



DISTRIBUTOR MARKET 2018

SPECIAL ANNUAL REPORT
ABOUT THE FAST-CHANGING
WHOLESALE TIER



Top 10 U.S. Wine Distributors

A shortlist of the top 10 wine distributors and their executives, ranked by importance to U.S. wineries

By Stacy Briscoe

This is *Wines & Vines*' second year publishing the top 10 U.S. wine distributors as ranked by the data and research group Wines Vines Analytics. The list is developed with unique criteria chosen to emphasize the interests of wineries, such as how many and which U.S. wineries a distributor represents and the percentage of population in the states they cover. While the top five distributors are consistent with last year, because of mergers and acquisitions, each has seen its business expand by increasing the number of states served and overall wineries represented. One major change, a proposed merger of No. 2 Republic National Distributor Co., and No. 3 Breakthru Beverage Group, has yet to be approved by federal regulators. The distribution of beer and spirits was not taken into account in creating this list.

1 Southern Glazer's Wine & Spirits
Headquarters: Miami, Fla.
States served: 45
Offices: 123
U.S. wineries represented: 1,141
Chairman: Harvey Chaplin
Executive vice chairman: Bennett Glazer
CEO: Wayne Chaplin
President: Sheldon Stein

Southern Glazer's Wine & Spirits (SGWS) hits the No. 1 spot for the largest wine distributor in the United States once again. It serves 45 states and 1,141 wineries, according to the Wines Vines Analytics. The firm generated revenue estimated by *Forbes* magazine at \$16.5 billion in 2017, placing it at No. 17 on the magazine's Top 25 Companies list for that year.

SGWS was formed through a January 2016 agreement to merge Southern Wine & Spirits, which became the largest U.S. distributor as of 1992, and Glazer's, which had gross revenue of about a third of Southern's. The two had acquired several other distributors since 2010 including Premier, Stoller, Odom, Olinger, Alliance, Sterling and Union. In January 2018, SGWS acquired Jarboe Sales in Oklahoma; the deal is scheduled to officially close in October 2018.

As of May 2018, Southern increased total distribution by expanding Santa Rosa, Calif., based Jackson Family Wines' distribution into Florida. With this agreement, the family-owned winery is now available in 13 U.S. markets.

According to the company, SGWS employs more than 20,000 people and distributes more than 150 million cases of wine and spirits annually across 45 U.S. states, as well as Canada and the Caribbean.

SGWS also had to recently contend with lawsuits filed by New York authorities. At the end of 2017, the wholesaler was fined \$3.5 million by New York's State Liquor Authority (SLA) for engaging in "pay to play" schemes. Additionally, Southern Glazer entered into a corporate compliance agreement with the SLA, agreeing to allow the legal entity to regularly obtain information on practice violations. The agreement also imposes a responsibility for SGWS to report questionable business interactions to the SLA for further investigation.



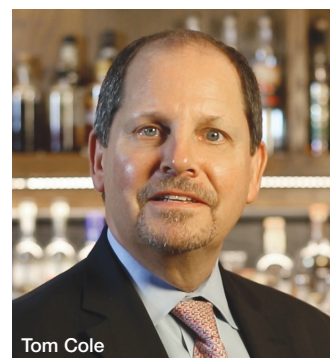
Wayne Chaplin

2 Republic National Distributing Co.
Headquarters: Grand Prairie, Texas
States served: 23
Offices: 46
U.S. wineries represented: 820
President and CEO: Tom Cole
EVP and COO: Robert Hendrickson
CFO: Nicholas Mehall

Republic National Distributing Co. (RNDC), is the nation's second largest wine distributor, representing 820 wineries according to Wines Vines Analytics. The RNDC was formed in May of 2007, the result of a merger between Republic Beverage and National Distributing Company. The combined firm now operates across 22 states, and Washington D.C.

In May 2018, RNDC extended its distribution partnership with Ste. Michelle Wine Estates for an additional five years across nine markets, including Louisiana, Maryland, Nebraska, North Dakota, Oklahoma, South Dakota, Texas, Virginia and Washington D.C.

In November 2017, RNDC and Breakthru Beverage Group (BBG) collectively announced their plans to merge pending regulatory approvals. The deal has yet to be approved.



Tom Cole

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Breakthru Beverage Group**Headquarters:** New York, N.Y.**States served:** 16**Offices:** 37**U.S. wineries represented:** 629**Co-chairmen:** Charles Merinoff and W. Rockwell Wirtz**President and CEO:** Greg Baird

Breakthru Beverage ranks third among the top wine distributors in the United States, selling products from 629 wineries into 16 different states from 37 offices, according to Wines Vines Analytics. Breakthru, in its present form, is the result of a merger between Chermer Sunbelt and Wirtz distribution companies in early 2016, along with 15 other companies they had acquired in previous years.

In July 2018, the company announced a signed agreement to merge its New Jersey wholesale market with Allied Beverage Group. "We have found a great partner in Breakthru and look forward to combining their strong practices with our own. ...Our aim is to bring even greater value to our customers and supplier partners," said Allied Beverage Group president and CEO, Jeffrey Altschuler, in a statement.

The integrated company will operate under the name Allied Beverage Group and together will continue to be the state's leading distributor with annual revenues exceeding \$1 billion, according to the joint announcement.



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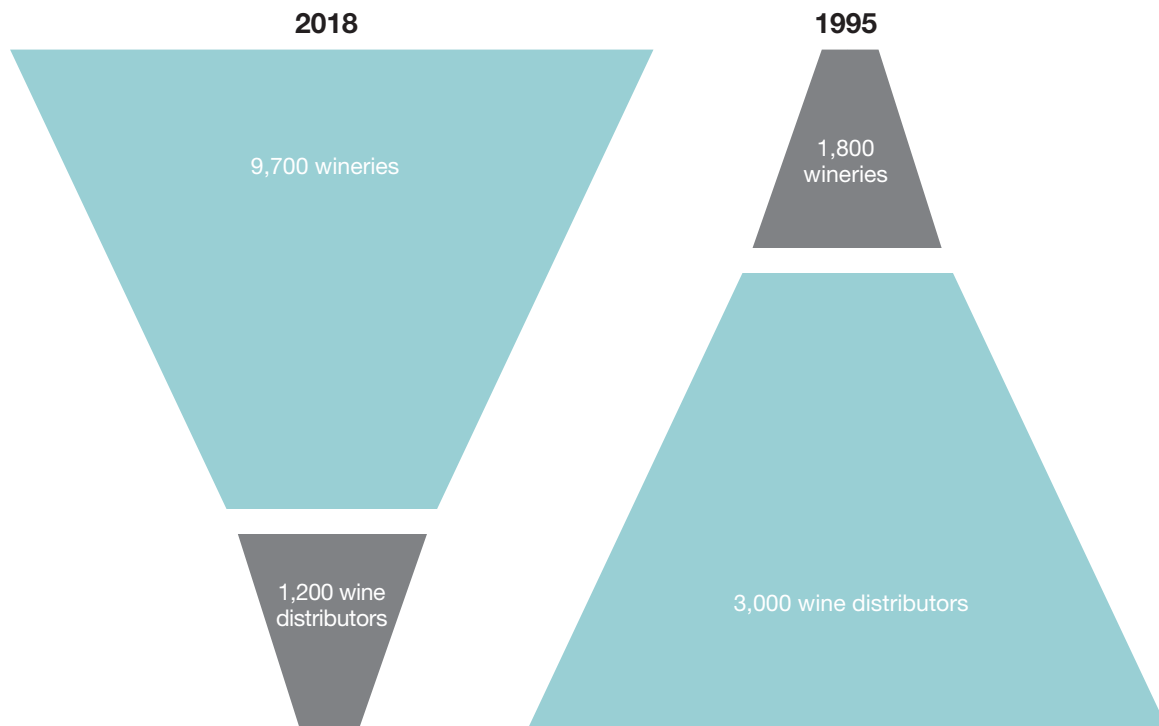
Young's Market Co.**Headquarters:** Tustin, Calif.**States served:** 11**Offices:** 56**U.S. wineries represented:** 693**Chairman:** Vern Underwood**CEO:** Chris Underwood

The fourth largest wine distributor, Young's Market Co., is currently serving 693 wineries in 11 states from its headquarters in Orange County, Calif. Young's has absorbed six other distribution companies since 2010, including Columbia in Oregon and Washington.

In May 2018 Wilson Daniels (WD), which is a New York-based subsidiary of Young's Holdings, announced the acquisition of Oregon-based Galaxy Wine Company from founders Matt Elsen and Bob Liner. Once the merger is complete, Galaxy will operate under the wholesale division of importer Wilson Daniels LLC. Galaxy will continue to be led by Elsen and Liner under the direction of Wilson Daniels president Rocco Lombardo.

Galaxy's portfolio numbers more than 400 producers, including wines from A to Z, Vineyard Brands, Dalla Terra, Elk Cove, Maisons Marques & Domaines, Kermit Lynch and Domaine Serene.

Young's, already present in the Oregon distribution market, projects 2018 gross revenues of \$200 million in the state. Total revenues across the company's 11-state footprint is expected to reach \$3 billion in 2018, according to the company.

**CONSOLIDATION OF U.S. WHOLESALERS**

Source: Distributor sources and Wines Vines Analytics.

5 Johnson Brothers Liquor Company



Headquarters: St. Paul, Minn.
States served: 22
Offices: 36
U.S. wineries represented: 401
CEO: Michael Johnson

Johnson Brothers Liquor Co. is a family-owned wine, spirits and beer distributor, based in St. Paul, Minn. In 2017, the company expanded its market reach to New York and West Virginia and is currently shipping in 22 states.

In March 2018, the company announced it had signed an agreement to acquire Mutual Distributing of North Carolina, which, according to the announcement, has 700 employees and seven branches throughout the state. The acquisition will include accounts with Constellation, Trinchero, Banfi, Zonin, Foley Family Wines, Terlato and Heineken as well as local breweries.

In addition to distribution, Johnson Brothers provides sales consulting services that include shelf configuration, wine list consulting, staff training, tasting events and helping clients with their product mix. The company is also celebrating its 65th year in business in 2018.

6 Winebow Group



Headquarters: Glen Allen, Va.
States served: 22
Offices: 21
U.S. wineries represented: 598
President and CEO: Dean Ferrell

Making a big jump from last year's No. 10 position to No. 6 this year is the Winebow Group. In June of 2017, Winebow expanded its distribution network into Rhode Island. Then, in January 2018, the national importer and distributor announced its expansion into Oregon, increasing its total footprint to 22 states. With the addition of Oregon, Winebow now covers the entire West Coast, with Noble Wines in Washington and The Henry Group in California. Winebow is operating a new Portland, Ore., warehouse managed by Toni Ketrenos. Kathy Byrd is the company's vice president and general manager of Noble Wines and Erle Martin is now executive vice president of wholesale west.

Also in January 2018, The Henry Wine Group, partnered with Hahn Family Wines, producer of luxury and super-premium wines from California's Santa Lucia Highlands, Monterey County and Central Coast. As of February 2018, Henry Wine Group has exclusive distribution rights for Hahn, Hahn SLH, Lucienne, Smith & Hook and Boneshaker labels.

7 Empire Distributors



Headquarters: Atlanta, Ga.
States Served: 4
Offices: 13
U.S. wineries represented: 586
President and CEO: David Kahn

New to the Top 10 Distributor's list is Empire Distributors, headquartered in Atlanta, Ga. The company represents 586 wineries across four states and also distributes spirits, beer and non-alcoholic beverages.

According to Wines Vines Analytics, in June 2018, Empire Distributors acquired Noble Selection (formerly Volio Vino) in Colorado. With that acquisition, the company increased its footprint from three to four states. Empire representatives would not verify or comment on any acquisitions or provide any additional information on the company's background or business practices.

According to Emire's website, the company employs more than 1,500 employees across four states: Georgia, North Carolina, Tennessee and Colorado.

MAJOR U.S. WINE DISTRIBUTORS

	States Served	Offices	Headquarters
Southern Glazer's Wine and Spirits	45	123	Miami, Fla.
Republic National Distributing Co. (RNDC)	23	46	Grand, Prairie, Texas
Breakthru Beverage Group	16	37	New York, N.Y.
Young's Market Co.	11	56	Tustin, Calif.
Johnson Brothers Liquor Company	22	36	St. Paul, Minn.
Winebow Group	22	21	Glen Allen, Va.

Source: Wines Vines Analytics.

8 Heidelberg Distributing Co.



Vail Miller Jr.

Headquarters: Dayton, Ohio
States served: 2
Offices: 9
U.S. wineries represented: 85
Co-chairmen: Al Vontz III and Vail Miller Sr.
CEO: Vail Miller Jr.

Down from last year's No. 6 spot to No. 8 this year is Heidelberg Distributing out of Dayton, Ohio. The family-owned company distributes beer, spirits and non-alcoholic beverages in addition to wine.

The company began with German-born immigrant Albert W. Vontz who, in 1907 at age 22, came to the Ohio as a trained brewer and eventually invested in two local taverns. Post-Prohibition, he helped open Cincinnati's Vienna Brewery and later drove a truck for Heidelberg Brewery in Covington, Ky., delivering beer to grocery stores and restaurants in Dayton. Though the brewery closed in 1946, Vontz kept the Heidelberg name and offered his delivery and distribution services to other breweries.

In the 1950s, wine represented a large part of the operation's sales, but it also acquired the Anheuser-Busch franchise in Cincinnati and later the Budweiser distributorship.

Today, Heidelberg, employs 1,600 associates, represents 740 suppliers, including 85 wineries, and serves 26,000 retailers in Ohio and Kentucky.

9 Opici Family Distributing



Linda Opici

Headquarters: Glen Rock, N.J.
States served: 8
Offices: 9
U.S. wineries represented: 250
CEO: Linda Opici

Another new name to the Top 10 Distributor's list is Opici Family Distributing, headquartered in Glen Rock, New Jersey. The fourth-generation, family-owned wine and spirits wholesaler traces its roots back to 1913 when husband and wife Joseph and Esther Opici, Italian immigrants, began importing wines from Italy and distributing them within their home state of New Jersey. In 1934 the couple established the American Beverage Distribution Company of New Jersey — and from that, a family business was born.

During the 1990s, the Opicis expanded their distribution business, purchasing wholesale operations in Connecticut and Florida; by 2013, they had markets in Washington D.C., Maryland and Delaware.

Today Opici Family Distributing serves 250 wineries across seven eastern U.S. states, and Washington D.C.

10 Wine Warehouse



Jim Myerson

Headquarters: Los Angeles, Calif.
States served: 1
Offices: 2
U.S. wineries represented: 76
Chairman and CEO: Jim Myerson
Senior vice president: Linda Myerson Dean
President and COO: Greg Akins

Down from its 2017 No. 7 spot, Wine Warehouse, headquartered in Los Angeles, Calif., takes the No. 10 position this year. The company operates only in California, distributing products from 76 wineries within the state, according to Wines Vines Analytics.

The company was founded in 1973, when brothers Bob and Jim Meyerson, avid wine collectors, saw an opportunity to bring fine wines from abroad to the then new and fast-growing U.S. market. By 1978, Wine Warehouse was an established wholesaler of premium wine from around the world, but also represented almost half of the bonded wineries in Napa Valley.

Today, second-generation, owners Jim Myerson and Linda Myerson Dean, son and daughter of Bob Myerson, take the company's leadership positions as CEO and senior vice president, respectively. Wine Warehouse's portfolio includes domestic wines ranging from top-volume producers like E. & J. Gallo Winery to boutique brands like Eberle Winery, Far Niente Winery and Nickel & Nickel.

U.S. WINE DISTRIBUTOR COUNTS

State	Unique Distributors	State	Unique Distributors	State	Unique Distributors
California	154	Texas	43	North Carolina	35
New York	105	Washington	40	Maryland	33
Illinois	65	Massachusetts	39	Michigan	33
Florida	53	Oregon	38	Ohio	33
Virginia	48	Colorado	36	All others	458
Total US Distributors				1,213	

Source: Wines Vines Analytics.