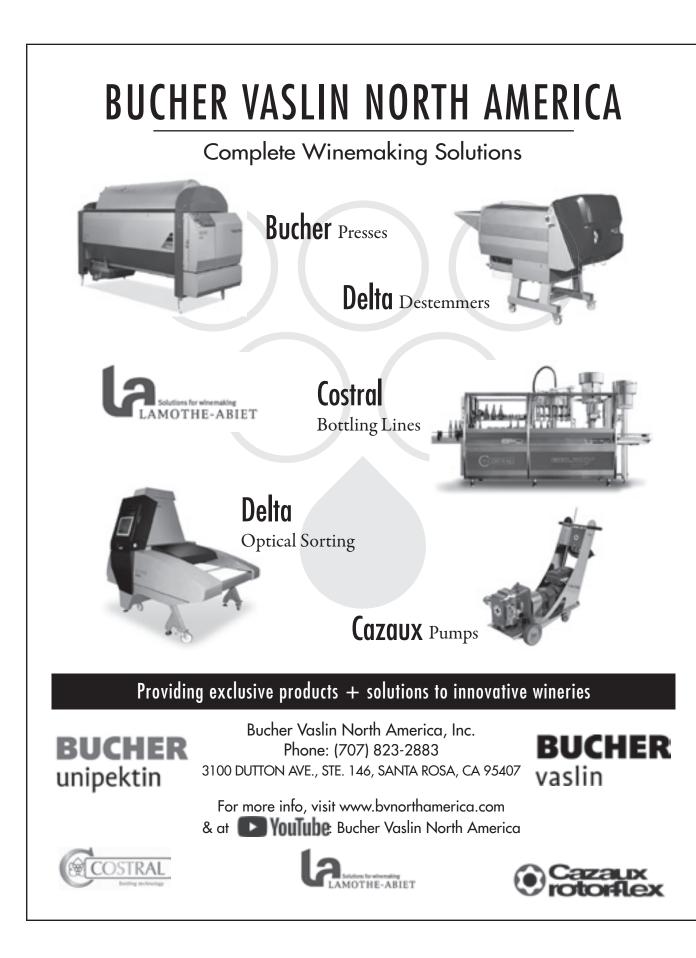


© 2019 Wondertul Nurseries LLC. All rights reserved. WONDERFUL, WONDERFUL NURSERIES and the accompanying logos are trademarks of Wonderful Nurseries LLC or its affiliates. A friend recently pointed me to a news article² about UC Davis assistant professor **Rachel Vannette**, who has been conducting research on Arbuscular Mycorrhizal Fungi (AMF). AMF are among the most important of the soil microbiome, and grapevines benefit greatly from them. AMF form a symbiosis with many species of plants, including grapevine, obtaining carbohydrates from their hosts while serving as a functional extension of the host plant's root system. In so doing, they help the plants access immobile nutrients, such as phosphorus and zinc.

Interestingly, Vannette found that AMF do not associate with brassicas. A little digging revealed other sources of this same knowledge. About 5 percent of plant species are known not to form associations with AMF or

other mycorrhizae. Of those used as vineyard cover crops, brassicas are the important ones.

So, are we reducing soil health by sowing brassica cover crops? Perhaps in some ways we are, though we rarely plant brassicas on their own. And it is questionable whether the AMF produced in the row middles even associate with the vines³. Considering many growers till their vineyards and break up those associations, this could be a non-issue. However, I tend to think that with reduced tillage practices and reduced use of potentially harmful herbicides, we want to build up our soils in any way, both under-vine and in the row middles. So perhaps we shouldn't be so eager to see those mustard flowers every year.



Final Thoughts

Cover crop selection should not be made casually, but it does not have to be excruciating either. Don't stress over a few percentage points of specific species but do focus on the relative amounts of grasses (soil stability and organic matter, but also competitive) and legumes (nitrogen-fixing but vigor-inducing) in the blend. Toss in some showy flowers if you must but I prefer to sow flowers separately from the workhorses (the grasses and legumes). Or alternate rows of grasses and legumes, perhaps including showy clovers. Ultimately, your site limitations and sense of aesthetics should also be allowed to enter into the decisions. Outside of the practicality of cover crops, they can also be a bit of a creative release for us after a long growing season. **WBM**

¹ Greenspan, M. To Till or Not to Till? *Wine Business Monthly*. June 2019.

² Johnson, B. Researchers look at beneficial microorganisms. *Ag Alert*. June 24, 2019.

³ Baumgartner K, et al. 2005. Weed control and cover crop management affect mycorrhizal colonization of grapevine roots and arbuscular mycorrhizal fungal spore populations in a California vineyard. Mycorrhizae. 15(2):111-9.



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Smoke Exposure Language Included in Winegrape Contracts

Kerana Todorov

AN INCREASING NUMBER OF wineries in California are including smoke exposure-related language in their contracts with grapegrowers as the threat of wildfires continues in western states.

Allied Grape Growers' president Jeff Bitter said the smoke exposure verbiage included in both new contracts and in amendments to those pre-existing is "all over the board."

Some of the language is "very specific regarding testing protocol, grape/ wine evaluation and tolerance levels." Yet some contracts remain quite vague, according to Bitter, giving buyers the right to reject fruit "they deem is tainted in their 'sole and absolute' judgment." "Clearly, this is problematic for growers and for the industry," Bitter said. "Work needs to be done quickly to help standardize the way in which buyers and growers approach smoke exposure issues contractually."

Grape buyers are also including crop insurance requirements in new contracts. "Although this seems like an obvious election a grower should make, considering the wildfire events of the last few years, it does come with considerable cost and is something many growers have to evaluate, before purchase, with regard to risk/reward," Bitter said. "Unfortunately, some buyers requiring growers to carry crop insurance are more interested in reducing their risk of litigation over smoke exposure issues than they are about genuinely 'protecting' growers." This means, for example, if a grower has a significant portion of a crop loss covered, there's less chance of a legal pursuit from the rejecting party. Bitter added that other buyers have offered to pay a portion of the insurance—or increase grape prices to compensate for the cost of the insurance. Bitter called this "a more genuine gesture of care" as opposed to a risk-reducing requirement.

"A grape buyer should not be expected to accept tainted fruit any more than a grower's fruit should be rejected without reasonable cause," Bitter said. "The question is, where is the middle ground contractually and practically?"

Looking at the Numbers

Losses paid to winegrape growers in California due to fire alone totaled more than \$5 million in 2017 and about \$7 million in 2018, according to statistics provided by **Pan American Insurance Services**. The statistics may not account for all fire exposure claims because some of them may have been entered under a category other than "fire;" also, outstanding fire exposure claims may still be pending for 2018, according to the insurance company.

In Oregon, total losses—from fire and other causes—were \$326,789 in 2017 and about \$1.14 million in 2018. Ninety-three crop insurance policies were sold to grape growers in 2017 and 96 in 2018, according to the **United States Department of Agriculture's Risk Management Agency**.

Kerana Todorov is a staff writer/news editor at *Wine Business Monthly*. She can be reached at *ktodorov@winebusiness.com*.

"Unfortunately, some buyers requiring growers to carry crop insurance are more interested in reducing their risk of litigation over smoke exposure issues than they are about genuinely 'protecting' growers."

- Jeff Bitter, president, Allied Grape Growers





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Smoke Exposure Language Included in Winegrape Contracts

In Washington state, losses due to fire totaled \$392,495 in 2017, according to Pan American Insurance Services. Fire-related losses for 2018 are pending. Also, Washington state growers purchased 362 policies in 2017 and 357 policies in 2018, according to the USDA's Risk Management Agency.

The USDA subsidizes crop insurance premiums of policies that cover 50 to 85 percent of the growers' average annual yields. Coverage is based on the growers' production and the established insurance price or the contract price for the fruit, according to Pan American Insurance Services. Growers also can obtain catastrophic crop insurance policies that cover 50 percent of their approved yield; growers are paid 55 percent of the established insurance price set for the fruit. Growers can buy a catastrophic policy for a \$655 administrative fee and no premiums.

What Insurance Brokers are Saying

Matt Barr, a commercial insurance broker with **InterWest** in Woodland, Calif., said a "happy medium" is to buy a policy with 65 to 75 percent coverage. Crop insurance covers damage from excessive heat exposure, hail, rain and other causes, but it does not cover the inability to sell the fruit.

One hurdle is that a third-party laboratory has to test grapes for potential smoke exposure before the fruit is harvested. Growers have to report any potential loss within 72 hours after an incident.

Kristine Fox, a broker with Pan American Insurance Services, noted premiums do not increase when claims are filed. This is a federally-backed policy, and the premiums are not tied to the individual losses, she explained. The USDA's Risk Management Agency reviews the premium rates and reassesses them every few years to account for losses.

A Word from Wineries

Shortly before the 2018 harvest, **Copper Cane Wines & Provisions** rejected about 2,100 tons of fruit from southern Oregon, citing smoke exposure. "It was a very, very tough decision," **Matthew Heil**, director of fruit supply at Copper Cane, said.

Grape samples were collected before the harvest from 20 growers on 30 properties in the Rogue Valley American Viticultural Area and fermented separately, following protocols set by the **Australian Wine Research Institute** (AWRI). The wine samples were tested at **ETS Laboratories, Enartis-Vin-quiry** and AWRI, according to Copper Cane. Measurable levels of volatile phenolic compounds known to cause smoke taint "or the atypical characters of smoke in wine" were detected in grapes, according to the winery. Sensory analysis associated with the wine indicated smoke taint as well.

Of the 20 growers contracted to sell crop to Copper Cane, 15 had no crop insurance, according to Copper Cane. Four growers had multiple crop policies, and one had catastrophic crop insurance.

The winery now requires that Oregon grapegrowers carry crop insurance for at least 65 percent coverage. The winery will reimburse growers for half of the cost of the crop insurance policy, according to the company. The reimbursement program only applies to grapes contracted by the winery, Heil said.

The action "is mutually beneficial to both parties," according to Copper Cane. The contracts also spell out how the clusters will be collected and tested by a third-party laboratory.

The Family Coppola, which contracts 95 percent of its fruit, and others, such as Boisset Collection and CK Mondavi and Family, also require growers to carry crop insurance, representatives for the wineries said in separate interviews.



Filing a Smoke Exposure Claim

The West Coast Smoke Task Force has been formed to tackle a number of issues, including how to improve the insurance process. Issues raised have included insurance premiums, prices paid for the fruit and deducting money from pay-out when the fruit is not harvested.

Pan American Insurance Services has written a list of steps that winegrape growers should follow for a smoke exposure claim:

- Call your agent immediately to report fire damage or to open a notice of potential loss.
- Have a third-party laboratory test the fruit before the crop is harvested. You can proceed with the harvest once the sample has been taken to the laboratory even if the test results are not in.
- The test results must show elevated levels of both guaiacol and 4-methylguaiacol for a smoke taint claim.
- Keep the winery's letter of rejection.
- Growers should still try to sell the fruit: provide your adjuster with letters of rejection or documents showing low grape prices offered for the crop. The decrease in revenue has to be due to smoke taint, not market conditions.
- Do not mix the fruit or juice with another production until the claim has been settled.
- Work with your adjuster on your claim. Rules prohibit insurance agents from assisting in the claims process.

SOURCE: PAN AMERICAN INSURANCE SERVICES

Ryan Stapleton, director of grower relations at The Family Coppola, said the amendment outlines how The Family Coppola will sample for potential smoke exposure and the process that follows. Like Copper Cane and other wineries, The Family Coppola does not include threshold levels for smoke taint markers, saying more research is needed on the topic.

"Unfortunately, there are no thresholds in the contract at this point; there are not enough metrics to come up with numbers that correlate to perceived smoke. We hope that this amendment will evolve and will someday have metrics, but the research isn't there yet," Stapleton said.

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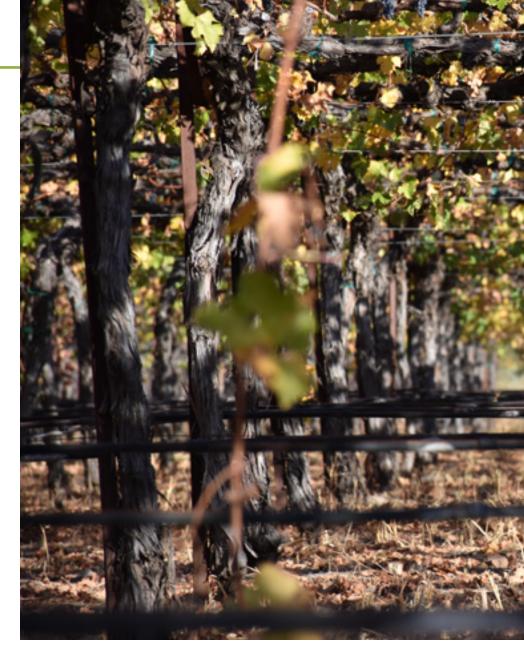
The plan is to collect 20 clusters per block and run a bucket fermentation prior to harvest to test for smoke exposure. A third-party laboratory, such as ETS Laboratories, will perform the analysis paid for by The Family Coppola. "Once we get the analysis back, we will taste the sample with the grower to figure out the best way to move forward," Stapleton said.

In any case, Stapleton works closely with the grapegrowers. About 400 to 500 tons of contracted Cabernet Sauvignon in Lake County in 2018 was smoke-exposed, Stapleton said. The winery still accepted the fruit so the grower could be paid. The winery asked that the fruit be hand-picked to minimize skin contact and handled it like a white wine. "When those grapes came into the winery, we gently pressed them so we could reduce



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skin contact," Stapleton said. "We then selected grapes that weren't exposed to smoke, such as Petite Sirah, and co-fermented the (Cabernet Sauvignon) juice and the untainted skins to produce a pretty incredible wine."

Alexandra Wagner, a spokeswoman for Constellation Brands, stated the company "is relentlessly committed to ensuring the highest level of quality and integrity in everything we do. While we do not legally require our partners to adhere to specific practices surrounding prevention or treatment of smoke taint, we do encourage partners to take precautionary measures that ensure the highest quality products possible for our consumers."

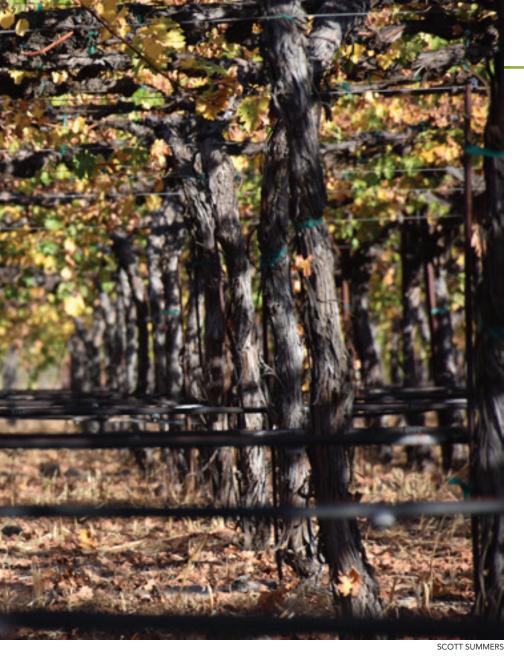
Treasury Wine Estates declined to comment on its grape contracts. No information was immediately available from the world's largest winery, **E&J Gallo**.

Wineries and Growers Seek Research

Growers and winery representatives and others interviewed for this article agree on one point—more research is needed.

Fox and Bitter are participating in the West Coast Smoke Task Force, a group led by the California Association of Winegrape Growers (CAWG), Washington Winegrowers Association and Oregon Winegrowers Association, to evaluate contract language, crop insurance, research and general education. "Currently, there is much more that we don't know about smoke exposure than that which we do know," Bitter said.

John Aguirre, president of CAWG, has led efforts to seek \$5 million in federal funding for smoke exposure research. As of mid-August, the U.S. House of Representatives has approved \$1.5 million. CAWG continues to push to obtain \$5 million.



Anita Oberholster, cooperative extension specialist in enology at UC Davis, has collaborated on sensory analyses in Lake County as part of the Lake County Winegrape Commission's research project on wildland fire smoke impact on winegrapes. Lake County's grapegrowers in 2018 lost \$37 million in fire-related crop damage, according to UC Davis.

Oberholster and **Glenn McGourty**, Ukiah-based viticulture and plant science advisor for the **University of California Agriculture and National Resources Department**, conducted wine tastings in November 2018, April and July, 2019, as part of a case study on smoke exposure.

In 2018, McGourty sampled and micro-vinified fruit from vineyards in Lake County exposed to wildfire smoke from the Mendocino Complex Fires that burned in the region from July through October 2018 to help growers and wineries assess how the fires affected the vineyards. Fruit samples from 13 Cabernet Sauvignon vineyards in Lake County and one unaffected vineyard in Napa County were tested for guaiacol and 4-methylguaiacol during veraison and before harvest. The wines fermented in 19-liter lots, before harvest were microvinified and tested for volatile phenolics and glycosides—cresol and syringol—which are also used as smoke exposure markers. One conclusion was that wineries that decided in 2018 to reject all fruit from Lake County "probably had no justification for those decisions based on the concentration of volatile phenols and glycosides" detected in the fruit and the wine, according to McGourty's research paper. There was a "wide range of sensory effects of the smoke exposure," he wrote.

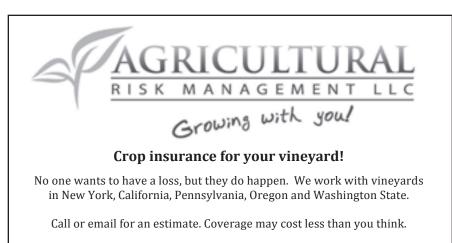
Next steps include obtaining baseline data on methyl and 4-methyl and 4-methylguaiacol, two smoke taint markers. These compounds are also found in grapes that have not been exposed to smoke, particularly Syrah. Stapleton and Lise Asimont, director of vineyard operations at Cakebread Cellars, plan to obtain baseline data from vineyards this year. Asimont said new grape growing contracts will include smoke-exposure language.

Oberholster said she finds value in these wine tasting sessions—even beyond collecting data for the ongoing research on smoke taint. "Every time I go, we have a discussion about absolutely everything," she said, explaining that participants are able to learn about the value of small fermentations and full spectrum analyses.

"You can't just look at the data itself," Oberholster said. "Education is key." WBM



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Life Cycle Assessment a Multivariable Approach to a Sustainable Wine Scoring System

Andres Eduardo Valero

Andres Eduardo Valero is an engineer who holds a Master of Science in Environmental and Ecological Engineering from Purdue University (Indiana) and an Industrial Engineering degree from the National University of Cuyo (Mendoza, Argentina). At Purdue, after receiving an Argentinean Presidential Fellowship by Fulbright and an OIV research grant, Valero conducted research on the usage of life cycle assessment and environmental footprints as a strategy to achieve long-term sustainability in the wine sector. Currently, Andres collaborates with wineries, such as Grupo Peñaflor, with their environmental and quality management systems.

SUSTAINABILITY IS BECOMING a core value for the wine sector world-wide. Sustainable practices are recognized by a large part of the wine community as a necessary step to face climate change challenges and natural resources depletion¹. In recent years, sustainability has had a growing influence on the consumer's decision.

Nonetheless, when looking at the sustainable attributes of a bottle of wine, consumers face numerous obstacles. Despite consumers appreciating "sustainable wine," evidence suggests that they do not fully understand the practices a winery must follow to be cataloged as sustainable. The willingness to pay more for wine's sustainable attributes is limited due to the lack of familiarity with the meaning behind the more than 300 eco-labels claiming to be sustainable². Moreover, grape growers and winemakers find it challenging to quantify which will be the improvement of their sustainability profile when following a specific sustainable practice or program in comparison with the costs associated with its implementation and the potential return on investment.

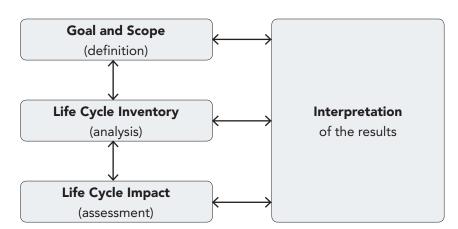
Implementation of sustainable principles to a specific economic sector requires expanding vision beyond traditional boundaries of the sector. There is a need to migrate to a business structure that looks to minimize the environmental impacts, during the whole life cycle of wine, while enhancing the social and economic performance of the organizations and stakeholders involved. Therefore, to turn a concept, such as sustainability, into effective actions we should use tools that allow us to quantify impacts.

Life Cycle Assessment as a Tool to Quantify Environmental Sustainability

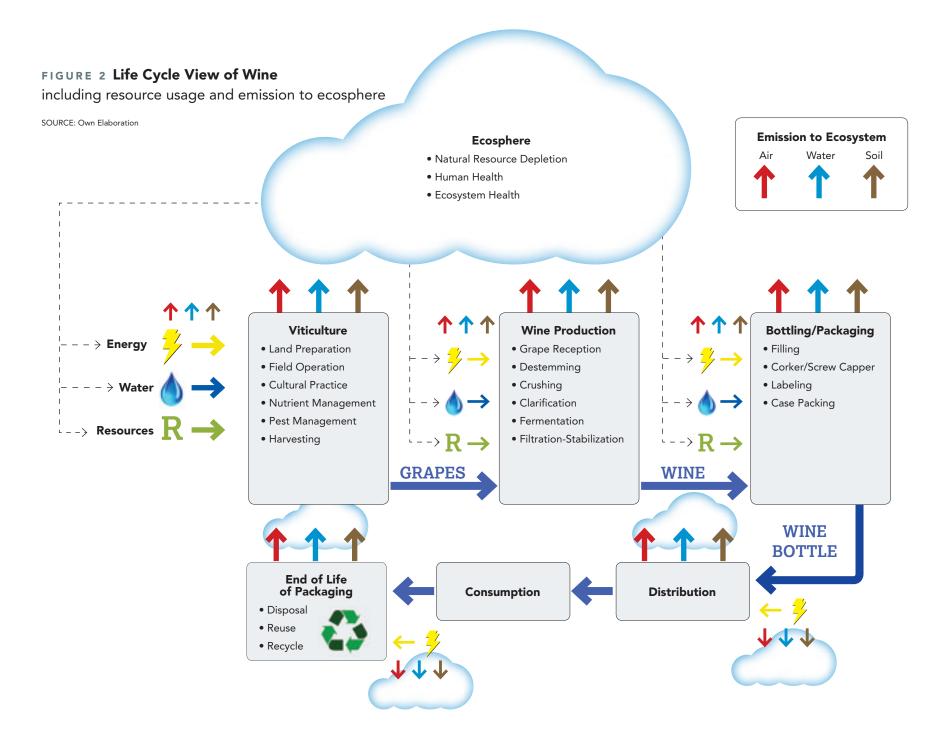
Life Cycle Assessment (LCA) is a methodology that can support decision making regarding sustainability while facilitating communication. LCA is an internationally recognized standardized method to characterize and quantify the environmental impact. Understanding the impact of a product over the entire life cycle guides decisions to improve the sustainability of producing wine without creating unexpected or unintended consequences on the environment—or at least understanding the trade-off involved.

LCA can be adapted to define baselines for regional sustainability and define realistic and achievable goals. The ISO 14040/44 families provide the basis for LCA. The ISO 14040 standard provides the principles, framework and limitations of the method³. The ISO 14044 standard provides the requirements and guidelines for preparing, conducting, reviewing and interpreting an LCA⁴. The standards recognize that an LCA study should include four phases: a goal and scope definition, an inventory analysis, an impact assessment and interpretation of the results (**FIGURE 1**).

FIGURE 1 Life Cycle Assessment Framework



SOURCES: Figure adapted from ISO 14040:2016 [3]



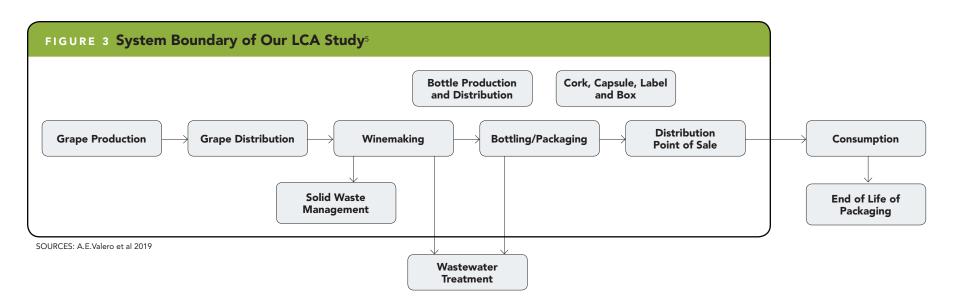
LCA allows quantifying interactions between the ecosphere and all the activities required for getting wine into the consumers' glasses (FIGURE 2). The interaction (including the extraction of resources from Earth and the emission of different substances into the atmosphere, soil or water bodies) is translated into the different mechanisms (cause-effect chain) of impact to human health, ecosystem services and/or natural resources availability. LCA also contributes to identify hotspots on the supply chain and helps us to evaluate how implementing different strategies in our supply chain will modify environmental performance.

Indiana Case Study and Development of Sustainable Wine Scoring System

Below is a case study of the application of a multi-variable LCA for a wine region and our initial approach to defining a **Sustainable Wine Scoring System** (SWSS). This research was funded by the **International Organisation of Vine and Wine** (OIV)* and developed at the **Environmental and Ecological Engineering** (EEE) division at **Purdue University**. The SWSS aims to be a single numeric index of the sustainability attributes of a bottle of wine based on multiple normalized indicators⁵. This initial approach to define an SWSS focuses on environmental sustainability. Goal and scope definition is the first phase of an LCA study that follows the ISO 14040/44 standard. This phase aims to identify the purpose of the LCA study, its application and target audience. The goal of our research is to quantify environmental impacts and identify improvements in the life cycle of "craft wine" made and consumed in Indiana, representing an emerging non-traditional wine region in the United States. Additionally, this phase includes the definition of the functional unit (FU) and system boundary (SB). The FU is the reference value on which the result of the impact will be presented. The SB includes all the assumptions, limitations, data requirements, and allocation criteria. The SB delimits the stages (unit process) necessary to produce the FU. For our study, we define FU as a bottle of red dry wine (750ml) sold in Indiana, and our SB includes the agricultural phase (grape production), industrial phase (winemaking, wine bottling and solid waste management), primary and secondary packaging, manufacturing and distribution of wine to the point of sale (**FIGURE 3**).

The Life Cycle Inventory (LCI) consists of the systematic data collection and modeling of the flow of material, energy and emission for each stage within the SB necessary for producing an FU. We collect and quantify all the input necessary for each unit of the process and all the output generated. For example, during the de-stemming and crushing process, we have inputs, including the grapes, enological supplies, the energy, water use for different purposes (cooling, cleaning, etc.), and output as grape must, stems and wastewater.





During the Life Cycle Impact Assessment (LCIA) phase, the substances identified during the LCI are grouped according to the mechanism of impact to the environment they are potentially involved in. The results of the LCI are grouped into impact categories according to the potential damage to human health, ecosystem services and natural resources availability. For example, each gas released into the atmosphere, during the different production stages, that can harm the ozone layer will be grouped in the ozone depletion potential impact category while the gases that can contribute to the greenhouse effect will be grouped in the global warming potential impact category.

Each substance within the same impact category is multiplied by a characterization factor. The characterization factor quantifies the relative contribution of that substance to the category, allowing us to add all the relative effects of the substance into one indicator. For this case, we conduct the LCIA using **SimaPro 8.5** software in accordance with the **Tool for Reduction and Assessment of Chemical and other Environmental Impact**"(TRACI 2.1/ USA:2008) developed by the **United States Environmental Protection Agency**⁶⁷. TRACI defines 10 impact categories that describe the potential damage to human health, ecosystem services and natural resource depletion, including "ozone depletion," "global warming," "smog," "acidification," "eutrophication," "human health carcinogenic," "human health non-carcinogenic," "respiratory effects," "ecotoxicity" and "fossil fuel depletion." For more details about these impact categories and TRACI visit epa.gov/ chemical-research/tool-reduction-and-assessment-chemicals-and-other-environmental-impacts-traci

Analysis of Results

Our reference scenario (IW1) consists of wine made and distributed in Indiana, made with grapes grown in California and bottled in a glass bottle produced in the United States. On one hand, grape growing is the major contributor to impact, including human health (non-carcinogenic and carcinogenic), ecotoxicity and eutrophication due to the emissions related to fertilizer, pesticide and herbicide usage.

On the other hand, grape transportation is the primary contributor to impact categories related to atmospheric contamination, such as ozone depletion, global warming, smog, acidification and respiratory effect. Manufacturing of the glass bottle is the second or third contributor to all the impacts, with a higher contribution to human health-carcinogenic, acidification, global warming and respiratory effect (**FIGURE 4**).

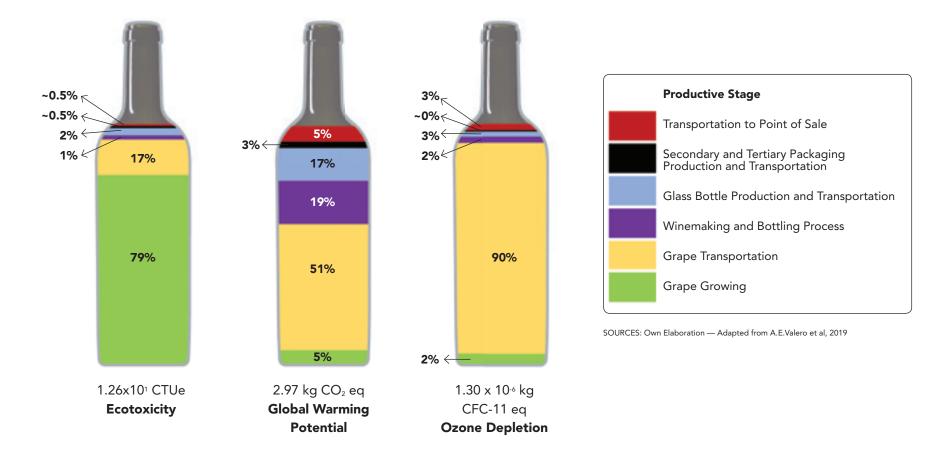


FIGURE 4 Relative contribution of a FU of IW1 for each productive stage for 3 of the 10 impact categories^[5]





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Scenario	Supply Chain Description	Wine Production	Grape Origin	Glass Bottle Manufac- turing Origin	Energy Grid Type	Final Product Distribution
Initial Scenario	IW1	Indiana	California	USA	Indiana	Indiana
	CW1	California	California	USA	California	Indiana
Alternative Bottle Supply	IW2	Indiana	California	CHINA	Indiana	Indiana
Alternative Bottle Supply	CW2	California	California	CHINA	California	Indiana
Grape Juice Must	IW3	Indiana	California	USA	Indiana	Indiana
Alternative Grid Characteristics	IW4	Indiana	Midwest	USA	Cleaner Grid	Indiana
Alternative Grape Supply (local)	IW5	Indiana	Midwest	USA	Indiana	Indiana

TABLE 1 Description: Supply Chain Scenarios [5]

Sources: A.E.Valero et al 2019

We define alternative scenarios (**TABLE 1**) to evaluate how changes in the supply chain modify the impact of the production of the FU. When glass bottles are sourced from China instead of the United States (IW2), the impact increases for all categories. For scenarios in which grapes or must need refrigerated transportation (IW1, IW2 and IW4), ozone depletion is more than four times higher in comparison to other scenarios. In the same manner, these three scenarios almost double IW3 and IW5 regarding global warming potential.

The differences among the lower impact scenario and the higher impact scenario for both smog and fossil fuel depletion categories reach 60 percent. Ecotoxicity and non-carcinogenic are the indicators that showed less dispersion on the values among the different scenarios. The best performance for all the categories, except carcinogenic, is from IW5, the supply chain in which grapes were procured from areas in the Midwest of the United States (TABLE 2).

Changes in one material or process are likely to have a positive impact on one category while having a neutral or even negative effect on others. We evaluate the effects on environmental performance when reducing 5 percent and 35 percent of the glass bottle weight for IW1 and CW1, respectively (TABLE 3). For IW1, the impact of higher improvement is achieved for the carcinogenic while the improvement on ecotoxicity, non-caarcinoogenic and ozone depletion are 1 percent for a 35 percent reduction. The average impact



 TABLE 2
 Percent variation of impact regarding IW1

 for different supply chain scenarios^[5]

Impact Increase		IW1		Impact Reduction				
Impact\Scenario	IW2	IW3	IW4	IW5	CW1	CW2		
Ozone depletion	0%	-82%	-1%	-90%	-77%	-77%		
Global warming	6%	-37%	-10%	-48%	-42%	-39%		
Smog	39%	-38%	-7%	-53%	-26%	-9%		
Acidification	20%	-26%	-15%	-36%	-34%	-25%		
Eutrophication	5%	-12%	-5%	-16%	-16%	-14%		
Carcinogenic	18%	-4%	-9%	0%	-16%	-8%		
Non-carcinogenic	2%	-5%	-2%	-9%	-8%	-7%		
Respiratory effects	4%	-22%	-9%	-41%	-23%	-21%		
Ecotoxicity	4%	-7%	0%	-15%	-7%	-5%		
Fossil fuel depletion	7%	-43%	5%	-59%	-30%	-27%		

SOURCES: A.E.Valero et al, 2019

TABLE 3 Percental variation in impact categories when variating glass bottle weight for IW1 and CW1

	IV	V1	CV	V1	
Bottle Weight Reduction	-5%	-35%	-5%	-35%	
Ozone depletion	0%	-1%	-2%	-11%	
Global warming	-1%	-6%	-2%	-14%	
Smog	-1%	-6%	-2%	-13%	
Acification	-1%	-9%	-3%	-16%	
Eutrophication	0%	-2%	-1%	-3%	
Carcinogenics	-2%	-12%	-2%	-14%	
Non carcinogenics	0%	-1%	0%	-2%	
Respiratory effects	-1%	-9%	-2%	-14%	
Ecotoxicity	0%	-1%	0%	-2%	
Fossil fuel depletion	-1%	-8%	-2%	-14%	

SOURCES: Own Elaboration

The average glass bottle (750ml) consider weighted 505g, 5% reduction represents bottles of 475g and 35% represent a glass bottle of 325g (one of the lighter bottles available in the market).



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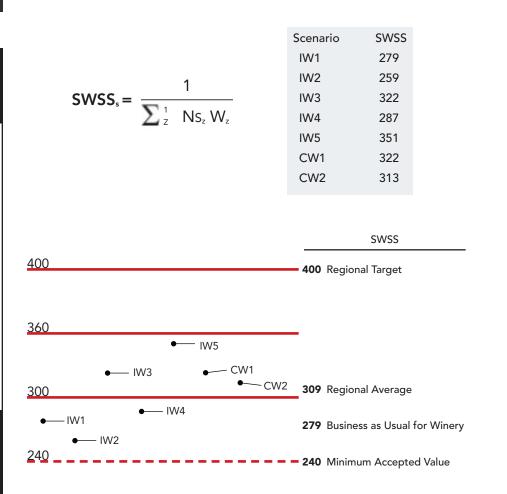
improvement is 5 percent for the 35 percent weight reduction. For CW1 the average impact improvement is 10 percent for the 35 percent weight reduction. The higher improvement is achieved for the acidification impact followed by a notable improvement in most of the other events, except eutro-phication, non-carcinogenic and ecotoxicity.

SWSS Development and Communication

Communicating internally or externally, the result of each impact categories to a non-expert audience can be complex; therefore the SWSS is a simplified tool that can help us. Calculated based on the sum of the normalized values for the 10 impact categories evaluated, **FIGURE 5** shows the resulting SWSS for each scenario. The SWSS allows us to define a baseline or minimum accepted environmental sustainability profile, according to accepted practice on the supply chain.

We can define the average value for the business as a usual value for the region. We can define a reasonable science base and achievable target for sustainability within a region. With this tool, we can evaluate the cost of implementation of different sustainable practices and their impacts on the environmental profile, allowing us to optimize our budget to achieve better performance or improvement.

FIGURE 5 Example of Sustainable Wine Scoring System® (SWSS) as a regional framework for sustainability



SOURCE: Own Elaboration, variables Nsz and Wz, Source A.E.Valero et al 2019

Conclusion

Each wine region has a unique ecosystem that is reflected in the identity of their products. The different elements involved in winemaking in each region need the proper base of information to define their own strategies to achieve their best performance regarding environmental sustainability according to the resources available. Rethinking the wine business through incorporation of a Life Cycle Assessment contributes to decision-making toward sustainability for all size organizations within the wine sector.

The proposed Sustainable Wine Scoring System serves as an example of how the information generated during an LCA study can be used as a tool for decision-making toward sustainability to set achievable numeric targets,

while improving how we communicate our sustainability profile to our customers and consumers. **WBM**

Acknowledgement to advisors: J.W Sutherland and J.A Howarter (Environmental and Ecological Engineering, Purdue University)

Author email: andres@aevalero.com

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2019 Packaging Design Awards: Brewer Clifton Bottle Wins Best of Show

Judges award gold to Bandit, Chehalen Dry Creek Vineyard and AXR Napa

Jim Gordon



ELEGANT, ENGRAVED AND EMBOSSED bottles vied with colorful cartons and cans for medals in the sixth annual **Packaging Design Awards** hosted by **Wine Business Monthly**. A panel of independent judges declared a vintagelooking **Brewer Clifton** Syrah design as the Best of Show winner.

The strikingly simple design of the Brewer Clifton EX Post Facto bottle won over the judges. The Latin phrase "ex post facto" translates to "with retroactive effect or force" or simply "after the fact," and it's easy to see how the vintage typewriter keys formed from embossed metal that compose the front label fit into that theme.

Four other gold awards were collected by **Bandit Wines**, **Chehalem Winery**, **Dry Creek Vineyard** and **AXR Napa Valley**. All medalists were recognized at the **Wine Packaging Conference** Aug. 9 at the **Lincoln Theater** in Yountville, Calif.

About the Competition

This was the sixth annual Packaging Design Awards competition celebrating the most outstanding packaging among domestic wineries. The annual competition is open to all wines made with grapes from North American appellations, and wineries must submit currently available products for the judging.

Five experienced, independent judges that represent wine retail, wine education, wine writing and graphic design came together to determine the winners in five categories, as well as the Best in Show, which was selected from the first-place winners in each category. The judges were:

- o Evan Goldstein, M.S., president and chief education officer, Full Circle Wine Solutions, Inc.
- o Curtis Mann, wine, beer and spirits buyer at Raley's Family of Fine Stores
- o Sara Schneider, consulting wine and spirits editor, Robb Report
- o Barbara Gelfand Summer, graphic designer and owner of bibisummer.com
- o Dr. Liz Thach, M.W., professor of wine and professor of management, Sonoma State University

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..... CLOSURE SUPPLIER: Tetra Pak

GOLD: BANDIT WINES BY TRINCHERO FAMILY ESTATES, ST. HELENA, CALIF.

DESIGNER: Insite Design

..... ILLUSTRATION: Barry Imber, Insite Design

··· LABEL PRINTER: Tetra Pak

This category was open to any packaging not in a classic 750ml bottle format. Entries included cans, boxes, pouches, cartons and more. Packages were judged on their visual appeal, design functionality, appropriateness for the price segment and creative utilization of the alternative packaging format.

The medalists included two classics in the alternative packaging field. Silver medalist Sofia by Coppola practically created the canned wine category, and the gold medal winner, Bandit Wines by Trinchero, pioneered the carton among major brands in 2003.

The judges praised the Bandit **Tetra Pak** entry for its "fantastic use of space," "all the info you need for cues about the wine inside" and its "linkage to National Parks and the outdoor lifestyle."

Judge Liz Thach observed: "Research shows that a consumer will remember a story. If it is an intriguing story and one for a cause, like helping parks and the environment, it is more easily remembered."

· PACKAGE SUPPLIER: Tetra Pak



SILVER: Sofia Wines by Francis Ford Coppola Winery, Geyserville, Calif.

BRONZE: Sharon ^{1...} Weeks Cattoo 2017 Paso Robles Cabernet Sauvignon, a nakedwines.com brand, Napa, Calif.

> 2019 People's Choice Winner

What is a Cattoo?

Wine Packaging Conference attendees chose an entry from *nakedwines.com* for the People's Choice award during the day's trade show and educational presentations. They viewed a display of 50 finalists from the packaging design awards and voted **Sharon Weeks Cattoo**—which also won a silver (Series design) and a bronze (Alternative design) award—as the crowd favorite. It features, of course, a cat-shaped tattoo illustration.

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BEST CLASSIC FORMAT PACKAGE DESIGN WINNERS

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GOLD: BREWER CLIFTON EX POST FACTO 2016 SYRAH, A JACKSON FAMILY WINES' BRAND, LOMPOC, CALIF.

..... DESIGNER: Heather DeLong

.....I LABEL PRINTER: MCC - Multi-Color

..... BOTTLE SUPPLIER: Tricorbraun

Entries in the classic format category ranged from small boutique wineries to large producers in a variety of price categories, which were given to the judges. Classic refers to traditional 750ml glass bottles. Entries were judged on visual appeal, design functionality, appropriateness for the price segment and creative utilization of the classic bottle format.

The simplicity and creativity of the Brewer Clifton EX Post Facto bottle wowed the judges. They gave it both a gold medal in the classic format category and the Best of Show award. On the front of the bottle the brand is spelled out in embossed metallic letters that replicate manual typewriter keys from the mid-20th century. Taking a minimalistic cue from the front label, the back label mimics someone simply typing on a sheet of paper.

Judge **Barbara Summer** called out the "Quality bottle with foil fitted seamlessly. The buyer senses a high level of professionalism in winemaking and wine quality." Another judge said: "It manages to say a lot without having to be bold, 'look at me' and attention-grabbing in an outwardly bombastic way."

Winemaker **Greg Brewer** had asked designer **Heather DeLong** to use a typewriter font. "Ex Post Facto conjured up ideas of Prohibition and the era surrounding that time," De Long said, complimenting her client, Brewer, for taking a risk on this design. SILVER: Boeger 2016 Barbera Arrow Label, Placerville, Calif.

BRONZE: Bonterra ¹ Organic Vineyards Elysian Collection 2016 Merlot, Hopland, Calif.



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BEST PACKAGE REDESIGN WINNERS

GOLD: CHEHALEM WINERY INOX UNOAKED WILLAMETTE VALLEY CHARDONNAY, DAYTON, ORE.



MATCH

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Wineries submitted both old and new looks, and the judges reviewed the original and redesigned wine packages side-by-side. Entries were scored on the success of the redesign, visual appeal, design functionality and appropriateness for the price segment.

In this category all the medals went to Chardonnay entries. The bronze and silver medal winners executed fairly subtle changes very successfully. However the gold medal winner from Oregon's Chehalem Winery showed a major transformation. President **Gary Mortensen** from Chehalem explained, "In our 30-year tenure, we've donned three label designs. In our new one, we truly pay homage to our name and namesake AVA."

Judge **Curtis Mann** noted, "Anyone who is familiar with Chehalem knows that their wines are excellent examples of quality Oregon Pinot Noir and Chardonnay. However, their original label had a lot of color, making it look like an entry-level Pinot Gris and Pinot Noir. The new label has a distinct market, classic look and clear, forward messaging, making it look like an upscale choice in the category."



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BEST PACKAGE SERIES DESIGN WINNERS



SILVER: Sharon Weeks Cattoo, a nakedwines. com brand, Napa, Calif.

GOLD: DRY CREEK VINEYARD TERROIR SERIES, HEALDSBURG, CALIF.

Entries consisted of two or more pieces created to work together as a whole. Packages were judged on the cohesiveness of the series, their visual appeal as a series and as individual bottles. Judges also rated packages based on their design functionality and appropriateness for the price segment.

The labels on the gold medal-winning Dry Creek Vineyard Terroir Series bottles feature hand-drawn illustrations that bring the rugged landscapes of the individual vineyard sites to life. Each of the three bottlings was less than 160 cases in 2016 and sold in a three-pack gift box for about \$175.

Judge Sara Schneider said, "From the topographical map on the front label to the information packed on the back, this one sets the bar for informing the consumer while offering a handsome package."

And Liz Thach added, "These are designed for the wine geek-we crave that sort of detail. The everyday consumer may not but the higher price point is going to go after more of the wine geek."

2019 People's Choice Winner





BRONZE: Browne Family Vineyards Spymaster, a Precept Wine brand, Seattle, Wash.



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BEST LUXURY PACKAGE DESIGN WINNERS



GOLD: AXR NAPA VALLEY, ST. HELENA, CALIF.

The luxury design category was open to any wine packaging format that retails for \$40 and above. To be successful, packages needed to be designed to compete on high-end restaurant wine lists and in fine wine shops against luxury wines from around the world. Packages were judged on their visual appeal, design functionality, appropriateness for the price segment and quality of packaging materials used.

It's unusual for the same brand to win two medals in the same category, but the elegantly stunning designs from AXR Napa Valley did just that. The gold medal winner boasts bold etching on the front and an eye-popping red wax seal on top. Judges said the tactile experience of the bottle was an important factor.

"People judge with their eyes but also with their hands, their touch," said one judge. The sensory and the weight of a bottle make a statement."

The designer, **Shyanne Batchelor**, said, "My design directive was to push the limits of the bottle. What could I make that could have integrity in the cellar for years to come but look nothing like any other bottle in our portfolio?" **WBM**

······· ETCHING: G3

BOTTLE SUPPLIER: Ardagh Group

..... SILK SCREEN: Bergin

······ DESIGNER: Shyanne Batchelor

······ OTHER SUPPLIERS: Vinpak



SILVER: Hailstone Vineyards Impact 2014 Cabernet Sauvignon, Dallas, Tex.

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BRONZE: AXR Napa 1 Valley V Madrone Single Vineyard, St. Helena, Calif.



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Retail Sales Analysis Wine Sales Flat, but Top Price Segments Grow

Sales Value Flat in July

THE VALUE OF OFF-PREMISE table wine sales was flat versus a year ago, at just over \$1 billion in the four weeks ended July 13, according to scan data tracked by **Nielsen**. Sales rose 1 percent in the 52 weeks ended July 13 versus a year earlier, totaling nearly \$14.3 billion.

Volume Down 2 Percent

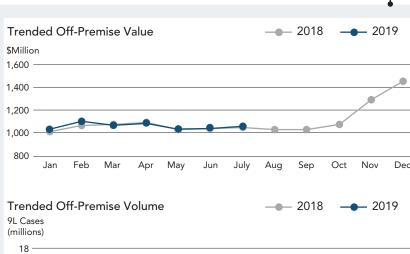
Off-premise volumes of table wines sold in the four weeks ended July 13 exceeded 11.7 million 9L cases, down more than 2 percent from a year earlier. The latest 52 weeks saw volumes drop nearly 2 percent from a year earlier to 160 million 9L cases.

Top price segments lead growth

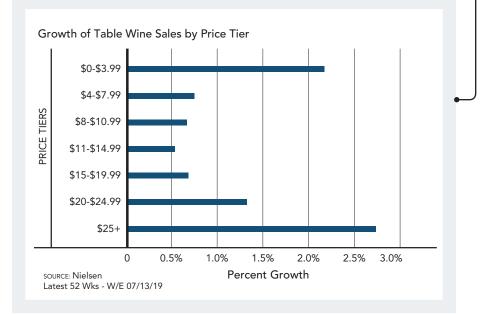
Despite flat growth in value and declines in volumes overall, some price segments are showing relatively solid growth. The top three price bands for table wines sold in glass packaging in the latest 52 weeks saw the greatest increase in average bottle prices, led by \$25-plus wines which rose 3 percent to \$39.77. However, wines between \$15 and \$19.99 showed the strongest growth in value and volume, rising 7 percent and 6 percent, respectively. Wines priced \$11 to \$14.99 increased 6 percent in both value and volume.

However, Nielsen data also indicated that the cheapest price tier also saw strong gains in average bottle pricing, which increased 2 percent to \$3.34 even as the value of sales dropped 6 percent and volumes dropped 8 percent. All price tiers less than \$11 saw volumes decline, however, underscoring the shift in sales to more expensive price segments. Yet the single largest segment of sales was in the \$8 to \$10.99 category, with \$3.3 billion in sales in the latest 52 weeks and an average bottle price of \$9.44.

WBM



16 16 14 12 10 Jan Feb Mar Apr May Jun July Aug Sep Oct Nov Dec SOURCE: Nielsen, Latest 4 Wks - W/E 07/13/19



Methodology

Sourced from Nielsen, these figures represent off-premise retailer wine sales to the consumer aggregated across a variety of channels nationwide, including grocery, drug, mass merchandisers, convenience, dollar, military, as well as a selection of warehouse clubs, and liquor channel geographies and liquor channel retail chains. Nielsen figures are updated and released every four weeks.

Nielsen Table Wine Category Segments MARKET: Total US xAOC+Conv+Military+Liquor Plus PERIOD: Week Ending July 18, 2019

nielsen Dollar Value		Dollar Value % Chg YA		9L Equivalent Volume		9L Equivalent Volume % Chg YA		Avg Equivalent Price Per 750ML			
	IICISCII	Latest 52 Wks - W/E 07/13/19	Latest 4 Wks - W/E 07/13/19	Latest 52 Wks - W/E 07/13/19	Latest 4 Wks - W/E 07/13/19	Latest 52 Wks - W/E 07/13/19	Latest 4 Wks - W/E 07/13/19	Latest 52 Wks - W/E 07/13/19	Latest 4 Wks - W/E 07/13/19	Latest 52 Wks - W/E 07/13/19	Latest Wks - W/ 07/13/1
	TOTAL TABLE WINE	14,335,503,358	1,048,942,104	0.9	0.3	160,194,211	11,698,896	-1.8	-2.4	7.46	7.4
	BOX	1,396,895,554	108,218,065	4.9	6.1	33,901,224	2,581,451	2.1	2.1	3.43	3.4
ß	\$0-\$3.99	579,942,924	43,551,304	-1.4	-0.3	20,185,762	1,502,357	-2.2	-2.3	2.39	2.4
CONTAINERS	\$4+	816,952,629	64,666,760	9.9	11.0	13,715,462	1,079,095	9.0	9.0	4.96	4.9
NTA	Total Table Wine Glass	12,676,544,436	916,760,494	0.2	-0.7	123,023,029	8,835,406	-3.0	-3.7	8.59	8.6
	Value Glass \$0-\$3.99 Popular Glass \$4-\$7.99	657,168,323 3,169,704,338	46,641,830 229,035,246	-6.1 -5.5	-6.9 -4.9	16,386,209 48,117,178	1,150,019 3,450,330	-8.1 -6.2	-9.7 -6.3	3.34 5.49	3.3 5.5
RS ΒΥ	Premium Glass \$8-\$10.99	3,335,345,991	233,173,065	-1.8	-3.3	29,448,765	2,046,474	-2.4	-4.1	9.44	9.4
TIERS	Super Premium Glass \$11-\$14.99	2,796,051,963	211,657,722	6.3	4.2	18,495,436	1,404,335	5.8	4.0	12.59	12.5
PRICE	Ultra Premium Glass \$15-\$19.99	1,392,003,259	102,045,496	6.7	7.0	6,796,645	506,018	6.0	8.4	17.06	16.8
٩	Luxury Glass \$20-\$24.99	572,125,548	44,892,614	6.3	4.3	2,189,579	171,696	4.9	3.6	21.77	21.
	Super Luxury Glass \$25+	751,959,515	48,796,633	3.5	-1.2	1,575,834	103,380	0.8	-2.1	39.75	39.
	IMPORTED	3,775,348,138	286,445,876	0.5	-0.8	39,812,858	2,961,081	-1.6	-2.3	7.90	8.0
	ITALY AUSTRALIA	1,192,097,363	85,137,956 51,394,839	1.5	0.2	10,426,267	746,879	-1.4	-2.5 -0.5	9.53 5.07	9. 5.
	FRANCE	722,004,990 456,854,770	44,749,261	-0.3 3.9	0.7 -4.7	11,876,070 2,901,000	857,191 277,591	-1.5 1.1	-0.5 -9.7	13.12	э. 13.
ß	CHILE	254,368,902	17,825,061	-3.6	-4.7	3,829,638	276,162	-2.3	2.4	5.54	5.
MPORTED	SPAIN	159,699,393	10,693,253	-4.9	-8.1	2,026,558	137,711	-3.9	-7.4	6.57	6
MPC	GERMANY	81,327,196	5,811,198	-5.0	-5.6	807,926	57,265	-2.5	-5.7	8.39	8
_	NEW ZEALAND	485,151,164	42,833,923	8.2	7.1	3,495,596	309,087	7.8	6.5	11.56	11
	ARGENTINA	333,258,471	21,599,491	-7.4	-5.1	3,638,305	240,633	-9.5	-6.8	7.63	7
	SOUTH AFRICA	23,340,164	1,695,900	-8.9	-13.1	200,361	14,546	-10.4	-16.1	9.70	9
	PORTUGAL	40,141,300	3,114,850	4.1	-13.0	429,972	32,761	-1.7	-18.0	7.78	7
	DOMESTIC	10,560,155,219	762,496,227	1.0	0.7	120,381,353	8,737,815	-1.8	-2.4	7.31	7
		9,510,470,375	686,743,608	0.9	0.9	111,733,249	8,124,805	-2.0	-2.2	7.09	7
υ	WASHINGTON	613,948,516	43,358,760	0.4	-7.1	5,113,289	359,062	-0.7	-9.2	10.00	10
DOMESTIC	OREGON TEXAS	204,998,481 32,439,550	15,727,940 2,312,148	13.2 0.3	9.2 -0.7	1,046,666 391,931	82,347 27,156	12.2 -2.1	9.0 -6.2	16.32 6.90	15 7
MO	NEW YORK	36,416,696	3,149,775	-2.2	10.4	484,182	32,905	-2.1	-0.2	6.27	7
	NORTH CAROLINA	40,821,178	2,868,897	2.3	3.6	424,471	30,402	1.1	4.6	8.01	7
	INDIANA	23,672,200	1,619,182	0.1	3.3	261,069	17,852	-0.8	1.6	7.55	7
	MICHIGAN	22,059,218	1,499,993	-2.2	1.9	240,295	15,523	-1.8	1.1	7.65	8
s	RED	7,392,875,297	480,541,879	0.3	0.6	73,660,124	4,854,746	-2.5	-2.3	8.36	8
TYPES	WHITE	5,844,303,377	463,106,275	0.5	0.3	70,244,474	5,479,162	-1.5	-1.9	6.93	7
<u> </u>	PINK	1,096,963,090	105,277,675	7.2	-1.1	16,276,359	1,364,783	0.7	-4.5	5.62	6
		2,540,193,697	196,879,609	-0.2	-0.7	29,850,394	2,286,859	-2.3	-2.8	7.09	7
	TOTAL CABERNET SAUVIGNON	2,658,986,319	175,955,171	3.1	3.9	24,737,814	1,661,412	0.3	1.2	8.96	8
	TOTAL PINOT GRIGIO/PINOT GRIS	1,322,196,753 1,089,966,354	107,173,564 71,272,401	2.1 2.7	2.4 2.9	17,187,686 8,428,005	1,378,123 551,357	1.2 -0.2	1.0 0.2	6.41 10.77	6 10
	TOTAL MERLOT	723,218,976	47,310,806	-6.5	-5.9	10,005,958	658,671	-8.3	-8.8	6.02	5
	TOTAL SAUV BLANC/FUME	964,844,553	82,845,595	6.1	4.4	8,468,671	720,375	4.5	3.3	9.49	9
VLS	TOTAL MUSCAT/MOSCATO	642,225,479	46,747,175	-2.5	-1.8	9,750,555	706,532	-4.2	-4.8	5.49	5
VARIETALS	TOTAL WHITE ZINFANDEL	276,596,115	20,203,003	-8.2	-7.0	5,583,755	404,917	-9.2	-8.8	4.13	4
VAR	TOTAL MALBEC	257,383,627	15,949,759	-7.4	-5.1	2,408,497	150,697	-9.1	-6.0	8.90	8
	TOTAL RIESLING	238,351,308	17,142,971	-6.3	-5.7	2,630,057	185,604	-7.4	-9.3	7.55	7
	TOTAL ZINFANDEL	224,920,522	14,395,475	-2.3	-4.1	1,594,863	101,697	-5.7	-6.7	11.75	11
	TOTAL SHIRAZ/SYRAH	147,453,038	9,509,396	-7.7	-4.9	1,678,069	107,916	-11.0	-8.1	7.32	7
	WHITE BLENDS (ex. 4/5L)	222,241,826	17,770,866	-5.2	-2.9	2,712,548	214,001	-4.9	-2.6	6.83	6
	RED BLENDS (ex. 4/5L + CHIANTI) ROSE BLEND	1,855,152,011 534,677,354	117,853,186 63,968,758	1.1 24.6	-0.3 1.3	17,069,873 4,596,745	1,094,143 510,183	-0.6 25.8	-2.0 -1.2	9.05 9.69	8 10
	750ML	10,347,213,944	746,932,665	1.5	0.3	82,255,489	5,902,519	-1.0	-1.2	10.48	10
ŝ	1.5L	2,055,352,847	149,914,646	-5.0	-4.6	35,300,271	2,543,336	-6.2	-6.5	4.85	4
GLASS SIZES	3L	61,227,443	4,293,929	-8.7	-6.0	1,584,367	106,794	-11.2	-11.8	3.22	3
ASS	4L	77,643,498	5,595,070	-9.4	-6.8	2,464,499	176,530	-12.3	-8.7	2.63	2
GL	187ML	104,140,233	7,922,620	-4.1	-7.9	1,273,259	95,910	-5.8	-10.4	6.82	6
	375ML	18,020,439	1,243,845	7.2	-2.7	67,450	4,697	2.9	-4.1	22.28	22
	ex. 4/5L	910,846,330	71,641,466	8.8	10.0	16,267,057	1,267,124	7.6	7.8	4.67	4
ES	1L	30,619,139	2,441,063	13.1	7.1	460,337	36,443	10.3	4.6	5.54	5
(SIZES	1.5L	26,862,586	1,993,964	4.7	-1.3	532,751	39,065	6.0	-2.0	4.20	4
BOX	3L 5L	654,698,608 486,046,124	50,900,432 36,576,459	7.7 -1.7	10.0 -0.7	12,640,104 17,634,083	978,594 1,314,323	7.2 -2.6	9.1 -2.8	4.32 2.30	4

Source: Nielsen

technology & business

0 1 SALARY SURVEY Report

Wine Salaries Increase By 2.6 Percent; Labor Market Remains Tight

Kerana Todorov

Kerana Todorov is a staff writer / news editor at Wine Business Monthly. She can be reached at *ktodorov@winebusiness.com*.

SALARIES IN THE WINE industry continue to grow, increasing by 2.6 percent in 2019, according to the 2019 Wine Business Monthly/ Western Management Group Salary Survey Report. Chief executive officers in the wine industry-like in other fields-are the best compensated, with the weighted average salary of \$373,754 a year, according to the survey. The weighted average salary for a vice president of marketing position was \$211,105 and for a winemaking director, about \$167,510. Weighted average salaries for other occupations were less generous. Cellar workers' weighted average salary, for instance, was about \$44,650 a year.

Rob McMillan, executive vice president and founder at Silicon Valley Bank Wine Division, said salary increases in the wine industry have stayed ahead of the changes in the cost of living.

Western Management Group, the Los Gatos-based firm that produced the survey with Wine Business Monthly, cautioned about relying solely on the latest year-to-year change.

"The year-to-year change in average pay for any particular job will often be subject to random variation, and so it isn't wise to rely too heavily on any one of

FIGURE 1: 6.0 5.4% 5.5 **4.7%** 5.0 4.7% 4.5 **4.1%** 4.0 **4.1%** 3.5 **3.0** 2.5 4.1% 3.1% 2.8% 2.6% 2.3% 2.5 <u>2.4%</u> 2.0 2.0% 1.5 1.0 1.4% 1.3% 0.5 0 2018 2019 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 SOURCE: 2019 WMG WINE INDUSTRY COMPENSATION SURVEY

those figures as a definitive indicator of the overall market," said Steve Treder, vice president of strategic development at Western Management Group. "We advise our clients to look not just at those individual data points, but also at a 2-to-3-year rolling average, as well as combining the figures for multiple jobs, to obtain a more reliable indication of broad market change."

With that in mind, salaries increased by about 3 percent over the past 3 years.

Job Market Remains Tight

Amy Gardner, president at Wine Talent, said this has been a busy year for recruiting in the wine industry. "That didn't surprise me, given the overall labor market and the critical need for talent within the wine industry," Gardner said.

While she is concerned about a possible economic stall, the job market has remained strong and companies are adding staff positions, said Gardner, who has filled management and executive roles across the board.

Companies know how difficult it is to find "good people" in the current

market and are willing to offer higher salaries and compensation packages than in the past, Gardner said. That includes signing bonuses, relocation deals and other one-time perks.

Most senior-level roles offer bonuses, "robust" time off, a 401(k) plan, as well as dental, vision and life insurance, according to Gardner. Other benefits include cell phones and car allowances, continuing education opportunities, and retention bonuses, she and other recruiters noted. In addition, companies offer flex time and/or telecommuting options.

Donna Parker, founder of WinePro Recruiters, said candidates are more concerned with company benefits than base salary. "I find candidates to be more open to a lower base salary if the whole package is competitive."

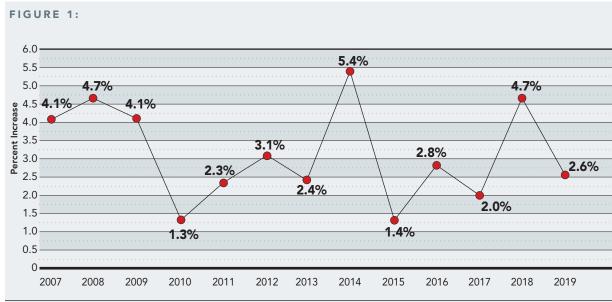
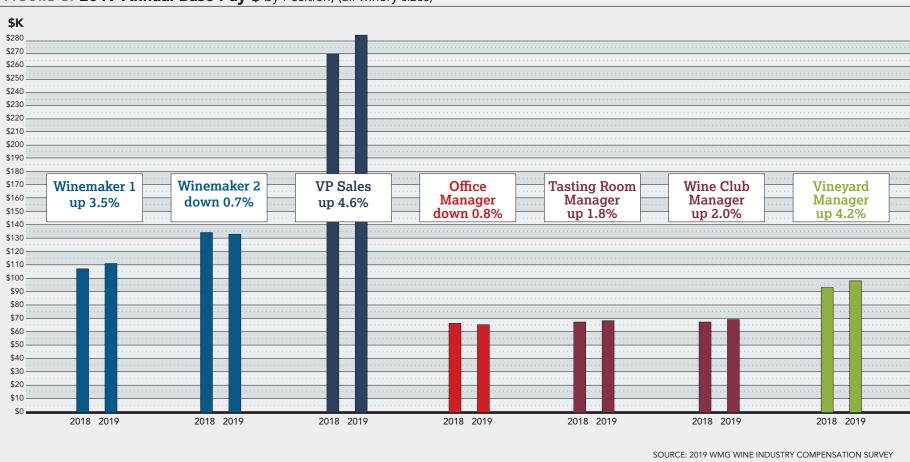


FIGURE 2: 2019 Annual Base Pay \$ by Position, (all winery sizes)



Karen Alary, managing partner at **The Personnel Perspective**, said that, in general, "companies are more thoughtful with their hiring budgets this year, and they are highly selective with candidates, as they should be. The majority of qualified candidates remain actively employed, which can result in a slower recruiting process because it takes longer to identify, contact, and engage those people who are qualified for a particular position."

However, companies are willing to spend more money than planned for a valuable candidate other businesses want to hire. Recruiter **Tom Hill**, president, **Hill & Associates**, which fills positions that pay more than \$100,000 a year, said a client recently offered a bigger salary than originally planned to a chief executive officer simply because that candidate was being recruited by another company.

Region	Winemaker	Top Sales	Office Manager	Tasting Room Manager	Wine Club Manager	Vineyard Manager
Nationwide	\$87,562	\$80,290	\$55,387	\$54,500	\$56,738	\$68,375
Napa	\$109,725	\$103,849	\$63,048	\$71,469	\$68,509	\$87,493
Sonoma	\$100,819	\$92,638	\$63,053	\$64,614	\$60,308	\$78,227
California Other	\$96,143			\$47,727		
Central Coast	\$88,770	\$68,150	\$56,090	\$52,213	\$53,623	\$73,811
Washington	\$75,809	\$64,767	\$51,000	\$46,763	\$46,992	
Oregon	\$76,857	\$76,157	\$55,700	\$48,000	\$52,279	\$66,227
Northwest	\$76,282	\$69,829	\$53,350	\$47,404	\$49,496	\$64,509
Midwest	\$68,771	\$60,044	\$57,918	\$41,194	\$45,070	\$46,609
Northeast	\$57,973	\$59,689	\$48,540	\$36,003	\$35,500	\$49,571
Mid-Atlantic	\$75,000	\$55,600	\$45,521	\$38,643		\$43,320
Pacific	\$99,416	\$92,575	\$60,091	\$62,248	\$61,827	\$78,418
Southwest	\$69,162	\$43,600	\$45,286	\$50,833	\$43,000	\$46,250
SOURCE: 2019 WBM Salary S	urvey					

FIGURE 3: 2019 Annual Base Pay \$ by Position, Region

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SALARY SURVEY

5		•			
Case Production	< 2,499	2,500 - 4,999	5,000 - 9,999	10,000 to 24,999	25,000 to 49,999
Top Sales (executive VP Sales/ national sales manager)	\$62,791	\$65,392	\$83,034	\$80,489	\$121,700
Winemaker 1	\$72,700	\$72,682	\$87,255	\$92,304	\$112,860
Vineyard Manager	\$64,240	\$54,403	\$72,714	\$60,468	\$89,167
Office Manager	\$45,500	\$52,014	\$58,498	\$55,600	\$64,261
Tasting Room Manager	\$50,344	\$48,520	\$55,264	\$50,682	\$65,489
Wine Club Manager	\$51,625	\$54,050	\$61,051	\$49,380	\$62,213

FIGURE 4: Average Base Salaries for Wineries Producing Fewer than 50,000 Annual Cases

SOURCE: 2019 WMG WINE INDUSTRY COMPENSATION SURVEY

Yet, overall, he has not seen substantial increases in compensation and package benefits, Hill said.

According to **Hank Teahen**, CEO at **Teahen Group**, another executive recruiting firm, candidates are not leaving companies as easily as they have in prior years. "Candidates have invested in their current companies and they are not switching for a few thousand dollars," he said. "Offers are forced to be higher than in the past and an excellent benefit package is critical to the final decision."

Like Teahen, Julie Chuharski, founder and principal at Wine & Spirits Recruiting, said companies have to pay more to attract talent. The tight labor market makes attracting and hiring talented employees challenging for companies. Her firm has filled roles over the past year that include general managers, sales and e-commerce positions.

Momentary Pockets of Availability

"There are momentary pockets of availability when companies consolidate and re-structure, and we are seeing many of the displaced people landing in good roles. Several have used that transition to move into cannabis, despite the uncertainty and risk with regulations and viability of some hasty start-ups," Chuharski said.

And, like other headhunters, Chuharski said most candidates are employed and consider the total compensation package before making a decision.

"We are fortunate in that our clients typically have something special to offer—a supportive culture, growing business, career growth opportunities, mission-driven, etc. Even so, to attract solid candidates in this environment, clients are either offering more attractive compensation packages or willing to consider high-performing candidates that may have a bit less experience and have to grow into their roles," Chuharski said.

2014-2019 Annual B	ase Pay by W	Vinery Size						
Winemaker 1	2014	2015	2016	2017	2018	2019	% DIFF IN LAST YEAR	%DIFF 2014-2019
CASE PRODUCTION								
under 50,000	\$98,552	\$98,806	\$116,398	\$110,359	\$107,412	\$113,832	6.00%	15.50%
50,000 to 99,999	\$99,613	\$106,317	\$108,019	\$100,782	\$102,822	\$110,883	7.80%	11.30%
100,000 to 499,999	\$106,999	\$95,141	\$100,008	\$110,080	\$113,041	\$115,045	1.80%	7.50%
over 500,000	\$93,966	\$94,758	\$92,146	\$98,509	\$103,934	\$102,751	-1.10%	9.30%
Winemaker 2	2014	2015	2016	2017	2018	2019	% DIFF IN LAST YEAR	%DIFF 2014-2019
CASE PRODUCTION								
under 50,000	\$120,435	\$120,191	\$129,891	\$126,547	\$149,210	\$142,789	-4.30%	18.60%
50,000 to 99,999	\$134,021	\$127,531	\$134,895	\$124,376	\$128,007	\$133,486	4.30%	-0.40%
100,000 to 499,999	\$124,798	\$141,827	\$136,644	\$142,236	\$137,987	\$134,093	-2.80%	7.40%
over 500,000	\$115,121	\$111,523	\$115,488	\$127,235	\$123,541	\$124,876	1.10%	8.50%

SOURCE: 2019 WMG WINE INDUSTRY COMPENSATION SURVEY

Administrative

Chief Executive Officer

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$268,547	\$300,000
50,000 to 99,999	\$342,385	\$334,200
100,000 to 499,999	\$318,764	\$345,000
Over 500,000	\$565,318	\$400,000
AVERAGE OF ALL WINERY SIZES	\$373,754	

President

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$240,013	\$226,000
Over 500,000	\$360,191	\$339,930
AVERAGE OF ALL WINERY SIZES	\$300,102.00	

General Manager

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$177,249	\$175,000
100,000 to 499,999	\$188,086	\$171,000
Over 500,000	\$188,936	\$182,450
AVERAGE OF ALL WINERY SIZES	\$184,757	

Controller

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$128,831	\$120,000
50,000 to 99,999	\$149,259	\$141,440
100,000 to 499,999	\$142,379	\$148,600
Over 500,000	\$168,300	\$154,500
AVERAGE OF ALL WINERY SIZES	\$147,192	

Human Resources Director

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$129,049	\$122,827
100,000 to 499,999	\$130,765	\$124,000
Over 500,000	\$143,907	\$135,000
AVERAGE OF ALL WINERY SIZES	\$134,574	

"Case production" categories with < 5 responses have been omitted.

SOURCE: 2019 WMG WINE INDUSTRY COMPENSATION SURVEY

The 2017 fires in the Napa and Sonoma wine regions have affected tourism and visitor traffic to wineries, Chuharski said. That has put pressure on wineries to find creative ways to attract visitors, create compelling experiences and develop long-tail relationships with customers after their visits to keep them engaged and loyal to their brands, she added. Thus, there has been an increase desire in the wine industry for candidates with digital marketing and social media skills.



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SALARY SURVEY Report

Winemaking

Assistant Winemaker

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$75,747	\$75,500
50,000 to 99,999	\$86,052	\$82,400
100,000 to 499,999	\$78,479	\$77,100
Over 500,000	\$76,378	\$75,000
AVERAGE OF ALL WINERY SIZES	\$79,164	

Winemaker 1

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$113,832	\$109,200
50,000 to 99,999	\$110,883	\$110,000
100,000 to 499,999	\$115,045	\$122,389
Over 500,000	\$102,751	\$103,000
AVERAGE OF ALL WINERY SIZES	\$110,628	

Winemaker 2

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$142,789	\$140,000
50,000 to 99,999	\$133,486	\$125,000
100,000 to 499,999	\$134,093	\$132,000
Over 500,000	\$124,876	\$118,728
AVERAGE OF ALL WINERY SIZES	\$133,811	

Winemaking Director

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$180,075	\$165,000
100,000 to 499,999	\$157,648	\$145,673
Over 500,000	\$164,814	\$163,660
AVERAGE OF ALL WINERY SIZES	\$167,512.33	

Enologist 2

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$56,894	\$58,458
100,000 to 499,999	\$54,798	\$52,000
Over 500,000	\$59,736	\$59,400
AVERAGE OF ALL WINERY SIZES	\$57,142.67	

Lab Technician 2

AVERAGE SALARY	MEDIAN SALARY
\$42,025	\$39,374
\$43,927	\$43,160
\$44,326	\$45,032
\$43,426.00	
	\$42,025 \$43,927 \$44,326

Lab Manager

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
100,000 to 499,999	\$79,368	\$77,938
Over 500,000	\$93,648	\$92,480
AVERAGE OF ALL WINERY SIZES	\$86,508	

Cellar Worker 2

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$43,754	\$43,680
50,000 to 99,999	\$45,438	\$41,760
100,000 to 499,999	\$43,981	\$43,680
Over 500,000	\$45,436	\$45,209
AVERAGE OF ALL WINERY SIZES	\$44.652	

Cellar Master

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$72,626	\$72,000
50,000 to 99,999	\$79,646	\$81,000
100,000 to 499,999	\$81,102	\$82,764
Over 500,000	\$86,377	\$88,000
AVERAGE OF ALL WINERY SIZES	\$79,938	

"Case production" categories with < 5 responses have been omitted.

SOURCE: 2019 WMG WINE INDUSTRY COMPENSATION SURVEY

Enologist 2

Lab Technician 2

Under limited supervision, conducts and analyzes laboratory/quality control tests. This is not an entry level position.

Cellar Worker 2

Under limited supervision, performs various work assignments. May direct less skilled workers. May assist in the training of less skilled workers. Sterilizes cask, tanks and other equipment.

Winemakers and Viticulturists

Under limited supervision, conducts and analyzes

laboratory/quality control tests. Supervise workers

in the crushing and fermentation process, following

legal and regulatory practices and record-keeping

requirements. In smaller operations, they may do

these processing duties themselves.

Dawn Bardessono, managing partner at **Benchmark Consulting**, said companies in Canada, home to a fast-growing wine industry, are actively hiring viticulturists. However, compensation in Canada is lower for similar jobs than in the United States, she noted.

All the hiring trends for winemakers, Bardessono said, are "outside of the immediate Napa/Sonoma region."

Parker said she received more than 30 résumés to fill one winemaker position. "I was amazed," she said. Winemakers and general managers have

approached her to move from Northern California to wine regions such as Washington state and Oregon, where the cost of living is not as high as in the Golden State.

However, one deal with a California-based winemaker fell apart when the Virginia winery doing the recruiting declined to extend health benefits to the entire family. "It means a lot to people to know that they have security," Parker said.

The weighted average salary for a vineyard manager was \$98,028 a year, according to the 2019 WMG Wine Industry Compensation Survey.

Vineyard

Vineyard Manager

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$109,516	\$107,818
50,000 to 99,999	\$86,234	\$84,049
100,000 to 499,999	\$94,275	\$91,252
Over 500,000	\$102,088	\$100,000
AVERAGE OF ALL WINERY SIZES	\$98,028	

"Case production" categories with < 5 responses have been omitted.

SOURCE: 2019 WMG WINE INDUSTRY COMPENSATION SURVEY

Direct-To-consumer

Direct-to-consumer wine sales represent 65 percent of an average winery's wine revenues as the consolidation of distributors continues, according to the 2019 *Wine Business Monthly*/Silicon Valley Bank Insights to Successful Consumer Wine Sales Survey Report. According to the 2019 Salary Survey, a vice president of marketing's weighted average salary in 2019 was \$211,105 and a wine club manager's, \$69,296 a year.

"Direct-to-consumer continues to be an area of focus for wineries with changing visitation patterns, an aging demographic and the sheer number of amazing winery venues and experiences with which to compete," **Courtney Andrain**, partner at **The Cypress Group**, said.

John Winkelhaus, executive vice president at V. Sattui, in St. Helena said V. Sattui – like other wineries – continues to look for personnel for the front of the house, including cashiers, wine pouring and sales personnel, to staff its tasting room and market. The challenges in filling the positions include a "fairly tight labor market" as well as a long commute in and out of the Napa Valley to surrounding counties.

In Mendocino County, **Graziano Family of Wines** operates a family-owned winery and vineyard, which produces 20,000 cases a year. The winery staffs 15 full-time and eight part-time employees, providing small raises each year, said **Gregory Graziano**, proprietor and winemaker.

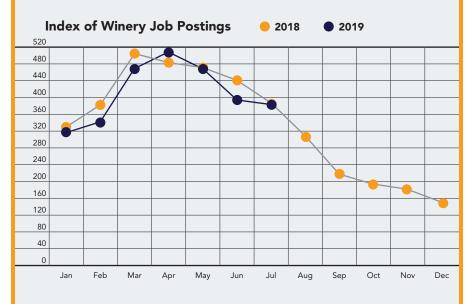
It is challenging to compete with large, corporate-owned wineries, Graziano said. "It is very hard to compete for employees with large wineries who can offer higher wages and more benefits. The only thing I can really offer is a more family-like atmosphere (and) more flexible time-off schedule," Graziano said.

Winery Hiring Sees Challenges in 2019

Wineries are finding hiring a challenge this year, a fact reflected in the most recent data report released by *Winejobs.com*. The *Winejobs. com* Index provides a way to measure and compare trends in the wine job market.

Year to date, postings for all winery jobs on the industry's leading job site decreased 4 percent in January 2019 to July 2019, compared with the same time frame in 2018.

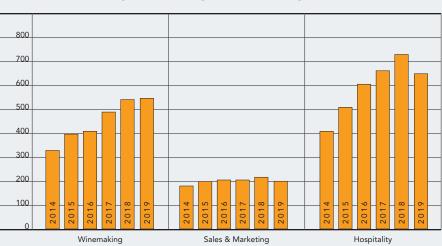
Wineries were most actively hiring in April 2019 with posting 499 job listings. Candidates in the cellar/lab/production and direct-to-con-



sumer/tasting room fields were most sought after that month.

Winemaking positions at wineries saw growth at 1 percent.

Direct-to-consumer/tasting room fields saw the greatest decrease in postings at 12 percent YTD compared to 2018.



Index of Winery Job Postings - YTD Average

Winejobs.com is the leading online employment resource for the wine industry. With more than 10,000 jobs posted in 2018, winejobs. com is unmatched in usage by those seeking to advance their careers or grow their companies in the wine industry.

About the Winejobs.com Index

The winejobs.com Index measures, compares and signals trends in the wine job market. March 2007 is set with a base index of 100. The following months' indexes reflect percentage changes since that base index, providing a quick way to gauge increases and decreases in job postings. Derived from the leading online wine job board, the index reflects changes that can be an indicator of industry-wide trends. In the months leading up to the 2008 economic recession, the winejobs.com Index signaled the coming downturn, with a severe drop in wine-related postings.

SALARY SURVEY Report

Sales

Executive Vice President Sales

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Over 500,000	\$282,924	\$260,016
AVERAGE OF ALL WINERY SIZES	\$282,924.00	

Major Account Manager

\$127,000
\$130,909

Sales Representative

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
100,000 to 499,999	\$93,022	\$92,000
Over 500,000	\$83,355	\$87,296
AVERAGE OF ALL WINERY SIZES	\$88,188.50	

"Case production" categories with < 5 responses have been omitted.

2019 WBM SALARY SURVEY

Where Graduates...Graduate To

At Walla Walla Community College in Washington state, Tim Donahue, director of winemaking and chief executive officer at College Cellars and the Institute for Enology and Viticulture, said the vast majority of students who complete the community college's enology and viticulture program either have jobs or transfer to a four-year school. The students include young men and women as well as retirees. Donahue's current oldest student is a 79-year-old botany emeritus professor. "He's doing great," Donahue said.

Recent graduates have been hired as cellar assistants, assistant winemakers and assistant vineyard managers. "Our students are in pretty high demand," said Donahue, who notes the wine industry's contribution to the region.

The Walla Walla wine industry supported 2,484 wine and tourism jobs in 2018 – or nearly 10 percent of all employed residents, according to a study sponsored by Visit Wall Walla.

UC Davis' Viticulture and Enology department, which graduated 28 undergraduates and seven graduates in 2018-2019, does not track its alumni. However, the school follows the general trends in the winey industry.

"In the last few years, and this is purely anecdotal, graduates have increasingly started out going into one or more internships, either because they have not found full-time employment straight out, or to widen their experience and take advantage of international opportunities before settling into a career," said **Nicole Rabaud**, director of graduate academic programs for the **College of Biological Sciences** at UC Davis. "By the same token, I think the wine industry has been much more selective with their hires and are making use of internships to vet their full-time hires. Whatever the case, the first professional destinations of our graduates may not be very indicative of where they end up three to five years out."

Marketing

Vice President Marketing

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
100,000 to 499,999	\$196,554	\$196,730
Over 500,000	\$225,657	\$203,425
AVERAGE OF ALL WINERY SIZES	\$211,105,50	

Public Relations Director

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Over 500,000	\$121,129	\$125,000
AVERAGE OF ALL WINERY SIZES	\$121,129	

Wine Club Manager

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$64,493	\$63,000
50,000 to 99,999	\$73,099	\$74,500
100,000 to 499,999	\$70,076	\$66,560
Over 500,000	\$69,514	\$70,000
AVERAGE OF ALL WINERY SIZES	\$69,296	

Tasting Room Staff 2

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$36,854	\$36,067
50,000 to 99,999	\$38,225	\$37,440
100,000 to 499,999	\$36,844	\$37,440
Over 500,000	\$33,891	\$32,240
AVERAGE OF ALL WINERY SIZES	\$36.454	

Special Events Coordinator

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$52,339	\$49,920
50,000 to 99,999	\$45,865	\$56,816
Over 500,000	\$49,104	\$48,880
AVERAGE OF ALL WINERY SIZES	\$49,103	

Tasting Room Manager

CASE PRODUCTION	AVERAGE SALARY	MEDIAN SALARY
Under 50,000	\$68,110	\$67,123
50,000 to 99,999	\$70,896	\$71,070
100,000 to 499,999	\$68,318	\$70,000
Over 500,000	\$66,588	\$67,900
AVERAGE OF ALL WINERY SIZES	\$68,478	

"Case production" categories with < 5 responses have been omitted.

2019 WBM SALARY SURVEY

The Cypress Group's Andrain said she would advise young people to work for a large company, where they can learn the business under mentors and have access to broad resources and training. Career changers should network. "It is a lot of hard work given the competitive climate but there are good challenges and a collegial nature to the business that is hard to replicate," she said.

Do Unto Employees...

Carol Reber, senior vice president and chief marketing officer at **Duckhorn Wine Co**, urges companies to invest in their employees.

"People say they put their employees first. And they really don't," she said. "That (means) paying a competitive wage, not trying to churn part-time people to get them off the benefits to save a few bucks. Invest in your people," Reber said during the Impact Napa Valley conference this summer.

"Actually find out who they are. Make them part of your team. Care about their lives," she said. "It couldn't be more important. If you take care of your employees first, they will take care of all of your customers.

"Employees are critical," she added. "One good employee is worth 10 mediocre ones. So find the good ones and do everything you can for them."

What It All Means for the Industry

Salary continues to play a substantial role in recruiting and retaining employees. Salaries continue to increase in the wine industry, according to Western Management Group. Overall, 18.7 percent of the surveyed wine industry jobs decreased in pay while 66.2 percent increased. The average bonus employees received in 2019 was \$13,234, according to the survey. **WBM**

Methodology:

For this survey, *Wine Business Monthly* partnered with an independent consulting firm that specializes in compensation and salary surveys. The firm, Western Management Group, in Los Gatos, California, has conducted this salary survey since 1991. For more information, visit *www.wmgnet.com* or call 408-399-4900 x228, Donna Bowman, Survey Director.

The data was collected with an effective date of February 1, 2019. For the "under 50,000 cases" data, this survey polled 266 cases, 14.8 percent produce under 2,499 cases, 23.7 percent produce between 2,500 and 4,999 cases, 19.8 percent produce between 5,000 and 9,999 cases, and 21.9 percent produce more than 10,000 cases to 24,999, and 19.8 percent between 25,000 to 49,999.

Geographically, 23.1 percent of these respondents were from Napa County, 18.8 percent from Sonoma County, 10.0 percent from California's Central Coast, 3.9 percent Other California, 7.9 percent Oregon, 9.2 percent Washington, and 27.1 percent from all other states.

Regions include the following states: Mid-Atlantic (DC, DE, MD, NC, SC, VA, WV); Midwest (IA, IL, IN, KS, KY, MI, MN, MO, ND, NE, OH, SD, WI); Mountain (CO, MT, UT, WY); Northeast (CT, MA, ME, NH, NJ, NY, PA, RI, VT); Northwest (ID, OR, WA); Pacific (CA, NV); Southeast (AL, AR, FL, GA, LA, MS, TN); Southwest (AZ, NM, OK, TX).

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Wine Industry Recruiting Techniques: Enticing Talent to the Trade

Experts advise managers to take an active, innovative approach to the hiring process

Stacy Briscoe



Stacy Briscoe is the assistant editor of *Wine Business Monthly*. She has been writing about wine professionally since 2015, freelancing for multiple publications including The *San Francisco Chronicle*, *Edible Communities* and *Napa Sonoma Magazine*, among others. She also maintains her own website, *BriscoeBites.com*, dedicated to wine reviews and tasting notes. Outside of wine writing, she also contributes as a freelance editor for the independent publisher

She Writes Press. Stacy has a Bachelor of Arts degree in English-language literature from the University of California, Santa Cruz.

GOOD NEWS: ACCORDING TO the **United States Department of Labor**, the country is at an historically low unemployment rate—3.6 percent as of June 2019, matching the lowest rate in 50 years. In the San Francisco Bay area, the unemployment rate is just 2.2 percent, down from 2.5 percent just one year ago.

Bad news: With less folks actually active in the job market, the competition to find top talent has intensified. And the wine industry is seeing this in spades.

"Five, 10 years ago, there used to be a talent surplus. But today...the power is in the hands of the job seeker," said **David Newlin**, founder and CEO of **Newlin Associates**. "We have had a huge swell of wine companies in play now. Ten years ago, we had a little over 6,000; today we have over 10,000. That's a 65 percent increase. Plus, companies have raised the bar with the caliber of talent they're willing to hire. So, there are more people chasing after limited talent pool."

A common theme emerged among the experts: Hiring managers in the wine industry need to take an active, innovative approach to seek out the top talent needed to fulfill roles on any level. It's no different than building and promoting a brand strategy to engage with and sell to consumers. Potential employees need something that catches their eye and interest before taking the first steps in the application process.

Tapping into the Top Talent Pool

"To me the talent pool is here but what each winery is doing to attract needs to change," said **Nicole Cummings**, director of human resources at **Cakebread Cellars**. She continued: "The ways in which we are recruiting today need to be different than the ways we were five years ago. If your recruitment practices have not changed, then, to me, you're going to find yourself thinking that there is a deficit. You can't just put an ad out there and think and hope résumés will come to you. You have to go out and find the candidate." Newlin agreed, saying that when looking at the universe of future employees, only 15 percent of the population are "active candidates," meaning those who are aggressively looking for new employment opportunities. The other 85 percent are what he called "passive candidates," or those already employed and not necessarily looking for a change. "The 'A' players are hidden in that 85 percent," he said.

The problem, according to Newlin, is that many wine businesses still rely on "traditional" job postings. "Job descriptions are just a checklist of skills and experiences, but it doesn't tell you what the job is and what they have to do to excel in this position," he said. Instead, Newlin is of the opinion that hiring managers need to look at their job postings as marketing opportunities, promoting the position's opportunity, as well as the company culture. "Top talent needs to be sold, be convinced and shown why they need or want this particular opportunity," he said.

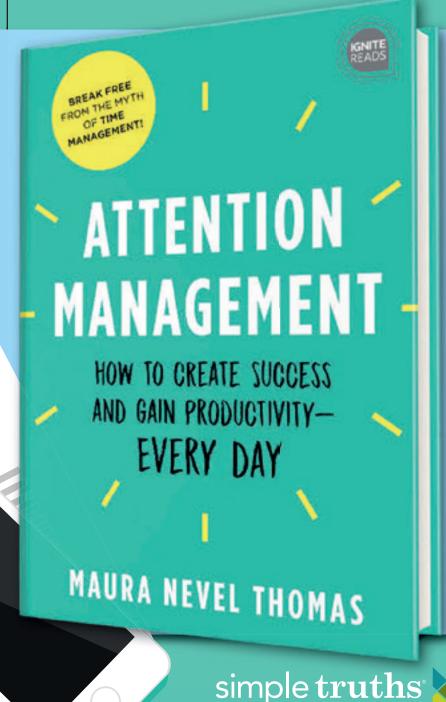
The first step, Newlin advised, is to sit down with the entire hiring team and "force them" to describe the company in detail—environment, culture, product portfolio. Then outline the ideal accomplishments this role should fulfill within the first year of hiring, describing why the position is a positive opportunity and where there is potential for growth within the company. "Then put it in a Word doc and send *that* to future employees. It's more comprehensive; it's marketed directly to them and will encourage them to lift their head from their current job, and you'll find they'll be more willing to engage and seek out an interview," Newlin said.

Online job boards still work—LinkedIn, Indeed, Monster, *winejobs. com*—but both Newlin and Cummings stressed the importance of, again, maintaining an active role when utilizing these sites.

"It's a different mentality. We used to think that the wine industry alone would attract people, but that concept is not as prevalent as it once was," Cummings said. "You need to search within those websites, do a geo search for your candidates. I can search something like 'hospitality' with a specific skillset, within a specific state and region," she explained. "I can target candidates."

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Hiring Outside the Industry

Hiring outside of the wine industry can be tricky and very dependent on the specific role(s) that need to be filled. In Newlin's experience, senior management positions are more difficult to transition from outside the wine business. "Alcohol beverage is a complex industry. You have to have an understanding of the direct-to-consumer laws, the three-tier system. And often it's helpful (in these positions) to have existing relationships within the industry," he said. "Wholesale can be hard for those same reasons. There are a lot of rules and regulations that would make it a long and hard learning curve."

That being said, **Marcel Rodrigue**, director of talent acquisition for **Delicato Family Wines**, said he often looks outside the industry for more entry-level positions. "Labor shortage, talent deficit, same thing. I find that it's mostly in the skilled trade market and mostly attributed to the push we've had on university degrees," he said. "Some people can't or don't want to go to college and don't realize that a trade school is a viable option." For this reason, Rodrigue noted, trades-people, such as welders, electricians and mechanics, are some of the hardest positions to fill in the wine industry.

According to Rodrigue, Delicato takes an active approach to fulfilling these needs, tapping into tomorrow's workforce by getting in front of high school students in less affluent areas and talking to them about their aspirations post-graduation. "We let them know they don't necessarily have to go to college but can go to a trade school. Or—come work for us in our facility and we'll train you," he said.

Rodrigue said that Delicato has several such workers who have learned on-the-job, and the company recognizes top performers by sending them to a trade school to hone and expand their skill set. "It's a pilot program," he said. "Most of these people have been with us for a while and have a proven successful track record."

Sarah Davila, director of human resources at Hess Collection, said her company takes a similar approach. "We go to Napa Valley Community College, Sonoma State University, attend career fairs," she said, noting that these are great resources to fill vineyard positions, as well as find seasonal or hourly tasting room and cellar workers. "We've also tabled at the American Canyon flea market, put up flyers in local markets—whatever avenue, just to get the word out there."

Looking a little higher up the employment ladder, Davila said positions in finance are one of the "easier" to take from other industries as they don't necessarily need to have a background in wine. But positions in IT and high tech can be a bit harder, even though these roles don't require wine knowledge either. "We (the wine industry) don't pay as much as high tech. You have to be willing to pay high-tech dollars to get the high-tech employees," she said.

But the counter to that can be employee benefits. "Most mid-sized wineries have good benefits," Davila said. "They can be competitive with other industries even if the monetary compensation is a bit lower." Looking at her own company, Davila said that Hess does a good job at building and maintaining a strong company culture. "We have team-building events, on-site lunches brought in three times a week, an annual wellness challenge, Friday 'winedown' time. It's a professional environment, but it's important to have family values and that family culture built in," she said.

According to Cummings, money doesn't rank number one or even number two on the list of important job assets any longer. "When people come in for a face-to-face interview, the discussion is all about the culture: day-to-day interactions, the people, the job environment," she said. Often, Cummings said, she'll bring in a candidate's future coworker into the in-person interview. "I find applicants are asking more questions to the coworker than the manager because they want to know how they'll be connecting with the person they'll be working with, spending the day with. They want to know, 'who's part of my community?""

And sometimes it's that community that can be the biggest advocate for why a company or position is a great career opportunity. Davila said that Hess has put more money into an internal employee referral program, providing cash compensation to those who refer candidates for open positions. "Last year, 60 percent of our new hires were from referrals," she said. And that's across all skill levels—from vineyard workers up to higher management.

The Wine Industry's Next Generation

According to Newlin, the wine industry's senior management is experiencing a huge generational talent pool issue: Baby Boomers (those aged between 55 and 74 years) are candidates most ripe for senior positions. But although they currently make up the majority of the population, they're also leaving the workforce as they enter retirement.

Generation X (38 to 53 years) would be next in line to take the reins, but there are just so few of them. And Millennials? Well, Millennials, in Newlin's opinion, don't have enough experience to qualify for senior management roles.

"Millennial has a negative connotation that I don't think is fair," Rodrigue said, acknowledging that many university graduates are unable to find jobs post-graduation because of the stigma surrounding the generation. It does seem a Catch-22: Millennials can't get hired because they don't have experience; yet, they can't gain experience unless they're hired. Rodrigue suggests



people in such a position look for internship and lower level positions that offer growth opportunities and development plans.

It's up to businesses to supply these positions and opportunities, to recognize the growth potential of the younger generation. "I believe that the Millennial generation, while they may want to get to the most senior role the quickest, they really gravitate toward training and development," Cummings said.

How can hiring managers ensure they're attracting the top Millennial talent? It circles back to creative brand marketing and taking the initiative to seek out the qualified.

The Importance of Social Media

Cummings said that the biggest thing candidates want to talk about, regardless of the department they work in or the level of the position, is company culture. "I think that the workforce of today, they don't just send a résumé into a job because of an ad. They probably heard of the company for the first time from social media," Cummings said. Posts can come from an employer, employee or just a friend who shared or liked a company's post. "That's how they're learning about companies and opportunities; that's how people are affiliating themselves with brands," she said.

And these posts—whether on LinkedIn, Instagram, Facebook, Twitter don't have to be job-related. Rodrigue said that Delicato is starting to dive deeper into social media recruitment. "Not just blasting jobs—that would get really boring really fast—but selling company culture, showcasing who we are. 'Come join us, watch us grow and grow with us.' That's our message," he said.

Right now, Rodrigue said, Delicato's most used platform is still LinkedIn, but the recruiting team is using it as more of a social platform than a job-seeking site. He said they recently started a new video series called "Family Vibes," featuring a different employee on each video. "We're going to show all levels of positions, different demographics, and really show people what it's like at Delicato," Rodrigue said.

"Our point of posting isn't necessarily to target a specific position; it's more about showing the community and company culture," he said. Because when it does come time to look for a new employee, Rodrigue said, "I'm not looking for someone that wants a job. I'm looking for someone that wants a career." If he is loud and proud about what Delicato stands for, Rodrigue believes he will attract the right candidates.

Delicato is currently building out social plans for Instagram and Facebook as well. And that is a forward-thinking move on its part. If Millennials are resigned to grabbing entry- or mid-level opportunities today, finding the appropriate growth opportunities within the right company culture—it may be well worth the effort to learn how to seek their attention and plan ahead for the future when they're ready to take over for the retiring Boomers. **WBM**

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Erin Kirschenmann



Erin Kirschenmann is managing editor for *Wine Business Monthly* and has been with the magazine since 2012. In addition to production responsibilities for the monthly trade magazine, she writes about wine industry trends, including business, technology and sales and marketing topics for *WBM* and *Winebusiness.com*. She graduated from Sonoma State University with a bachelor's degree in communications with a journalism emphasis. She can be reached at *erin@winebusiness.com*.

WHETHER DISCOVERING FOR THE first time that you need HR guidance or are trying to find a better solution than doing it yourself, there are solutions and technologies that offer direction and assistance in the form of a professional employer organization (PEO). PEOs are third-party companies that offer both in-person and online support to owners, managers and employees for human resources. A PEO acts in the same way an internal HR manager would, organizing benefits, handling conflict, dealing with performance and more.

Companies across the country have turned to this type of solution for their businesses, choosing to trust a dedicated firm for guidance, rather than hire an additional employee. For those companies with five or more employees it's a fairly popular option—the **National Association of Professional Employer Organizations** (NAPEO) reports that about 175,000, or 15 percent, of small and mid-sized business owners (those with less than 100 employees) use a PEO.

How it Works

A PEO does human resources work for you. From payroll processing to compliance and performance management, a PEO is intended to deliver the infrastructure needed for employers. This can also include creating employee handbooks, training programs, onboarding and offboarding materials, benefits administration as well as handling time-off requests and attendance issues. Some even offer recruiting services.

The best of these solutions will integrate all benefits, provide flawless HR services and create one workflow that allows the company's employees, employers and the PEO provider to easily access and use information—many with an online (desktop and/or mobile) portal that allows access to all such information.

Additionally, a number offer in-person services to assist in relaying benefit information, guide an onboarding process or address a harassment complaint.

The Difference Between PEO and ASO

There are two types of outsourced HR to consider: PEO and ASO. An administrative services organization (ASO) is very similar to a PEO in what it offers and performs—except in one key area. A PEO provider becomes the employer of record, meaning that it is their employer identification number (EIN) and name that appears on an employee's paycheck, W-2 form and other official documentation. In this co-employment situation, the PEO's EIN can appear instead of, or alongside, the employer's depending on the original contract.

Under the co-employment contract, the two parties (meaning the PEO and its client, the actual employer) will divvy up responsibilities and risks in a way that suits both parties best. In this way, no two PEO contracts will be the same. According to the NAPEO, this may include "a right of direction and control of the employees with respect to particular matters, share or allocation of employment responsibilities, remit wages and withholdings of the client's workers, issue Form W-2s," and/or "report, collect and deposit employment taxes with local, state and federal authorities." In essence, it's up to the two parties to determine who handles each of numerous HR functions. Some businesses may choose to remain responsible for certain tasks, while passing others off to the PEO.

In an ASO, the provider will administer all human resources needs for an employer without becoming a co-employer.

Why does this matter? In the event of an error, such as a mispayment or a tax audit, a PEO will be liable for the mistake and an ASO will not. Because the PEO carries some extra liability, the services are likely to be more expensive. Neither a PEO or ASO is inherently better than the other, but any business considering these types of services will need to evaluate the costs and amount of liability they wish to carry and what they wish to pass off.

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The Benefits of Outsourcing

PEOs and ASOs make the most sense for small employers—those with fewer than 100 employees. They are also great solutions for growing businesses because compliance rules change or take effect as the number of employees increases. For established companies with more than 100 employees, it is often more cost effective to hire an internal human resources team—in addition to fees based on tasks being performed and fees for online portal access, many PEOs and ASOs charge by the number of employees. After 100 employees, many companies have found it's less expensive to hire an HR manager.

For that small company, perhaps the biggest incentive to outsource human resources is freeing up time to focus on other needs of the business. HR can be complicated: between day-to-day questions on benefits or payroll, dealing with conflict in the workplace, keeping up with new employment laws, staying compliant and much more, the time and energy required to perform these varied tasks can be daunting, often distracting, for an owner whose time would be better spent furthering profits or launching a new product.

Aside from time, there are financial benefits to this type of service. The NAPEO reports that administrative costs are often an average of \$450 lower per under this type of co-employment. Plus, if a PEO, rather than an ASO, is chosen, some of the liability is taken off your hands. Mitigating liability on non-compliance and other risks in this way eases the burden on an owner.

Those contracting with PEOs also benefit from lower insurance rates than they would if they went out on their own, thanks to economies of scale. By pooling together all the employees they service, PEOs are better able to negotiate more comprehensive packages at lower costs than a smaller employer could, and pass those cheaper rates down to clients.

The Pitfalls of PEOs

There are some downsides to venturing down this path, and cost can be one of them. At first, it might seem less expensive than hiring a dedicated HR manager—but keep in mind that some contracts are based on the number of employees or services, so any additions will accrue another charge. Cash flow can be another consideration, as some services require payment up front.

Potential disruptions may also arise if company rules and policies are adjusted, eliminated or created to suit the PEO, and there is the chance that valued employees will not approve of the changes. In addition, there is no dedicated internal HR staff; in the event an employee has questions or concerns and does not receive prompt or accurate assistance from the PEO, there is likely to be confusion and frustration, sometimes even resentment.



What's Out There?

There are nearly 1,000 PEOs available to employers in the United States, according to NAPEO, but a few have emerged as top players. Some are extensive (and expensive) solutions, and others offer fewer benefits at a lower cost. Like any new employee or consultant, you should do research into which company will provide you the right solution. There is no one-size-fits-all answer in PEO services and software, but there are some questions you can ask to help determine the best solution. Aside from the obvious inquiries on cost and features, you should dive deep with questions that gauge how compatible the offerings are with your company's values and practices.

WHAT TO ASK

This is a good chance to ask questions about your specific practices to ensure a potential PEO will accommodate them and, at the same time, find out if their software programs (payroll, in particular) align with yours. No one wants to find out after a contract has been signed that you'll now need to find a way to merge data between two separate payroll processors.

Also, find out what support they offer, specifically if something goes wrong or there is an "HR emergency." Will they send a dedicated representative out to your premises to deal with the matter? How much liability will they take on?

Check if the company is certified or accredited with any organization, whether that's the **Internal Revenue Service** (IRS) or **Employer Services Assurance Corporation** (ESAC) Certified. In addition, you should ask PEOs if it's had its finances independently audited by a CPA and risk management practices certified by the Certification Institute, as well as if it's a member of a trade association with its own set of acceptable practices.

Don't forget to ask for client references and don't be afraid to ask for a second demonstration or meeting.

WHO ARE THE MAJOR PLAYERS?

These are just three of the many PEO providers. Like the wine industry, there are large, national players and small, regionally focused companies. It's up to each business to determine which PEO is the right fit.

ADP TotalSource: ADP serves as the payroll provider for a large number of companies across the United States, but TotalSource is its PEO arm.

Engage PEO: Engage PEO has been named to the Inc. 5000 list of fastest growing companies for the last four years and operates in all 50 states.

Insperity: Established in 1986, Insperity is a \$3.3 billion publicly traded company and has more than 60 offices across the country.

Is It the Right Solution?

The short answer is maybe. Every business will have its own set of unique needs and circumstances. Some will benefit from hiring a dedicated HR manager, and others will need the assurances of a third-party service. As with the purchase of any new software or decision to partner with a new contractor, it's up to each company to assess needs, wants and resources before determining the correct path. PEOs are just one of the many options available. **WBM**



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Winemaking & Wineries

As of August 19, 2019, Angus McPherson is Treasury Wine Estate's (TWE) new president – Americas and global sales, leading the Americas business and driving sales strategies across TWE regions. The company's assets in the US includes Beringer Vineyards, Beaulieu Vineyard, Provenance Vineyards, Chateau St. Jean and Etude. McPherson has been with the company for more than eight years. He succeeds Victoria Snyder, who left the company after 14 years, according to TWE.

Nick Fitch, former maitre d' at French Laundry for nearly 12 years, is now the sales and hospitality manager at Dana Estates and VASO Cellars in Napa Valley. Fitch also served as the general manager of Ad Lib, the pop-up eatery from Chef Thomas Keller at Silverado Resort & Spa and Per Se Restaurant in New York City. He has a B.S. in Hotel Administration from Cornell University, School of Hotel Administration and is a certified sommelier.



Nick Fitch

Christy Ackerman has been appointed to serve as the new associate winemaker, red wines, for Ferrari-Carano Vineyards and Winery in Sonoma County. She has been with the company for 13 years. Ackerman will oversee the production of Ferrari-Carano's red wines, which includes vineyards on 20 estate, mountain and valley ranches in Sonoma County. Working closely with executive winemaker Sarah Quider, assistant winemaker Rebecka Deike and consulting winemaker Thomas Rivers Brown, Ackerman will lead the team at the mountain winemaking facility, which houses a new production facility built especially for Ferrari-Carano's red wine program.

Gamble Family Vineyards hired Kristin Hamlin as it's new south-central sales manager. Hamlin holds a degree in marketing from Collin College in Plano, Texas. She has previously held sales positions at Rodney Strong Wine Estates, Hope Family Wines, Crawford Malone Fine Wine & Spirits and Vincor USA.



Kristin Hamlin

Ray Signorello, proprietor of **Signorello Estate**, today announced that he has named **Nora DiMinno** as director of national and international sales. In this newly created position, DiMinno will oversee all domestic and international sales for Signorello Estate, as well as other brands from the **Wines of Ray Signorello** portfolio: **Fuse**, **Edge** and **Trim**. She will also directly oversee the western region of the United States for all four brands. DiMinno holds a Bachelor of Arts in Sociology from **University of California, Los Angeles** and will be based in Venice, California.

Toast Spirits LLC, owner of its flagship line, Beau Joi Champagne, has named former Patron finance executive JR Velazquez as its new chief financial and operating officer. Velazquez brings nearly a decade of industry experience having served as corporate global controller at Patron Tequila and playing a key role in the successful acquisition of Patron by Bacardi and integrating the two companies.

Sokol Blosser welcomed **Chris Langan** as its new vice president of sales. Langan joins Sokol Blosser from **K Vintners/Wines of Substance** in Washington, where he helped grow **Charles Smith** brands with and national chain sales programs for the past four years. In his new role, Langan will develop and execute strategic plans to expand distribution and sales of Sokol Blosser's pinot noirs, pinot gris, and chardonnay as well as the winery's new sparkling wine.

The Walla Walla Valley Wine Alliance (WWVWA) has selected Robert Hansen as its new executive director. Hansen brings 38 years strategic planning, business management, and corporate finance expertise to the position. Working alongside the board, Hansen will lead the WWVWA's strategic development, financial management, membership recruitment and community outreach efforts.

Precept Wine announced several new appointments to its expanding sales team: **Zack Hilfman**, senior vice president of sales, strategic development; TravisPpost, key account manager-gulf; **Jamie Young**, Illinois state territory manager; **Jami Klicker**, promoted to Washington on-premise territory manager; and **Carrie Lackie**, order processing supervisor.



Zack Hilfman

Barnett Vineyards appointmented **Andy Bartee** as national sales manager and **Richard Russell** as western regional sales manager. Based in Dallas, Bartee will oversee all domestic wholesale sales for Barnett Vineyards and will focus on maximizing growth potential in current markets and expanding the wholesale footprint. Russell's territory will be California-specific with growth in the Pacific Northwest; he will be based in Napa.

Presqu'ile announced **Tim Wanner** as their new director of hospitality and sales. In this newly developed position, Warner is responsible for overseeing Presqu'ile's visitor experience as well as the direct-to-consumer and wholesale sales channels.



Tim Wanner

Miller Family Wine Company, a Thornhill Company hired Ian Fainer as its grape sales manager. Fainer began his career at Treasury Wine Estates and has over fourteen years of wine production, three-tier system, budget management and compliance, large volume harvest logistics and bulk wine experience. He has a Bachelor of Science degree in Agricultural Management and Rangeland from the University of California, Davis.

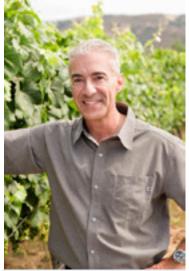


lan Fainer

Tequila Comisario announced a partnership with entertainer **Chris Young**. The tequila brand is teaming up with Young as their new global ambassador for a major national marketing campaign. In addition to the marketing and advertising campaign, Young also made appearances with Tequila Comisario at **Applejack Wine & Spirits** in Denver, Colo. and **Costco** in Scottsdale, Ariz.

Don Sebastiani & Sons promoted **Cynthia Gomez** to vice president of marketing. Gomez joined the company in 2017 as director of marketing. During that time, she rebranded and repositioned the **B Side**, **Simple Life** and **The Crusher** brands. In addition to her efforts in the company's wine portfolio, Gomez is working on the company's spirits portfolio, which include tequilas and 'on-the-go' cocktails.

Acumen Napa Valley appointed veteran Mark Castaldi as estate director and CFO. Castaldi will oversee all areas of operations at Acumen and will be joined in his efforts by Diana Schweiger, who will guide sales and marketing for Acumen, including its DTC, wine club and hospitality programs. Castaldi previously served as the general manager for Jackson Family Wines, vice president and general manager for Estancia Wines, COO and CFO for Schug Carneros Estate Winery, general manager for Sonoma Wine Company and, most recently, vice president of production and winemaking for Precept Wine.



Mark Castaldi

Summerland Wine Brands appointmented three industry veterans to key positions: Pat Larkin, division sales manager, North Central region; Trish Toye, manager of national accounts and private label business; and Michael Simon, area sales manager, Upstate New York. "All three have significant experience and proven track records of leadership and high standards of performance in their past roles," said Mike Jackson, the company's chief sales officer in a public statement.

Round Pond Estate owners Miles and Ryan MacDonnell announced that Erin Robertson has joined the winery as director of marketing. Robertson will be responsible for all marketing efforts for Round Pond Estate including marketing strategy, branding, promotion, public relations, digital and social media marketing.



Erin Robertson

Terlato Wines announced the appointment of **Juan Miguel Gonzales** to the role of sales vice president, western division. Prior to joining Terlato Wines, Gonzales spent the last 20 years with **Ste. Michelle Wine Estates** in a series of progressive leadership roles. In his two decades with the company, Gonzalez was recognized multiple times for the President's Club Award. Gonzalez began his career at **Southern Wine & Spirits** in Southern California.

Amanda Panicali, former brand manager at Opici Wines, has been promoted to director of marketing. In her new role, Panicali will oversee and coordinate Opici Wines' marketing efforts. Her responsibilities include building the marketing and brand strategies as well as managing and developing the marketing team.

Obituaries

It is with great sadness the **Texas Wine and Grape Growers Association** reported the passing of long-time industry member, **Les Constable**, owner of **Brushy Creek Vineyards** (BCV) in Alvord, Texas. Over his career in the Texas wine and grape industry, Constable was known as a pioneer and served on many boards and committees related to the industry. In 2005, the Texas Wine and Grape Growers Association awarded him the John Crosby Award for lifetime achievement in the Texas wine and grape industry and in 2019 the Association awarded him the Frank Madla Award for furthering the Texas wine and grape industry through his legislative efforts.

Morton Shiekman, a retired wine and former retail liquor merchant passed away on August 21, 2019, at 97 years old. Shiekman followed his father's involvement in the liquor business. He owned Caldwell's Liquor stores and was invited to be an early member of the Wine and Spirits Guild of America. He founded the Parliament Import Company in 1967, which became known as a premium importer of fine wines. His son, Jonathan Shiekman, continues the family legacy in the fine wine industry with his company, Linwood Wine and Spirit, LLC. WBM

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winemaker of the month

Jean Hoefliger, winemaker/partner, Alpha Omega, Napa, CA

Wine Business Monthly is a publication I really enjoy reading because it's a great balance between the past, present and future in every aspect of the industry. The full range of coverage on winemaking, viticulture and sales keeps us up-to-date on what is needed and happening in the wine world. Wine Business Monthly doesn't just cover the U.S. but overall global trends as well. It's a great resource to stay informed on what is going on in the wine industry worldwide.

SUZANNE BECKER BRONK

NAME AND TITLE: Jean Hoefliger, winemaker/ partner

WINERY NAME AND LOCATION: Alpha Omega on Napa Valley's Rutherford Bench. The boutique winery founded in 2006 by Robin and Michelle Baggett handcrafts Bordeaux-style wines made with prized grapes from its own vineyards and historic vineyards throughout Napa Valley. Through masterful blending, Alpha Omega's wines uniquely express the essence of the terroir of the legendary wine region.

ANNUAL CASE PRODUCTION: 15,000 cases

PLANTED ACRES: 70 acres sourced

CAREER BACKGROUND: I was born and raised in Switzerland. My family is full of attorneys on both my dad's side (the Swiss side) and my mom's side (the American side), so I decided to go to law school. In law school, I learned how to play cards and drink wine. I developed a love and pleasure for wine and tasting. I left law school after two years, went into wealth management and noticed the recurring theme of wine in my life. Every weekend I would share a good bottle with friends and associates and visit wine regions. I fell in love with the balance between poetry and science that you find in wine, which led me to this wonderful industry.

WHAT HAS BEEN YOUR BIGGEST PROFESSIONAL CHALLENGE? My biggest challenge has been trying to help people understand that wine is not only liquid poetry. Wine also has a social role to play to ensure that future generations still enjoy the pleasure of human interaction – not only electronic interaction.

VARIETALS THAT YOUR WINERY IS KNOWN

FOR: Alpha Omega is known for Cabernet Sauvignon, the king of Napa Valley. I believe we have a prime region. The beauty of Napa Valley is the consistency of climate and the diversity of soil in a fairly warm climate. Cabernet Sauvignon thrives in these amazing conditions.

jake lorenzo

House Wine

TIME MARCHES ON. THINGS come and go. Milk men, video shops and Mexicanos standing on the corner looking for work came and went. Computers, cell phones and shopping on Amazon are all the rage. News is instant, ongoing and unreliable. Analysts are caught up in predicting what might happen tomorrow rather than putting current events into an historical context that provides a sense of understanding.

Jake Lorenzo is certainly no savant when it comes to technology, but I can make my way around a computer or cell phone. I don't post much on social media, but I am often rummaging through it looking for information on clients. I can take photos of people or documents and immediately send them to customers or colleagues helping me on a case. I do not take photos of food I am about to eat, nor do I document where I am and what I am doing every minute of the day. This detective figures it is no one else's business, and as a sleuth looking for information on others, I like to protect my private data as much as possible.

Sometimes, the truth can be elusive, but detectives must focus on facts. We search through old documents and study phone and banking records looking for some lead to follow, something that might explain a peculiar action. We try to build patterns for the people we are observing, and then look for irregularities in their behavior, which may give clues to their motivation. This detective revels in the hunt for information, the quest for small tidbits of knowledge that may crack a case.

Maybe because Jake Lorenzo is getting older, I have a great respect for history. It's not like I miss rotary phones or manual typewriters, but I remember them. I like going to small clubs to hear live music, but it drives me crazy that so many people whip out their phones to record the performance rather than just experiencing it. I have always In the loved going to a restaurant where a talented chef will serve fresh,

inventive food that I can enjoy with a good bottle of wine or two. Unfortunately, that meal with wine is rapidly going the way of

rotary phones and typewriters for this detective. Earlier this week, I had lunch with a friend at a very decent

restaurant here in Sonoma. We shared four different dishes of delicious food and it came to just \$22 each. The cheapest bottle of red wine on the list was \$40 and more than half of the wines

were over \$50 per bottle. A single bottle of wine cost more than lunch for two of us. I'm not talking about a high-end, fancy restaurant in San Francisco. This was a good neighborhood joint in Sonoma. Our simple lunch ended up costing more than \$120. I don't know about you, but this is not financially sustainable for Sonoma's finest detective.

What's missing from today's dining scene is something Jake Lorenzo revered, and something I may not be able to do without: reliable house wine. In the day, restaurants always poured house wine. Usually they had a white, a rosé and a red. The wines were decent, went well with the food and were very affordable. House wines were selected by restaurant owners and chefs, who searched far and wide to find something delicious and reasonably priced. They put the same care into their house wine that they might place in their search for the freshest fish, brightest vegetables or grass-fed beef. It was understood that wine and food were partners in a great dining experience, and it was incumbent upon the owners to provide a well-priced selection for their regular customers to enjoy with their meal. Of course, there was a wine list for those desiring to spend a bit more for elevated vino, but clients didn't lose out on the dining experience just because they were hoping for a modest check. Somewhere along the way, house wine has all but disappeared from fine restaurants. Now, restaurants insist that a single glass of wine covers the cost of a whole bottle. Wines on the list are marked up four and five times. There is rarely a comfortable and affordable wine alternative offered in most restaurants.



Keg wines, which have become very popular are sold at

wine list prices, even though not requiring corks, capsules, labels and bottles makes them much cheaper to produce. Mark-ups for restaurant wines are based on distributor list prices, despite frequent discounts offered to the restaurants who decline to pass those discounts on to their customers. (Jake Lorenzo wonders if the fondness for esoteric, largely unknown wines on restaurant wine lists is driven in part because restauranteurs know customers won't see how inexpensive the wines really are at their local wine shop.)

Jakelyn's mother and I just returned from San Sebastian, Spain. It might have been the best week of dining in our lives. We were not in fancy, expensive restaurants. We dined in local places and pintxo bars, but the food was extraordinary. What put the experience over the top and made it truly memorable were the wine prices. In Europe, and other countries with a long history of drinking wine, consumers will not accept high-priced wines as part of their regular dining experience. House wines were everywhere, usually for \$2 to \$3 per glass. Wine list prices started around \$10 with 70 percent of the wines under \$25. These wines included well-regarded brands from Rioja, Ribero del Duero and Priorat. It reminded Jake Lorenzo that fine dining can be fun, delicious and affordable.

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We forget that wine is a relatively new phenomenon in the United States. In the 1980s and early 1990s wine consumption held around 370 million gallons per year. Since 1993, there has been steady annual growth until 2018 topped out at 770 million gallons. According to the new Forbes Wine Survey, "the wine industry's 20-year growth trajectory cannot be repeated." They cite increased wine imports and a reluctance by Gen Xers and Millennials to purchase high-end wines. For the past six years, winery visitation has declined in Napa, Sonoma and the state of Washington, mostly due to high tasting fees.

American wine drinkers have been duped. The writing is on the wall. Current wine pricing in U.S. restaurants is simply not sustainable. Restaurants and wineries are soon going to find selling wine at these high prices will become more and more difficult. This detective thought this would have happened long ago, but very soon restaurants will finally start feeling the pinch. They will need a way to convince their customers that dining and wine go hand in hand and can be had without depleting your bank account.

Jake Lorenzo suggests a good way to start would be to select a terrific house wine that blows your customers away with its quality and reasonable price. **WBM**

INGGINALTASTES.

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