WINE BUSINESS MONTHLY

February 2022 • $5.95

The Industry's Leading Publication for Wineries and Growers

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REVIEW OF THE INDUSTRY

50 WBM

Largest Wineries

Outlook & Trends | Distributors | Wineries

VIN GRAND CRU ZEBRA

THE BOLDNESS OF CHIC STRIPES

Designed from a brilliant stylistic experiment, VIN GRAND CRU ZEBRA bursts onto the scene as an elegant contrast to traditional bottles. The bottle has a sturdy body, with a long, elegant neck further elongated by its low shoulders, proving its irresistible boldness through fine vertical engravings. These chic, slim stripes adorn the bottle from the shoulders to the lower neck, transforming the classic container into a truly curious piece. The lower section remains smooth, a canvas for all types of customisation.

month in review

THE WEATHER IS COLDER, and the daylight hours are still shorter. The vines are dormant and resting. Soon it will be time to start pruning ahead of bud break. Wine is waiting in tanks and some winemakers are already starting to bottle select wines.

As preparation for the year ahead begins in the vineyard and in the cellar, the February issue instead looks back to review the trends and milestones reached in the last year. As always, itincludes a look at the state of the U.S. wine business with insights shared by leaders of the top U.S. wine companies. They discussed how they adapted to the changes of the past two years and to evolving consumer preferences.

Times change. Ten years ago, consumers were drinking more wine, but they were trading down to less expensive wine amid the Great Recession. These days, consumers may be drinking a little less wine but they're trading up to more expensive bottles.

The WBM 50 list includes the largest U.S. wineries by the number of cases sold—including brands that the wineries own, but it doesn't include the private label wines they supply to retailers. Nor does this list include custom crush production or imports. If it did, the list would look a little different. There are many different business models in wine. Some companies have vast vineyard holdings, some make vast quantities of bulk wine for other wineries on a contract basis, some are active in spirits, some are exclusive to certain regions, some not only own wineries, but import and represent other wineries.

The WBM 50 produces and sells most of the wine sold in the U.S. by volume but there are now 11,300 wineries in the U.S. The growth in the number of new wineries slowed in 2021 but was still up 3 percent. That's an increase of nearly 60 percent from the number of wineries there were just 10 years ago when consumers were still trading down.

Cyril Penn – Editor

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WINE BUSINESS MONTHLY *SPECIAL REPORT*

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Pat Roney, CEO and founding partner, Vintage Wine Estates, "Outlook and Trends: What We Can Learn from 2021," page 16

"As consolidation accelerates, we've seen the balance of power shift over the last 15 to 20 years from suppliers to wholesalers, and ultimately to retailers. That changes a lot of the dynamics of how we have to go to market. Even as a $250 million revenue company, it's hard for us to get any attention from distributors."

Chris Indelicato, president and CEO, Delicato Family Wines, "Outlook and Trends: What We Can Learn from 2021," page 16

"I think the wine industry will be taking price increases across the board. How that manifests itself, I'm not sure just yet."

Rick Tigner, president, Jackson Family Wines, "Outlook and Trends: What We Can Learn from 2021," page 16

"It's unfortunate some of our distributors let people go and I don't think they anticipated—and neither did I, by the way—how hard it was going to be to rehire once we reopened."

Stephanie Gallo, chief marketing officer, E. & J. Gallo Winery, "Outlook and Trends: What We Can Learn from 2021," page 16

"As a company and as a category, we need to work hard on welcoming new consumers into wine. We need to do this by driving diverse flavors, continuing to invest in packaging that's more conducive to today's lifestyle, and really providing experiences that meet the needs of the new generation of wine consumers."

Gregg McConnell, farm business consultant, Farm Credit East, "U.S. Winery Growth Slower in 2021 than 2020," page 84

"We still haven't tapped the available land for grapes. Land prices are reasonable relative to other wine regions. We have strong support from Cornell University in terms of viticulture and enology, and the New York state grape industry has room to support wine sales growth."

Fintan Du Fresne, general manager and winemaker, Chamisal Vineyards, "Winery Pop-Ups in Restaurants, Traveling Vans Help Build Brand Awareness," page 124

"We've found we get better return on investment when we're in the local area and we can direct them to come to our tasting room to buy the wine."


L'ESSENCE DE L'ART
Tonnellerie
Quintessence
Bordeaux

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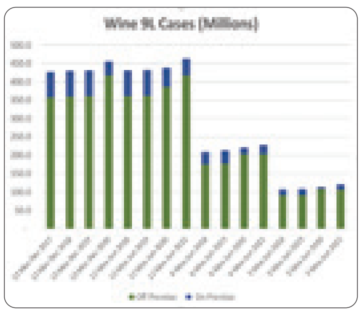
Top Stories from WINE BUSINESS.com – In Case You Missed It

Foley Family Wines Buys Chateau St. Jean Winery from Treasury Wine Estates

Foley Family Wines acquired Chateau St. Jean Winery, located in Kenwood, Calif. from Treasury Wine Estates. The purchase includes the historic 1920s chateau, the 6,000 square-foot visitors center, a 39,000-square-foot wine production facility, 79 planted acres of estate vineyards, on-site tasting salons, and extensive gardens. The winery's legacy use permit will also be transferred to the new owners, allowing for 24 special events annually and an additional six large-scale events annually, including weddings. Foley Family Wines plans to restore the winery to its former glory, offering the best of Sonoma County wines.

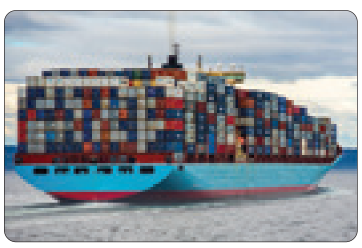
Founded in 1973, Chateau St. Jean is known for its single-vineyard Chardonnay wines from Sonoma County, as well as for its flagship Bordeaux blend, Cinq Cépages—the first Sonoma wine ever to win "Wine of the Year" from Wine Spectator. The winery produces three tiers of wines, including a widely distributed California Tier, a Reserve Tier of single-vineyard and sub-appellation wines from Sonoma County, and the flagship Cinq Cépages.



Wine in Tougher Battle for Market Share

The U.S. wine market is getting back to where it was prior to the COVID-19 pandemic but a full recovery won't mean business as usual, like in 2019. The on-premise market is smaller, while e-commerce is significantly more important and the fight for market share is even more brutal. Total U.S. sales of all wines are up 5.5 percent, but Jon Moramarco of bw166 said if you remove vermouth and the imports of flavored wines from Mexico (up 81 percent in the past 12 months) that growth is closer to 2 percent.

Case shipments by California wineries in the past six months were up 3.6 percent to 125.3 million cases and are 2.5 to 3 percent over the same period last year. At the winery level, however, tasting rooms are enjoying a rebound in business fueled by better per-visitor sales and club conversions thanks to a near universal adoption of reservation-based systems for tastings.

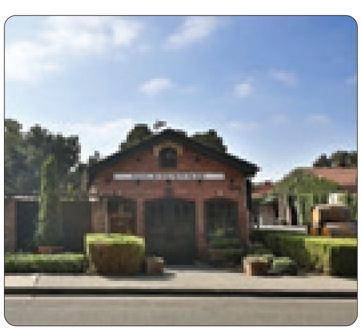


Backup at Ports Estimated to Cost California Farmers $2.1 Billion in Exports

Recent research from UC Davis and University of Connecticut estimated that around $2.1 billion in foreign sales were lost because of supply chain disruptions, including congestion at the ports, resulting in a 17 percent decline. The report stated that in September 2021, nearly 80 percent of the containers leaving California ports with no product—40 percent of which typically include agricultural products from across the United States. These losses exceed those triggered by the 2018 U.S.-China trade war.

Riboli Family Wines Acquires Jada Vineyard & Winery in Paso Robles

Riboli Family Wines purchased Jada Vineyard & Winery in Paso Robles, California in January for an undisclosed amount. Riboli Family Wines acquired Jada's 89-acre property complete with a tasting room and estate vineyards. The vineyards have organic practices that focus on soil and plant health. No two blocks are treated the same, and no two vintages are treated the same. This acquisition will join the Riboli Estates Group division of the company; it intends to continue Jada Winery's longstanding tradition of producing small lot, carefully crafted, premium wines.



Boisset Adds Rutherford's Elizabeth Spencer Winery to Its Family-Owned Collection

The Boisset family added Elizabeth Spencer Winery in Rutherford in Napa Valley to its collection of wineries and destinations. Boisset's purchase includes the Elizabeth Spencer wine portfolio of small-production wines from Napa, Sonoma, and Mendocino, and its location on the Rutherford Cross Road, featuring the historic 1872 Post Office building with a boutique tasting room, outdoor gardens, and studio. Elizabeth Spencer joins Boisset's family-owned portfolio of historical and lifestyle and gourmet retail destinations in France and California, including Burgundy, Beaujolais, Jura, the Rhône Valley, Provence, the south of France, the Russian River Valley, Sonoma, and Napa. **WBM**

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What We Can Learn from 2021

Wine Losing Share

Cyril Penn

> *"It's tough to make year over year comps due to channel shifting in 2020. What we do know is the wine industry is facing some challenges. Overall growth rates are slowing."*
>
> — **Stephanie Gallo**, E. & J. Gallo Winery

Every year, Danny Brager speaks at the Unified Wine & Grape Symposium's General Session, sharing his analysis of sales trends in the alcoholic beverage space. For the past few years, he left the audience with one key takeaway: "You know, it's not as good as it was but it's still pretty good." Now, though, he's seeing red flags as wines priced below $11 lose market share. Brager sees demographic challenges the wine industry has known about for a long time becoming more acute.

"It's getting increasingly difficult to generalize about, quote-unquote, 'wine,' Deutsch Family president Tom Steffanci says. "I can no longer give you an answer about 'wine.' Wines under $10—still the largest volume piece and a very big piece of dollars in aggregate—are losing share to spirits. The leading gainer is spirit-based RTDs."

How wine sales are doing increasingly depends on the specific niche or segment. Sales of luxury-priced wines are growing, as are direct-to-consumer (DTC) sales. Retail wine sales are still higher than they were in 2019. Flavored wine beverages are doing very well and are a bigger part of the mix, masking deteriorating table wine sales numbers. Sales of 750 ml table wines priced below $11—a segment that represents 75 percent of retail table wine volume—are falling like a rock.

Per NielsenIQ's analysis for the 52 weeks ending Nov. 6, off-premise wine sales were not as high as the peak seen in 2020 but were running about 10 percent above 2019. However, that growth in demand was primarily for more expensive wines, which account for a smaller slice of the market share pie. Consumers have traded up at the expense of volume.

Jon Moramarco, editor of the Gomberg Fredrikson Report and managing partner of market research firm bw166, estimates 2021 total U.S. wine sales reached slightly more than 457 million cases, representing a three-year compound annual growth rate of 4.2 percent. Flavored wine beverages accounted for nearly 33 million cases and grew more than 28 percent in 2021. Without those wines, total wine's annual growth rate was 3 percent— more than beer's 1 percent but behind spirits' 4.2 percent.

The chief executive for one of the leading premium wineries on California's North Coast characterized the situation succinctly, saying, "We're getting our @s&#s kicked by spirits."

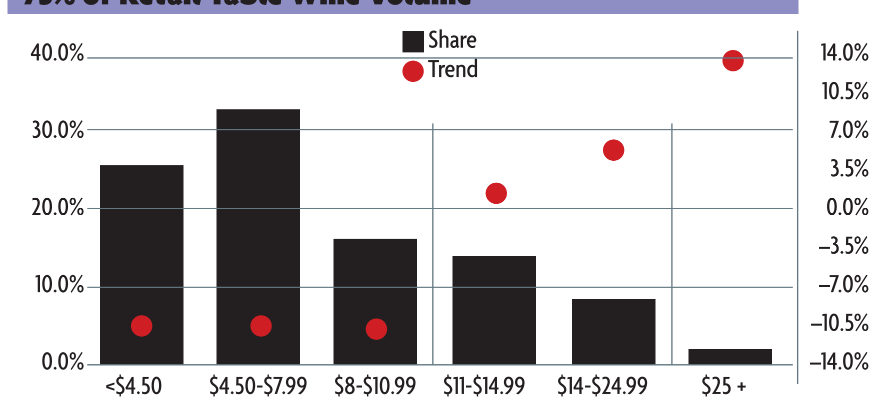
SipSource, an aggregate of depletions data from 12 major U.S. wholesalers around the country, includes on- and off premise sales but not direct-to-consumer information. SipSource data indicates there's a widening gap between wine and spirits. "I've never seen anything like it but since February 2021 the gaps [between wine and spirits] have grown," Brager said.

The data indicates wine priced below $11 is down more than 10 percent while the $11 to $15 category is up 1.5 percent; $15 to $25 wine are up 5.5 percent; and wine priced above $25 are up 13.6 percent—a clear separation by price tier.

Lower-priced wine segments have been sluggish at retail for a few years, but the slowdown has moved up the price ladder. The slowdown below $11 is an indication that entry level consumers—i.e., younger people—may be choosing alcoholic beverages other than wine with potential negative long-term implications for the health of the overall wine business, even if higher price segments are more profitable.

"One of the reasons we believe reshaping our portfolio toward the higher end is the right thing to do is that (in 2021 and 2022) consumers really began to recognize and experiment with higher end wine and craft spirits, consuming higher and better quality wines at home," Constellation Brands' Wines & Spirits Division president Robert Hanson said. "We believe that their behavior will not go back to what it was."

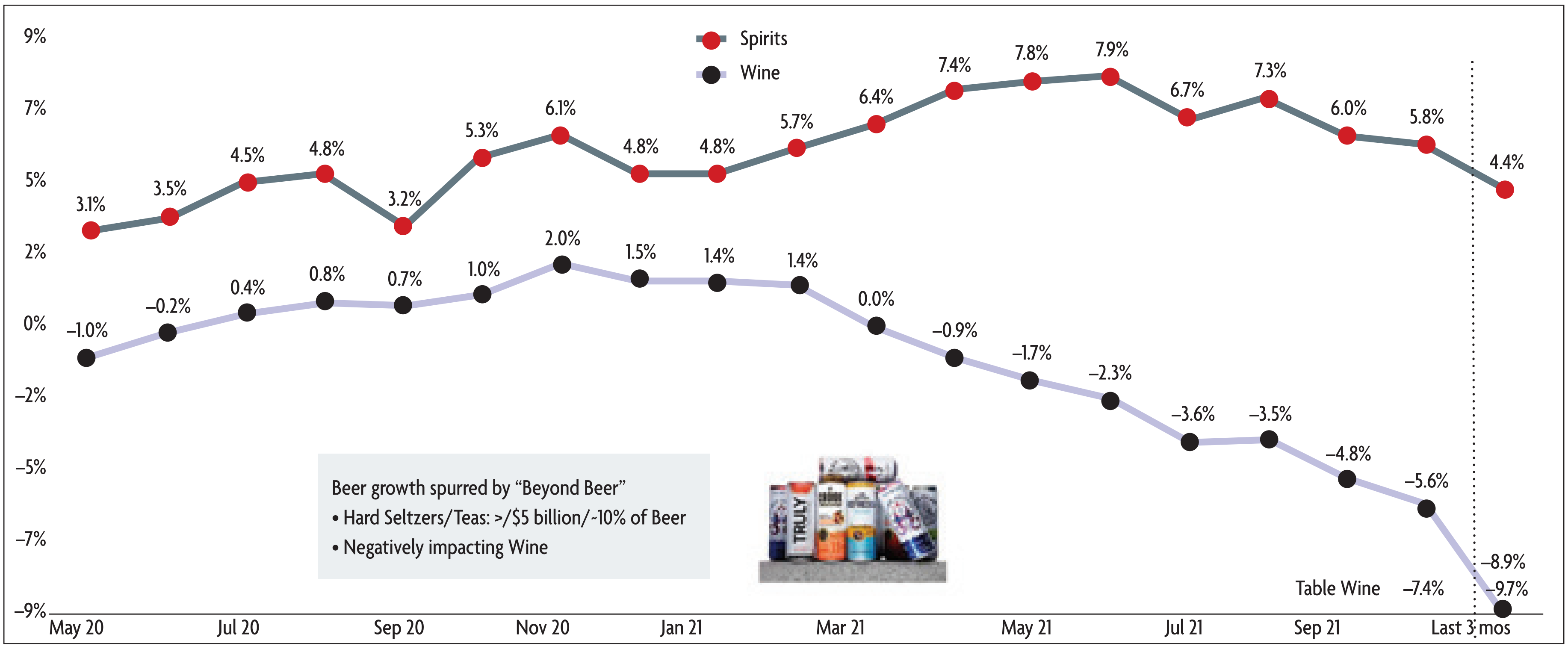
Losses Acute $11 and Under—It Accounts for 75% of Retail Table Wine Volume



SipSource — 12 mos through Oct 2021 (volume)

WINE EXECUTIVE EXCHANGE

Wine Trend Falling Well Behind Spirits — and Losing Share



SipSource

Initially, it was the lowest price tiers that saw sluggish sales, then the deceleration in growth marched up to the next price tier, and then on to the next highest price tier. This could indicate the entry on-ramp to wine is fading. If the trend continues, the industry could be in trouble at all price points except above $25, which is where wine is popular with Boomers with money, Brager said.

One executive interviewed for this article said a major grocer based in Southern California is telling suppliers to discontinue selling 750 ml table wines priced below $10. "Under $8 is a catfight," Jeff O'Neill, the CEO of O'Neill Vintners & Distillers said. "I think consumers at the low end are moving to three-liter boxes. The other consumers are moving up."

Premiumization remains relevant, E. & J. Gallo Winery chief marketing officer Stephanie Gallo said. "It's making an impact across all categories, whether it's wine or spirits, or even RTDs. We're seeing that consumers are clearly stepping up across all price tiers."

> *"We're really determined to continue delivering great results but it's going to be hard fought. It's not like there's an easy win out there."*
>
> — **Robert Hanson**, Constellation Brands

Why? Says Trinchero Family Estates president and COO Bob Torkelson, "Baby Boomers get older. You've gotta replace those drinkers with people that want to purchase luxury and enjoy that. That'll be a challenge for the industry."

However, Gallo said that the industry can't turn its back on less expensive wines. "Under $10 is critical to welcoming new consumers into the category, especially Gen Z who are frugal and very discerning," she said. "Under $10 is critical in making our category accessible."

COVID-19 Crisis Accelerates Trend

How Customer Behavior Changed

Stay-at-home orders led to the "pantry loading" phenomenon of 2020, and there was a massive channel shift after restaurants closed. That summer, sales levelled out, but consumers weren't going to the restaurants or bars that did open in the numbers needed for the establishments to flourish. Next came the holidays, with additional stay-at-home orders prior to Thanksgiving shutting tasting rooms and restaurants down again—but even at home, it turned out that many weren't celebrating much. Then 2021 saw a slow recovery of the on-premise throughout the year, and the return to prior trends in retail sales.

It's difficult to discern just how much of the on-premise business market was lost and how much has since recovered. Estimates vary widely but some think 20 percent of on-premise wine sales may be gone. One clear trend is that segments of the on-premise channel are greatly reducing their assortments. Restaurants are curating smaller wine lists.

"The question I've been fascinated with during COVID is 'how have consumer behaviors changed?'" Gallo said. "There's been a huge shift in how people shop across the board. This is very, very obvious. We've seen huge increases in the number and frequency of consumers using digital channels over the last few years, and you're still going to see at-home consumption continue in 2022."

The digital sales boom brought wine on par with other products. "The consumer probably experienced 10 years' worth of adoption of omni-channel and digital commerce in a year, or even six months," Hanson with Constellation quipped. "That acceleration was inevitable; beverage alcohol was a bit behind other consumer goods categories."

That has presented yet another challenge for wines priced below $11. As a result of more grocery transactions being made online, there are fewer impulse purchases at retail than there were two years ago—and unfortunately, wine is often an impulse buy.

Distributors and Channel Shifts

The channel shifting of 2020 and 2021 encouraged distributors to double down on e-commence strategies. It forced more investment in e-commerce by major players at a level that was probably already in the works but ended up being implemented more quickly than normal.

Southern Glazer's Wine & Spirits rolled out its Proof system in 2019, enabling trade customers to interact digitally as well as in person with sales reps. On-premise buyers have been very receptive to Proof and systems like it in their searches for products, since they believe these systems give buyers flexibility. In late 2021, Southern took another step and formed an affiliated company, DRAM (Digital Revolution of Alcohol Marketing) to provide digital marketing consulting and services to suppliers looking to activate or accelerate e-commerce strategies.

Unfortunately, the on-premise shutdowns of 2020 forced distributors to let on-premise salespeople go. Some distributors later hired many of those people back, but there's still a void, with wineries needing to focus more on sales to pick up the slack.

"A lot of distributors are learning they don't necessarily need to have the same constitution of sales forces they've had in the past," Pat Roney, CEO and founding partner of Vintage Wine Estates said during a presentation at the 2021 Wine Industry Financial Symposium.

Torkelson noted the shift, too. "They redeployed some of those assets into ways where they tried to follow where the consumer was going. Technology is playing a bigger role in the way accounts want to order and the way wholesalers reach out to them. It's not a person walking into an account with an order pad, it's more digital connectivity."

Roney added there's more pressure on wineries to take sales into their own hands with their own teams, a thought echoed by Peter Mondavi Jr.

"As the interface between the distributor and retailer or restauranteur becomes more automated, the point of personal contact is diminished," Mondavi Jr. said. "Even though the distributors are saying they'll now be able to focus their sales efforts much more keenly to the account, I do think we're going to have to invest more over the years in face-to-face time."

The in-person experience is one Jackson Family Wines CEO Rick Tigner hopes returns. "At the end of the day, our wineries and magical brands of wineries need storytellers. The storytellers are your employees and your distributors. We need distributors to re-hire staff going into the future because we're going to need those stories.

"It's unfortunate some of our distributors let people go and I don't think they anticipated—and neither did I, by the way—how hard it was going to be to rehire once we reopened," Tigner added.

In addition, market uncertainty made it more challenging for wineries and distributors to agree to sales targets in 2021. "We did not agree on hard targets for this fiscal year with our distributors," W.J. Deutsch & Sons president Tom Steffanci said. "Most suppliers didn't. There wasn't enough information to come to alignment. You don't have the normal accountability of the supplier and distributor having agreed-upon brand goals in each state by each brand."

The biggest single change that has occurred with wholesale distribution is simply that there are fewer face-to-face meetings with suppliers. Most large wineries with a salesforce call on the three-tier network with their sales staff based in major markets, but distributors are now saying they're going to change their way of doing business and store surveys, and "walk-withs" will ramp down. "They will spend less time on that sort of thing because we did almost none of that for basically a year and a half, and yet business is still strong," The Wine Group's CEO Cate Hardy said.

There's always been face-to-face interaction with key distributor partners but that went away as the trade learned to use electronic communication. Distributors learned to better manage their time with Microsoft Teams and Zoom, as did retail and on-premise buyers.

"A Pandora's box has been opened in terms of retailer and distributor face-to-face appointments," Foley Family Wines president Shawn Schiffer said. "I spent most of my career in sales—for 28 years flying 200,000 miles a year. I don't think that's ever coming back."

Shifting Distributor Alignment

The long-term trend of distributor consolidation continues. Last year Republic National Distributing Company (RNDC) purchased Opici Family Distributing of Florida, entered a joint venture with Opici in New York, partnered with Heritage Wine Cellars in Illinois and expanded

into five Control States (Iowa, Maine, New Hampshire, Pennsylvania and Vermont). Southern Glazer's acquired Epic Wine & Spirits from Foley Family Wines (see page 80).

"As consolidation accelerates, we've seen the balance of power shift over the last 15 to 20 years from suppliers to wholesalers, and ultimately to retailers," Roney said. "That changes a lot of the dynamics of how we have to go to market. Even as a $250 million revenue company, it's hard for us to get any attention from distributors."

And, according to one executive, it is only going to grow harder. "On the wholesale side, you're going to see more acquisitions by the top three trying to solidify their national footprint if they can get it," O'Neill said.

Several big wineries made sweeping changes to their distributor networks in 2021, going with one primary wholesaler and plugging into a so-called national footprint—at least four wineries strengthened their ties with Southern Glazer's.

With the Gallo-Constellation sale finally concluded in January 2021, Constellation awarded Southern Glazer's distribution responsibilities across 70 percent of its wine and spirits portfolio. Foley Family Wines signed a national distribution agreement with Southern, Rodney Strong expanded with Southern in 16 additional markets and Terlato Wines went with Southern in 10 additional markets. Treasury Wine Estates also made major changes, entering a long-term agreement with RNDC in multiple markets.

> *"The amount of mindshare that the customer is going to be interested in applying to the wine space might be changing. We must make it easier for them to engage with our brands. Advertising helps with that."*
>
> — **Cate Hardy**, The Wine Group

In addition to a "national footprint," an increased commitment, in theory, means a distributor will be more able to invest into brand building because they don't fear losing the brand, or being terminated.

"It's proven to us to be more focused," Terlato Wine Group COO Sandra LeDrew said of the shift to Southern. "Instead of calling on two distributors in every market we have one and they've got an extraordinary capability."

Accelerating E-Commerce

The shift toward e-commerce goes beyond direct-to-consumer sales via tasting rooms or clubs: It also involves the three-tier system. Major wineries have focused efforts on being part of online grocery purchasing, whether through traditional grocers, like Kroger and Safeway, or online-based shopping, including Instacart baskets. Part of that is a continued focus on communicating with consumers via social media. Navigating these new channels is another challenge.

Instacart and Drizly have similar models: both allow consumers to buy wine and spirits online and have it delivered. Producers can legally buy advertising on these platforms in much the same way one would purchase ads through Google. And it's proving worth it—Instacart is huge, now managing most e-commerce for grocery stores.

"Whether it's walmart.com or Instacart or other places like Drizly where consumers can directly purchase alcohol, those are the places where we can participate," Hardy said. "Like many in the industry, we're just scratching the surface of what that what that might look like."

Getting e-commerce right and syncing up with retail programs takes time, talent and money. During the Wine Industry Financial Symposium Chris Indelicato said e-commerce is now the top issue facing large wineries because they must invest more in IT and data systems and be able to spend to syndicate and distribute their content. "To do it correctly, it's millions of dollars," he said.

Supply Chain: Logistical Challenges

There isn't a winery that hasn't been affected by global shipping issues, the port crisis, or the shortage of truckers. Whether it's barrels, corks or labels, supplies often get stuck on a container somewhere and end up costing more. It's harder for wineries, distributors, and importers to get trucks to ship wines to market, too.

New wine products can take a little longer to get through the pipeline so if a winery is forging a new partnership or adding an SKU to a brand, timelines are much longer. Transport costs are up 300 percent.

Wineries are finding they need to stock up on generic bottles and boxes and be flexible, and even spend a little more to reprint boxes and put their logos and brands on them if necessary.

Korbel owner Gary Heck, said some wire hoods on Korbel aren't branded these days. He said he was surprised how much label paper is imported, with the local label company having difficulty getting waterproof label roll stock. He said 42 trucks didn't show up to pick up wine in September, though he was able to double up on October orders and catch up.

The biggest pain point is with glass bottles. Disruptions inside glass plants coincided with a change in winery demand forecasts because no one anticipated the number of bottles sent to retail outlets during the pantry loading stage of lockdowns. Glass bottles from China became expensive because of shipping costs—when they were available. Furnaces went down for maintenance: when a furnace goes down it puts a strain on the rest of the system.

"You used to book a vessel and the running rate was about 95 percent reliability," Steffanci said in discussing how shipping delays are affecting bottled wine imports. "That's down to 60 percent. So, 40 percent of the time it doesn't come when they told you it would."

Steffanci said shipping delays are causing out-of-stocks with imports and that glass shortages are creating out-of-stock situations on the spirits side where the problem is particularly acute with aged spirits.

"We all learned our lesson about just-in-time inventory, from suppliers to wineries to people who produce things," Trinchero's Bob Torkelson said. "When you stretch that supply chain and you become global, these disruptions can hurt."

This disruption has meant more planning and more hours for everyone. "Some of our people are working three times as hard. It's more fire drills,"

Toward a National Marketing Voice for Wine

Exploring a Potential USDA Marketing Order

With consumer and market challenges resulting in consecutive years of slowing growth in 750 ml and larger size table wine bottle sales volume—and declines more recently—a recent study by McKinsey and UC Berkeley's Haas School of Business recommends the industry pursue a Governmental Marketing Board under auspices of USDA—National Research and Promotion (R&P) Program. An organization is forming behind the scenes to explore possibly creating a board to provide a national marketing voice to promote the positive attributes of wine to attract current and new legal drinking age consumers. It's early going and far from certain to happen, as it would require broad industry support, but the organization is raising money and generating interest.

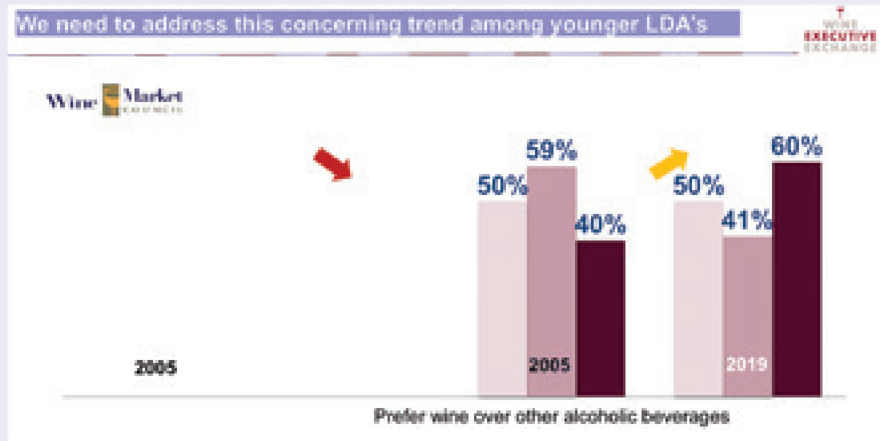
Déjà Vu All Over Again—Why Now?

Robert Mondavi famously stormed out of Wine Institute forty years ago over a split about marketing—he wanted more marketing—at a time that the organization was pivoting its focus toward public policy (Wine Institute promotes California wine exports through the MAP program, however). The California Wine Commission, state-funded and administered under Wine Institute disbanded in 1990. In the late 1990s and early 2000s, the Wine Market Council worked with top ad agencies to run test markets to determine the potential for advertising and public relations outreach to U.S. wine drinkers with the goal of growing the base of the wine market. The test marketing was clever and highly effective but the price tag of a national campaign—millions of dollars—was too high to generate broad industry support.

What's different in 2022 is that while wine sales grew every year for thirty years—some say in spite of itself—growth rates are relatively flat. Younger consumers have more alcoholic beverage choices than ever. The 'boomers' that drink wine—and drink more expensive wines—will be aging out of the category. High end wine sales are doing well, premiumization is happening, however, wine below $11 is losing share to spirits and other options while the next price tier up, below $15, is also now slowing.

Next Steps

The UC Berkeley report calls for raising $970,000 over two years to fund an interim project team to build a financial model for industry players to define a program, then working with USDA's Promotions and Economics Division to draft a proposal.



"Houston, We Have a [Demand] Problem"

After perpetual years of growth, the industry started to see a slowdown in the sales growth around 2017. "We've seen declines more recently, and at an alarming rate in my opinion," said Danny Brager. "I remember when $8 to $11 was a really good place to be, but by 2019 the segment was in decline."

Wine Executive Exchange and WineRAMP Forms:

At deadline, more than $650,000 was committed with support from Jackson Family Wines, Rodney Strong, Fetzer, Treasury Wine Estates, and Crimson Wine Group, to name a few. Cork Supply and Vinventions helped fund the initial research. Silicon Valley Bank is also supporting the effort.

The intention is to create demand for wine as a category, promoting wine's positive attributes to attract current and new legal drinking age consumers—and to create an industry voice and pathway for success while providing legal protection.

Past industry disagreements about generic wine marketing have involved hesitancy to engage in any health marketing or health messaging about wine for fear of facing legal consequences. Part of the appeal of a potential Governmental Marketing Board under auspices of USDA is that agency oversight includes approvals for marketing materials—which provides legal protection to industry members as the USDA is legally liable for marketing activities of its constituent boards, according to the UC Berkeley report. Individual wineries wouldn't need to be concerned with that potential liability, which has been a concern in the past. **WBM**

Precept Wine CEO Andrew Browne said. "People need to get their orders in a lot sooner, meaning the distributor network or key customers need to get their orders in," he said. "The supply chain is just slower.

"We've always claimed one of our cornerstones as a company is that 'speed wins'. We want to be 'Johnny on-the-spot,'" he said. "When somebody wants something, we want to get it to them. It's not as easy right now."

The largest companies are not immune. "Even at our size and scale, it's like a 1-2-3 punch. You don't know where the next hit is coming from," Hardy said. "It's mostly around freight. For us, that's ocean freight for imported case goods like Prosecco. I really feel for some of the smaller scale producers who don't have the resources and volume that we have."

Raising Prices

The annual U.S. inflation rate as measured by the consumer price index rose 6.8 percent through November 2021, the largest increase in 39 years. Higher prices for bottles, cardboard, and other supplies put pressure on margins.

One big component of inflation when it comes to wine is the cost of grapes. On one hand, in spite of two unusually light California grape harvests, bulk wine prices haven't really increased, reflecting the recent softness in sales for wines priced below $11. On the other hand, there were climate-related harvest issues in Europe in 2021, with short crops in France and Italy, etc. That may lead to pricing pressure around variates such as Moscato Pinot Grigio, and Sauvignon Blanc.

Wineries are typically reluctant, some say overly-so, to raise prices for fear of losing volume or retail placements. One sometimes hears of price hikes in short vintages, but again, taking price increases can be difficult. Some wineries have avoided raising prices for years. That said, nearly all the executives interviewed for this article expect to raise prices in 2022.

If a winery raises the price on a case of wine by $6 it typically goes up $1 a bottle on the retail shelf. As Browne put it. "This year, we'll see a lot of our items go up $1 on the shelf. That's reality moving into 2022."

"I think the wine industry will be taking price increases across the board," Chris Indelicato said. "How that manifests itself, I'm not sure just yet. I would think that people are going to have to take price increases with the dramatic increases in costs for labor, insurance, energy and packaging materials."

Outlook for 2022

On-premise wine sales are expected to continue to rebound in 2022. Business travel is expected to continue to slowly recover, even if expense accounts and conventions aren't as robust. Direct-to-consumer sales are expected to grow.

In a flattish market, there's more talk about taking share.

"At best, 2022 is going to be a flat wine category," Browne said. "There's a lot of wine being consumed in North America and we're going to take share from other people. Are we going to make better products?" he asked. "I think so. Are we going to put better salesman on the street? I think so. It gets down to your people and your culture. We're not here to stay flat or not grow."

"I think everybody is performing pretty well," Indelicato said. "We're just happy to continue to take share. We've had double digit growth every year for the last eight years."

But some are more optimistic about 2022.

"I think it's going to be pretty strong in 2022," Tigner at JFW said. "As Millennials continue to move up the food chain, they'll leave seltzers behind and will be a little bit more aspirational. They won't want mango seltzer with their New York steak. It's not nearly as good as California Cabernet."

But the work to convert drinkers needs to begin now, otherwise future aspirational purchasing will not happen.

"As a company and as a category, we need to work hard on welcoming new consumers into wine," Stephanie Gallo said. "We need to do this by driving diverse flavors, continuing to invest in packaging that's more conducive to today's lifestyle, and really providing experiences that meet the needs of the new generation of wine consumers." **WBM**

REVIEW OF THE INDUSTRY

50 WBM Largest Wineries

As part of our review of the industry, *Wine Business Monthly* compiled its eighteenth annual ranking of the U.S. wineries by case sales. While this list always included the Top 30 U.S. wineries by volume, we've since expanded the list to include the Top 50 by volume.

Companies are listed in order of cases sold domestically of brands owned by the winery. This list does not include private labeling or custom crush wineries that make wine for others.

Though there are now more than 11,000 wineries in the U.S., the WBM 50 companies represent more than 90 percent of domestic wine sold by volume.

1.	E. & J. Gallo Winery	100 million (WBM Estimate)
2.	The Wine Group	51 million
3.	Trinchero Family Estates	20 million
4.	Delicato Family Wines	17 million
5.	Constellation Brands	15 million (WBM Estimate)
6.	Treasury Wine Estates	10 million (WBM Estimate)
7.	Bronco Wine Company	9 million (WBM Estimate)
8.	Ste. Michelle Wine Estates	8.2 million
9.	Jackson Family Wines	6 million
10.	Deutsch Family Wine & Spirits (Josh Cellars)	5 million
11.	Precept Wine	3.2 million
12.	Bogle Vineyards	2.7 million
13.	WX Brands	2.6 million
14.	Vintage Wine Estates	2.2 million
15.	Duckhorn Vineyards	2 million (WBM Estimate)
16.	Korbel Champagne Cellars	1.95 million
17.	NakedWines.com	1.7 million
18.	C. Mondavi & Family	1.7 million
19.	Viña Concha Y Toro (Fetzer Vineyards)	1.6 million
20.	Foley Family Wines	1.6 million
21.	J. Lohr Vineyards & Wines	1.6 million
22.	O'Neill Vintners & Distillers	1.2 million
23.	Don Sebastiani & Sons	1.2 million
24.	Boisset Collection	1 million
25.	Cooper's Hawk Winery & Restaurants	1 million (WBM Estimate)

26.	Rodney Strong Estates	870,000
27.	JaM Cellars (John Anthony Family of Wines)	820,000
28.	Oliver Winery & Vineyards	800,000
29.	Scheid Family Wines	700,000
30.	Firstleaf	700,000
31.	Wente Family Estates	660,000
32.	Riboli Family Wines	650,000
33.	Hess Persson Estates	650,000
34.	Pernod Ricard USA	650,000 (WBM Estimate)
35.	Domaine Chandon Estates & Wines (Moët Hennessy USA)	625,000 (WBM Estimate)
36.	Terlato Wine Group	600,000
37.	Purple Wine + Spirits	600,000
38.	Michael David Winery	600,000
39.	Duplin Winery	563,000
40.	House of Smith	550,000
41.	Union Wine Company	480,000
42.	Hahn Family Wines	450,000
43.	Scotto Family Cellars	400,000
44.	Castle Rock Winery	375,000
45.	A to Z Wineworks	375,000
46.	Crimson Wine Group	375,000
47.	Mesa Vineyards	350,000
48.	Sonoma-Cutrer Vineyards	350,000
49.	Rutherford Wine Company	350,000
50.	JUSTIN Vineyards & Winery	339,000

2003 — The First WBM 30 List

Wine Company (purchased by)

1. E. & J. Gallo Winery
2. Constellation Brands
3. The Wine Group
4. **Beringer Blass Wine Estates** (Treasury Wine Estates)
5. Bronco Wine Company
6. **Robert Mondavi Winery** (Constellation Brands)
7. Trinchero Family Estates
8. Brown-Forman Wines
9. Kendall-Jackson (Jackson Family Wines)
10. Diageo Chateau & Estate Wines
11. Stimson Lane / Ste. Michelle Wine Estates
12. **Allied Domecq** (Beam Wine Estates/Constellation)
13. Delicato Family Vineyards (DFV)
14. **Golden State Vintners** (The Wine Group)
15. **Phillips-Hogue** (Constellation Brands)
16. C. Mondavi & Sons
17. **Peak Wines** (Beam Wine Estates)
18. Ironstone Vineyards
19. J. Lohr Vineyards & Wines
20. **Chalone Group** (Diageo Chateau & Estate Wines)
21. Don Sebastiani & Sons
22. Bogle Vineyards
23. Rodney Strong Vineyards
24. **Barefoot Cellars** (E. & J. Gallo)
25. San Antonio Winery
26. The Hess Collection
27. Round Hill / Rutherford Wine Company
28. Domaine Chandon
29. Wente Vineyards
30. Bonny Doon Vineyard

Winery Profiles

1. E. & J. Gallo Winery

Stephanie Gallo, Chief Marketing Officer
ANNUAL U.S. CASE SALES VOLUME: 100 million (WBM Estimate)
Employees: 4,000

It was an active year for the largest wine company in the United States. In January 2021, E. & J. Gallo Winery finalized its purchase of more than 30 brands from Constellation. In February, the company partnered with Bev to become the U.S. distributor for Bev's portfolio of premium canned wines. During the summer, Gallo announced a collaboration with Randall Grahm on The Language of Yes, a series of wines sourced from California's Central Coast.

The California Brandy House, in Napa, Calif., marked its first year of operation. Germain-Robin, the luxury brandy brand Gallo purchased in 2017, launched its first new single-barrel product since joining the E. & J. Gallo spirits family, a Single Barrel Pinot Noir, aged 19 years.

High Noon, Gallo's entry into the seltzer category, saw considerable growth, and the company continued to be active in the spirits market. Gallo purchased RumChata, a cream liquor, and tapped into the ready-to-drink trend with the purchase of Liqs cocktail shots.

Gallo broke ground on its future warehouse operation in South Carolina in 2021, a $423 million hub for exports, imports and distribution, slated to open in October 2022.

Other relatively recent brands and brand extensions from E. & J. Gallo include Maison No. 9, a French Rosé in collaboration with Post Malone, his manager Dre London, and the founder of Global Brand Equities, James Morrisey.

2. The Wine Group

Cate Hardy, CEO
ANNUAL U.S. CASE SALES VOLUME: 51 million
EMPLOYEES: 1,200

Art Ciocca, founder of The Wine Group, passed away in December 2021 at age 84. He was the CEO for 26 years. He formed The Wine Group in 1981 when he and his associates purchased the wine assets of the Coca-Cola Bottling Company of New York, then a minor player in the wine industry.

"Art Ciocca is the heart and soul of this company," Cate Hardy, CEO of The Wine Group said as the news of his passing was announced. "He built its foundation, and his legacy lives on in the entrepreneurial spirt, passion, and determination of everyone in this organization. Art's vision will continue to inspire us for generations to come."

The Wine Group, a long-time leader in value-priced wines, has focused on wines priced between $12 and $20 for several years. This year, The Wine Group reached an agreement with Treasury Wine Estates, a long-term licensing deal for several commercial tier brands, including, Beringer Main & Vine, Beringer Founders' Estate, Coastal Estates and Meridian.

The Wine Group also announced a partnership with MPL Brands, owner of Rancho La Gloria, the largest brand in the wine-based ready-to-drink (RTD) beverage category with sales of roughly 2 million cases. TWG will represent Rancho La Gloria agave-based wine products in the U.S. and is the company's first venture into RTDs.

The TWG portfolio includes Franzia, Cupcake, Chloe, Benziger, Tribute, Imagery, 7 Deadly, Flip Flop, Almaden, Main & Vine, and numerous corporate brands. Franzia is one of the world's biggest wine brands at more than 20 million cases. Chloe sells more than 450,000 cases. Tribute, part of the Imagery line, is one of the fastest growing super premium brands per IRI.

Cupcake LightHearted is a new entrant in the "better for you" category and includes a new Sauvignon Blanc in the lower-calorie lineup. Its release was accompanied by a big marketing push.

Franzia is the leading 3-liter box wine at 24 million cases. A new line of Franzia Refreshers offers single varietal wines with fruit flavors at 6.5 percent alcohol and 75 calories per 5-ounce serving.

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Excellent choice.
Now,
may we recommend pairing it
with our obsession over those label
print details no one else notices,
so when it's on a shelf, your label
never goes unnoticed?
That's
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EL DORADO HILLS
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3. Trinchero Family Estates

Bob Torkelson, President and COO
ANNUAL U.S. CASE SALES VOLUME: 20 million
EMPLOYEES: 1,000

Trinchero Family Estates (TFE) comprises more than 50 wine and spirits brands distributed in nearly 50 countries. This year the winery launched a collection of sweet wines under Ménage à Trois and continued the roll out of Mind and Body, a low alcohol wine. The company continues to build its luxury business with the Heritage Wine Division, led by Carlo Trinchero, and recently announced an agreement to represent Tenuta Regaleali, distributing and marketing 13 wines in the U.S. ranging from $14 to $200.

The largest family-owned winery in Napa Valley, Trinchero entered the hard seltzer category in 2020 with Del Mar, a wine-based beverage made in 355 ml cans.

The Trinchero Family Estates portfolio also includes Sutter Home Family Vineyards and Ménage à Trois; luxury brands Trinchero Napa Valley, Napa Cellars and Neyers Vineyards; partner brands Joel Gott Wines, Charles & Charles and Bieler Pe`re et Fils; import brands San Polo, Famiglia Cotarella, Ceretto, Tenuta Regaleali, Angove Family Winemakers, Avissi Prosecco, Echo Bay, Finca Allende and Terras Gauda; and Spirits and Specialty Beverage brands Hanson of Sonoma Organic Vodka, Tres Agaves Organic Tequila, Tres Agaves Organic Cocktail Mixers, Amador Whiskey and Trincheri Vermouth.

4. Delicato Family Wines

Chris Indelicato, President and CEO
ANNUAL U.S. CASE SALES VOLUME: 17 million
EMPLOYEES: 1,200

After growing by 3 million cases in 2020, Delicato Family Wines was one of the only major U.S. wine companies to gain market share again in 2021.

In one of the most notable winery mergers of the past several years, Delicato acquired Francis Ford Coppola Winery in the summer of 2021. The acquisition gives Delicato a stronghold within California's North Coast and a top brand at the $14 price point. The deal included 3 million cases of winemaking capacity.

Bota Box Nighthawk has grown to almost 3 million cases. Bota Breeze is a top brand in the "better for you" category. The winery has launched 500 ml wines under Bota and came out with a new 250 ml.

Brands selling above $15, including Diora and Three Finger Jack, are doing well. Also this year, Delicato launched Stoneleigh, a New Zealand-based brand, in the United States as part of a joint venture with Pernod Ricard.

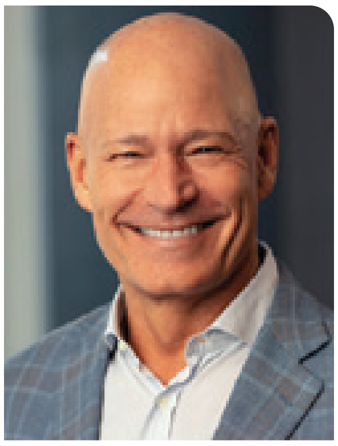
Delicato Family Wines is a fourth-generation, family-owned company founded in 1924.

5. Constellation Brands

Robert Hanson, Executive Vice President and President, Wine + Spirits Division

ANNUAL U.S. CASE SALES VOLUME: 15 million (WBM Estimate)

EMPLOYEES: 6,000 globally



Constellation isn't selling as much wine by volume as it once did. Instead, it is reshaping its portfolio toward higher price points. Constellation embarked on a "wine and spirits business transformation" in 2019 and has been steadily evolving its portfolio of wine brands priced above $11, including Kim Crawford, Meiomi, The Prisoner Wine Company and High West. The company also focused on a "digital transformation," emphasizing its direct-to-consumer and digital commerce business. Most notably, Constellation finalized a sale of its wine and spirits portfolio priced at $11 retail and below to E. & J. Gallo in January 2021.

This year, Constellation announced the establishment of a dedicated business unit focused on its Fine Wine & Craft Spirits brands, and several promotions and hires from inside and outside of the company.

Constellation also made a strategic move with respect to its domestic wine and spirits distributor network - awarding Southern Glazer's Wine & Spirits distribution responsibilities across approximately 70 percent of its wine and spirits brand portfolio in the U.S.

There were several innovations, including Robert Mondavi Winery partnering with French luxury porcelain house Bernardaud on a limited series of porcelain 1.5L bottles. offered exclusively through generative art non-fungible tokens (NFTs) developed in partnership with VaynerNFT.

Constellation continued to build on the 2020 purchase of Empathy Wines, the "digitally-native" direct-to-consumer brand co-founded by Gary Vaynerchuk, using Empathy to build digital capabilities to scale across its brands. Constellation also acquired the My Favorite neighbor portfolio, including Booker Estates, My Favorite Neighbor, and Harvey and Harriet.

Robert Hanson was named the company's executive vice president and president, wine and spirits, in April 2019 after serving six years on Constellation's board of directors.

6. Treasury Wine Estates

Ben Dollard, President, Americas

ANNUAL U.S. CASE SALES VOLUME: 10 million (WBM Estimate)

There was a lot of change at Treasury Wine Estates in 2021, with the company restructuring and selling non-strategic brands and some vineyard assets to refocus the portfolio.

Treasury Wine Estates licensed several lower-end brands, accounting for roughly four million cases of volume, to The Wine Group in a long-term deal. The Wine Group will now source and sell the Beringer Main & Vine, Beringer Founders' Estate, Coastal Estates and Meridian brands in the Americas.

Treasury sold Chateau St. Jean to Foley Family Wines but meanwhile acquired Frank Family Vineyards, to fill a portfolio opportunity for luxury chardonnay.

Treasury sold the winery that has housed Provenance Vineyards in Rutherford to Far Niente Family of Wineries & Vineyards and sold the Provenance Vineyards brand and inventory to Thomas Wine Estates, maker of Hook or Crook Cellars, of Lodi.

Treasury also announced an expansion of its partnership with Republic National Distributing Co. (RNDC) in nine markets, including California, Texas, Louisiana, Oklahoma, Kentucky, Mississippi, Utah, Wyoming, and Nebraska. TWE and RNDC were already linked in Michigan, Georgia, and New Mexico. Southern Glazer's previously served as TWE's distributor in those markets, except for California, where the company was aligned with Bronco/Classic Wines.

The company launched the Penfolds California Collection, a collaboration with Treasury's teams in Australia and California, and extended its 19 Crimes brand partnership with Snoop Dogg

Treasury Wine Estates is one of the largest Napa Valley growers, producing luxury grapes in 10 of the 16 Napa Valley AVA's on vineyards either owned or under long term lease. TWE currently farms more than 2500 acres in Napa Valley

As Australia's largest public wine company, Treasury has been facing challenges with China, which was one of its most important export markets, after China slapped trade tariffs on Australian wine.

Treasury includes some of the world's leading premium wine brands: Lindeman's Wines, Rosemount Estate, Penfolds and others. U.S. wineries include Beringer Vineyards, Etude Wines, Stags' Leap Winery, St. Clement Vineyards, Chateau St. Jean and Meridian Vineyards.

7. Bronco Wine Company

Fred Franzia, CEO

ANNUAL U.S. CASE SALES VOLUME: 9 million (WBM Estimate)

Bronco Wine Company operates some 40,000 acres of vineyards in California, mostly in the Central Valley. After removing about 15 percent of the acreage, the company is replanting vineyards that were due for a refresh.

Bronco partnered with Longevity Wine, a fast-growing certified minority-owned brand Bronco represents nationally, in late 2019.

This year marked the launch of a "better for you" type low-alcohol, low-calorie brand. L+i, a new line of premium wines in a 250 ml cans and includes a Chardonnay, Pinot Grigio, Rosé of Pinot Noir and a Red Blend. Camp Crush is another new line of canned wines aimed at the outdoors.

Villa Roya is a new single SKU Garnacha from Spain. Bronco is also adding a Cabernet to complement Colores Del Sol Malbec from Argentina.

Bronco continues to certify vineyard holdings organically and has more than 8,000 acres certified.

Bronco is a bulk producer with more than 100 million gallons of capacity. Brands include Crane Lake, Estrella, Coastal Vines, and Salmon Creek—an on-premise brand. The business is best known as the company behind Charles Shaw, nicknamed "Two-Buck Chuck." Bronco makes wine in Ceres and Napa, under contract to Barrel Ten Quarter Circle, which it owns. The Franzia family (which has no relationship to The Wine Group's Franzia brand boxed wine) has made wine in California for more than 100 years.

The company operates as a distribution company in California and has a shipping and logistics arm in a 150,000-square-foot rail shipping facility at its winery in Ceres, Calif., created to support Bivo Services LLC, its logistics, consolidation and rail freight service which is used by wineries with multi-store distribution in multiple markets.

The American Vineyard Foundation (AVF) honored CEO Fred Franzia in 2021 for his support, going back to 1979, and ongoing efforts to promote the AVF.

8. Ste. Michelle Wine Estates

David Dearie, President and CEO

ANNUAL U.S. CASE SALES VOLUME: 8.2 million

EMPLOYEES: 800

Altria sold Ste. Michelle Wine Estates to private equity firm Sycamore Partners for approximately $1.2 billion—a blockbuster deal that closed in November 2021. There's been speculation in about Sycamore Partners possibly selling some company assets in the future, Stag's Leap Wine Cellars and Patz & Hall included.

As CEO David Dearie told WBM last summer, "We are a Washington wine company at heart, even though we've got great brands in Napa, Sonoma, and Oregon. Our heart beats in Washington and it will always be in Washington."

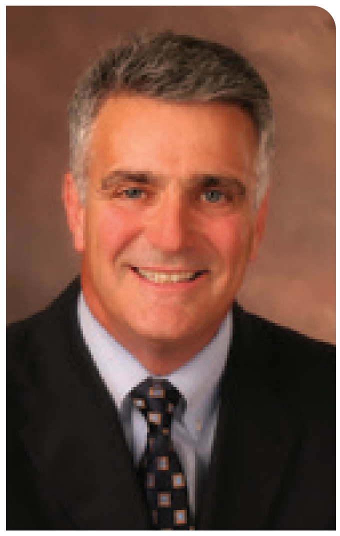
Previous Ste. Michelle Wine Estates president and CEO Jim Mortensen retired in November 2020. CEO David Dearie is the former chief executive for Treasury Wine Estates and was a senior executive with Brown-Forman. Mortensen was CEO for two years, succeeding Ted Baseler, who had a 34-year run with the company—including 17 years as president and CEO.

9. Jackson Family Wines

Rick Tigner, President

ANNUAL U.S. CASE SALES VOLUME: 6 million

EMPLOYEES: 1,650



In 2021, Jackson Family Wines (JFW) relaunched the Murphy-Goode Winery "A Really Goode Job" nationwide search for one person to live out their ultimate dream job in wine country, with a $10,000 per month salary and rent-free living for a year in Healdsburg. The program was so popular, JFW awarded the prize to two applicants. "A Really Goode Job" first launched in 2009.

The Jackson Family entered the "better for you" or "light" wine segment with Kendall-Jackson Avant Lower Calorie Chardonnay last year. The company also announced distributor changes in Illinois, Minnesota, and Pennsylvania. In Illinois, Jackson Family moved to Chicago-based Romano Beverage. In Minnesota, Jackson Family is partnering with Johnson Brothers. In Pennsylvania, the portfolio moved to Southern Glazer's. Breakthru Beverage previously represented the winery in those states. Breakthru is still with the Jackson Family in several markets, while Southern Glazer's and RNDC each rep the portfolio in 13 markets.

In the fall of 2020, Kendall-Jackson partnered with United Way Worldwide to launch the Grocery Worker's Relief Fund to provide emergency relief for frontline grocery store workers—committing an initial $200,000 and $2 million by 2030.

The Jackson Family continues its work on sustainability. Last year the company set ambitious environmental goals for 2030 and urged other wineries to follow suit. Katie Jackson, second-generation proprietor and senior vice president of corporate social responsibility, leads the company's commitment to cut carbon emissions in half by 2030 and become Climate Positive by 2050.

10. Deutsch Family Wine & Spirits (Josh Cellars)

Tom Steffanci, President

US CASE SALES VOLUME: 5 million

ANNUAL GLOBAL CASE SALES VOLUME: 12.7 million

EMPLOYEES: 370

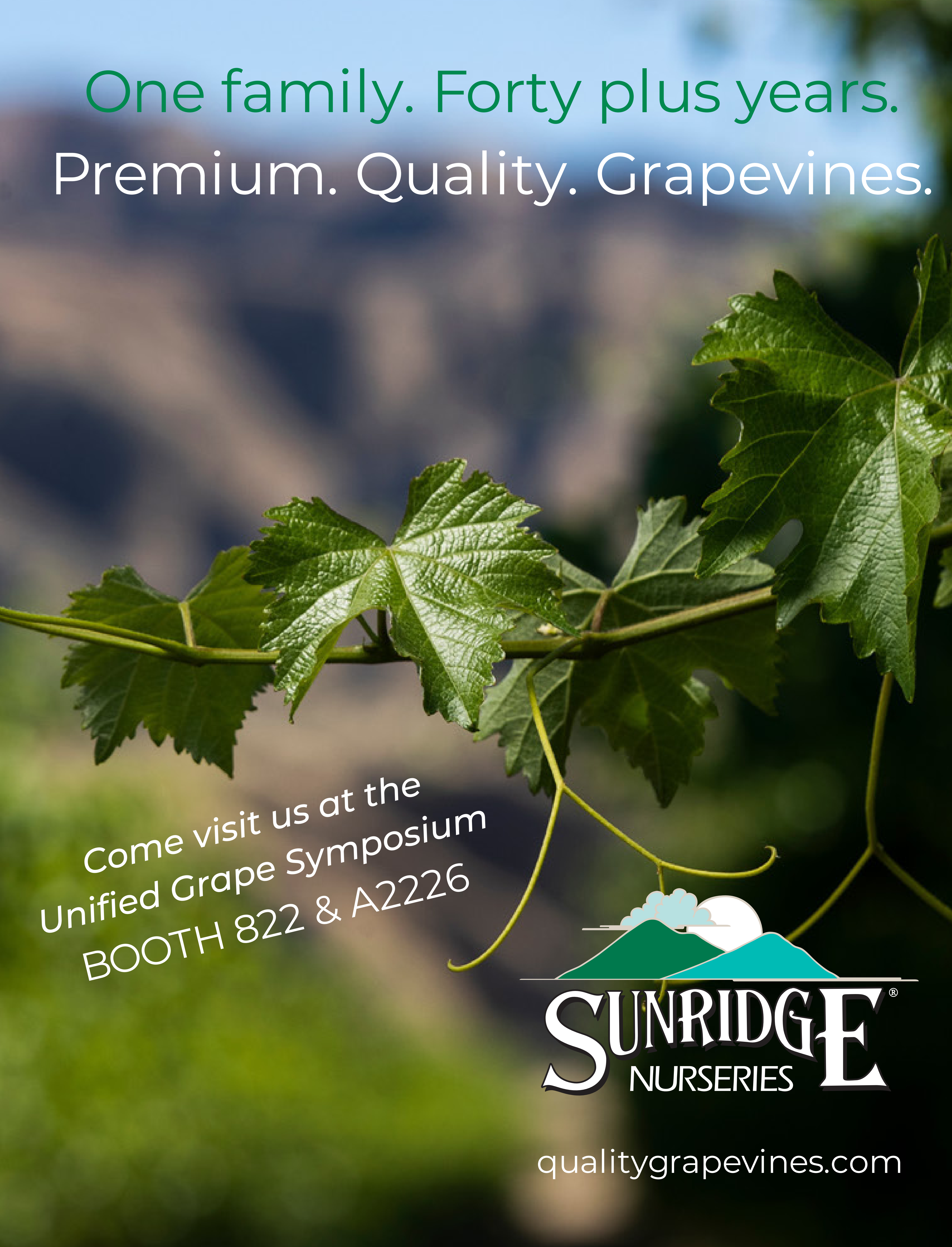
Deutsch Family Wine & Spirits celebrated its 40th anniversary in 2021. Bill Deutsch founded the company in January 1981, and 40 years later it's one of a very small number of wine companies that continued to gain market share in 2021.

Josh Cellars continues to grow and is now a 5-million case brand. [yellow tail], out of Australia, is still close to 7 million cases. Most recently, [yellow tail] launched Pure Bright, a new lower-calorie and lower-alcohol wine positioned in the "better for you" wine segment, the only major brand in the category priced below $7 SRP per bottle.

Josh Cellars also launched a Prosecco Rosé, one of the first to market Italy's newest approved sparkling varietal. Josh also released the brand's third edition of charity wine, the 2019 Josh Cellars Reserve Lodi Cabernet Sauvignon. A portion of the proceeds go to firefighter charitable organizations nationwide. Josh Cellars founder Joseph Carr created the wine as a tribute to his father Josh, a volunteer firefighter in Berlin, NY.

The company is quite active in premium and super-premium spirits and saw continued growth with brands such as Gray Whale Gin and Redemption Whiskey. Deutsch works almost exclusively with private or family-owned companies.

The business includes a roster of international brands: [yellow tail] wine, Peter Lehmann Wines, Bellacosa Wine Company, Girard Winery, Joseph Carr, Josh Cellars, Kunde Estates, Layer Cake Wines, The Calling Wine, Andre Lurton, Cave de Lugny, Fleurs de Prairie, Hob Nob Wine Company, Sauvion, Barone Fini, Villa Pozzi, The Crossings, Quinta Do Vale Meão, Mar De Frades, Bodegas Cruz de Alba, Ramón Bilbao, Clos de los Siete, and Redemption Whiskey, Bib & Tucker Bourbon, Masterson's Rye and Luksusowa Vodka.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11. Precept Wine

Andrew Browne, Founder and CEO

ANNUAL U.S. CASE SALES VOLUME: 3.2 million

EMPLOYEES: 500

Precept, which grew in 2021, got more into wine-based cocktails and pouches, doing a test run with retailers on wine-based frozen drinks. The company continued working with The Human Rights Council with House Wine rainbow-colored cans to encourage the celebration and support of LGBTQ+ equality.

Precept launched The Hidden Sea, with every bottle used taking 10 plastic bottles out of the ocean. On the health and wellness side, Waterbrook introduced low- and zero-alcohol sparkling and still wines. Precept launched a non-alcoholic sparkling program with Whole Foods called Zilch. Day Drinking by Little Big Town, a 375 ml can wine brand, continued its rollout. Precept's Cense label, an entrant in the "better for you" category, now has four bottled SKUs and three wine spritzer SKUs in cans. Precept also acquired the Sheffield Cellars and Fairbanks dessert wine portfolio last year from E. & J. Gallo Winery, following Gallo's big deal with Constellation.

Precept continues to focus on private labels for major retailers following the acquisition of Truett-Hurst. Precept operates 15 tasting rooms, having opened two new ones in 2021 with plans for three or four more to open in 2022.

Precept owns and maintains nearly 5,000 planted vineyard acres across Washington, Idaho, and Oregon; leading wine brands as Waterbrook Winery, Gruet Winery, Browne Family Vineyards, Canoe Ridge Vineyard, Original House Wine, Pendulum Wine, Primarius Winery, Washington Hills, Battle Creek Cellars, Ste. Chapelle, Cense Wines, and Colby Red, plus tasting rooms and hospitality throughout the Pacific Northwest and in New Mexico.

12. Bogle Vineyards

Ryan Bogle, Vice President and Chief Financial Officer

ANNUAL U.S. CASE SALES VOLUME: 2.7 million

EMPLOYEES: 100

Bogle Family Vineyards took a big step to help reduce its carbon footprint, and introduced new, lighter glass bottles it said will cut packaging weight by 10 percent—or 2,235 tons—starting in 2022.

The changeover will occur in phases, with the first lighter bottles being featured in Bogle's traditional line of Chardonnay, Cabernet Sauvignon, Essential Red, Pinot Noir and Merlot. The Juggernaut brand will see a 540-ton reduction with new Cabernet Sauvignon and Pinot Noir bottles.

Bogle also released a new on-premise brand called "TWENTY ACRES by Bogle" this year.

Bogle introduced Juggernaut in 2018 with a Juggernaut California Hillside Cabernet Sauvignon priced at $20 per bottle. It has a California appellation but is sourced largely from the Indian Spring Vineyard at Penn Valley in Nevada County. Bogle's wines include Essential Red, a mix of Zinfandel, Syrah, Cabernet Sauvignon and Petite Sirah. Bogle's leading wine is Chardonnay, though the winery makes a considerable amount of Petite Sirah as well.

The Bogle family has been farming since the mid-1800s, and in 1968, the father and son team of Warren and Chris Bogle planted their first winegrapes in Clarksburg, California. Bogle Vineyards farms more than 1,200 acres of winegrapes in the Delta region.

13. WX Brands

Peter Byck, President and CEO

ANNUAL U.S. CASE SALES VOLUME: 2.6 million

In recent years, WX Brands expanded by investing in a national brand portfolio through a series of acquisitions. This national portfolio is anchored by the Bread & Butter wine brand that WX acquired in 2017. Bread & Butter, part of the WX portfolio, grew by 42 percent in 2021, while both Merlot and a DOC Prosecco were added to the Bread & Butter portfolio. The big news at WX brands this year, however, was Terold, a company owned by members of the Bemberg Family Group, purchasing a majority stake in WX Brands as part of an international expansion.

In 2010, Terold acquired Grupo Peñaflor, the leading winery in Argentina. In 2016, Grupo Peñaflor acquired Diageo's wine operations in Argentina and entered a distribution and production agreement for Diageo's spirits products in Argentina, Chile, Uruguay, and Paraguay. Today, Grupo Peñaflor has a strong position in key segments of the Argentine market and accounts for 27% of Argentine wine exports. The group also owns vineyards in Napa Valley and Lodi.

WX Brands and other wine assets of Terold will continue to operate as separate companies while the WX Brands' management team, led by Peter Byck, continues in their present roles.

WX Brands was founded in 1999 and develops exclusive wine brands for retailers around the world. WX Brands' wines are sourced from 14 countries and sold in 20 countries resulting in over 4 million cases sold annually worldwide.

Our cork bark is responsibly harvested in the heart of Alentejo, Portugal.

One of M. A. Silva's main sustainability initiatives is to actively promote responsible forestry practices in the entire southern region of Portugal.

As a testimony to the success of our stripping methods, our cork oak forests are thriving and the total agricultural area is expanding, with an additional **1359 acres** of forest protected per year.

In addition, our cork forests retain up to **67,200 tons** of CO_2 per year.

14. Vintage Wine Estates

Pat Roney, CEO and Founding Partner

ANNUAL U.S. CASE SALES VOLUME: 2.2 million

EMPLOYEES: 535

There was a lot of buzz about Vintage Wine Estates in 2021 as it merged with a blank-check firm to go public in a deal valuing the company at $690 million, including debt. Prior to the deal with Bespoke Capital Acquisition Corp, investment firm Waswatch Global Investors bought a stake worth $28 million.

Vintage Wine Estates, which has grown over the years through a series of acquisitions, acquired The Sommelier Company in 2021, a firm providing private and virtual wine and spirits tastings to boost its direct-to-consumer business. More acquisitions wouldn't be surprising: During the Wine Industry Financial Symposium, CEO Pat Roney mentioned some 40 acquisition opportunities being on his desk.

In releasing an earnings statement in September 2021, Roney, commented, "We are making excellent progress as an organization, and I am impressed with our team's ability to address head-on the many challenges presented by supply chain constraints. We have added new talent to our leadership in operations, are building out our accounting and finance team, and we measurably expanded our production capacity. Importantly, we believe our omni-channel and digital marketing capabilities are best-in-class in the industry. We have further expanded our brand portfolio and distribution channels with our acquisition of ACE Cider, and we expect to leverage these advantages to continue to deliver on outpaced growth and profitability."

Vintage Wine Estates includes Clos Pegase Winery, Girard Winery, B.R. Cohn Winery, Swanson Vineyards, Cosentino Winery, Game of Thrones wines, Windsor Vineyards, Cameron Hughes, Firesteed, Sonoma Coast Vineyards, Clayhouse, Tamarack Cellars, Layer Cake, Cherry Pie, Alloy Wine Works, Splinter Group Spirits, Middle Sister, Bar Dog, Girl & Dragon and Purple Cowboy.

15. Duckhorn Vineyards

Alex Ryan, President and Chief Executive Officer

ANNUAL U.S. CASE SALES VOLUME: 2 million (WBM estimate)

EMPLOYEES: 400

It was a good year for Duckhorn Vineyards, which became a public company listed on the New York Stock Exchange, offering 20 million shares of stock at an initial a $15 a share. The trading symbol is NAPA. Duckhorn's IPO made it the first major wine company to go public since the late 1990s. Back in 2007, private-equity firm GI Partners bought a majority stake and 2016, another private-equity firm, TSG Consumer Partners, purchased the company.

Duckhorn added new extensions to the Decoy label this year, including a limited Blue tier, and the company launched a new Cabernet Sauvignon brand out of Paso Robles called Postmark. Goldeneye added a Brut Rosé. Duckhorn also opened a new tasting room for the Migration label in Carneros at the former Starmont Winery location.

Founded by Dan and Margaret Duckhorn with the launch of Duckhorn Vineyards in 1976, the company now consists of several brands, including Duckhorn, Paraduxx, Goldeneye, Migration, Decoy, Calera and Canvasback—each with its own dedicated winemaker. Decoy is the workhorse, accounting for roughly half of Duckhorn Wine Company's production.

16. Korbel Champagne Cellars

Gary Heck, President and Owner

ANNUAL U.S. CASE SALES VOLUME: 1.95 million

EMPLOYEES: 350

The sparkling wine category continues to do well, and Korbel California Champagne sales were up by 10 percent in 2021 with gross sales of roughly $130 million. In the current environment, consumers continue to purchase "brands they know and trust," while the need for consumers to elevate smaller, at-home occasions has increased. Consumers still wanted to celebrate in 2020 and 2021, albeit in a different way. Korbel was available and affordable.

Over the last 5 years, despite the pandemic, the sparkling category has increased 19 percent in value and 13 percent in volume.

Korbel continues to invest in marketing, with increased consumption driven by occasion expansion, emphasizing brunch and mixability. The Make It Gold campaign offers inspiration to elevate everyday moments and occasions with Korbel. The company invested $7 million in Media Support (TV, Digital, Print, Outdoor) last year. Korbel invested $1 million in outdoor ads during the 2021 holiday season in Phoenix, Denver, Austin, Houston, San Antonio, Dallas, Chicago, New York, Philadelphia, Baltimore, Atlanta, Miami, Tampa and Southern California.

After delays getting the product from Italy, Korbel Prosecco is slowly building. This year Korbel Prosecco partnered with Disaronno, the Italian Liqueur, to develop the Italian Sparkler, a bubbly cocktail. The partnership includes advertising and in-store displays.

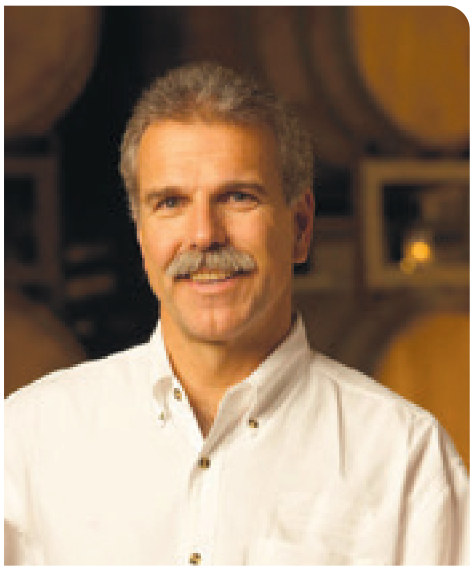
Korbel has been consistently advertising on TV for over 40 years. Korbel Champagne Cellars accounts for roughly 15 percent of the total sparkling wine category and half of the premium méthode Champenoise category. Korbel was established in 1882. The Heck family has owned and managed the company since 1954. The company owns 1,000 acres of vineyards throughout California.

17. C. Mondavi & Family

Peter Mondavi, Jr., Co-proprietor, Charles Krug Winery

ANNUAL U.S. CASE SALES VOLUME: 1.7 million

EMPLOYEES: 120



As was the case with many wineries, the highlights of 2021 at Charles Krug mostly related to direct-to-consumer sales (e-commerce, Zoom tastings, telesales and wine club) and outdoor events. Charles Krug set up an outdoor stage and hosted Festival, Napa Valley for a week during the summer, and teamed up with Blue Note Napa, The Cameo Theater, the Napa Valley Film Festival and others, hosting more than 70 shows through the summer. The shows will continue in 2022.

C. Mondavi & Family announced plans to add imported wines to its portfolio, starting with the acquisition of the French Blue brand from Flying Blue Imports. It marks the first time the winery has ventured outside California for any of the wines in their portfolio, diversifying and looking to capture an audience of drinkers who normally reach for imported wines. C. Mondavi & Family started with the 2019 vintage of French Blue Bordeaux Rosé and Sauvignon Blanc.

Charles Krug Winery, the first winery founded in Napa Valley in 1861, is owned by the children and grandchildren of Peter Mondavi, Sr. CK Mondavi's portfolio includes luxury-priced Charles Krug wines and popularly priced CK Mondavi wines, the latter of which are made in much larger quantities. Charles Krug makes roughly 80,000 cases.

The family's CK Mondavi brand is a widely distributed value brand, and accounts for the lion's share of the volume, though it competes in an increasingly tough category. The family owns 1,850 acres of vineyards in Napa Valley and in Dunnigan Hills in northwest Yolo County. While a large portion of the grapes in CK Mondavi and Family wines is grown on the family's 1,850 acres of vineyards, the family buys additional fruit from many growers. Most of these growers have been partners with C. Mondavi & Family for generations.

The six Mondavi cousins who make up the "G4," or fourth-generation of the C. Mondavi family, have been increasing their roles within the family business. In 2019, C. Mondavi & Family introduced Flat Top Hills, spearheaded by Angelina Mondavi in partnership with head winemaker Randy Herron. The brand is sourced by family vineyards in the Dunnigan Hills AVA of Yolo County planted over "flat-topped" summits.

18. NakedWines.com

Nick Devlin, CEO

ANNUAL U.S. CASE SALES VOLUME: 1.7 million

ANNUAL GLOBAL CASE SALES VOLUME: 4 million

EMPLOYEES: 200

NakedWines.com is an online wine retailer founded in the U.K. in 2008 by Rowan Gormley, employing a unique spin on crowdsourcing where customers, called Angels, fund independent winemakers. NakedWines.com grew at breakneck speed, almost doubling sales volume in 2020 as wine buying shifted to retail and e-commerce. After experiencing that phenomenal growth as consumers stayed at home in 2020, the company was able to grow volume by another 10 percent in 2021. CEO Nick Devlin said he's been pleased by the extent to which NakedWines members acquired in 2020 stuck around in 2021.

Winemakers that recently worked with NakedWines.com include Jesse Katz (Aperture Cellars, Healdsburg, Calif.), Tom Rinaldi (Pellet Estate, St. Helena, Calif.), Ted Henry (PRIME Cellars and Clos du Val, Napa, Calif.), Ryan and Meghan Glaab (Ryme Cellars, Forestville, Calif.) and Ana Keller (Keller Estate, Petaluma, Calif.). Matt Parish produces more than 100,000 cases with NakedWines.com. The largest brand Naked sells, Stephen Miller, produced a quarter of a million cases in 2021.

This year NakedWines.com added Daniel Baron, who's made wine for Petrus, Dominus Estate, Silver Oak Cellars and Twomey Cellars. NakedWines.com also started working with Rudy von Strasser, known for playing a role in founding the Diamond Mountain District in Napa Valley. Initially von Strosser connected with NakedWines when he was looking to expand his portfolio with some Petite Sirah and didn't have enough room in his winery. He later sold his winery and moved all his production to NakedWines.

"We've been investing back in the overall infrastructure of the business, improving our distribution network, making sure we're offering a great range and availability of service to our 350,000 members," Devlin said.

19. Viña Concha Y Toro (Fetzer Vineyards)

Giancarlo Bianchetti, CEO, Fetzer Vineyards

ANNUAL U.S. CASE SALES VOLUME: 1.6 million

While Fetzer and Bonterra account for 1.6 million cases, Viña Concha Y Toro and Fetzer's total U.S. sales total 3.6 million cases, including wines from Chile, Argentina and California.

This year Fetzer achieved Regenerative Organic Certification (ROC) for all its Mendocino County vineyard holdings and winery. Fetzer Vineyards is the world's largest winery to obtain ROC certification and is the third winery to certify to the standard, which publicly debuted in 2020. Bonterra Organic Vineyards, meanwhile, announced it achieved Climate Neutral certification for its entire business, and publicly published its climate footprint.

Fetzer, a long-time sustainability leader, launched new packaging featuring its B Corp certification, with a back label that's environmentally oriented.

Bonterra, the largest brand made with organically grown grapes, accounts for about 470,000 cases, and more than 600,000 counting imports.


L16
L14
L12
L10

20. Foley Family Wines

Courtney Foley, Second-Generation Vintner; Vice President of Business Development

ANNUAL U.S. CASE SALES VOLUME: 1.6 million

EMPLOYEES: 400

In February 2021, Foley Family Wines sold Epic Wine & Spirits of California to Southern Glazer's Wine & Spirits, which was representing more than 400 brands, 40 of which were Foley's. The deal came as Southern Glazer's and Foley signed a national distribution deal for Foley's luxury wines, creating an aligned route to market. Foley acquired Epic in 2013 and expanded it with the acquisition of Southern California-based Pacific Wine Distributors.

Foley acquired Ferrari-Carano Vineyards and Winery in fall 2020 and announced the acquisition of Chateau St. Jean winery from Treasury Wine Estates in December 2021.

New releases include the first sparkling wine in the Banshee portfolio, "Ten of Cups" Brut California NV, inspired by the namesake Tarot Card. Foley now owns 100 percent of Banshee.

Foley Family Wines has more than 6,000 acres under vine—the Ferrari-Carano acquisition added nearly 2,000 acres.

Foley Family Wines owns the following properties in California: Ferrari-Carano (Sonoma County), Foley Sonoma (Geyserville), Chalone Vineyard (Monterey), Foley Estates (Sta. Rita Hills), Lincourt Vineyards (Solvang), Merus (Napa Valley), Foley Johnson (Napa Valley), Kuleto (Napa Valley), Chalk Hill (Sonoma County), Sebastiani (Sonoma County), Lancaster Estate (Sonoma County), Firestone Vineyard (Santa Ynez Valley), Eos Winery (Paso Robles), Roth Estate Winery (Sonoma County) and Banshee (Sonoma County). In the Northwest, the company owns Three Rivers Winery (Walla Walla, Wash.), Acrobat (Western Oregon), and The Four Graces (Dundee, Ore.). In New Zealand, the company owns Vavasour (Marlborough), Clifford Bay (Marlborough), Grove Mill (Marlborough), Dashwood (Marlborough), Martinborough Vineyard (Martinborough), Te Kairanga (Martinborough), and Mt. Difficulty (Bannockburn, Central Otago).

21. J. Lohr Vineyards & Wines

Steve Lohr, CEO

ANNUAL U.S. CASE SALES VOLUME: 1.6 million

GLOBAL SALES: 1.8 million

EMPLOYEES: 250

J. Lohr, one of the wineries that benefitted from pantry loading of trusted brands in 2020, expanded its Paso Robles winery building and added two large barrel rooms to accommodate future growth and bring wine aging to Paso Robles. The expansion in Paso Robles will help the winery bring all red barrels to Paso Robles, while the Greenfield winery will produce the white wines.

President/COO Jeff Meier retired in December after 37 years. He was an integral part of J. Lohr's success, working closely with founder Jerry Lohr and the Lohr family.

J. Lohr was the lead donor for Cal Poly's new Center for Wine & Viticulture, which will include a new 13,574 gross square foot one-story Grange Hall as well as new labs, a conference room and faculty and student offices, in addition to a 16,655-gross-square-foot winery building.

J. Lohr produces four tiers: J. Lohr Signature, J. Lohr Vineyard Series, J. Lohr Cuvée Series and The Gesture Series, available for J. Lohr wine club members only. The company is also behind the brands Cypress Vineyards and Ariel Vineyards, the latter a series of non-alcoholic wines. J. Lohr also produces export-only wines, including Painter Bridge Vineyards.

22. O'Neill Vintners & Distillers

Jeffrey O'Neill, Founder and CEO

ANNUAL U.S. CASE SALES VOLUME: 1.2 million

When you count the national brands O'Neill Vintners & Distillers owns, it produces some 1.2 million cases, but if you include exclusive labels for retailers, etc., the number is closer to 1.8 million cases.

Intercept, Robert Hall, Rabble and Harken Chardonnay are seeing double-digit growth. Line 39 has released a varietal-based wine spritzer with Line 39 Spritzers. Also new from O'Neill Vintners & Distillers is Game Box Wines—as the name implies, it comes in a 3-liter box. The brand includes Chardonnay, Cabernet Sauvignon, Pinot Grigio and a Red Blend.

Jeff O'Neill said much of the focus in 2021 was on effectively navigating the three tier system, e-commerce, and connecting digitally.

O'Neill Vintners & Distillers purchased Rabble Wines of Paso Robles, California back in 2020, a deal aimed at younger wine drinkers. Rabble Wines is part of O'Neill's Tooth & Nail Wine Company division.

23. Don Sebastiani & Sons

Donny Sebastiani, Jr., President and CEO

ANNUAL U.S. CASE SALES VOLUME: 1.2 million

EMPLOYEES: 75

Don Sebastiani & Sons continues to move up the price ladder and now sells more wines that retail above $10 than below $10. Three growth brands are B Side Wines, Simple Life Wines and The Crusher.

The company launched Flybird "margarita wine" during the COVID-19 crisis, a pre-made cocktail in lime and strawberry flavors despite the pandemic—or possibly because of it.

Don Sebastiani, grandson to Samuele Sebastiani, who founded what is known today as Sebastiani Vineyards & Winery, began running his grandfather's company in 1986. He stepped down in 2000 to create a new wine company and soon recruited his two sons, Donny and August Sebastiani, to assist him in the creation of Don Sebastiani & Sons. Donny Sebastiani, Jr. now leads Don Sebastiani & Sons while August leads 3 Badge Beverage Corporation.

Don Sebastiani & Sons took on representation of the 3 Badge Beverage Corporation wine portfolio in 2020 (Leese-Fitch, Plungerhead, Pennywise, The White Knight, Hey Mambo, Moobuzz and Gehricke). The company continues to expand its private label wine business with custom labels for retailers.

The Don Sebastiani & Sons portfolio of wines includes Smoking Loon and Pepperwood Grove, Don & Sons Sonoma Signature Series, Gunsight Rock Wines and Custard Sonoma Valley Chardonnay.

24. Boisset Collection

Jean-Charles Boisset, President

ANNUAL U.S. CASE SALES VOLUME: 1 million

ANNUAL GLOBAL CASE SALES VOLUME: 8.5 million

EMPLOYEES: 250 (1,000 globally)

Boisset's acquisition of French wine producer Moncigale from Marie Brizard Wine & Spirits closed in early January. It's a major acquisition of a wine business specializing in Rosé, founded in 1921, annually making millions of cases with alternative packaging, including cans, high-quality bag-in-box, non-alcoholic wines etc., from the south of France. Boisset has since merged its Moncigale and Fortant operations under the name 'Les Chais du Sud'.

The Boisset family also added Elizabeth Spencer Winery in Rutherford in Napa Valley to its collection of wineries and destinations. The purchase included the Elizabeth Spencer wine portfolio and its Rutherford location.

JCB Collection released two new wines with a portion of the proceeds benefitting the Association of African American Vintners. JCB Unity is a California Cabernet Sauvignon available at Sam's Club and JCB Unity Reserve is a Napa Valley Cabernet Sauvignon available at the tasting room and through Boisset Ambassadors.

Boisset is working on plans for an upscale café, brewery, spirits tasting room, and grocery at the Depot in Calistoga, once the last stop on the train ride through the Napa Valley from Vallejo. The Depot dates to 1868 and is listed on the National Register of Historic Places.

When tasting rooms closed in March 2020, Boisset was quick to offer private virtual tasting appointments and started scheduling guests for JCB Live Happy Hours on YouTube with Proprietor Jean-Charles Boisset. The weekly broadcast continued throughout 2021.

New labels include 1881, a tie in with the wine history museum and Oakville Grocery; Founder's Ranch from Raymond; Chateau Buena Vista Napa Cabernet; and the fast-growing Raymond Napa Cabernet with the red velvet label.

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25. Cooper's Hawk Winery & Restaurants

Tim McEnery, CEO and Founder

ANNUAL U.S. CASE SALES VOLUME: 1 million cases (WBM Estimate)

Cooper's Hawk was sold to private equity firm Ares Management in 2019, reportedly for $700 million. The first location opened in 2005, about 30 minutes south of Chicago. Since that time, the business has evolved to include locations throughout the Midwest, Northeast and Florida. The company has one of the largest wine clubs in the U.S.: with wine club members receiving a bottle of wine each month—most of whom pick up their wines in person.

There are 58 locations with another eight slated to open next year.

Cooper's Hawk combines a winery, restaurant, tasting room and artisanal retail market for a hospitality experience aimed at creating community, but it was a challenging year for restaurants, though.

26. Rodney Strong Estates

Carmen Castaldi, President

ANNUAL U.S. CASE SALES VOLUME: 870,000

EMPLOYEES: 160

Rodney Strong Wine Estates expanded and extended its alignment with Southern Glazer's Wine & Spirits in 13 markets this year—leveraging Southern's scale and e-commerce platform. "We have seen the route to market consolidating for many years, and we believe Southern Glazer's is perfectly poised for success through their strong leadership, national footprint, and digital strategy," Rodney Strong president Carmen Castaldi said. Rodney Strong was previously with RNDC and Breakthrough.

Rodney Strong continues to focus on its core brands. Knotty Vines continues its rollout. It is a new lifestyle brand focused on the Gen X consumer with aspirations of exceeding 500,000 cases.

Rodney Strong Wine Estates made changes to its winemaking and winegrowing teams last year, with Justin Seidenfeld named director of winemaking. He is now the fourth head winemaker in the 60-year history of the winery, following Rod Strong, Richard Arrowood and winemaker emeritus Rick Sayre.

Rodney Strong Wine Estates includes Rodney Strong Vineyards, Davis Bynum Wines, Knotty Vines, Upshot Wines, and ROWEN Wine Company. Rodney Strong farms 11 estate vineyards from four Sonoma County appellations: Alexander Valley, Russian River Valley, Chalk Hill and Sonoma Coast. The Estate itself is responsible for farming 1,400 acres of vines from more than a dozen different estates.

Rodney Strong was founded in 1959 by Rodney Strong and was the 13th bonded winery in the county. The Klein family purchased what was then called Rodney Strong Vineyards, from Irish brewing company Guinness in 1989.

27. JaM Cellars (John Anthony Family of Wines)

John Anthony Truchard, Founder and CEO

ANNUAL U.S. CASE SALES VOLUME: 820,000

EMPLOYEES: 60

In 2009, one of John Anthony Truchard's vineyard management clients couldn't sell his Chardonnay, so Truchard put a small bulk wine deal together. The next year, JaM Cellars, part of John Anthony Family of Wines, released the inaugural vintage of 1,000 cases of Butter Chardonnay. It has since been one of the fastest growing domestic Chardonnays in the U.S. market and benefitted during the COVID-induced retail surge.

In addition to JaM Cellars, the John Anthony Family of Wines portfolio includes John Anthony Vineyards, Serial Wines, and Weather Wines. JaM Cellars and John Anthony Vineyards operate tasting rooms in downtown Napa.

Serial Wines is a new series of wines centered around the Paso Robles wine region and will open a tasting lounge in downtown Paso Robles early 2022. Weather Wines is a new brand focusing on Burgundian varietals sourced from sub-AVAs and single vineyards of the North Coast.

Second-generation vintners John Anthony Truchard and wife Michele are the "J" and "M" in JaM Cellars. John Anthony Truchard started a vineyard management business in the mid-1990s, growing grapes for other wine producers. He eventually saved enough money to plant his own grapes and celebrated his first vintage in 2003, opening JaM Cellars in 2008.

Other JaM products include California Candy Dry Rosé, a Rosé of Syrah and Grenache, Toast Sparkling and JaM Cabernet Sauvignon. Besides JaM Cellars, the John Anthony Family of Wines portfolio includes John Anthony Vineyards and Farm Napa Valley. Both John Anthony Vineyards and JaM Cellars operate tasting rooms in downtown Napa.

The 5-year Presenting Sponsor of BottleRock Napa Valley with a stylish Wine and Music Studio in downtown Napa and a dedicated "Summer Festival JaMs" iHeartRadio station, JaM Cellars continues to put music at the forefront of its brand experience.

28. Oliver Winery & Vineyards

Julie Adams, CEO

ANNUAL U.S. CASE SALES VOLUME: 800,000 cases

EMPLOYEES: 105

Oliver is a leader in the sweet wine market. The independent, Indiana-based winery—known nationally for its effervescent flavored Moscatos, Sweet Red, and seasonal wines—produced 800,000 cases of wine in 2021 with distribution to 41 states.

New private equity partner NexPhase Capital invested in the winery in 2021. Oliver plans continued growth and recently increased bottling capacity and increased production capacity by roughly 50 percent in the last year.

Growth in recent years is being propelled by fruit-infused Moscato wines, which include Oliver Blueberry Moscato (launched in 2019), Oliver Cherry Moscato (2017), and new Lemon Moscato (March 2021). These three SKUs are the fastest-selling flavored Moscatos in the U.S. (Nielsen 52-weeks, ending 10/6/21). In 2021, Oliver Blueberry Moscato eclipsed mainstay Oliver Sweet Red as the winery's No. 1-selling SKU by volume and dollars. In addition, Oliver has seen success with seasonal Apple Pie and Peach Pie wines, and the continued success of Oliver Sweet Red, part of the Soft Wine Collection.

Founded by Indiana University law professor William Oliver, Oliver Winery is the largest winery in Indiana. Oliver was instrumental in getting the Indiana Small Winery Act of 1971 passed into law. Founding family member Bill Oliver remains involved with the company on the board of directors, and Julie Adams, former company president, assumed the role of CEO in early 2021. The company, founded in 1972, celebrates its 50th year in 2022.

The winery is seeing growth with its series of Moscotos infused with real fruit, blueberry, cherry and lemon. Blueberry Moscoto eclipsed Oliver's sweet red as a top seller for decades.

29. Scheid Family Wines

Heidi Scheid, Executive Vice President

ANNUAL U.S. CASE SALES VOLUME: 700,000

Scheid continues to grow the branded wine side of its business and gained traction in 2021 with Sunny with a Chance of Flowers, it's entry into the "better for you" lower alcohol wine category.

The company, which is publicly traded, also announced selling three of its vineyard parcels for $33 million including $20 million of debt. Selling the properties—comprising 1,193 acres of leased and owned vineyards—is part of a strategy to better align asset holdings and debt with the premium bottled wine business.

Scheid Family Wines started as a winegrape grower supplying other wine producers and continues to evolve into a branded wine company.

Scheid Family Wines is a family-owned, estate-driven wine company founded in 1972. With 4,000 acres of sustainably certified vineyards located in Monterey County, California, Scheid is fully integrated to bring high quality estate grown wines to the marketplace. Scheid's winery and bottling operations are powered by 100 percent renewable wind energy generated by a 396-foot tall wind turbine, which also supplies energy to many homes in the local community. Scheid received organic certification on the first of its 12 estate vineyards in 2020 and has committed to transitioning 100 percent of its vineyard holdings to organic by 2025.

The Scheid Family Wines portfolio also includes Scheid Vineyards, Ryder Estate, District 7, Ranch 32, Metz Road, VDR and Stokes' Ghost. Scheid Family Wines also produces many nationally and regionally distributed brands for specific clients and distributors.

30. Firstleaf

Philip James, Founder and CEO

US CASE SALES VOLUME: 700,000

EMPLOYEES: 125

Founded by Philip James, Firstleaf is a direct-to-consumer wine company that launched in February 2016 with the vision of being customer-centric by helping people discover wines tailored to their tastes. The business model is to tailor recommendations for shipments based on member taste preferences, ratings of previously tried wines, etc. Firstleaf has more than 150,000 active members.

Firstleaf collaborates with winemakers in a wide variety of regions and blends its own wines in Napa Valley. It currently has more than 75 brands. One of the brands, Bodewell, supports the charity Wine To Water as it works to provide access to fresh drinking water for communities in need all around the world. More than $200,000 has been donated to date.

Firstleaf has launched Celebrate Firsts, a $1 million marketing campaign to differentiate the company from other brands by celebrating wine enthusiasts and their "firsts". CEO Philip James said FirstLeaf continues to invest in product diversity and customer service.

31. Wente Family Estates

Aly Wente, VP, Marketing and Customer Experience, Fifth-generation Winegrower

ANNUAL U.S. CASE SALES VOLUME: 660,000

ANNUAL GLOBAL CASE SALES VOLUME: 740,000

EMPLOYEES: 250

Wente Family Estates expanded operations this year, moving into a new warehouse facility in Livermore, Calif. The company also maintains its Tesla Road production and materials warehouse facilities.

The new warehouse will allow Wente Vineyards to grow, while allowing Wente Family Estates to build its portfolio through new brand development, increase sales in key international markets, and expand its import portfolio partnerships with Bodega Cuarto Dominio and Blanchard & Lurton from Argentina, along with Blanchard Perez Organic Cava from Spain.

Wente Family Estates operates a golf course, tasting rooms, a gourmet restaurant and in summer hosts concerts at its Livermore Estate, and repositioned the structure of its hospitality business in 2020 because of the COVID-19 crisis.

The past two years have seen a reintroduction for consumers to the Wente brand. Meanwhile, the company is building on the continued rollout of Angels Ink Monterey County and Central Coast Pinot Noir.

Ravel and Stitch Wines, the Central Coast Cabernet Sauvignon brand is another new addition.

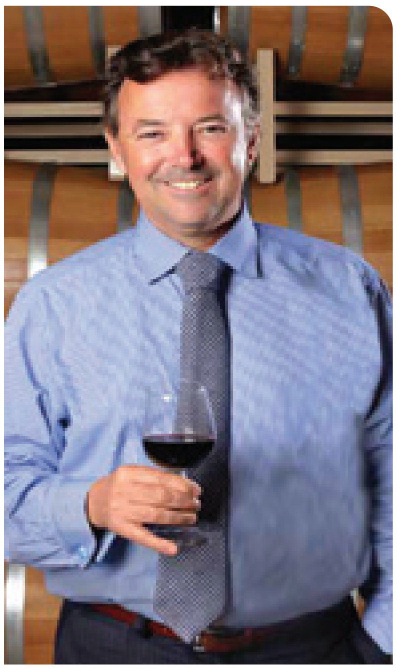
Wente does business in more than 75 countries internationally. Founded 137 years ago, Wente Vineyards, America's longest continuously family-owned and operated winery. Today, the winery is owned and managed by the fourth and fifth generations of the Wente family. Brands include Wente Vineyards, Murrieta's Well, Hayes Ranch Wines and entwine.

32. Riboli Family Wines

Steve Riboli, Vice President

ANNUAL U.S. CASE SALES VOLUME: 650,000

ANNUAL GLOBAL CASE SALES VOLUME: 6.3 million



Riboli Family Wines announced the acquisition of Jada Vineyard & Winery in Paso Robles in December 2021. Jada is known for Rhône and Bordeaux style red and white wines. The acquisition includes Jada's 89-acre property, tasting room and vineyards.

Susan Doyle was named vice president of vineyards and winemaking last year. She most recently served as vice president-operations and winemaking for Quails Gate Winery and West Coast Partners.

Stella Rosa, an import brand owned by Riboli Family Wines, is one of the fastest growing at retail. Riboli Family Wines created Stella Rosa 18 years ago, an imported, low-alcohol, semi-sweet sparkling wine from northern Italy. In 2021, the brand expanded to include canned packaging, a new Blackberry flavor and a new line of non-alcoholic drinks called Stella Rosa Naturals.

Last year, the company launched Riboli Estates Group, a division dedicated to ultra-premium and luxury wine brands sourced from the family's estate vineyards in Paso Robles, Monterey and Napa Valley. This division focuses on growing the family's estate-based wine labels including San Simeon, Maddalena, Opaque, Riboli Family Vineyard, Windstream, and Highlands 41.

A packaging refresh and campaign, "Make Your Mark," was the highlight for Maddalena, underscoring the authenticity of Maddalena Riboli, matriarch of the Riboli Family, to honor the woman who made her own mark in efforts to inspire a new generation of women. The campaign included a donation to the Women of the Vine & Spirit Foundation in Maddalena Riboli's name to help support women pursuing a career in wine.

The winery also partnered with Dress for Success-West to empower women in business.

In 1986, the family purchased their first piece of land in Rutherford, Napa Valley, then continued to purchase land in Monterey and more recently invested in acquiring and planting new vineyards in Paso Robles. Today, the family owns over 1,300 vineyard acres in California.

The Riboli family has operated the San Antonio Winery in Los Angeles for more than 100 years. Riboli Family Wines owns three tasting rooms: one in Los Angeles, one in Ontario, CA, one in Paso Robles and a state-of-the-art, sustainably certified, energy efficient winery and event center in Paso Robles.

33. Hess Persson Estates

Timothy Persson, Chairman
Annual U.S. Case Sales Volume: 650,000
Employees: 167

The Hess Collection Winery has embraced a new name: Hess Persson Estates. The name recognizes the business as it stands today—a luxury wine producer with two distinct portfolios: the Hess Collection and the Lions Head Collection.

Tim Persson, son-in-law to founder Donald Hess, and wife Sabrina took formal ownership of Hess Family Wine Estates in 2017 as part of the family succession plan and Donald Hess's retirement. Persson took over responsibility for the U.S. business in 2012.

During the 10 years of Sabrina and Timothy's stewardship, Hess Persson Estates has shifted its emphasis towards luxury Cabernet Sauvignon. The Hess Collection's first new estate wine in 20 years, the 2019 Iron Corral Cabernet Sauvignon inaugural vintage is a balance of Mountain and Valley Floor Estates.

In addition to Hess Collection Wines, Hess Family Wine Estates continues to build on the momentum of luxury wines, such as Hess Collection Lion Tamer Red Blend, and with their prestige estate wines, The Lioness Chardonnay and The Lion Cabernet Sauvignon. Panther Chardonnay is sourced from the Russian River Valley and Lion Tamer Cabernet Sauvignon from the Napa Valley. The most recent offering is the Panther Pinot Noir.

34. Pernod Ricard USA

Jo-Anna Partridge, Managing Director, Pernod Ricard Winemakers
ANNUAL U.S. CASE SALES VOLUME: 650,000 (WBM Estimate)
GLOBAL CASE SALES: 2 million
EMPLOYEES: 850 nationally

Pernod Ricard employs 18,000 people worldwide. It is the world's second-largest spirits and wines producer. The corporation's spirits include such brands as Absolut Vodka, Tequila Avión, Chivas Regal, The Glenlivet, Jameson Irish Whiskey, Malibu Caribbean Rum, The Kahlúa Company, Aberlour Single Malt Scotch Whisky, Altos Tequila, Beefeater Gin, and on and on.

This year Pernod Ricard launched a new imported wine in the U.S.: Stoneleigh from New Zealand, in a joint venture with Delicato.

The wine division is managed from Australia, where the company owns Jacob's Creek. Wines include Kenwood Vineyards in Sonoma, Brancott Estate, Campo Viejo, Graffigna, Jacob's Creek Wines, Perrier-Jouët Champagne, G.H. Mumm Champagne and Mumm Napa. Pernod Ricard USA is based in New York, N.Y., and the corporation has roughly 850 employees across the U.S.

35. Domaine Chandon Estates & Wines (Moët Hennessy USA)

Stéphane de Meurville, General Manger

ANNUAL U.S. CASE SALES VOLUME: 625,000 (WBM Estimate, includes Newton)

Chandon introduced its first brand redesign in 60 years in 2021.

In introducing the new label design, Chandon said the new identity "boldly reinforces the brand's unparalleled quality and consistent craftsmanship," and that the new visual identity "pays tribute to the brand's expansive winery community with its iconic seven point 'star,' representative of Chandon's six globally renowned wineries—across Argentina, Brazil, California, Australia, China and India—and a world of possibilities."

Stéphane de Meurville, previously the managing director of Moët Hennessy, India, was named general manager of Domaine Chandon in June 2020.

Napa Valley's Domaine Chandon is part of Estates & Wines, the wine division of The Moët Hennessy Wine Division. In addition to U.S. brands Domaine Chandon and Newton Vineyard, Estates & Wines also owns Cloudy Bay Vineyards from New Zealand, Terrazas de los Andes and Cheval des Andes from Argentina and Bodega Numanthia from Spain.

36. Terlato Wine Group

Sandra LeDrew, President and Chief Operating Officer

ANNUAL U.S. CASE SALES VOLUME: 600,000

ANNUAL GLOBAL CASE SALES VOLUME: 2 million

EMPLOYEES: 267

The Terlato family entered the wine business more than 75 years ago with a single retail store in Chicago. They went on to become major distributors in Illinois, moved on to importing and exporting wine, and eventually became winery owners and vineyard developers. Today, the company focuses on sales and marketing, operating five divisions selling roughly 2 million cases of wine and spirts each year.

Sales of brands it owns accounts for some 600,000 cases but Terlato sells another 1.4 million cases of other brands that it represents.

This year the company realigned its national distribution structure by strengthening its relationship with Southern Glazer's in all open states, adding 10 additional markets including New York, Texas, Louisiana, Colorado and the Control States.

Terlato announced an exclusive sales and marketing agreement with Champagne Lanson in April 2021, one of Champagne's oldest Houses dating back to 1760. Lanson is one of the four largest champagne producers but is relatively new to the US market.

Les Sarrins is Terlato's new entry into the Provence Rosé category.

37. Purple Wine + Spirits

Aaron Webb, CEO

ANNUAL U.S. SALES CASE VOLUME: 600,000

Raeburn Chardonnay from Purple Wine & Spirits accelerated in 2021, with 40 percent growth, and was named a "Hot Prospect Brand" from Shanken's Impact Databank. To qualify as Hot Prospects, brands must have achieved at least 15 percent depletions growth for the previous year, while showing consistent growth in the two preceding years.

Purple Brands expects double-digit growth trends to continue in 2022 and beyond. Raeburn Chardonnay is projected to grow by 30 percent in 2022 and its Raeburn Pinot Noir is expected to grow by 50 percent.

Founded by Derek Benham in 2001, Purple Brands is dedicated to creating extraordinary wine and distilled spirits experiences including nationally branded, custom and private label wines for major U.S. and International retailers and restaurateurs. The Purple Brands wine portfolio includes Raeburn from the Russian River Valley, Scattered Peaks from the Napa Valley, Four Vines from California's Central Coast and Avalon from vineyards across California. Spirits holdings comprise Benham Gin and Redwood Empire Whiskeys. The company is based in Petaluma, Calif., with wineries in American Canyon and the Russian River Valley, and distillery operations in the west Sonoma County town of Graton.

Purple Wine + Spirits, once known as Sonoma Wine Company, makes more than 2 million cases of wine a year for dozens of clients on a contract basis.

In late 2020, Purple Wine + Spirits sold its large west Sonoma County production facility and leased a portion of it back for the spirits operation. The company moved its headquarters from Graton to Petaluma, Calif. in 2019. It now conducts business out of a 13,000 square-foot commercial complex at the Foundry Wharf.

Derek Benham and his brother, Courtney, had purchased the Graton property in 1992 as the home base for their Codera Wine Company venture, which created the Blackstone label that Constellation recently sold to E. & J. Gallo. Derek Benham used his proceeds from the $144-million brand sale to launch Purple in 2001.

38. Michael David Winery

Michael and David Phillips, Co-Owners

ANNUAL U.S. CASE SALES VOLUME: 600,000

EMPLOYEES: 180

The Geyserville winery that Lodi-based Michael David Winery purchased from Silver Oak Cellars in 2017 is now the home of North Coast Wine Company, which released Outerbound wines in 2021, including an Alexander Valley Cabernet, North Coast Chardonnay, Merlot, Zinfandel and Russian River Pinot Noir.

Going Viral is an online and tasting room exclusive that launched in 2020 to benefit COVID-19 antibody detection research conducted by UC Santa Cruz assistant professor of biomolecular engineering Rebecca DuBois, daughter of winery co-founder Michael Phillips.

Michael David Winery sold the Seven Deadly Zins brand to The Wine Group in October 2018. The main driver these days continues to be the Freakshow brand. Other new labels from Michael David include 6th Sense Syrah and an updated version of the winery's Lodi Red label.

Located on the west side of Lodi, California, Michael David Winery is run by brothers Michael and David Phillips, and the family has farmed in Lodi for five generations. The winery operation started in 1984 as Phillips Vineyards.

39. Duplin Winery

David G. Fussell, Jr., Owner

ANNUAL U.S. SALES CASE VOLUME: 563,000

Many people don't realize there's a winery in North Carolina making more than half a million cases each year from Muscadine vines that are native to the state.

Duplin Winery continues to expand and is building a new property in Panama Beach, Florida as well. It is the company's third location.

The latest news from Duplin, though, is about a product called Cotton Candy Wine. Sales of Cotton Candy exploded, and the winery added three additional flavors. Cotton Candy is a Muscadine-based wine with natural flavorings. The original pink Cotton Candy wine has a taste of berries and vanilla, and Cotton Candy is available in lime, blueberry and peach.

"We find that sweet wines are well received, which didn't happen 15 years ago," Vice President of Sales Bill Hatcher said.

Last year the winery installed a new bottling line at its Rose Hill, NC facility, with a capacity for 13,000 bottles an hour.

Duplin Winery is the oldest and largest winery in the South. It began in the early 1970s with 20 acres of Muscadine vineyards planted as a farming investment when demand and prices were high for the variety and a winery in New York State named Canandaigua (predecessor company to Constellation) was buying. By the time the vines were producing, however, prices plummeted as a tax incentive for farmers to grow those grapes evaporated. Duplin Winery founder Dave Fussell, Sr. turned to selling finished wines. The third generation took the helm at Duplin Winery in the early 2000s.

40. House of Smith

Charles Smith, Founder
Anna Moser, President
ANNUAL U.S. CASE SALES VOLUME: 550,000 cases
EMPLOYEES: 62

The company (previously referred to as K Vintners) changed its name to House of Smith in 2021. House of Smith is emblematic of the company that Charles Smith has built over the last 20 years. The new name is home to the multiple brands produced as well as their people and business partners.

The Wines of Substance brand continues to grow beyond its flagship Cs (Cabernet Sauvignon) offering with recent additions of Ch (Chardonnay) and Sb (Sauvignon Blanc). Golden West Pinot Noir, a single-vineyard Pinot Noir from Washington state is House of Smith's latest innovation. It's an ambitious project and a big bet with 350 acres planted to supply over 100,000 cases of Pinot Noir. This brand is already receiving accolades and is proof that great Pinot Noir can come from Washington state.

Anna Mosier joined K Vintners as president in June 2019 and she oversees all aspects of the business. She was previously with E. & J. Gallo.

Charles Smith, a former rock band manager, has had an amazing ride since moving to Walla Walla, WA, and releasing 330 cases of his first wine—the 1999 K Syrah. Smith, a true visionary, has developed and sold six wine brands (Kung Fu Girl Riesling, The Velvet Devil Merlot, Boom Boom! Syrah, Eve Chardonnay, Chateau Smith Cabernet Sauvignon, and House Wine) during his winemaking career.

41. Union Wine Company

Ryan Harms, Founder and Owner
ANNUAL U.S. SALES CASE VOLUME: 480,000
EMPLOYEES: 39

Union Wine Company has grown, due in large part to the Underwood brand, which was one of the first wineries to package wine in cans. Other key Union Wine Company brands include Kings Ridge and Alchemist, and the company also owns Amity Vineyards in Oregon.

Union Wine Company now owns a high-speed canning line, sells wine in 49 states and 12 countries and employs six regional sales managers. Ryan Harms created Union Wine Company after working in winemaking roles with Bergström Wines, Rex Hill and Torii Mor Winery.

Currently 15 percent of online wine sales benefit Meals on Wheels.

42. Hahn Family Wines

Philip Hahn, Owner and Chairman

ANNUAL U.S. CASE SALES VOLUME: 450,000

EMPLOYEES: 75

Hahn Family Wines introduced a new tier in 2021 with Arroyo Seco-appellated wines named Hahn Appellation Series. Sourced from certified sustainable estate vineyards, Ste. Nicolaus and Ste. Philippe, Hahn Appellation Series includes Pinot Noir, Chardonnay and a Grenache-Syrah-Mourvédre (GSM) blend priced $18.99 to $19.99 per 750ml. The contemporary package design is replete with copper capsule, and elegant label featuring copper foil accents and founder Nicky Hahn's signature.

Thomas Duhameau was promoted to president last year. Duhameau joined Hahn Family Wines in 2012 as chief financial officer and vice president. Duhameau succeeded Tony Baldini who led Hahn Family Wines as president starting in 2013.

Hahn Family Wines is a family-owned winery in the Santa Lucia Highlands appellation of Monterey County, Calif. Nicky and Gaby Hahn first purchased land in Monterey County in the late 1970s and began winemaking in the 1980s. Today, Hahn Family Wines owns more than 650 acres in the Santa Lucia Highlands and 550 acres in Arroyo Seco, making it one of the largest owners of planted vines in the region. Hahn Family Wines brands include Hahn, Hahn Estate, Hahn SLH, Lucienne, Smith & Hook and Boneshaker, an old-vine Lodi Zinfandel.

43. Scotto Family Cellars

Anthony Scotto III, CEO

ANNUAL: U.S. CASE SALES VOLUME: 400,000

EMPLOYEES: 50

Scotto Family Cellars saw strong demand for sparkling production in 2021 with a Lodi vineyard-designated reserve tier, while wines priced at $10 volume rebounded to pre-COVID numbers with the opening of on-premise.

Recent launches from Scotto Family Cellars have included The Lost Chapters Napa Valley Cabernet and Napa Valley Merlot, Scotto Family Cellars Brut and Brut Rosé, and a "Proscotto" California sparkling wine in a 375ml can.

The family behind Scotto Cellars has been involved in the wine business for five generations, although the business in its present form really started about 17 years ago. Anthony Scotto III started Scotto Cellars in its current iteration with his father (Anthony Scotto II) in 2003. But the family has been in the wine business since the 1940s, when the original Anthony Scotto, along with his brother Sal, founded Villa Armando—a 60-year successful jug wine brand. The Scotto family still produces a 4-liter jug wine that is sold in stores in New York, New Jersey, Connecticut, Rhode Island and Massachusetts.

The company operates a winery in Lodi, Calif., as well as a tasting room in the city's downtown. It also conducts operations out of Sera Fina Cellars in Plymouth and Moss Creek Winery in Napa as part of the Scotto Family Cellars portfolio.

44. Castle Rock Winery

Greg Popovich, Founder and President

ANNUAL U.S. SALES CASE VOLUME: 375,000

EMPLOYEES: 11

Castle Rock has a long-standing reputation for making award-winning wines at affordable prices. The winery's focus is Pinot Noir, which it makes from several different appellations. Pinot Noir represents approximately 70 percent of the company's sales.

Meghan Rech was named director of winemaking in June 2020, succeeding Eric Laumann, who retired. Rech was previously with Francis Ford Coppola Winery in Geyserville.

Castle Rock sells limited quantities of many different appellation-specific wines, including Cabernet Sauvignon and Merlot from Napa Valley and Pinot Noir from the Russian River. Castle Rock started in 1994 and was well positioned when the emphasis in the wine trade shifted to value. The brand's focus on Pinot Noir was fortuitous, as the popularity and sales of the variety surged in the early 2000s.

45. A to Z Wineworks

Sam Tannahill, Founder and Director of Winemaking and Viticulture

ANNUAL U.S. SALES CASE VOLUME: 375,000

A to Z started in 2002, founded by Deb Hatcher, Bill Hatcher, Sam Tannahill, and Cheryl Francis, when the group purchased bulk wine and produced a blend that was honored by Food & Wine Magazine as the best American Pinot Noir under $20. Recognition grew and production did too. In 2006, the group brought in Oregon wine veteran Michael Davies as winemaker, and also partnered with Gregg Popovich, head coach and president of the NBA's San Antonio Spurs, to buy a production facility, REX HILL.

One of the bedrocks of A to Z's success is its good relationships with growers—the company has worked with more than 100 vineyards across Oregon, aiding them to achieve sustainability certifications. The company leases or owns about 300 acres of vineyards, sourcing from more than 4,000 acres within the Oregon state.

A to Z is distributed in 50 states and is still majority-owned by the four founding partners. The winery recently released its Bubbles wine, a sparkling Rosé, in 250 ml cans after having debuted the product on the market in crown-capped glass bottle back in 2017.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46. Crimson Wine Group

Jennifer Locke, CEO

ANNUAL U.S. CASE SALES VOLUME: 375,000

EMPLOYEES: 68

Based in the Napa Valley, Crimson Wine Group owns more than 870 acres of vineyard across five regions, including Pine Ridge Vineyards in Napa, Seghesio Family Vineyards in Healdsburg, Chamisal Vineyards in San Luis Obispo, Archery Summit Winery in Oregon, and Double Canyon Winery in Washington.

Winebow expanded its partnership with Crimson Wine Group in 2020, and now distributes its full portfolio in Illinois, Maryland, and Delaware. With this expansion, Winebow distributes the full Crimson Wine Group portfolio in 10 markets, including Connecticut, New Jersey, New York, North Carolina, Pennsylvania, Virginia, and Washington, D.C.

Jennifer Locke joined Crimson Wine Group as chief executive officer in December 2019. She was previously senior vice president of the direct-to-consumer team at Treasury Wine Estates in the Americas.

Annette Alvarez-Peters, previously with Costco, joined Crimson's board of directors in 2021.

The company was founded by Ian Cumming and Joseph Steinberg, founders of Leucadia National Corporation, now Jefferies Financial Group Inc., a conglomerate and investment holding company. They became involved in the wine business through an investment with Pine Ridge Vineyards in 1991 and an investment in Archery Summit Winery in 1993 and eventually purchased both businesses in their entireties in 2002. In 2006, Leucadia purchased 600 acres in Washington and in 2007 Cummings and Steinberg put together a management team specifically in charge of winery acquisitions.

The company owns 1,000 acres of vineyard land across six regions. Brands include Pine Ridge Vineyards (Napa, Calif.), Seghesio Family Vineyards (Healdsburg, Calif.), Archery Summit (Dayton, Ore.), Chamisal Vineyards (San Luis Obispo, Calif.), Double Canyon (West Richland, Wash.), Seven Hills Winery (Walla Walla, Wash.) and Malene Wines (Santa Luis Obispo, Calif.)

47. Mesa Vineyards

Patrick Prendergast, Owner

CASE PRODUCTION: 350,000

Mesa Vineyards was founded in Fort Stockton, Tex. in 1984, built by a French company with the support of The University of Texas System, University Lands Office. Pat Prendergast, a veteran of E. & J. Gallo, purchased the winery in 2005. Jean-Michel Duforat, executive manager of Ste Genevieve Winery, has been with the winery since its inception.

Ste Genevieve is the main brand, accounting for nearly 400,000 cases annually, and the winery functions as a custom crush as well. Three-quarters of Ste Genevieve's sales are within Texas and about 60,000 of its annual case production is Texas-appellated, so the winery has considerable room to grow outside of the state. The brand produces everything from Chardonnay, Merlot and Cabernet Sauvignon to Sweet Moscato and red and white blends simply labelled "Red" or "White."

Brands include Alluvium, Big Star, Brix, Broken Arrow, Codes & Keys, Escondido Valley, Lost Maples, Mesa Vineyards, Mistletoe, Palo Duro Canyon, Peregrine Hill, Rays, Shadow Brook, Ste Genevieve Wines Top Varietals Made: Chardonnay, Cabernet Sauvignon, Merlot, Shiraz, Zinfandel Products: table wine

48. Sonoma-Cutrer Vineyards

Mick Schroeter, Winemaking Director

ANNUAL U.S. SALES CASE VOLUME: 350,000

Sonoma-Cutrer is one of the most successful Chardonnay brands of all time. Sonoma-Cutrer Russian River Ranches Chardonnay is regularly placed in the number one or two position in Wine & Spirits Magazine's Annual Restaurant Poll.

Brice Cutrer Jones launched Sonoma-Cutrer Vineyards in 1981. Twenty-five years later, he sold it to Brown-Forman Wines. Based in Louisville, Kentucky, Brown-Forman is part of Brown-Forman Corporation, which markets Jack Daniels, El Jimador, Finlandia Vodka, among other spirit and wine brands.

49. Rutherford Wine Company

Marko Zaninovich, Owner

ANNUAL U.S. CASE SALES VOLUME: 350,000

Rutherford Wine Company is owned by Marko Zaninovich, who also owns ASV Wines in San Martin, Calif., a producer of bulk and private label wines, as well as a provider of bottling, packaging and shipping services. The Zaninovich family also owns Sunview Vineyards, one of California's largest table grape-growing operations.

One of Rutherford Wine Company's new wines in 2020 was called VOTE, a limited-production 2016 Napa Valley red wine with a strong call-to-action. The label, with a black and white, shows the image of a Bald Eagle with the wine's name prominently displayed; this design decision was made to create strong shelf presence while maintaining a non-partisan feel.

Based in Napa Valley's Rutherford appellation, the portfolio includes Rutherford Ranch, Scott Family Estate, Predator Wines, Rhiannon Red Wine, Lander-Jenkins, Silver Buckle, Four Virtues Wines and Round Hill California wines.

50. JUSTIN Vineyards & Winery

Clarence Chia, Senior Vice President of Marketing, E-Commerce and Direct-to-Consumer

ANNUAL U.S. CASE PRODUCTION: 339,000

Justin Vineyards and Winery - which is owned by Lynda and Stewart Resnick, owners of The Wonderful Company - acquired Lewis Cellars last year, marking its first entry into Napa Valley.

Justin Baldwin, a former investment banker, founded JUSTIN Vineyards & Winery when he purchased 160 acres west of Paso Robles and planted estate vineyards in 1981. JUSTIN quickly became known for Bordeaux-style reds, becoming one of the pioneers of the Paso Robles region.

The Wonderful Company has owned Justin since 2010. The Wonderful Company is a $5 billion supplier of pomegranates, pistachios, almonds, citrus, and more. The Wonderful Company acquired Vintage Nurseries, the largest grapevine nursery in North America, in 2017, rebranding it Wonderful Nurseries. WBM

State of Distribution

Largest Wholesalers Retain Grip on Market

Mergers, e-commerce and data drive wholesale sector

Andrew Adams

Andrew Adams is the editor of the *Wine Analytics Report* and was a writer and editor at *Wines & Vines* magazine from 2011 to 2018. Adams grew up in the city of Sonoma, Calif., and graduated from the University of Oregon with a degree in journalism. In addition to working at daily newspapers for more than a decade, Adams worked for more than two years (three harvests) in the cellar and lab at a winery in Napa Valley.

Even after a tumultuous two years, the largest distributors solidified their positions as the top U.S. wine wholesalers according to rankings by Wines Vines Analytics.

The rankings are based on a unique model that incorporates proprietary data from Wines Vines Analytics' Distributor Market Service, as well as total market size, number of U.S. wineries represented and other factors. The rankings do not include the wholesalers' beer and liquor business and include Washington, D.C. in the number of states served.

Recent years have been challenging for wholesalers which had to radically change operations to ensure employee safety, account for major losses from on-premise—while shifting resources and allocations to retail—all while expanding their B2B e-commerce platforms to meet surging demand and keep pace with competitors. Adding to the challenges, the widely anticipated reopening of the spring and summer of last year failed to bring a uniform return to normal as expected.

Most of the largest wine distributors had already announced major investments in online B2B platforms, or what they refer to as e-commerce, prior to the COVID-19 pandemic, and those departments have since been bolstered by more staff and a greater emphasis on data and analytics. The changes in consumer buying habits wrought by the pandemic mean that e-commerce will remain a top priority while the burgeoning growth of retailer and third-party delivery also represents a new source of sales revenue. New technology is helping wholesalers work with independent and chain retailers to offer nearly seamless purchase and delivery.

Southern Glazer's Wine & Spirits' acquisition of most of Epic Wine & Spirits in California presaged another round of consolidation and new investment, with a private equity firm buying No. 8 Heidelberg Distributing and No. 7 Opici partnering with No. 2 RNDC in the New York market.

These deals, however, have not altered who is at the top of this year's rankings, which remain dominated by the same firms as in previous years. Southern remains No. 1 followed by RNDC at No. 2, just as they have since this feature first debuted in 2018.

2021 Top 10 U.S. Wine Distributors

Rank	Distributor	States	Offices	U.S. Winery Count
1	Southern Glazer's Wine and Spirits	35	118	1,119
2	Republic National Distributing Co.	33	96	1,079
3	Johnson Brothers Liquor Company	15	34	459
4	Breakthru Beverage Group	15	38	613
5	Winebow	18	18	588
6	Empire Distributors	4	14	410
7	Opici Family Distributing	6	7	164
8	Heidelberg Distributing Co.	2	6	142
9	Wine Warehouse	1	2	72
10	Empire Merchants New York	1	4	115

Washington D.C. included as a state
Source: Wines Vines Analytics Distributor Market Service

No. 1: Southern Glazer's Wine & Spirits

Miami, Fla.-based SGWS remains the largest U.S. wine distributor and the largest in the world given the size of the American market; to retain its top spot, SGWS made several deals this year. The company's e-commerce platform, Proof, has continued to expand, both in terms of total users and services offered. The company's other major initiative last year was the launch of SG+, a new platform focused on fine wine. In announcing the new sales structure, SGWS vice president of sales and marketing Mark Chaplin said it was a direct response to input from the wholesalers' wine customers. "I'm confident that this strategy will differentiate us from the competition and reinforce our position as the distributor of choice in the fine wine, artisanal wine, craft and luxury spirits space," Chaplin stated.

The "enhanced customer service and delivery model" went live in Florida and Texas with additional markets to be added throughout this year. The company also realigned its fine wine and spirits teams into three national teams: Signature Fine Wines & Spirits led by Cindy Leonard, executive vice president and general manager of fine wine; Domaine & Estates Artisanal Wines, led by Laura DePasquale MS, senior vice president of sales and commercial operations; and the Craft Collection Luxury Spirits led by Ray Lombard, executive vice president and general manager. DePasquale joined SGWS in 2015 as vice president and general manager of the company's fine wine division in Florida; and before that, she oversaw fine wine for smaller distributors in Florida, Georgia and South Carolina.

In the spring of 2021, SGWS announced an expansion of its business with Terlato Wines into 10 additional markets, including New York, Texas, Louisiana and control states. The deal with Terlato followed a similar announcement with Rodney Strong Wine Estates to expand distribution into 16 additional markets. The company's other major deal of the past year was a national distribution agreement with Foley Family Wines and the acquisition of parts of Foley's distribution company, Epic Wines & Spirits of California.

No. 2: Republic National Distributing Co.

Coming in close behind the market leader, RNDC operates in nearly as many states as SGWS and works with just 40 fewer U.S. wineries. In September 2021, RNDC announced the launch of LibDiB@RNDC TX, which is a new sales division focused on Texas. The new Texas division is the latest development in RNDC's partnership with LibDib that launched in 2016 as a distribution platform for smaller craft producers that are seeking small volume distribution in key markets.

In August, RNDC announced its expansion into Illinois via a partnership with Heritage Wine Cellars; and as 2021 came to an end, it partnered with No. 7 Opici to expand into New York. The company's e-commerce platform, eRNDC, is now live in 13 states, with six additional states, including California, Oregon and Washington, expected to go online soon. As eRNDC expands, the company has also entered into five new control states—Iowa, Maine, New Hampshire, Pennsylvania and Vermont—and will be serving all control states this year.

The company also announced it was bringing its Platinum Luxury, Estates Group and Atlanta Wholesale Wine divisions into one new group: The Estates Group. The new group comes with three new senior vice presidents to oversee RNDC's fine wine business, including Marin Blomquist, who will manage The Estates Group's western region. Blomquist previously managed The Estates Group in California. Gable Abdo will manage the Estates Group in the Central Region, and an eastern manager will be named later this year. By aligning its fine wine business under one group, RNDC plans to enhance its route to market by organizing multiple states together. "We currently have the Estates Group name established across 10 markets with a great history of building brands," said chief operating officer Bob Hendrickson in the statement that announced the change. "We will now expand that name across all markets, aligning our fine wine team."

No. 3: Johnson Brothers

Retaining its No. 3 slot in the Top 10 is Johnson Brothers based in St. Paul, Minn. The company announced an expanded partnership with Crimson Wine Group in late 2020. The deal expands Johnson's business with Crimson from just Minnesota and Iowa to Indiana, Wisconsin and the Dakotas. Heading up the firm, since 2015, is president Mark Hubler, who previously was the president of spirits for Diageo North America. In October 2020, Matt Colasanti joined the company as vice president of national accounts from E. & J. Gallo Winery where he was a senior director in sales. At Johnson, Colasanti is focused on expanding sales and distribution growth with chain retail and multi-state accounts.

No. 4: Breakthru Beverage Group

On Aug. 31 the fourth largest U.S. wine distributor, Breakthru Beverage Group, announced the appointment of Tom Bené as president and CEO. Bené replaces Greg Baird, who retired and stayed on, through the end of 2021, as a consultant to help with the transition. Baird assumed the role of president and CEO following the 2015 merger of Charmer Sunbelt Group and Wirtz Beverage, which formed Breakthru. Bené previously was the president and CEO of the National Restaurant Association; and before that, he was the chairman, president and CEO of food service distributor Sysco Corp. "Tom has a demonstrated history of leading organizations through periods of exceptional growth and innovation," said co-chairman of Breakthru's board Charles Merinoff.

In March 2021, the company unveiled its fine wine portfolio, Aspect, which is supported by account segmentation analysis of both internal and external, syndicated data to help drive the right products to the right consumers, channels and accounts. "Beyond that, we continue to evolve our best-in-class technology foundation and uniformity of systems across markets that ensure a fully integrated data platform," said Adam Pizer, the company's vice president for wine business development.

Pizer said the company's B2B portal, Breakthru Now, is intended to make it the easiest distributor for wineries and accounts to work with. "It was developed in partnership with our suppliers to expand exposure of their brands and allow customers to manage their business anytime, anywhere."

A partnership with e-commerce marketplace Provi and other facilitators, like Drizly, have created an "end-to-end digital ecosystem that brings Breakthru, our suppliers and our customers closer to the end consumer." Pizer said e-commerce is no longer a niche "but a serious growth driver" that has changed the market and compelled Breakthru to invest millions in infrastructure and technology. "Whether through click-and-collect or deliver, retailer sites or marketplaces, more consumers are buying their alcohol online, and we will work across platforms to help our partners optimize their business wherever consumers shop," Pizer said.

No. 5: Winebow

Moving into the No. 5 spot from No. 6, Virginia-based Winebow bolstered its presence on the other side of the continent with a major investment in Washington state. In 2021, the company announced it would be moving into a new distribution center in Kent, Wash. to increase its warehouse capacity by 50 percent. Winebow president and CEO Dean Ferrell said the company adapted to consumer channel shifting by redirecting sales teams and expanding chain and off-premise resources. "Additionally, we have launched an omni-channel strategy, consisting of both marketplace solutions and a website-based B2B e-commerce store that will elevate the customer experience with enriched content, heightened engagement and best-in-class service."

A focus on import offerings and growth opportunities in craft spirits and wines from the Pacific Northwest are helping to capitalize the new efforts that are further supported by improved logistics. "Investment in our distribution centers, like our new, larger facility in Washington state, has enhanced our operational efficiency," Ferrell said. Winebow also announced an expanded distribution agreement with Silverado Vineyards in Napa Valley. Winebow is now the exclusive distributor of Silverado in New York state and represents the winery in Illinois, Minnesota and Wisconsin.

No. 6: Empire Distributors

Headquartered in Atlanta, Ga., Empire Distributors is part of Kahn Ventures that was bought by a subsidiary of Berkshire Hathaway in 2010. The company was founded by the Kahn family, and David Kahn, who became president in 1994, remains president and CEO. Although the firm is closely linked to Georgia, it is active in three other fast-growing states—Colorado, Tennessee and North Carolina—where Empire represents several iconic brands, including Caymus, Joseph Phelps, Stag's Leap Cellars and Duckhorn. The fact that Georgia, Tennessee and North Carolina are also franchise states provides another competitive advantage.

No. 7: Opici Family Distributing

Even after selling its wine distribution business in Florida to No. 2 RNDC, Opici Family Distributing retained its No. 7 spot on the 2021 list. On Nov. 18, 2021 RNDC and Opici announced the companies were forming a partnership in the New York market. The family-owned, New Jersey-based company was founded in 1934 and imports and produces its own wine brands through Opici Wines & Spirits. In 2020, the company acquired wholesaler Organic Vintages and integrated its portfolio of organic and natural wines in New York, New Jersey and Connecticut. Prior to the pandemic, the company had also begun a project to enhance its operations with new technology, and those changes, which included a new ERP platform driven by Microsoft Dynamics, are coming online now. "We were ahead of the technology curve from a planning standpoint, coming into the COVID period, as we had begun to consolidate to an integrated system with new platforms for warehouse and delivery management, price planning, demand planning, sales CRM and e-commerce," said president Dina Opici.

No. 8: Heidelberg Distributing Co.

Serving the major metro areas of Ohio, Heidelberg Distributing was another family-owned company with a long history in beverage alcohol sales and distribution, as well as a major account with Anheuser-Busch InBev and a fine wine division. All of that likely garnered the interest of potential investors, and in early October 2021, Heidelberg announced it had sold to Maryland-based Redwood Capital Investments. Much of Heidelberg's total business is distributing Anheuser-Busch products, and within the past two years Redwood has purchased other distributors of the global brewer in the Chicago area and Florida.

No. 9: Wine Warehouse

With a single focus on the most populous state with the largest wine-consuming population, California, Wine Warehouse remains steady at No. 9. According to president and CEO Greg Akins, in 2021 the company moved into a new facility in Northern California, which doubles the firm's logistical capacity and features the latest technology for material handling and inventory control. "We have also developed an e-commerce platform and strategy to better service our customer base that continues to expand," he said.

The Los Angeles-based company was founded in 1973 by brothers Bob and Jim Myerson and is now owned by Bob Myerson's son, Jim, and daughter, Linda Myerson Dean. In 2021, the company announced it had added two of California's top Pinot Noir producers, Benovia Winery in the Russian River Valley and Bouchaine Vineyards in the Carneros AVA.

The company's improved distribution facilities are in step with a focus on bolstering its digital systems. Jon Rhodes, executive vice president of marketing and business development, said Wine Warehouse is rebuilding its B2B e-commerce site with Adobe's Magento Commerce system and integrating a pricing engine to provide better insights and functionality for buyers. "We're trying to do some things to make the business side of the B2B commerce as accurate and as seamless as possible," Rhodes said.

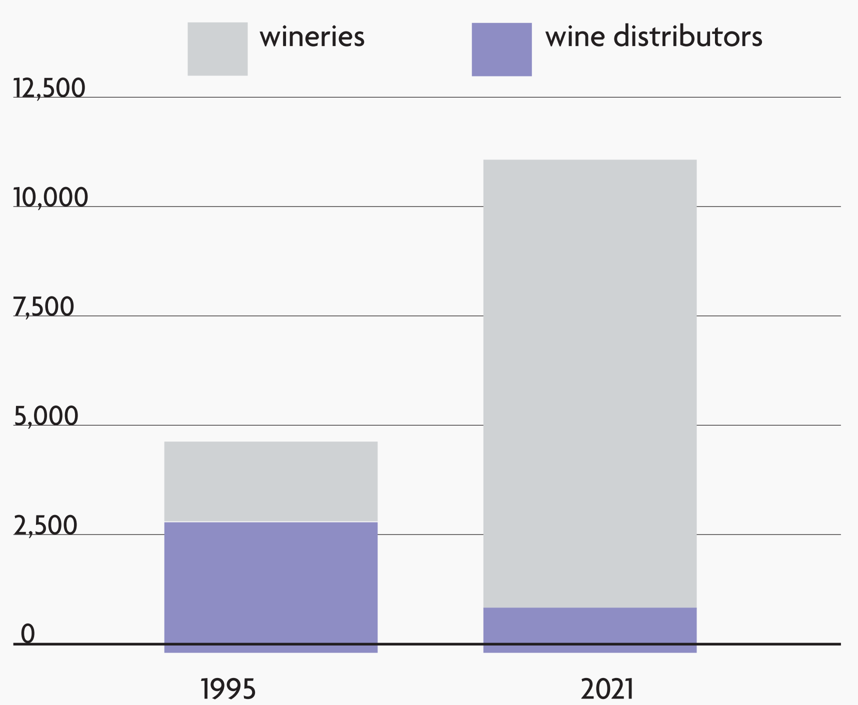
With one of the market's deepest portfolios of fine wine producers, Rhodes said the company is also improving the buying process to highlight the diversity of the brands it represents. "There's a lot of discovery that goes on in shopping our portfolio," Rhodes said. "We want our e-commerce platform to be a place for that discovery."

That richer buyer experience, in turn, should yield data to help Wine Warehouse ensure it's carrying the best brands for its clients. "I look forward to having a much more robust platform to better understand our consumer behaviors and their wants and needs," Rhodes said.

No. 10: Empire Merchants

New to the list this year is New York-based Empire Merchants, which serves the New York City metro area and the rest of the state. The company was created in 2007 through the merger of Charmer Industries Inc. and Peerless Importers. President and CEO Eric Pfeil is the former executive vice president of Breakthru's Florida division. Empire Merchants employs more than 700 workers and serves more than 9,000 outlets. **WBM**

Consolidation of Wine Distributors in U.S.



Source: Wines Vines Analytics Distributor Market Service, distributor sources

11,300 Wineries

U.S. Winery Growth Slower in 2021 than 2020

Jess Lander

Last year was certainly a better year than 2020 for the wine industry: at least it wasn't riddled with winery closures and fires. However, the pace of new winery growth slowed when compared to the year prior, according to the latest information from Wines Vines Analytics Winery Database.

The U.S. winery count grew by 3 percent in 2021—compared to 5 percent in 2020—and topped out at 11,300 wineries. Growth was steady in Oregon and Washington year-over-year, but in the other most populous states for wineries—California (which recorded just 1 percent growth in 2021), Texas and New York—the growth rate was stunted. Moreover, Virginia, Pennsylvania and Ohio, which each have upwards of 300 wineries, continue to show strong growth potential, up 8, 7 and 4 percent, respectively. Yet growth in all three states was not as significant as last year. Eleven states had a net loss in the number of winery operations in 2021, up from 5 in 2020.

In Canada, the number of wineries grew by 4 percent—down from 6 percent growth in 2020—to reach a total of 872 wineries. Of its top three provinces for wine, only British Columbia posted a higher growth rate than in 2020.

It's easy to use the COVID-19 pandemic as a scapegoat, or even the wildfires of 2020, for neither encouraged those looking to launch a winery. But for many of the top-producing states and provinces, there's much more behind the slowed growth than that: think water issues, permitting hurdles and rising production costs.

The question is: will this deceleration last?

In an attempt to predict the future in an ever-changing, chaotic world, WBM spoke to regional winery organizations and experts in various states and provinces to shed light on the future of winery growth potential—and, in some cases, a lack thereof—throughout North America. Despite the numbers, it's not all doom and gloom.

California

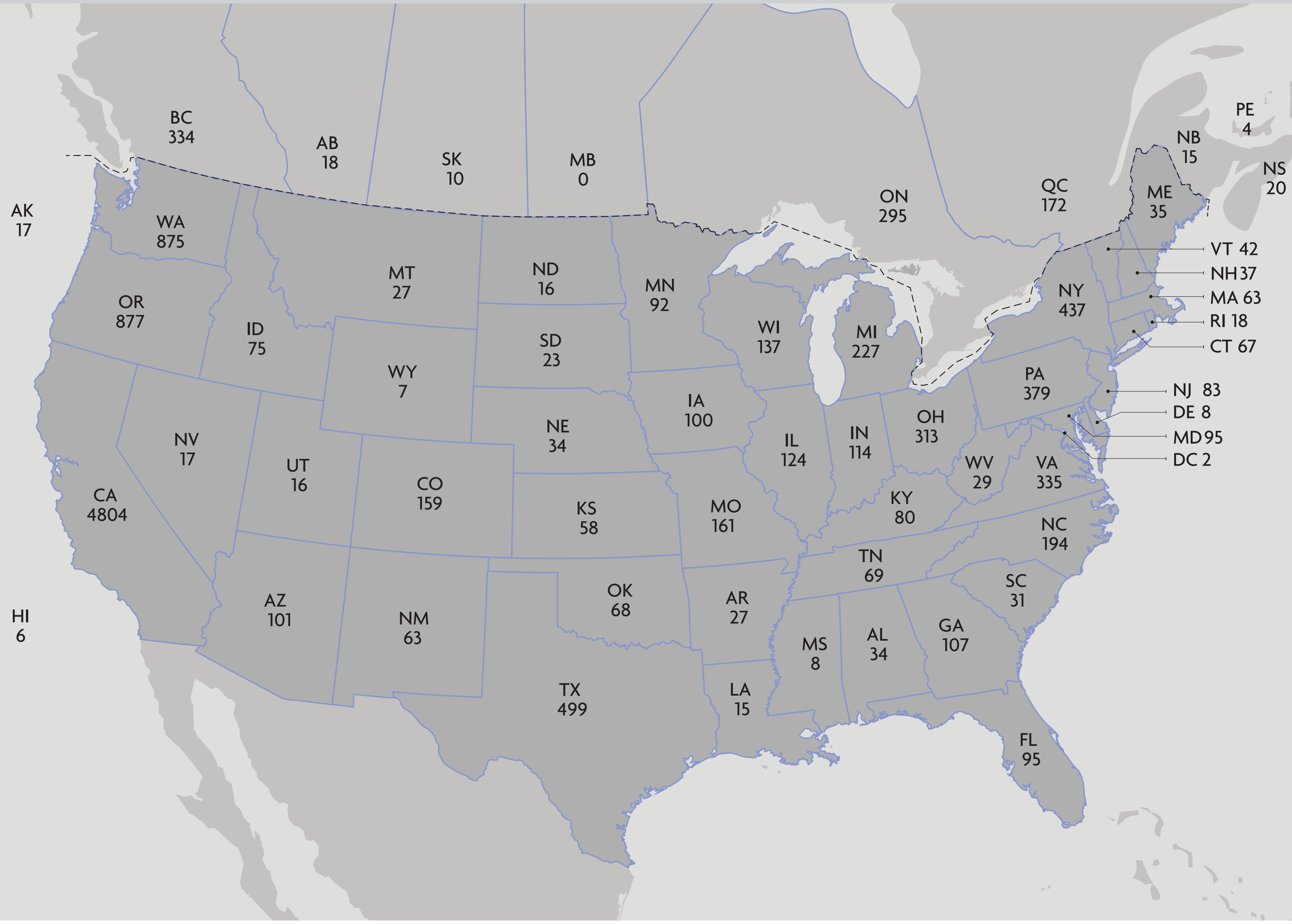
Winery growth in California was minimal, just 1 percent compared to 3 percent the year prior. Rob McMillan, EVP and founder of the Wine Division at Silicon Valley Bank, cited several contributing factors to stunted growth, including "flattening demand," increased consolidation, rising costs of wine production and difficulties with acquiring permits in the majority of regions— Napa Valley notoriously the most difficult.

"Napa has maybe 10 wineries in process with the county right now. The approval cycle is much longer, it's harder and more expensive, and the same can be said in most other regions as well," said McMillan. "It's not as easy to get a license as compared to 10 years ago."

Number of U.S. Wineries by State
Bonded, Virtual and Total U.S. Wineries (as of February 2022)

State	Bonded	Virtual	Total
CA	3,818	986	4,804
OR	584	293	877
WA	833	42	875
TX	463	36	499
NY	416	21	437
PA	360	19	379
VA	311	24	335
OH	301	12	313
MI	218	9	227
NC	166	28	194
MO	155	6	161
CO	154	5	159
WI	129	8	137
IL	117	7	124
IN	114	0	114
GA	104	3	107
IA	98	2	100
AZ	84	17	101
FL	81	14	95
MD	92	3	95
MN	90	2	92
NJ	69	14	83
KY	78	2	80
ID	73	2	75
TN	61	8	69
OK	63	5	68
CT	65	2	67
MA	62	1	63
NM	57	6	63
KS	57	1	58
VT	41	1	42
NH	36	1	37
ME	34	1	35
NE	31	3	34
WV	29	0	29
SC	29	2	31
AL	34	0	34
MT	25	2	27
AR	27	0	27
SD	21	2	23
ND	15	1	16
RI	18	0	18
NV	14	3	17
AK	16	1	17
UT	13	3	16
LA	12	3	15
DE	7	1	8
WY	7	0	7
MS	5	3	8
HI	6	0	6
DC	2	0	2
total	9,695	1,605	11,300

WINES VINES ANALYTICS



Methodology

Data source: *Wine Business Monthly* and Wines Vines Analytics database of North American wineries. Along with referencing federal permit holder data from the Alcohol and Tobacco Tax & Trade Bureau (TTB), proprietary research methods are utilized to ensure full coverage of wineries in the United States and Canada.

Data period: All data in this report reflects winery counts through February 2022.

Wineries included: U.S. and Canada winery counts represent grape and non-grape wineries. The winery database counts reflect winery closures as well as new winery openings. Multiple TTB permits or state permits held by a single winery are counted as a single winery in the winery database.

Bonded vs. Virtual: U.S. wineries are categorized as bonded or virtual in the winery database. Bonded wineries have been licensed by the TTB and are responsible for all production activities that take place on a winery's premises (including recordkeeping of all activities and filing reports to the TTB). The Wines Vines Analytics database defines a virtual winery as a winery that has a physical location (which may be shared with another winery), produces at least one brand and has its own management and winemaker. They use the services of a bonded host facility (winery or custom crush facility) to produce and bottle their wine. Canadian wineries are not broken into bonded and virtual categories because of their differing licensing regulations.

Moving forward, he doesn't expect to see much new growth in Sonoma or Santa Barbara for the same reason; and while it is easier to obtain a permit in some other Central Coast regions, like San Luis Obispo and Paso Robles, there is another, more pressing issue facing any new outfit: the lack of water.

In Paso, Joel Peterson, executive director of the Paso Robles Wine Country Alliance, stated that most of the newcomers to the region are smaller wineries, many of which have been started by winemakers and assistant winemakers from other, larger wineries in the area. However, he noted that some larger wineries also started new brands in the past year; for example, Riboli Family Wines launched its Highlands 41 label.

Only 41,000 of the AVA's 612,000 total acres are planted, presumably leaving a lot of room for growth. Peterson did mention the water challenges, but with over 60 grape varieties planted in the region and increased tourism each year, Paso is increasingly becoming an area of interest for vintners.

"Opportunity is the key word in Paso Robles, where wineries can still be started with relative ease compared to some regions," said Peterson. "With a three-hour road trip from the Bay Area, Los Angeles and Fresno, there's been strong interest from visitors to go away for a weekend trip to Paso Robles. The tourism ecosystem in the region is an incubator for brands that can market and sell to visitors."

McMillan points to the Sierra Foothills as the California region that's best poised for growth, despite the high fire risk common to the area. "From a standpoint of starting and amount of capital required, it's probably more affordable. Wines, being a good value, can attract a lot of new consumers," he said.

Lodi also offers good value—and has plenty of water—but McMillan said the challenge there is that "typically, the fruit is spoken for with larger producers.

"The opportunity is there, but generally speaking, most of the farming is volume farming. It's tons-per-acre versus cost-per-ton," he added.

While Stuart Spencer, executive director of the Lodi Winegrape Commission, admitted that the majority of winery growth in the area has come via Lodi growers that are diversifying their business with the creation of their own wine brands, he disagrees that there's a lack of available fruit for new entrants. Moreover, increased crush capacities at many Lodi facilities have allowed for an increase in the number of Lodi wineries and wine brands.

"Many growers often have some uncontracted vineyards that are available for new buyers, plus many of them will even set aside small amounts of grapes from already contracted vineyards for a new or smaller buyer," said Spencer. "There are always quality grapes available for wineries willing to pay a premium above the larger brands. Also, it's not unheard of to find 80-year-old vineyards sold off at low prices. The grower just hasn't connected with the right winery that's willing to invest in the grapes to make high quality, place-driven wines."

Ultimately, it's the region's affordability that has become one of its greatest assets. "Lodi is one of the few affordable places to enter the California wine business," said Spencer. "The land prices and grape prices are still reasonable, and allow wineries to over-deliver on quality."

Oregon and Washington

Oregon and Washington both experienced steady growth in 2021, growing by 4 percent (just like in 2020). Both are also on their way to surpassing 900 wineries in 2022.

In Oregon, this growth is in spite of the fact that, according to the 2020 Oregon Vineyard and Winery Report, grape production in 2020 was down 29 percent, case sales were flat (after seeing an increase of more than 1 million cases over the two years prior). In addition to annual fire and drought concerns, labor shortages and access to water are "significant constraining factors" for Oregon wineries, according to Sally Murdoch, director of communications at the Oregon Wine Board.

But there are more encouraging statistics that support Oregon's potential for increased winery growth in 2022. In terms of dollars, Oregon's sales actually jumped 4 percent. The state's national volume growth increased by more than 9 percent for the highest level of market penetration ever recorded for Oregon, and international sales grew by 24 percent.

While the Willamette Valley was responsible for 63 percent of the production of wine in the state in 2020, the bulk of winery growth is occurring within the Columbia River region (which includes the Columbia Gorge, Columbia Valley, Walla Walla Valley and The Rocks District) and the Rogue Valley AVA, which grew by 20 percent and 12 percent in 2020, respectively.

Prospective vintners may also see value in the high demand for Oregon wines. The proof is in the state's bottle prices, which in 2020 were second only to Napa Valley for DTC shipments. Nielsen measures the average bottle price of Oregon wines at $16.72 compared to $8.19 for the overall category.

"Oregon's reputation for exceptional quality is further solidified every year," said Murdoch, citing recent rankings of two Oregon wines in the top 20 on the Top 100 list from Wine Spectator and a No. 4 ranking for an Oregon wine on Wine Enthusiast's Top 100 list. "Fine wine consumers are paying for and seeking out quality."

For Washington, the two biggest challenges, when it comes to growth, are "awareness and availability," said Steve Warner, president of the Washington State Wine Commission. "Ultimately, we need more mid-sized wineries selling wine on the national and international stage to help create demand."

Still, it's clear Washington's wine industry isn't slowing down. "Over the past 20 years, Washington has added an average of one new winery each week, doubled our vineyard acreage and has risen to an in-state economic impact of over $8 billion," said Warner, adding it's estimated that the state is only planted to roughly a quarter of its vineyard potential.

Washington also added five AVAs in the past year, with another destined to be approved soon, and is set to launch a statewide sustainability program in early 2022.

New York

In the first year of the pandemic, New York experienced surprisingly strong growth—5 percent for the year ending February 2021—but that growth rate slowed this past year to just 1 percent. Moreover, the number of virtual wineries (defined as wineries that produce wine at a bonded host facility, like a custom crush winery) declined from 28 to 20.

Amy Ellsworth, communications manager for the New York Wine & Grape Foundation, said that in addition to the pandemic, infrastructure issues and a decline in wine consumption by younger drinkers may have curbed growth and could continue to impact it down the line. She said that the traditional tasting room model based on volume "may no longer provide margins necessary for survival."

That last part is changing. New York wineries faced some growing pains early in the pandemic when the state required them to serve food with their tastings. While that rule is no longer in place, it forced a major shift in how New York wineries, the majority of which offered walk-in, bar-style tastings, hosted visitors.

"Most wineries serve flights now rather than multiple pours during the tasting. This moment in New York state seemed to tip the tasting model towards a slower wine experience, sitting down with friends and enjoying the experience, and taking time with the wine to really explore what that winery offers," said Gregg McConnell, a farm business consultant for Farm Credit East, who works with many New York wineries. "In the end, I think it was a watershed moment in our region, where the excellent wines are now paired with a higher-end, slightly more expensive experience."

Recognition of New York wine is also increasing, and that could propel more winemakers to seek out New York's cold climate terroir. In the past year, renowned consulting winemaker Paul Hobbs released the first vintage of his new Finger Lakes brand, Hillock & Hobbs; Wine Enthusiast named a Finger Lakes winemaker, Fred Merwath, Winemaker of the Year in its annual Wine Star Awards; and wine critic James Suckling released a major profile on New York wine, featuring more than 250 tasting notes.

"We still haven't tapped the available land for grapes. Land prices are reasonable relative to other wine regions. We have strong support from Cornell University in terms of viticulture and enology, and the New York state grape industry has room to support wine sales growth, in my opinion," said McConnell.

Texas

Texas had some of the strongest growth in 2020 (15 percent); and while that growth was down by more than half in 2021 (7 percent), the state still fared better than the country's other winery-dominant states.

Roxanne Myers, president of the Texas Wine & Grape Growers Association, pointed to the pandemic as the major contributor to this decline in growth, year-over-year. "You saw very few wineries putting in second, third or fourth tasting rooms because it was a very uncertain market," said Myers. "Also, because wineries were shut down along with bars, it wasn't prudent to open up a new winery business while you couldn't operate.

"Online sales have multiple barriers to entry," added Myers. "First, interstate shipping laws make it difficult to follow the rules about state

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taxes and reporting. Also, some of the more powerful internet wine retailers use wines available by distributors; so, if a winery doesn't use a distribution company and only direct-ships, it's hard to compete online with limited marketing resources."

Myers is confident that growth will rebound in 2022 and said a lot of movement is taking place in the Hill Country and north of Fort Worth, towards the River River area. "There are a few concerns in the marketplace right now with regards to viticulture, namely herbicide volatilization and climate change. Aside from that, Texas is still a big market for wine consumers, and I believe we'll see more and more investment here," she said.

"Land in Texas is less expensive than other areas, making it attractive to outside investment, and there are few restrictions for getting a permit to manufacture and direct-sell wine."

Canada

Canada's strict border closures, during the pandemic, significantly limited visitation from the U.S., Europe and Asia, making it especially difficult to justify new winery startups. As a whole, Canada experienced a 4 percent increase in winery growth compared to 6 percent the year prior. Between Canada's top producing regions of British Columbia, Ontario and Quebec, only British Columbia had an increase in growth rate this past year (3 percent up from 0 percent).

Number of Canadian Wineries
as of February 2022

State	Total
BC	334
ON	295
QC	172
NS	20
AB	18
NB	15
SK	10
PE	4
NL	3
YT	1
CANADA Total	**872**

WINES VINES ANALYTICS

"Many of our key channels were dramatically impacted, including restaurants and exports," said Aaron Dobbin, president and CEO of Wine Growers Ontario. "We greatly appreciate Ontarians' commitment to buying local—it helped a lot—but obviously, there were a lot fewer trips out to wine country, and of course, events, such as weddings and corporate retreats, were canceled."

That's just the tip of the iceberg, too. Ontario's 5 percent growth in 2020 paled in comparison to the 11 percent experienced in the 12 months prior, and Dobbin minced no words when it came to the difficulties Ontario vintners have been facing. "Our key challenge is margin and taxation on our product," he said.

"We compete against the world here in our own backyard, and most of those imported wines, and the marketing of those wines, are heavily subsidized. We need improved margin so our wineries can compete by investing in their people, their vineyards, their capital infrastructure, and in their marketing and promotion," Dobbin said.

British Columbia continues to lead Canada's wine industry with the most wineries and notoriety, but future growth could be truncated by a lack of plantable acreage and the fact that they don't get high yields out of their vines, averaging just 3.5 tons per acre.

"With the unique climate suited to moderate yields of quality grapes, BC is much better suited to focusing on quality, not quantity," said Laura Kittmer, communications director at Wine Growers British Columbia. "We are seeing new vine plantings in some of the northerly wine-producing regions of BC, but with only 11,086 acres of vineyards spread across the province, production is limited, and we don't have the acreage capacity or climate to produce large amounts of bulk wine." **WBM**

WINEMAKER TRIAL

Saccharomyces Versus Non-*Saccharomyces* Inoculations in Red Wine Fermentation

At Scheid Vineyards, winemaker Casey Di Cesare compares *Lachancea thermotolerans* with the more traditional *Assmanshausen* yeast for Pinot Noir.

Bryan Avila
Trial Lead: Casey Di Cesare

Bryan Avila is a formally trained enologist, seasoned commercial winemaker and wine production educator. He teaches best practices to the industry workforce and advises on advanced winemaking subjects to vintners via his company, Avila Wine. He is the trials liaison for *WBM*'s Winemaker Trials section and would love to hear what you are doing in your vineyard and winery to overcome challenges, grow better grapes and make better wine. Contact him at bryan@avila.wine

Focused on innovation, **Casey Di Cesare** has been a part of the Scheid Family Wines' team since 2017 after receiving his master's in enology from Cornell University. Brands such as Metz Road and Sunny with a Chance of Flowers showcase Di Cesare's "thinking beyond the box" capabilities. Using in-vineyard native yeast fermentation, he creates the ultimate expression of terroir with Metz Road. His ingenuity in creating a low-alcohol, zero-sugar, low-calorie wine from fully ripened grapes with a proprietary process made Sunny with a Chance of Flowers a 2020 Hot Brand by *Wine Business Monthly.* Recently named a leader in the wine industry by *WBM*, Di Cesare is positioned for success at Scheid Family Wines.

Background:

A successful native fermentation in wine means that the native microbiological agents on the grape are allowed to start and finish the fermentation—with minimal off-aromas— to create a dry wine. This practice is a double-edged sword. The same microflora that add aromatic complexity, mid-palate volume and umami flavor are the same microbes that may lead to a wine that smells like nail polish and/or sulfites. Even worse, stuck fermentations may open the door to the worst of spoilage microbes. These ferments are unreliable, and remediation is time-consuming and costly. For almost 50 years, it has been a best practice to inoculate juices and musts with sulfite-tolerant strains of pure cultured *Saccharomyces cerevisiae,* which outcompete the remaining native microbes and result in a monoculture ferment that leaves a consistently clean, signature flavor.

In the last decade, commercially available non-*Saccharomyces* yeasts (non-Sacch) have helped winemakers add dimension and flavor when used in addition to traditional yeasts. Non-Sacch strains are selected to perform well during the early, high-sugar stage of fermentation when they are able to outcompete native yeast and bacteria for nutrients. As non-*Saccharomyces* near their alcohol tolerance level, which may be up to 10 percent abv, their fermentation kinetics begin to taper off. This requires winemakers to track the fermentation closely to ensure a timely second inoculation of *Saccharomyces* to complete. This trial employs the inoculation of a non-*Saccharomyces* strain without a second inoculum of *Saccharomyces*, instead allowing native yeasts to dominate the later and final stage of fermentation. This treatment was compared to a standard active dry yeast inoculation commonly used in red wine production.

Trial Objective:

This trial explores the feasibility of only inoculating with a non-*Saccharomyces* strain and finishing a Pinot Noir fermentation with native microflora instead of inoculating with a traditional Assmanshausen yeast.

Trial Description:

Over 25 tons of Calera clone Pinot Noir were harvested from the Riverview Vine yard and destemmed into two open-top fermentors. The Control fermentor was inoculated with a traditional *Saccharomyces cerevisiae* strain, Enoferm Assmanshausen (AMH). The Treatment fermentor was inoculated with Viniflora® Concerto™ *Lachancea thermotolerans* produced by Chr. Hansen. Both lots were pressed at dryness 13 days after inoculation.

TABLE 1: Pre-Fermentation Analysis

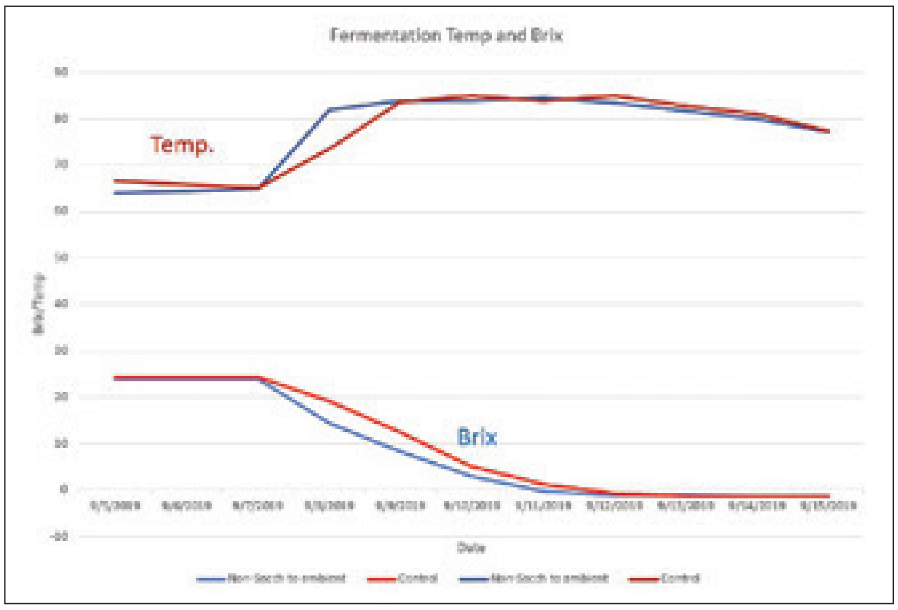
Pre-Fermentation		
	Non-Sacch to Ambient	Control
Tons	12.74	12.74
Brix	24.2	24.8
TA	0.53	0.48
pH	3.48	3.61
NH3	69	67
NOPA	164	198
K	1381	1582
VA	0.006	0.007
ML	1.8	1.97
Yeast	Concerto	ASM
Tannin	3x30ppm	3x30ppm
DAP	1#/1000	1#/1000

Comparison of juice chemistries at harvest showed that the lots were fit for experimentation and the post fermentation analyses.

Control: Traditional Assmanshausen inoculation
Treatment: Non-*Saccharomyces* yeast inoculation with fermentation completed by native, non-*Saccharomyces* yeast

Conclusions:

TABLE 2: Fermentation Curve



The fermentation kinetics of the two lots were very similar. Of the two fermentations, the non-Sacch Treatment showed slightly faster kinetics and heat generation from day two to day three, but these differences were unnoticeable by day seven, and both were pressed dry by day 13.

TABLE 3: Post-Alcoholic Fermentation Chemistry

Post Alcoholic Fermentation		
	Non-Sacch to Ambient	Control
Alc.	13.75	13.25
TA	6.3	5.8
pH	3.68	3.71
VA	0.31	0.3
ML	1.22	0.69
GF	0.01	0.04
LAB	Viniflora Oenos	Viniflora Oenos

Following fermentation, the resulting chemistry is remarkably similar, except that the alcohol is unexpectedly higher in the non-*Saccharomyces* sample. The Control shows very slight reductions in pH and TA, which are likely a result of the lower malic acid (ML), indicating a native malolactic fermentation had started. Minor differences aside, these two fermentations are both well within the expectations of a normal production fermentation.

Following malolactic fermentation, the chemistry data show both fermentations tracked similarly. Acidity, namely pH and TA, were the same, and residual sugars and malic were dry. VA, which is largely a measure of acetic acid, was well within instrumental error. Since the *Lachancea* strain is touted for creating lactic acid from glucose, its higher alcohol and lower lactic acid results, as compared to the Control, do not provide evidence that its acidification pathway was induced. Both ferments produced acceptable fermentation rates and final chemistry results.

Trial lead Casey Di Cesare noted the following observations in a presentation prepared for WiVi 2020:

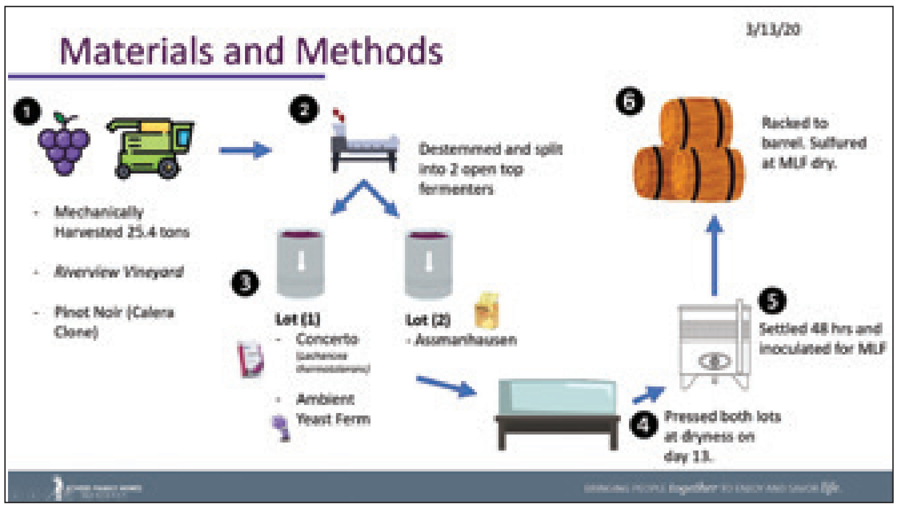
- No increase in volatile acidity from the non-Sacch/native ferment
- Elevated ethyl acetate levels may have been produced by the native population
- Higher conversion of ethanol in non-Sacch/native ferment, which also started sooner

TABLE 4: Post-Malolactic Fermentation Chemistry

Post Malo-lactic Fermentation		
	Non-Sacch to Ambient	Control
Alc.	13.8	13.33
TA	5.2	5.1
pH	3.77	3.76
VA	0.48	0.52
ML	<0.10	<0.10
GF	0.01	0.03
Catechin	53	53
tannin	313	261
polymeric anthocyanins	15	13
total anthocyanins	263	227
catechin/tannin index	0.169	0.203
polymeric anthocyanins/tannin index	0.048	0.05
lactic acid	1.42	1.93
succinic acid	0.46	0.64
ethyl acetate	123	94

- The non-Sacch/native ferment was successful
- There was no noticeable lactic conversion from glucose, resulting in acidification.

In short, this trial provides production-scale evidence that inoculating with a non-*Saccharomyces* yeast may be just as effective as inoculating directly with a *Saccharomyces* strain to yield wines closer to the additional complexity and flavor of a native fermentation without the same level of risk. For those that agree that a vineyard's microbial ecology is part of its overall expression of terroir, non-*Saccharomyces* may prove to set the stage for the vineyard's native microflora to contribute their own unique flavors. Finally, once non-*Saccharomyces* inoculums prove to consistently out-compete the native microbial population, more experiments may lead to lower sulfite usage at the crusher and improvements in color stability.



Post-Mortem Q&A

Why were you interested in studying the substitution of a non-Saccharomyces yeast with a native yeast finish versus a standard inoculation with a yeast well known for fermenting Pinot Noir?

Di Cesare: I would rather affect fermentation flavor with biologicals over additions. I am excited about the new non-*Saccharomyces* yeasts that come out every year. Can I get my mouthfeel? Acidulation? More native character? Eventually, we will want to use less sulfites because we want to evaluate it as a biocontrol.

Which grape variety did you study and why?

Di Cesare: Pinot Noir. It is a great trial grape because it shows the effects of the treatments very well due to its delicate flavor profile.

How did you set up your trials?

Di Cesare: We harvested about 25.4 tons of Pinot Noir and split it between two open-top fermentors. We set up a side-by-side comparison, one treated with our standard house yeast for Pinot Noir and one with Gusmer's Concerto, a *Lachancea* non-*Saccharomyces* yeast. Each was processed as shown below:

Who else worked with you on this trial? What were the team's initial hypotheses before beginning the experiment?

Di Cesare: The lead production winemaker, Vincent Catalaa, and I worked on this trial. We hoped that we would still get a native yeast character without the initial VA hit that the natives are known for. We are always looking for ways to build aromatic and palate complexity without the big spike in VA that can sometimes occur.

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

Di Cesare: Not really. They both tracked well and had similar fermentation kinetics when you look at the whole picture. To be perfectly honest, the *Saccharomyces* yeast worried us more than the non-Sacch treatment because it lagged a little more, but it quickly caught up and was a non-issue in the end.

What was the most important outcome of the trial?

Di Cesare: Non-*Saccharomyces* yeasts are not capable of finishing a fermentation on their own. This trial provides evidence that inoculation with a non-*Saccharomyces* yeast may be all it takes to allow the native *Saccharomyces* population from the vineyard to gain control of the fermentation. This means that we get superior complexity, along with the potential functionality of the non-*Saccharomyces* yeast. It also means that using a non-*Saccharomyces* yeast may not always require a subsequent inoculation with a *Saccharomyces* strain.

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

Di Cesare: The fermentation profiles were similar, and we got pretty much what we expected. We were hoping for some lactic conversion with the *Lachancea* strain, but didn't get much if any. However, it did have good complexity with elevated ethyl acetate without elevated acetic acid.

What was the team's impression of the resulting wines following the trial? Did you or they have a favorite between?

Di Cesare: We thought both ferments worked really well. There was no significant VA increase, the malolactic fermentation finished in a timely manner, and both stored in barrel well. Both ended up being two different wines at the end of the day, giving us more options when it comes to blending or for use in some of our other wine labels. Like with ice cream, sometimes you want vanilla, but sometimes you want Cherry Garcia. Personally, I liked the non-Sacch/native wine better, but that may just be the winemaker in me. I like the mouthfeel and salinity that you get out of native fermented wines, but they all have their place! The non-Sacch/native wine did end up going into a higher-end program.

Do you plan to conduct a follow-up trial to re-test these results? What are your next steps with this platform technology?

Di Cesare: Absolutely. I have learned that not all non-*Saccharomyces* yeasts are created equal. I have done a lot of experimentation with non-*Saccharomyces* strains and sequential inoculation with *Saccharomyces* and now using native yeasts to finish the fermentation. This trial shows that we may be able to get away with just inoculating a non-Sacch if we know that the native yeasts will finish to dryness. This means that we will be able to take advantage of the functionality of the various types of non-Sacch yeasts without having to re-inoculate later. I look forward to experimenting with *Metschnikowia* to potentially keep sulfurs low for early-to-release wines and our organic program. The ability to keep sulfurs low should also improve color stability as fewer sulfites support better tannin-anthocyanin binding. *Torulaspora* builds mouthfeel and other strains of *Lachancea thermotolerans*, such as Level^2's Laktia, which is also known to increase acidity as claimed by the Gusmer Concerto that was used in this trial. **WBM**

PRODUCT REVIEW

Analytical Services for the Grape and Wine Industry

Richard Carey

THE MORE YOU KNOW about your wine or grapes, the better grapes you will produce and the better wine you will make.

This review of available analytical services points out the wide array that are available across the country. Depending on the simplicity of the analysis needed, there is probably a laboratory close enough to any given location that samples can be delivered from the vineyard or winery within one day via UPS or FedEx ground service. Most of the laboratories offer analyses for the major, and most common, grape or wine analytical procedures, including vineyard soil and leaf analyses.

To show the accessibility of such services, let's look at a winery located in central California, such as Paso Robles, with zip code 93446. When you enter that zip code on the UPS website (www.ups.com/maps/results?loc=en_US), the map in **FIGURE 1A** comes up, which shows that virtually all the wine and grape growing regions in California are covered by one day ground UPS. **FIGURE 1B** shows a map for the Midwest, and **FIGURE 1C** shows one for the Eastern United States. If you expand the view on each website map to two days, you'll see that UPS ground service covers a wide region of the country from which to select a laboratory. These maps demonstrate that, for many vineyards and wineries, sending samples to a lab for review can take place in one day, without adding the expense of guaranteed next day delivery.

While it is helpful to find a laboratory relatively close to a specific vineyard or winery, it is important to select a lab that can provide the needed analytical services on a regular basis—sometimes that means mailing samples to a more specialized lab which can run just about any test a winery or vineyard could ask for.

The use of analytical services also allows growers and winemakers to be more confident with the analyses done at that vineyard or winery. I frequently suggest to my clients that they send a random sample to a lab on a regular basis and especially at any time when there is a question about a particular procedure's validity. This process is a check on the winery's in-house analyses.

The more reliant a winery is on outside lab services, the more important it is to be assured that the test results are accurate. One of the easiest ways to test a laboratory's precision is to send the same sample with different lot numbers at the same time. Don't expect exact duplication of the results because every test has an acceptable range for precision. If the difference between the two samples seems to be greater than would be expected, talk with the laboratory to get clarification of the results. The more analyses sent out from a winery, the more frequent this step should be taken. If a hundred samples a year are submitted for a variety of tests, it would be a good idea to duplicate one of each type of test annually.

Another factor to consider, when evaluating laboratories, is to find out if the lab is TTB recognized. The TTB created a Chemist Certification program to evaluate a laboratory for its capabilities, both from an instrumentation standpoint and from the skill set of the person(s) doing the testing. Once laboratories have passed those qualifications, they are put on a list of certified labs. On a biennial basis, the TTB sends out an identical sample set to all certified labs to perform a defined set of analyses. (**TABLE 1**) These labs must meet an ISO 17025 Lab standard to achieve TTB certification.

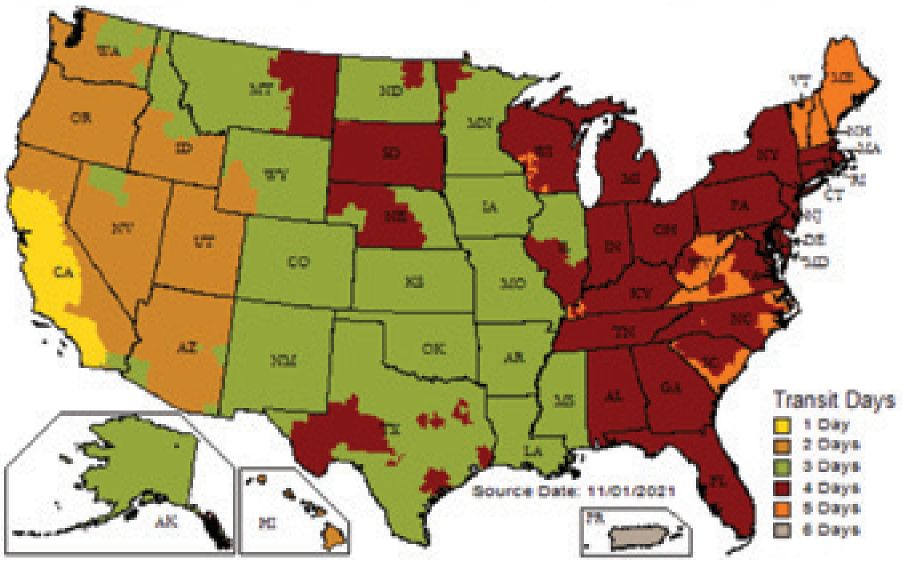
The laboratory you use does not have to have a TTB Certified Chemist to be competent. If there are laboratories close to you that give accurate analyses, that fact will likely lower the average cost of the analyses simply due to lower shipping costs.

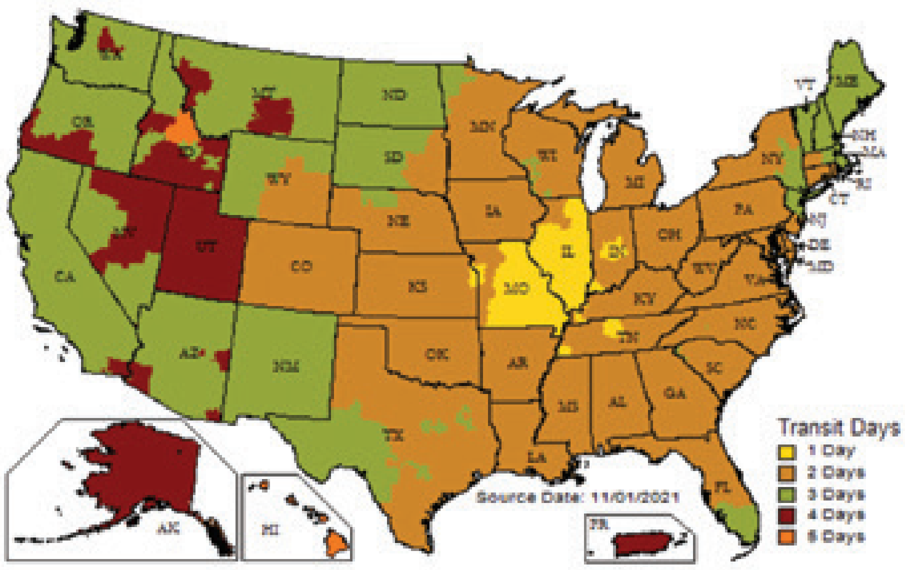
Included here is a table of laboratories from a combination of sources, including WinesVinesAnalytics, the Internet and personal experience. Getting to know the lab personnel can help you understand your testing procedures, especially when you have problems with the consistency of your data.

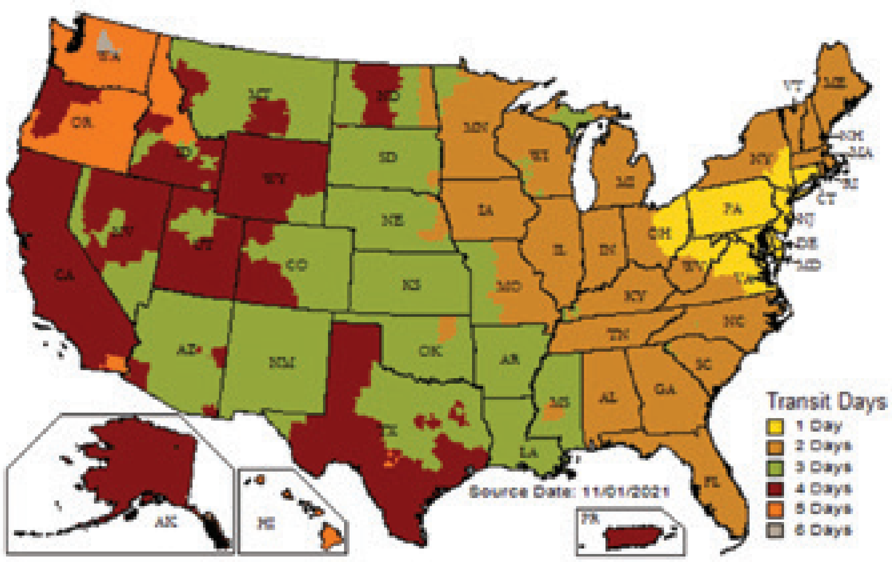
TABLE 1

Wine Analytes Analysis Reported to the Nearest:		
Alcohol by Volume 0.1% by volume	Volatile Acidity 0.001 g/100mL	Residual Sugars (expressed as 0.1 g/100mL glucose + fructose)
Total Extract 0.01 g/100mL	Citric Acid 0.1 g/L	Sorbic Acid 1 mg/L
Total Acidity as Tartaric Acid 0.01 g/100mL	Total Sulfur Dioxide 1 mg/L	Methanol 0.01 % v/v (or mg/L)

This is the list of analyses that the TTB sends to all certified chemists that participate in the Certified Chemist program for maintaining analytical standards. **WBM**


Transit Days
1 Day
2 Days
3 Days
4 Days
5 Days
6 Days
Source Date: 11/01/2021


Transit Days
1 Day
Source Date: 11/01/2021


Transit Days
1 Day
2 Days
3 Days
4 Days
5 Days
6 Days
Source Date: 11/01/2021

Service Providers for Wine and Grape Analytical Services

Wine	Grape	Vineyard	Soils		
X	x			**AAR Lab**	AAR Lab is open all year for beer, wine and hop TTB Certified analytical testing services. 2517 Advance Rd, Ste. A, Madison, WI 53718 *(608) 622-7522 www.aarlab.com*
	X	X		**Agri-Analysis**	Agri-Analysis LLC is an independent agricultural diagnostic laboratory which provides clients with access to state-of-the-art laboratory techniques and procedures to answer agricultural production problems. Agri-Analysis employs enzyme-linked immunosorbent assay (ELISA), polymerase chain reaction (PCR), as well as traditional culturing and numeration methods to detect and identify specific viral, bacterial and fungal pathogens in plant material, seed and soil. Ccustomers include growers, management companies, growers associations, agricultural consultants, universities, research institutes, service laboratories, seed companies, real estate agents and property owners. 950 West Chiles Road, Davis, CA 95618 *(800) 506-9852 www.agri-analysis.com*
X	X			**Alpha Wine Services**	Alpha Wine Services has offered core wine analysis to the wine and grape industry on the East Coast since 1996. 63 Peach Ln, Lancaster PA 17601 *(717) 475-7629 rcarey@tamanend.com www.tamanend.com*
X	X			**Appalachian State wine lab services**	App State Chemistry and Fermentation Service Lab accepts grape, wine, must, cider, beer, hops, barley, distillate, hemp and other specialty beverage samples for analysis. Its mission is to support the production of consistent, high quality products by providing analytical services coupled with technical assistance to growers and producers. APH Room #38A, 949 Blowing Rock Rd., Boone, NC 28608 *(828) 262-6253 enology@appstate.edu www.wine.appstate.edu/lab*
X	X		Wine	**Baker Wine & Grape Analysis**	Baker Wine & Grape Analysis offers a variety of analysis services and is open to special requests. 825 Riverside Ave. #3, Paso Robles, California 93446 *(805) 226-8386 info@bwga.net www.bwga.net*
X	X			**Brock**	CCOVI Analytical Services lab is a full-service facility that offers competitive pricing packages for a wide range of standard analytical services to the grape and wine, cider, beer, and distillery industries. Brock University, Inniskillin Hall, room 215, 1812 Sir Isaac Brock Way, St. Catharines, ON L2S 3A1 *www.brocku.ca/ccovi/analytical-services-laboratory*
X	X	X		**Core Enology**	Since 2015, Core Enology's lab has championed full-panel testing of juice and wine, allowing clients to closely monitor key quality parameters throughout the winemaking production cycle to keep their product on track from vineyard to bottle. The goals of this approach is to save money, reduce surprises, and improve product quality. 1819 NE Baker Street, McMinnville, OR 97128 *(503) 883-0350 info@enologylab.com www.enologylab.com*
X	X			**Cornell**	The lab offers more than 25 different chemical, microbiological, and sensory analyses for craft beverages at Cornell AgriTech in Geneva, N.Y., for quality assurance, trouble shooting and federal regulatory compliance. Analyses are offered at a discount to all New York bonded wineries, home winemakers, and cideries because a portion of testing costs are subsidized by the New York Wine and Grape Foundation (NYWGF). They are unable to offer this discount to wine distributors or out-of-state wineries because of the nature of NYWGF funding. The New York Wine and Grape Foundation subsidy is 50 percent for members and 25 percent for non-member New York wineries. The lab is open each weekday. However, they have implemented special submission guidelines to protect the health and safety of beverage industry employees and lab employees. CCBAL: Pam Raes, Cornell AgriTech-110 Food Research Laboratory, 665 W. North Street, Geneva, NY 14456 USA *cals.cornell.edu/cornell-agritech/our-expertise/craft-beverage-production/craft-beverage-analytical-lab*

Service Providers for Wine and Grape Analytical Services

Wine	Grape	Vineyard	Soils		
X	X	X		**ETS**	At first, ETS Labs concentrated on routine chemical analyses and basic microbiology. As the wine industry grew, its clients increasingly looked to ETS for more advanced analytical services. Over the last 40 years, the team has developed new methods of analysis and introduced many new technologies to support the art of winemaking. ETS offers a complete toolkit of analytical tools and expertise to support the art of winemaking, including the industry's largest selection of A2LA-accredited analyses, with more than 40 methods using 17 technologies accredited to ISO 17025:2005. Main Office: 899 Adams Street, Suite A, St. Helena, CA, 94574 Other Offices: Paso Robles, CA, 93446 Newberg, OR, 97132 Walla Walla, WA, 99362 Newberg, OR, 97132 *info@etslabs.com* St. Helena, CA *(707) 963-4806* Healdsburg, CA *(707) 433-7051* Paso Robles, CA *(805) 434-9322* Newberg, OR *(503) 537-6245* Walla Walla, WA *(509) 524-5182* *www.etslabs.com*
x	x			**Gusmer**	Gusmer's Napa laboratory is equipped with the latest analytical equipment and staffed with a diverse group of qualified technicians, who are TTB Certified for several product groups. Gusmer ensures the quality of its services as a member of a worldwide interlaboratory testing program endorsed by the ASEV. As part of Gusmer's technical resources involved in product development, testing and application support, it has a team with expertise in analytical chemistry, enology, microbiology, food science and applied bio technology. If the lab helps you identify a wine problem, it also has information on products, technology or operations that can help resolve that problem, now and in the future. 640-D Airpark Road, Napa, CA 94558 *(707) 224-7903 www.gusmerwine.com/analytical-services*
x	x			**Lab Ratts Wine and Beverage Laboratory**	The Kelowna beverage laboratory is staffed by knowledgeable scientists with experience in analytical testing of beverages including titratable and volatile acidity, free and total SO_2, pH, alcohol percentage and more. Black Swift Vineyards, 2345 Boucherie Rd., West Kelowna, BC V1Z 2E6 *(778) 755-2401 lab@jpcustoms.ca*
X	X			**Lodi Wine Laboratories**	Lodi Wine Labs offers analysis services as well as a full range of products for the wine, water, beer, and spirits industries. The core of its business is providing high-quality analysis services to assist novice and professionals. 710 S Beckman Rd, Lodi, California 95240 *(209) 339-1990 info@lodiwinelabs.com www.lodiwinelabs.com*
X	X			**Luvabella Analytical Services**	Luvabella's winemaking facility has a fully equipped laboratory, using state-of-the-art Admeo analytical equipment, and the online customer management system allows clients to track their product's every movement – from harvest to bottling – while having access to analytical information at a moment's notice. 6597 Center Road, Lowellville, OH 44436 *(330) 536-6450 www.luvabella.com/commercial-services/analytical-services*
X	X			**Musto Wine Grape Co**	Musto Wine Grape Co. LLC is a privately-held, family business with a collective passion for wine and winemaking. 101 Reserve Road Hartford, CT 06114 *(877) 812-1137 www.juicegrape.com*

Service Providers for Wine and Grape Analytical Services

Wine	Grape	Vineyard	Soils		
	X	X		**Penn State College Agricultural Analytical Services Lab**	The Agricultural Analytical Services Laboratory provides a wide range of testing programs for soils, water, plants, biosolids and other agricultural materials. The Agricultural Analytical Services Laboratory is part of The Pennsylvania State University College of Agricultural Sciences. Its goal is to promote practical, innovative, and affordable solutions to existing and emergent issues related to nutrient management and environmental quality. The lab offers comprehensive analyses of soil, water, plant tissue, manure, compost, and other agricultural materials. 111 Ag Analytical Services Lab, University Park, PA 16802 *(814) 863-0841 aaslab@psu.edu www.agsci.psu.edu/aasl*
x	x			**The Wine Foundry**	The Wine Foundry provides a wide range of lab analysis services utilizing the FOSS Wine Scan, at competitive pricing. It also provides full panel analysis for each sample the next business day (same day service available as well). 45 Enterprise Ct , STE 3, Napa, CA 94558 *(707) 637-8821 x 7274 www.thewinefoundry.com*
X	X			**VT Enology Analytical Services Laboratory**	The Enology Analytical Service Laboratory was established to fulfill the broad range of analysis requirements of the Virginia wine industry. Room 113, FST Building (0418), 360 Duck Pond Drive, Blacksburg, VA 24061 *(540) 231-7447 winelab@vt.edu www.fst.vt.edu/extension/analytical_services_lab.html*
X				**White Lab**	What began as home brewers searching for higher quality yeast, quickly grew into a team of dedicated biochemists exploring new ways to advance brewing altogether. Today, White Labs continues to constantly strive for perfection, and in the process continually raise the bar in the art of fermentation. 9594 Candida St., San Diego, CA *(858) 527-7362 www.whitelabs.com/lab-services-product*

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Tillage is Dirty: Modern Vineyard Floor Management

Vines don't have to be the only plant in the vineyard

Mark Greenspan

Pre-graze

Start graze

I RECALL DRIVING DOWN to the town of Napa in the spring of 2005 to give a talk on vineyard irrigation management (what else?) and noticing how all vineyards in the viewshed along Highway 29 were perfectly clean-tilled. I led with that comment in my talk, which went over like a fart in church. It wasn't meant to be a joke. I mean, what if it rained after all that tillage?

It did, and tilled ground gets pretty squishy after a rain. It becomes impossible to get a tractor into the vineyard to spray until it firms up again. But when the North Coast gets extended periods of rain in May (and we get them often), that can mean vineyards remain unprotected from disease for weeks. Plus, an active cover crop in late spring can serve to transpire that rainfall to help dry up the surface soil and firm it up much more rapidly than a clean-tilled, muddy wasteland.

Mud after a rainfall is not all that is wrong with a clean-tilled vineyard, and the trend in our industry is to move away from tillage—and that's a good thing. We are slowly developing a new paradigm around what a vineyard floor should look like, and that's a welcome change.

Many of Our Past Practices are Just Plain Bad

Monoculture is bad. There are no two ways about it. Having only one plant species in an ecosystem means there is only one target for pests and disease (mostly pests but insect pests vector disease). The presence of other vegetation in a vineyard provides an alternative habitat for insects, some of which are pests, but others can be beneficial and help maintain pest populations to a tolerable level in the vines. Granted, some plant species found on the vineyard floor are pests themselves (noxious weeds), and some can be alternate houses for plant disease (e.g., some legumes possibly hosting Red Blotch virus). But that shouldn't scare us off. We need to be more knowledgeable about which species of plants are welcome and which are not, and work toward selecting those we want—not throwing that baby out with its proverbial dirty bath water.

Herbicides are bad. Really. They kill weeds for sure, but they kill almost everything, including resident microbes that are essential to soil health. Some kill them directly, and others kill them by eliminating their ultimate food source: organic matter. Still, we don't usually want our vines to be overgrown with weeds, so weed control is certainly necessary in all systems. We thought we had an organic herbicide that was relatively harmless to the soils, but that was too good to be true. There are other relatively harmless herbicides out there, but alas, they are also relatively ineffective. But we'll keep an open mind and hope for the best.

Tillage is bad. Tillage pulverizes the surface soil and breaks up soil structure. It also potentially breaks up mycelial mats of soil fungi. Tillage hastens the breakdown of vegetation and, in so doing, actually reduces organic

matter accumulation over time. We used to think that we could "plow down" vegetation, such as cover crops, to build the soil that way. While plowing in cover crop probably does allow organic matter into the soil to increase over time, it is not nearly as effective as growing cover crops and allowing them to decompose slowly over time, which has been shown to increase organic matter more rapidly than tillage. Tillage forces a burst of decomposition, which also creates greenhouse gases, like CO_2, but more importantly N_2O (nitrous oxide), which is a more potent greenhouse gas than carbon dioxide.

Approaches to Modern Vineyard Floor Management

That said, we most often want to minimize weeds or other vegetation under the vines, and without those nasty herbicides, we are either left to hand-hoe (forget that!) or use tractor-mounted, under-vine tillage implements. Yes, they do all those things we are trying to move away from but how else does one manage the under-vine portion of the vineyard floor if not by using either herbicides or cultivation? Some people are moving towards complete no-till, including under the vine rows. This was unheard of not a long time ago, and frankly, most growers would not consider it an option today.

I listened to an interview of Kelly Mulville, vineyard consultant and the vineyard manager for Paicines Ranch in San Benito County. Mulville has been working on and promoting the use of sheep for floor management for quite a while, and I was impressed with his knowledge and passion for the use of sheep. In his Paicines Ranch vineyard, he runs sheep (usually Dorper rams) throughout the year, even when vines are leafed out. To accomplish this, he planned the vineyard out from the start.

The fruiting wire is at 65" height. At that height, sheep can't reach it, unless they hop on the back of another sheep. But they can reach the trunks and perform the task of trunk suckering. Mulville also puts the drip wire and hose high up to allow for easy passage of sheep (and people) under the vines. That has been a challenge in the vineyard's windy climate because the wind blows the drops way off target. To remedy that situation, he irrigates only at night.

Post-graze

Because he has a high fruiting zone to work with, Mulville has opted for a Wye trellis (also known as Watson trellis in Texas). The vine is bilateral cordon-trained with spurs facing alternately in opposite directions and is more or less in a horizontal plane. This encourages growth to fan out both ways on a slanted t-top trellis with fixed catch wires that keep the shoots from falling over. There are no movable catch wires, but he's found that shoots stay in place even in such a windy region. As a side benefit, the horizontally-oriented canopy forms a nice umbrella over the fruit zone to protect it from direct sunlight. I like the look of this system, but I feel that the downside of this trellis is that it requires a wide row spacing (his are 12 feet apart). Nonetheless, Mulville finds ample yields from his system, probably because he's got a very wide fruit zone and can crop more heavily per linear unit of trellis than most other single-cordon systems.

Let's get back to his sheep grazing. Mulville is seeing increases in organic matter over time, even in the few years he's been using the sheep for floor management. Mulville claims that there is about 20,000 gallons of increased water holding capacity per acre for every 1 percent increase in soil organic matter. I checked his number, and I think he is certainly in the ballpark. The actual amount depends on soil depth, and we can only influence the upper foot or 2 of soil in the moderate time scale.

Mulville also states that the complete mulch cover over the vineyard floor cools the vineyard soil, as well as the aerial environment, since less heat emanates from mulched soil than from bare soil. This is something to consider in warmer climate regions and also with all regions, considering climate change.

Sheep are great workers. Pretty much all they do is bleat, eat and poop. And their poop is nutrient-rich, having digested the cover crops and weeds they consume. Mulville also calls this a two-crop system. The sheep are meat sheep, so they not only grow grapes but also meat.

Sheep are Not the Universal Solution

Here are some caveats, though. I was and still am concerned about meadow voles, which thrive under a thatch cover that lets them hide from predators (mostly raptors). I asked Mulville about voles, and he hasn't had any problems with them, but I would caution that some growing regions have big vole problems, and I see them mainly in vineyards with under-vine vegetation that is left unchecked or is intentionally mulched under-vine. Voles chew on the base of vine trunks and girdle them, effectively destroying vines in the process.

Also, we have seen stunting of vines with under-vine vegetation. This can be due to competition for water and nutrients, but I believe there can also be allelopathic (natural chemical exudates) from some grasses, which lead to stunted vine growth. This cannot really be overcome, but Mulville's vines seem fine, growing on fairly high-vigor rootstocks. It is nonetheless something to be aware of when moving to a "wall-to-wall" vegetation type of floor management system. We need to do more work on knowing what species of grasses will be less likely to compete against our vines.

Furthermore, most vineyards are not set up for sheep during the growing season. Few have fruiting wires that high, so it is simply not practical to have sheep in the vineyard at any time other than during the vines' dormant period. Nevertheless, sheep can do a great job of weed management during the winter months and can alleviate much of the need for early mowing and under-vine tillage (or, gasp, herbicide application) that we usually are burdened with and sometimes cannot perform because of wet soils when it actually does rain in the spring.

A combination of good cover crop selection, sheep grazing during late dormancy, and softer under-vine weed management and mowing (not tilling) cover crops in the tractor row can be a suitable substitute for a complete mechanical/chemical approach to floor management. And we need to change our attitude about what a vineyard floor should look like, even for tourists and visitors to wine country. Our consumers, while maybe poorly informed at times, are concerned about sustainability and a healthy environment and are deathly afraid of chemicals in any form. They need to be educated in what a healthy vineyard ecosystem looks like and that only dirt and vines is not healthy. And, as growers, we need to educate ourselves the same. **WBM**

The Best Vineyard Strategies to Implement After a Freeze

Recovery, Renewal and Replacement

Fritz Westover

Fritz Westover is a viticulturist who owns Westover Vineyard Advising, LLC and Virtual Viticulture Academy. Based in Houston, Texas, he specializes in vineyard consulting, field demonstrations and educational outreach to vineyards and vineyard organizations in the southeastern United States.

GRAPEVINES ARE GROWN IN a wide range of geographical territories, and none is more variable than the terrain east of the Rocky Mountains. There is an adage in these regions that says, "If you don't like the weather, just wait 10 minutes because it will change." Although this may seem an exaggeration, certain weather events that endure for just hours can have a lasting impact on future growing seasons for a perennial crop such as grapes. In the time span from fall 2019 through spring 2021, regions in the southern United States have experienced freeze events that have not only affected the season's crop but will have a lasting impact for years to come and, in some cases, have resulted in complete renewal of vineyards to mitigate losses from future freeze events.

Timing of Freeze Events and the Impact on Vines

In general, there are three types of freeze events—early fall freezes, winter freezes and late spring freezes—that can impact vine health, productivity and longevity in different ways. Two freeze events resulted in a great loss of vine structure in 2019 and 2021; the first occurred in the West Texas High Plains (Brownfield and surrounding areas) in late October 2019, with temperatures ranging from 11°F to 22°F. The second fall freeze took place in the central Arizona growing region known as Sonoita, as well as parts of Colorado, in October 2020, with temperatures sharply dropping to 19°F and 0°F to 14°F, respectively.

In both cases, the loss of primary buds was first realized in early winter when growers began to assess bud viability before dormant pruning. Primary bud death in vineyards varied greatly, from 10 to 100 percent, depending on a multitude of factors. The Texas High Plains experienced a heavier than normal crop in 2019 and had spikes in temperature near veraison that resulted in a longer time requirement for ripening fruit. In the worst cases, grapes were harvested only days before the early fall freeze event occurred, and vines had little or no time to recover and prepare for winter dormancy. In this case, temperatures remained in the 80s just before the freeze event and then plummeted sharply to as low as 22°F, damaging vine tissues of grape varieties that normally could sustain single digit temperatures during full winter dormancy.

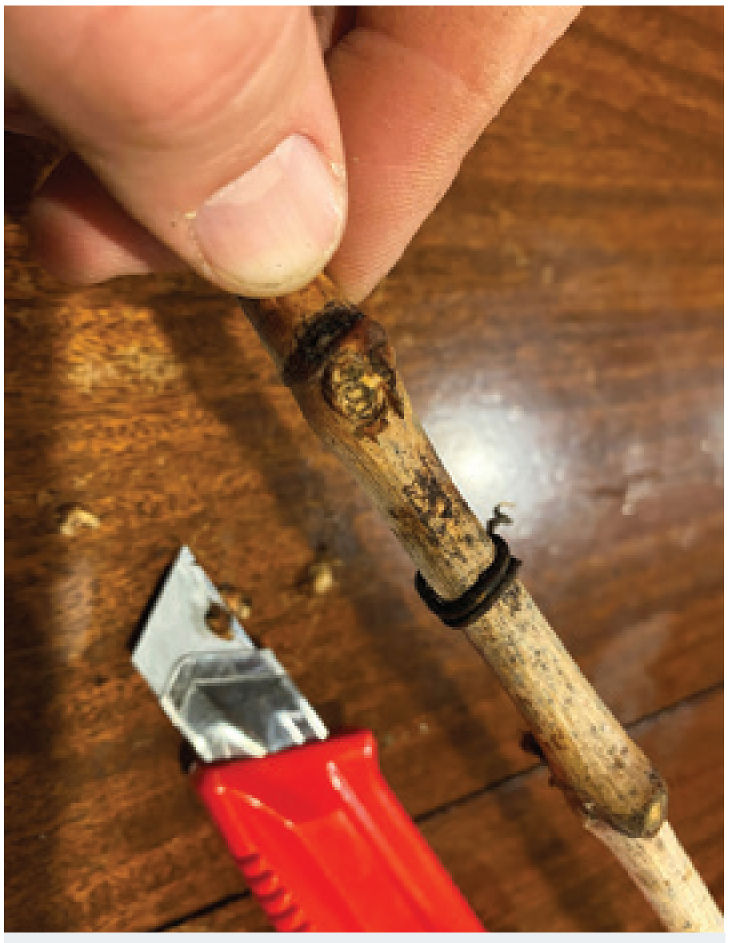

FIGURE 1: This cross-section of a bud shows dead brown primary, secondary and tertiary buds.

By comparison, in the 2021 winter freeze event, the Texas High Plains experienced record cold temperatures of 13°F in January followed by a record low of 0°F in February. Primary bud death was reported in the range of only 0 to 40 percent, depending on grape variety, vine age and other factors. This observation should lead growers to pay more attention to

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acclimation patterns of different grape cultivars and not just their ultimate winter hardiness ratings.

During winter, a grower can make a good estimate of bud death and the dieback of fruiting canes by evaluating cross-sections of buds and canes about three to five days after the freeze event (Figure 1). However, the extent of damage to permanent vine structures, such as cordons and trunks, cannot be easily determined. It is important to note that the process for evaluating whole vine damage caused from late fall and winter freeze events requires a full growing cycle to understand the long-term impacts on vine viability.

On the later end of the time spectrum, late spring freeze events that typically occur in the 24°F to 32°F temperature range can result in loss of shoots from primary buds. Trunks and cordons generally recover fully, and secondary buds often push quickly to renew fruiting positions. At that time, the final pruning decisions have already been made for the season. Late spring freeze events can have a large impact on yields during the current season that can carry over to the following season, especially in cases where positions on canes or cordons are lost, but the effects of late spring freezes are usually recoverable within two growing seasons. However, the grower experiencing late fall or winter freeze damage has several difficult decisions to make regarding both how to final-prune vines and predict vineyard viability in future seasons.

After helping many growers through the recovery process of an early fall freeze, it becomes somewhat easier to begin categorizing vineyard blocks into different scenarios for recovery, which starts with assessing winter bud and cane damage, followed by evaluating shoot growth and position in the subsequent season.

FIGURE 2: The phloem tissue of one-year-old cane wood is brown due to winter injury.

Assessing Vine Damage from Fall and Winter Freeze Events

Vine damage from early fall or winter freeze events begins with assessing dormant bud and cane viability. When vineyard blocks experience 80 percent or greater bud death and show signs of cane dieback (as seen on exterior phloem tissue), the grower will know with a high level of confidence that the crop is a loss but will not be able to assess whole vine viability properly until spring or summer after shoots emerge (Figure 2).

This "wait and see" method can make it difficult to decide if a vineyard block will need to have some replant vines ordered or if the entire block will be slated for removal. The optimal decision time comes in July/August of the season following the freeze event. At this time, the viability of vines can be assessed during peak stress and in time to place a custom vine order from a nursery. Growers can expect to experience a one- to two-year timeline for replanting or replacing damaged blocks. A lead time for custom-grafted vine orders can be as long as 14 months for dormant bench-grafted vines or as little as four months for green-grafted, potted vines, if those are an option.

Freeze-damaged vines usually fall into one of three categories for the purpose of assessing vine viability:

1) The vine recovers with healthy, green shoots in all or most of the fruiting positions, reaching full shoot size by mid-summer,

2) The vine has limited fruiting positions with large gaps on cordons or few renewal options on trunks,

3) The vine has no viable replacement options for fruiting positions or trunks or is dead.

Shortly after bud burst, viable buds on one-year-old cane wood will push first, followed by a push of latent buds from older wood in some cases. A sense of false hope can occur early in the season when assessing young shoot

FIGURE 3: The pale green to yellow foliage of this freeze-injured vine indicates that the trunk damage was severe, and this vine will not recover.

FIGURE 4: A vine that showed potential for recovery, after the early fall freeze in Texas, has died back suddenly in the heat of the summer. The full extent of trunk and cordon damage often is not evident until a full growing season is completed.

FIGURE 5: A block of second leaf Souzao vines suffered severe dieback, and complete replant is needed.

growth as these tissues will often emerge and survive on stored carbohydrates and reserves in woody tissues.

The true test of vine viability begins when the hotter summer months approach; at this point shoot size extends from 12" to 36", and vine water demand is at its greatest. Trunks with damaged vascular tissues will often not meet the high transpiration demands and nutrient needs of an expanding canopy. This can lead to stunting of shoot growth, pale discoloration of shoots and sudden collapse of whole vines or apoplexy (Figures 3 and 4).

Renewing versus Replanting Vines

The harder decision is not for growers who lose 80 percent or more of their blocks to freeze injury, but for the grower with only 40 to 60 percent loss in vine viability. In most cases, an 80 percent loss of vines will result in an automatic replant of the entire block (exceptions may be for very old vines that have heritage value) (Figure 5). The cost and practical aspects of partially replanting vineyards can be discouraging, given the differences in vine management needs of young and old vines and competition of mature plants next to replant vines.

In cases where vines are own-rooted (not grafted), there is usually a better chance that one or more shoots will emerge from below the region of trunk damage. This prospect encourages the diversification of vineyard plans to include own-rooted blocks—an attractive option for regions not affected by phylloxera.

Grafted vines can also show good potential for trunk renewal when strong shoots develop from just above the graft union. This is why hilling up soil to insulate graft unions is a commonly recommended practice for vineyards in cold climates, especially for younger vines during establishment years. Although there is no way to ensure fully that the graft union is sound, it should be noted that if the developing shoots just above the graft are vigorous, healthy in color and extend to the fruiting wire and beyond by mid-summer, this is a good sign that the vine is viable (Figures 6, 7 and 8). One would certainly prefer to renew a vine with a mature root system in the ground than to go through replanting and nurturing a young replant vine.

In general, if 40 to 60 percent or more of the vineyard shows good potential for vine renewal from the ground up, a grower might consider replanting the missing spots, given that the majority of the vineyard is likely in a similar stage of trunk and cordon development. The 40 to 60 percent vine loss of a vineyard block also presents a fork in the road for the grower where they can reflect upon the value of the existing grape variety, the suitability of the rootstock (and how it performed in the specific freeze event) and the spacing and trellis in terms of any updates that could be implemented.

FIGURE 6: These winter-damaged vines have dead trunks and cordons, but good trunk renewals are in progress.

FIGURE 7: Mature vines with trunk damage can grow several trunk replacement options. Each shoot shows a good diameter of 3/8", and one or two can be retained at dormant pruning for trunk renewal.

Similar to the great replanting that occurred in California after the failure of the AXR1 rootstock in the 1990s, growers can shift direction and plant varieties with greater value or with combinations of grape varieties and rootstocks that will better withstand the events that led to the vine losses under assessment.

FIGURE 8: Vines with weak regrowth from above the graft union will not survive. Growth of replacement trunks should be up to the fruiting wire by mid-summer.

Mitigating Damage and Moving Forward

In the scenario where a grower renews and replaces missing vines or decides to replace vineyard blocks completely, there are always some lessons to draw from in each unique freeze event. For example, a region that is prone to early fall freeze events would ideally favor grape varieties that ripen earlier in order to increase the time a vine has to accumulate and store carbohydrates to prepare for winter dormancy. This factor, combined with choosing rootstocks of cold-hardy varieties and that may help fruit ripen earlier, may result in a greater chance of vine recovery and a faster track to increasing yields.

After the late fall freeze events on the Texas High Plains in 2019 and in Sonoita, Arizona in 2020, there were a few varieties that showed less damage and were able to recover more quickly, including Petit Verdot, Teroldego, Merlot, Viognier and Roussanne. Varieties that in general performed poorly included Mourvèdre, Tempranillo, Montepulciano, Trebbiano, Muscato Giallo and Vermentino, to name a few. Additionally, there were other factors, such as vine age, exposure to past freeze events, vineyard management and cropping levels, that seem to have affected vine viability after the freeze. For example, vines in Texas that survived the 2013 and 2014 winter freeze events were hit harder than those vines planted after 2014, which may indicate that some prior trunk damage predisposed those blocks to greater losses in 2019.

Each time a region experiences a unique vine damaging event, growers have the opportunity to assess, adapt and move forward. That being said, there is no lack of unique weather events in store, and those lessons must be considered equally by growers who endeavor to develop new vineyards in challenging regions. The Texas High Plains serves as an example of this adaptation in progress. After decades of late spring freeze events and hailstorms, there is now a landscape of new and older vineyard blocks speckled with wind machines and hail netting to ensure that wineries will have a consistent and reliable stream of grapes arriving each year. To further soften the blow from recent freeze events, growers also gained some financial support from insurance or from the Tree Assistance Program (TAP) through the USDA Farm Service Agency to help recover vineyard blocks.

Lessons learned can be hard when large vine loss is realized. Fine-tuning of future plantings will favor growers who diversify their vineyard portfolios with varieties that have proven to withstand a diverse array of freeze events while still holding market value and demand. In an ideal scenario, a grower in regions with sporadic late fall and winter freeze events would have the majority of their vineyard blocks planted with grape varieties that are winter cold-hardy, early to ripen, late to bud burst and of exceptional wine quality and demand. That sounds like a lot to ask for, but many of the wine growing regions east of the Rocky Mountains are still early in their trials, and we can hope that future vineyard plantings will benefit from past observations. **WBM**

Leaf Nutrient Analysis

Consistent Sampling Protocol is the Key

Tintu Baby and Suzy Y. Rogiers

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IMPORTANT FLAVOR COMPONENTS OF premium *vinifera* fruit rely on the intricate relationships of chemistries influenced by mineral nutrients and a multitude of other factors, including environmental impacts, tissue age, carbohydrate storage, soil conditions, soil water status and vine health. We must view the *vinifera* vine as a perennial system with a good ability to maintain homeostasis despite sudden environmental stresses.

Grapevines are also responsive and will take up/mobilize and distribute a specific nutrient to a specific location to match current requirements. However, long-term nutrient stress can show up as disease, insufficient growth, inadequate set or poor fruit development in the subsequent growing season(s). This is why a carefully formulated nutrient supply is integral to maintaining vine health and a balanced vegetative vigor.

Nutritional analysis of leaves is an invaluable tool for determining vine nutritional status and managing vineyard nutrition. The current nutrient analysis protocol suggests collecting petiole samples from opposite clusters at 80 percent flowering with a sample size of at least 100.[1] Current standards for Australian grapevines are based on Californian data that were subsequently updated for Australian conditions across a range of cultivars.[2]

However, the current recommended standards for optimum levels of each nutrient in petiole/blade are not cultivar-specific. Also, it is unclear how much variation there is in leaf nutrient status within the cluster zone. As part of "Vine Nutrition," a Wine Australia-funded three-year project, we conducted a study aimed at optimizing the tissue sampling protocol by exploring the differences in nutrient levels between grape varieties and tissue types.

More than 1,000 samples were analyzed; Cabernet Sauvignon, Shiraz and Chardonnay were collected at 80 percent flowering from a replicated variety block in the Riverina NSW. The 0.5-hectare block consists of six vine rows with uniform soil characteristics. The 15-year-old, double cordon vines are trained along a single horizontal wire and pruned to 20 buds per vine. The vines are drip-irrigated and own-rooted. Nutrient application was identical across the three cultivars and in accordance with recommended best practice for the Australian industry.

The tissues assessed included the leaf blade, three different sections of the petiole (leaf stalk) and the bunch stem. Samples were collected from two different node positions (opposite the lower or upper cluster). All tissue types were collected from the same vine, and each sample was tracked and analyzed individually.

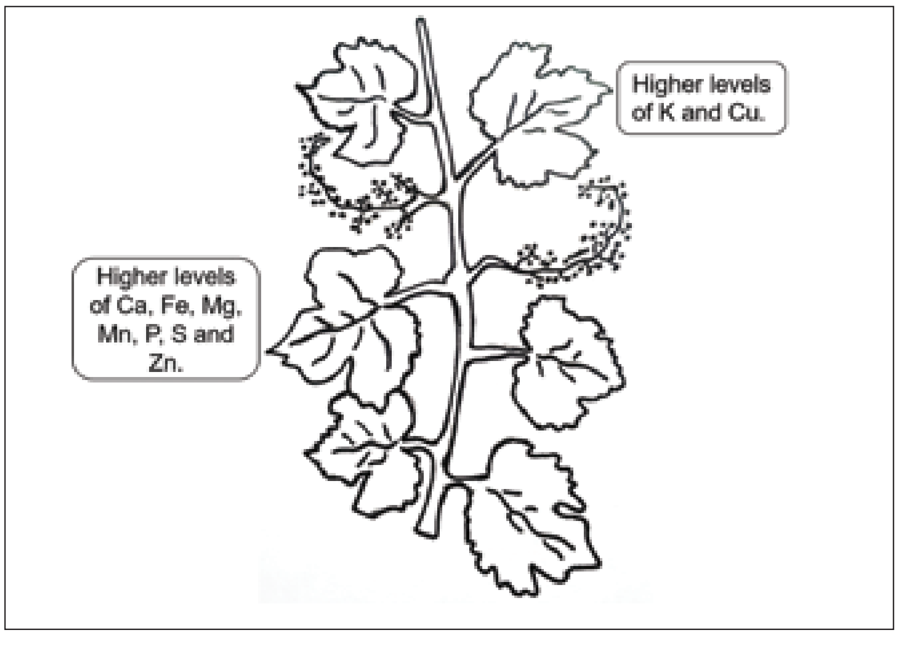
After washing, drying and grinding to a fine powder, samples were analyzed for nutrients. Calcium (Ca), magnesium (Mg), potassium (K), phosphorous (P), iron (Fe), manganese (Mn), boron (B), copper (Cu), zinc (Zn), molybdenum (Mo), sulfur (S) and sodium (Na) were analyzed by inductively coupled plasma atomic emission spectroscopy (ICP-AES). No analysis of nitrogen occurred because there was insufficient samples for both ICP and N analysis.

The main findings from this study are:

Cultivars Grown Under Identical Conditions Differ in Tissue Nutrient Levels

As averaged across all the tissue types, K, P and Zn levels were significantly higher in Chardonnay compared to Shiraz and Cabernet Sauvignon. Cu was highest in Shiraz and lowest in Chardonnay. Mn was significantly lower in Shiraz compared to the other two varieties while higher levels of Mo were found in Cabernet Sauvignon compared to the other two varieties.

These cultivar differences in tissue nutrient levels may suggest differences in nutrient uptake capacity; however, they could also arise from differences in nutrient partitioning among the vine components, on vine vigor or crop load. If such consistent differences were found across a number of sites, this would imply that some cultivars may require more/less of a particular nutrient.



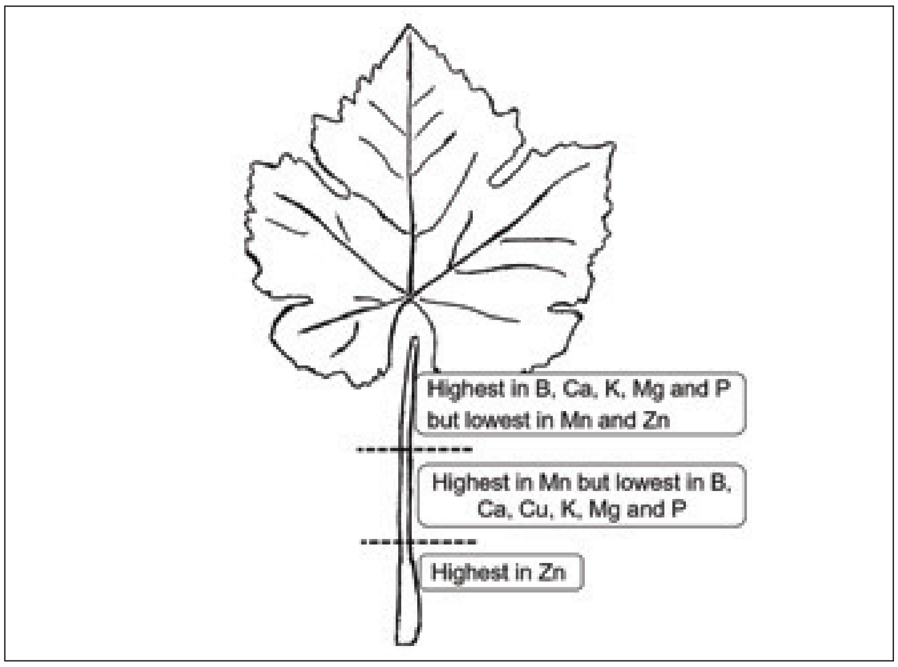
Impact of Node Position on Tissue Nutrient Levels

Node position had an important effect on most nutrient concentrations with the exception of B and Mo. For all others (Ca, Fe, Mg, Mn, P, S and Zn) the levels were higher in the bunch stem and leaves that were collected from the more basal position on the shoot. However, K levels were 30 percent higher in the more distal (younger) node position. This suggests that leaf-sampling position should be consistent. If reference standards have been developed on a 50:50 basal/distal sampling proportion, then this same procedure should be used in the sampling protocol.

Nutrient Levels are Not Uniform Along the Leaf Petiole

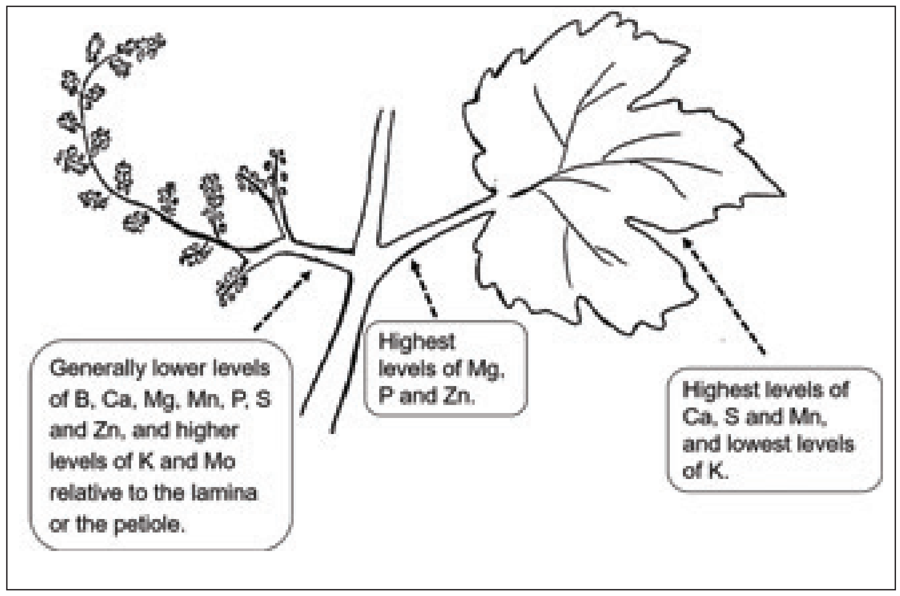
Nutrient concentrations were not evenly distributed along the petiole. In all three cultivars, Ca, Mg and P were highest in the segment nearest to the blade while B, Ca, K, Mg and P were lowest in the middle segment of the petiole (from a few percent up to two-fold, depending on the element). In contrast, Mn was highest in the middle segment and lowest in the segment nearest to the blade. Zn was highest in the petiole segment located nearest to the shoot junction. P, B, Zn, Fe and Mo concentrations did not differ between the petiole segments.

These results confirm the importance of sampling the entire petiole. Parts of the petiole may be inadvertently lost if the petiole is cut rather than broken off the shoot or if the blade is hastily removed by cutting some distance below its junction. Pinching off each blade individually at the junction should overcome this issue.



Nutrient Levels Differed Between the Leaf Petiole, Leaf Blade and Bunch Stem

The highest levels of Ca, S and Mn were found in the blade while the lowest levels were apparent in the cluster and bunch stem of all three cultivars. Mg, P and Zn were highest in the petiole and lowest in the bunch stem. While most nutrients (B, Ca, Mg, Mn, P, S and Zn) were lower (50 to 80 percent) in the bunch stem relative to the leaf tissues, K and Mo levels were higher (up to two-fold) compared to the leaf tissues. Further studies are required to determine if the bunch stem is more representative of the crop's nutrient requirements than the leaf tissues, especially for K in the context of grape composition and quality.



Meaningful Tissue Sampling

This study showed significant differences in nutrient status between grape varieties, tested tissues and tested node positions. Generally, lower levels of nutrients were apparent in the middle, narrow portion of the petiole. Most of the nutrients were somewhat higher in the leaves opposite the lower (older) inflorescence; however, for potassium, the levels were greater in the leaves opposite the higher (younger) inflorescence.

Based on these results we recommend that the whole petiole be taken when sampling for vine nutrient status. The petiole should be broken off the shoot and the leaf blade pinched from the very end of the petiole. Since node position is important, consistent sampling of a particular node or combination of nodes should be adopted corresponding with the same node(s) used to develop the reference standards.

While the blade is preferred over the petiole in some countries, the time of sampling and the specific nutrient in question may influence this decision. Our recommendation is to check how a particular reference standard was developed and to sample in accordance with that particular protocol.

Further work will assess the benefits and drawbacks of using the bunch stem and/or blade for an accurate assessment of vine nutrient status at flowering and veraison. This preliminary research indicates that a cultivar-specific nutrient database is required so that optimal vine health, yield and/or berry composition can be targeted. In the near future we hope to make recommendations on how to refine tissue sampling protocols and to develop an app that will help with nutrient disorder identification in grapevines. **WBM**

This text was edited from its original publication in the Wine & Viticulture Journal, *Autumn, 2020 with permission of the publisher, winetitles.*

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PACKAGE DESIGN SHOWCASE

Imprint of History and Design

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ONE OF WINE'S LESSER known but vital roles was to literally put the words of history to parchment. Iron gall ink—used as the standard in Europe from the 5th to 19th centuries and still produced today—was made from iron salts and tannic acids typically derived from tree galls or other natural sources, such as wine. That historic use of wine in ink is celebrated by the brand Angel's Ink, which was developed by Wente Vineyards in Livermore, Calif.

The winery entered the brand in the Classic Category of the 2021 Pack Design Awards, and it won the "People's Choice" award through an online vote on all entries. The contest judges praised the packaging design for effectively using contrasting colors to highlight the varying tones of red wine. Wente worked with All American Label to employ a multi-pass printing process to create the details in the foil angel wings.

Designed by Brent Gallant, the packaging is meant to "showcase the rich juiciness of the wine and to instill a hint of intrigue and spark curiosity." Because of the specialty printing process, some details of the illustration only become apparent when one holds the bottle up for closer inspection.

The current line-up includes two Pinot Noirs, one from the Central Coast and the other sourced from Monterey County, with a suggested retail price of $19.99. The brand's pricing, varietal and sourcing all fit ongoing retail sales trends where Pinot and wines priced between $15 and $20 enjoy some of the strongest sales growth of the entire off-premise channel. To further support the brand, Wente developed premium end-aisle case displays that use the angel wings, as well as copy touting the wine's approachable flavors. **WBM**

RETAIL SALES ANALYSIS

Retail Wine Sales Down 5 Percent in November

Wines Vines Analytics

Produced by Wines Vines Analytics, the *Wine Analytics Report* is the industry's leading source of market insights, objective analysis and data.

Sales Value Down 5 Percent in November

Off-premise table wine sales fell nearly 5 percent versus a year ago in the four weeks ended Dec. 4, NielsenIQ scan data showed, totaling $1.4 billion. Sales for the latest 52 weeks totaled $16.3 billion, down nearly 6 percent from the previous year. While recent four-week periods have seen sales underperforming last year by about 9 percent, the more modest decline in November indicates that holiday spending was less impacted by the pandemic and its effects. Sales through retail outlets tracked by NielsenIQ are up more than 9 percent in the latest 52-week period versus two years ago, indicating that the current activity remains elevated versus 2019.

Sales Volume Down 8 Percent in November

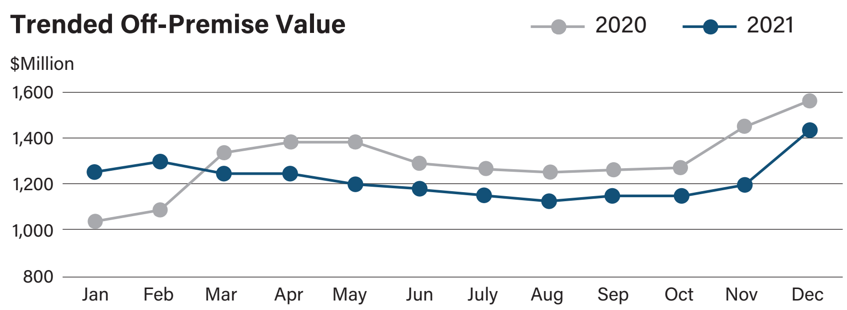
Off-premise table wine volumes dropped 8 percent versus a year ago in the four weeks ended Dec. 4, totaling nearly 13.6 million 9L cases. The steady decline in volume versus a smaller decline in value reflects the inclusion of Thanksgiving purchases in the period, as well as the ongoing trend toward premiumization. The decline in case volumes during the latest period contributed to a contraction of 10 percent in the latest 52 weeks versus a year earlier to 163 million 9L cases.

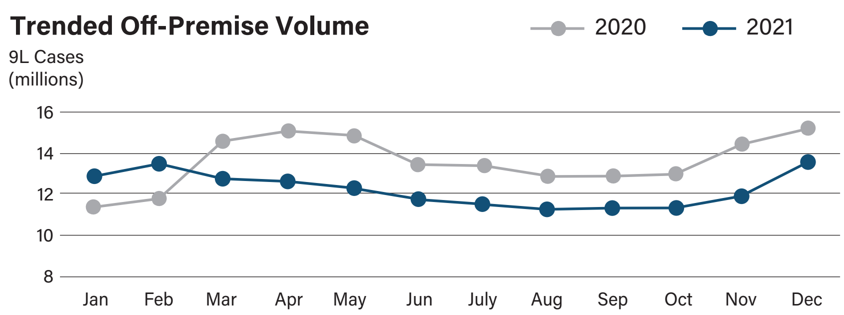
$11+ Bottles Gain Market Share

Premiumization is happening, and more wineries are targeting price tiers above $11. But what are the numbers behind the optimism for continued sales growth for the segment, which accounts for 47 percent of the value and 24 percent of the volume of all table wines sold through the retail outlets NielsenIQ tracks?

First off, the past two years have seen the segment's share of total table wine value rise from 40 percent. This is based on 25 percent growth in sales value over the past two years to a total of $7.5 billion in the 52 weeks ended Dec. 4. Drilling into those numbers, the most aggressive gains have been in the higher price tiers; $25-plus bottles saw sales value increase 14 percent in the latest 52 weeks while the $11-$14.99 price tier saw its sales value decline 3 percent.

While the largest proportion of wines sold off-premise continue to do so at less than $15 a bottle, several factors are in play to keep premiumization in effect for the rest of 2022. First, consumer comfort with spending more on wine for home consumption, a habit partly developed during the pandemic. This trend is evident among older, established consumers who understand wine but is also reported among younger consumers who bring a high level of engagement. Wine is something to be enjoyed as well as experienced, and many are willing to pay for that experience. Second, inflation is creating a situation where price increases are more acceptable. While there is always a cheaper option, even many of those are becoming more expensive. Two price tiers are notable for exhibiting accelerating price gains since 2019: $15-$19.99 and $25-plus. **WBM**





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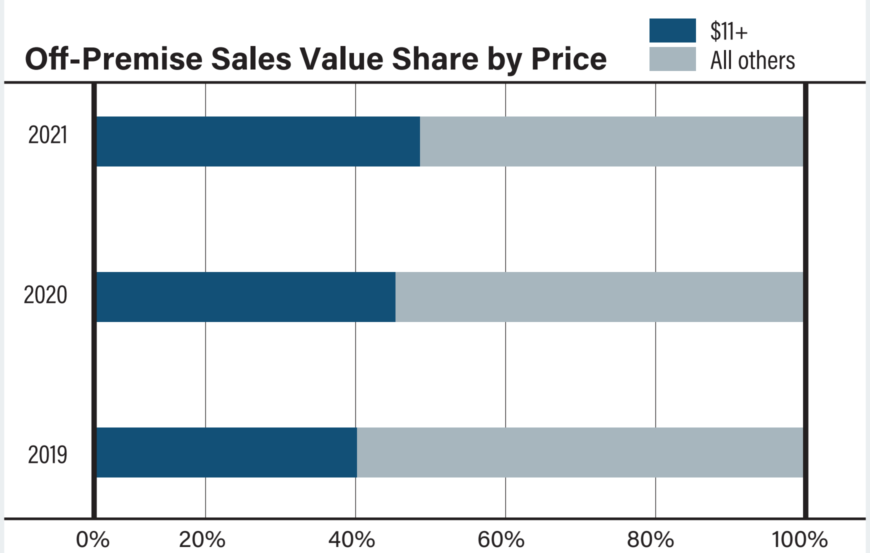

SOURCE: NielsenIQ; off-premise sales, 52 weeks ended Dec. 4, 2021

Methodology

Sourced from NielsenIQ, 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. NielsenIQ figures are updated and released every four weeks.

NielsenIQ Table Wine Category Segments **MARKET:** Total US xAOC+Conv+Military+Liquor Plus **PERIOD:** Week Ending **December 4, 2021**

NielsenIQ		Dollar Value		Dollar Value % Chg YA		9L Equivalent Volume		9L Equivalent Volume % Chg YA		Avg Equivalent Price Per 750ML	
		Latest 52 Wks - W/E 12/04/21	Latest 4 Wks - W/E 12/04/21	Latest 52 Wks - W/E 12/04/21	Latest 4 Wks - W/E 12/04/21	Latest 52 Wks - W/E 12/04/21	Latest 4 Wks - W/E 12/04/21	Latest 52 Wks - W/E 12/04/21	Latest 4 Wks - W/E 12/04/21	Latest 52 Wks - W/E 12/04/21	Latest 4 Wks - W/E 12/04/21
	TOTAL TABLE WINE	**16,291,364,532**	**1,423,133,616**	**-5.7**	**-4.6**	**163,072,858**	**13,649,877**	**-9.7**	**-8.3**	**8.33**	**8.69**
PRICE TIERS BY CONTAINERS	BOX	1,597,962,088	125,712,399	-8.3	-9.1	36,212,909	2,850,244	-9.3	-9.3	3.68	3.68
	$0-$3.99	573,487,722	43,903,840	-11.7	-11.5	19,246,400	1,478,197	-11.8	-11.5	2.48	2.48
	$4+	1,023,294,874	81,193,253	-6.4	-8.4	16,944,184	1,360,769	-6.4	-7.6	5.03	4.97
	Total Table Wine Glass	14,353,138,779	1,272,172,979	-5.6	-4.3	123,066,845	10,520,936	-10.2	-8.1	9.72	10.08
	Value Glass $0-$3.99	508,510,282	39,220,102	-18.0	-16.8	12,600,938	972,977	-18.9	-17.1	3.36	3.36
	Popular Glass $4-$7.99	2,826,399,718	225,873,940	-14.8	-13.1	42,099,184	3,363,695	-15.5	-13.8	5.60	5.60
	Premium Glass $8-$10.99	3,333,405,060	284,076,418	-10.8	-9.4	29,529,558	2,591,850	-9.7	-6.0	9.41	9.13
	Super Premium Glass $11-$14.99	3,575,207,947	319,157,871	-2.7	-3.4	23,490,728	2,108,168	-3.1	-4.3	12.68	12.62
	Ultra Premium Glass $15-$19.99	1,948,907,564	184,331,884	3.2	4.1	9,471,395	899,615	2.4	3.2	17.15	17.08
	Luxury Glass $20-$24.99	768,039,957	72,989,592	3.5	4.8	2,969,677	282,623	4.3	5.0	21.55	21.52
	Super Luxury Glass $25+	1,376,849,337	143,699,705	13.7	10.4	2,834,026	289,457	10.3	8.5	40.49	41.37
IMPORTED	IMPORTED	4,465,569,974	381,025,644	-7.4	-5.5	43,068,865	3,556,501	-10.6	-9.4	8.64	8.93
	ITALY	1,475,613,278	133,276,638	-5.3	-3.5	11,833,636	1,037,524	-8.1	-7.1	10.39	10.71
	AUSTRALIA	694,734,782	55,142,744	-13.4	-13.9	11,109,772	864,486	-13.7	-13.6	5.21	5.32
	FRANCE	624,319,004	51,299,631	-3.1	-1.6	3,430,111	267,739	-7.4	-8.7	15.17	15.97
	CHILE	369,142,542	30,186,059	-13.1	-11.2	6,331,839	516,103	-12.1	-10.4	4.86	4.87
	SPAIN	153,535,666	13,854,512	-8.7	-8.9	1,115,688	96,632	-14.9	-15.1	11.47	11.95
	GERMANY	80,919,060	7,779,227	-10.6	-5.4	695,007	66,251	-13.4	-7.1	9.70	9.79
	NEW ZEALAND	635,011,460	51,928,130	-1.7	2.4	4,390,609	356,187	-3.2	0.2	12.05	12.15
	ARGENTINA	318,061,919	27,849,730	-13.2	-10.7	3,223,718	273,453	-16.2	-13.5	8.22	8.49
	SOUTH AFRICA	26,789,948	2,288,762	-6.6	-9.2	221,414	18,764	-6.3	-9.9	10.08	10.17
	PORTUGAL	50,144,294	4,087,478	-7.3	-5.8	495,663	39,541	-8.3	-8.4	8.43	8.61
DOMESTIC	DOMESTIC	11,825,794,557	1,042,107,972	-5.0	-4.3	120,003,993	10,093,376	-9.4	-7.9	8.21	8.60
	CALIFORNIA	10,617,034,136	935,620,727	-4.8	-3.7	110,737,224	9,286,489	-9.4	-7.5	7.99	8.40
	WASHINGTON	621,498,469	53,187,086	-11.2	-14.6	4,943,655	423,853	-12.5	-15.7	10.48	10.46
	OREGON	311,027,510	28,584,812	2.1	-2.8	1,532,118	137,052	0.0	-5.2	16.92	17.38
	TEXAS	32,693,388	2,672,545	-11.0	-12.7	357,964	28,366	-12.2	-15.8	7.61	7.85
	NEW YORK	42,793,729	3,224,312	-9.3	4.4	463,451	38,590	-13.3	-4.4	7.70	6.96
	NORTH CAROLINA	45,566,740	4,525,018	-1.2	1.5	464,073	43,614	-2.3	-3.1	8.18	8.65
	INDIANA	25,966,426	2,345,852	-4.0	-4.9	280,064	25,215	-3.8	-4.9	7.73	7.75
	MICHIGAN	26,999,060	2,488,430	-4.9	-10.6	271,147	24,557	-7.5	-13.7	8.30	8.44
TYPES	RED	8,496,965,323	792,889,171	-5.2	-5.4	74,455,313	6,553,351	-10.5	-10.3	9.51	10.08
	WHITE	6,556,439,302	542,681,014	-5.5	-2.8	72,721,216	5,921,686	-8.2	-5.0	7.51	7.64
	PINK	1,232,249,574	85,865,354	-9.5	-8.5	15,851,597	1,161,887	-12.8	-12.5	6.48	6.16
VARIETALS	TOTAL CHARDONNAY	2,736,329,543	225,548,485	-5.6	-3.2	30,088,040	2,468,974	-7.4	-2.8	7.58	7.61
	TOTAL CABERNET SAUVIGNON	3,191,420,581	299,769,277	-3.1	-2.5	26,023,697	2,295,346	-9.3	-8.5	10.22	10.88
	TOTAL PINOT GRIGIO/PINOT GRIS	1,473,672,472	120,319,371	-5.5	-2.0	18,263,185	1,459,578	-7.8	-5.2	6.72	6.87
	TOTAL PINOT NOIR	1,341,714,372	132,113,459	-2.2	-1.9	9,236,640	864,853	-7.1	-6.4	12.11	12.73
	TOTAL MERLOT	655,138,946	56,216,403	-12.2	-10.7	8,337,778	685,014	-15.7	-13.7	6.55	6.84
	TOTAL SAUV BLANC/FUME	1,283,655,243	105,751,900	-0.4	2.6	10,747,079	870,393	-2.6	-1.0	9.95	10.13
	TOTAL MUSCAT/MOSCATO	643,014,395	53,908,162	-13.5	-10.6	9,064,184	743,706	-15.9	-13.2	5.91	6.04
	TOTAL WHITE ZINFANDEL	242,144,843	18,661,504	-13.9	-14.3	4,711,311	363,148	-15.2	-14.8	4.28	4.28
	TOTAL MALBEC	250,105,900	22,451,317	-12.4	-10.0	2,221,247	195,787	-14.7	-12.0	9.38	9.56
	TOTAL RIESLING	240,080,579	21,841,124	-11.3	-9.9	2,401,662	215,297	-14.3	-12.1	8.33	8.45
	TOTAL ZINFANDEL	225,388,183	20,169,420	-9.9	-10.1	1,476,515	127,795	-13.5	-13.4	12.72	13.15
	TOTAL SHIRAZ/SYRAH	118,789,984	9,897,985	-14.1	-16.2	1,233,995	98,667	-18.8	-18.9	8.02	8.36
	WHITE BLENDS (ex. 4/5L)	254,450,170	21,246,336	-6.9	-6.3	2,754,133	222,800	-11.1	-9.2	7.70	7.95
	RED BLENDS (ex. 4/5L + CHIANTI)	2,223,515,717	208,205,266	-5.0	-7.8	18,412,087	1,649,771	-9.3	-12.1	10.06	10.52
	ROSE BLEND	705,170,538	44,270,764	-6.6	-4.2	5,505,930	354,736	-10.0	-9.5	10.67	10.40
GLASS SIZES	750ML	12,136,891,682	1,091,538,317	-4.1	-3.1	86,469,654	7,587,567	-8.1	-6.2	11.70	11.99
	1.5L	1,927,658,979	156,132,760	-14.2	-11.4	31,830,322	2,551,895	-15.0	-12.8	5.05	5.10
	3L	53,198,248	4,180,394	-16.3	-14.9	1,245,791	97,154	-16.6	-14.8	3.56	3.59
	4L	69,604,970	5,628,858	-13.4	-11.7	2,133,784	171,338	-14.4	-13.2	2.72	2.74
	187ML	94,325,695	8,073,553	-10.6	-10.4	1,063,166	85,366	-12.5	-12.8	7.39	7.88
	375ML	50,929,377	4,488,380	41.4	13.8	198,260	17,566	47.0	17.5	21.41	21.29
BOX SIZES	ex. 4/5L	1,118,441,445	88,891,064	-7.1	-8.1	19,471,088	1,561,604	-7.5	-7.5	4.79	4.74
	1L	33,527,404	2,773,250	-6.5	1.7	476,254	39,133	-6.9	1.4	5.87	5.91
	1.5L	19,973,808	1,429,115	-24.0	-26.7	375,796	26,408	-26.5	-29.8	4.43	4.51
	3L	833,031,283	66,270,654	-9.3	-11.1	15,774,198	1,270,401	-8.4	-8.9	4.40	4.35
	5L	479,516,970	36,821,209	-11.0	-11.3	16,741,730	1,288,637	-11.3	-11.4	2.39	2.38
	TETRA	266,090,619	21,240,098	2.5	4.7	3,327,770	265,279	0.6	3.9	6.66	6.67

Source: NielsenIQ

Winery Pop-Ups in Restaurants, Traveling Vans Help Build Brand Awareness

Retailers and restaurants have used the pop-up concept for years. Now, wineries are taking note.

Michael S. Lasky

Malene Wines' repurposed an Airstream as a tasting bar, and it has popped up around the U.S. when not serving as an additional outdoor tasting room at its home base next door to Chamisal Vineyards in San Luis Obispo, Calif.

LONG BEFORE THE PANDEMIC made innovation vital to staying in business, chefs and restaurateurs discovered they could open temporary pop-up outlets in more highly trafficked, urban locations to maintain and expand their consumer base, sustain income and advance brand awareness. It is now wine's turn to expand its footprint with pop-up tasting rooms of its own.

For some wineries, retail pop-ups have proven to be a great method to bring the tasting room to the consumer—particularly when there is reluctance to travel. Because of the lingering effects of the pandemic, this has been an ideal time to take advantage of empty, short-lease store fronts in coveted, high traffic locations.

Malene Wines, a Rosé brand from Chamisal Vineyards, pioneered the pop-up concept for wineries back in March 2018 when it debuted its mobile tasting room. The 1969 Airstream Overlander Trailer, customized with a tasting bar and a cozy seating area, was purposely fashioned to conduct pop-ups at locations around the United States. Its home base is in the lot next door to Chamisal's headquarters in San Luis Obispo, Calif., and serves as a regular tasting room on warm days.

The Airstream was so successful, they built another. "We built the second one with the concept of it supporting our wholesale sales, traveling around the country, doing pop-ups with select retailers and on-premise accounts. And that was where we thought the demand would be," Fintan Du Fresne, general manager and winemaker at Chamisal and Malene, told *Wine Business Monthly*.

Du Fresne and other team members hit the road, reaching as far as Key West, Florida and New England, with multiple jaunts to the Midwest and the Rockies. Pop-ups would be as short as one day or as long as a week. They were always arranged with a retail partner, be it a store or restaurant, to stay in compliance with state and local liquor and tax laws. But as COVID closed down the country in March 2020, one of the Airstreams was stranded at Copper Mountain Resort in the Rocky Mountains, where a pop-up had been planned months in advance.

Malene's winemaker said he has some advice for wineries that are considering pop-up tastings: Make sure you have a chain store presence or can at

least direct tasters to a nearby retail outlet to make the purchase. “If you can't direct the person who's tasting to a local grocery store or whatever to buy the wine, you've lost the purpose right there,” he said. “We've found we get better return on investment when we're in the local area and we can direct them to come to our tasting room to buy the wine.”

None of this comes without preparation. “It's vital that you are relying on your sales and marketing teams to do the advance work and partner with the right accounts that can generate traffic,” Du Fresne added.

When considering where to take your pop-ups, it's important to be familiar with the various legalities of each state and locality. “We've found pretty quickly that we can't sell anything through the Airstream unless it is on a licensed premise. We can offer tastings as long as it's on private property, but we cannot sell anything,” Du Fresne said.

This means you can't take money for tastings or sell any bottles. “That's where the partnership comes in, be it with a retailer or restaurant. They hold the license, and they conduct the sale. We sell our wine to the retail partner, park in their parking lot, not public property. We are pouring their purchased product, not ours. We are using our Airstream to deliver the wine, and the partner is conducting the sale,” explained Du Fresne.

Transforming Winemaker Dinners into Seasonal Pop-ups

While one-off winemaker dinners at white tablecloth restaurants remain popular for both wineries and restaurants, national chain Fleming's Prime Steakhouse & Wine Bar expanded the concept to a nearly three-month nightly promotion. By partnering with Joe Wagner's Copper Cane Wines and Provisions, Fleming's could offer its diners what essentially amounted to a winery pop-up at each of the chain's 64 locations.

The ambitious program, called “Uncorked,” offered guests three Pinot Noirs and one Cabernet Sauvignon from a host of brands within Copper Cane's portfolio for $35 when paired with the purchase of one of the steakhouse's entrées.

According to Stephen Blivens, the wine director at Flemings, “The Uncorked promotion focuses Flemings as the epicenter of wine in most of our communities. Our diners get to drink [Copper Cane's] portfolio of wines, one of which is a 10-year-old Pinot Noir served only in Magnum, and that is unique—a lot of other restaurants aren't able to offer that. It allowed guests to have the opportunity to try wines locally that otherwise would require them to travel to the winery's Napa Valley tasting room to sample.”

It was not the original intention of the program; but after discussions to refine Uncorked, Blivens found they had discovered a new way of creating a pop-up scenario. Now, it's “a way for us to bring Napa Valley, Sonoma, Santa Barbara or any place in wine country straight to your restaurant's table,” he said.

Flemings Steakhouse & Wine Bar has 64 locations across the U.S., so the logistics of fulfilling the required wine fell to Copper Cane. “Our partners at Copper Cane and Belle Glos manage our inventory nationally on a daily basis and ensure that we have this product in all of our locations,” said Blivens. “And with the way supply chain issues have been over the last year and a half, it was somewhat tricky, but the good thing about planning months in advance is that all wines were in place at the first day of the promotion.”

Blevins is no stranger to wine promotions. Before Uncorked, he arranged a similar promotion with Napa's Duckhorn Vineyards. “No matter the winery partner, promotions like Uncorked are about building relationships, showing buzz-worthy hospitality to guests and building for consumers brand familiarization of both the restaurant and the winery partner,” he said.

The Take-Away: Bring the Winery to the People

“It's all about consumer impressions and what people think about the wine they enjoyed at a restaurant, be it at a pop-up promotion or a regular outing,” said Rob Bickford, director of national on-premise accounts at Copper Cane Wine & Provisions. “It all comes down to consumers influencing other consumers; whether it's on Facebook or word-of-mouth, it's still, ‘Hey, you've got to try this wine.’ We all like to share good experiences and tastes we've had. That's what I'm ultimately after, and that's invaluable for continuous sales.”

Pop-up events, like Uncorked at Flemings, are a win-win for the winery and the restaurant. “Perhaps more so for the winery since logistically, the restaurant handles the bulk of the partnership, buying and serving the wine, and creating a memorable experience for the diners,” observed Bickford. “Additionally, pop-ups have more influence than a single-night winemaker dinner because they provide an assured continuity.”

Bickford concluded, “Copper Cane Wines conducts a lot of wine dinners, but they are usually a single night flash. The length of the Uncorked program, with four wines from our portfolio, has reverberated with consumers as well as other restaurants. I've gotten calls from local managers around the country, saying that other restaurants are putting our wines on their lists. And the customers who ordered the promotion wines are seeking them out at retail. The domino effect of retail and on-premise sales is more consumer impressions and increased brand recognition.” **WBM**


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Forever Changes

JAKE LORENZO HAS ALWAYS been into music. Way back in my college days I got to see Arthur Lee and Love perform a few times. They quickly became one of my favorite bands. In 1967 they released the Forever Changes album, their masterpiece. This detective had never heard anything quite like it. I loved that album, and there has been nothing else like it after all these years. I still have my original vinyl copy, a well-used CD, and it is included in playlists on most of my various devices. It strikes me that this COVID pandemic has created "forever changes" for all of us. Things are not going back to the way they were for quite some time.

"It's just gotten too hard, Jake," Chuy said when I asked that he go into my wine cellar to choose the next bottle. "You've always had a wide selection of wines in your cellar; but if I didn't know the actual winery, at least I recognized the region. Now, I've got to check out wines from Greece, Mexico and Bulgaria. Last time, I even saw a French winemaker made wine in Morocco. How do you find this stuff? It's too much pressure."

This detective must admit that COVID has dramatically changed the make-up of the home wine cellar. It is still heavily weighted toward my homemade Guerrilla Vino wines, but a huge eclectic collection crowds the shelves, most bottles under $20. This detective spends hours scouring the Internet for stories about wines from lesser-known places and wines made from little-known grape varieties. When I find them, I buy them if they fall into my budget. It's as close to travel as I can find in these COVID times.

"People need to know things are forever changing. They think they know what's going on, that things are under control, but they have to remain vigilant and learn to adjust."

My wine cellar is not the only thing that's changed in the pandemic. Chuy has developed his new "variant" salsa. Without letting any of his customers know, he might replace roasted jalapeño peppers with loads of fresh serrano to ratchet up the burn dramatically. The next week, the serranos are gone, and chipotles lend their smokey flavor but deliver nowhere near the same picante heat. After a few days, his customers get sucked into thinking the salsa is under control; then they dip a chip only to discover he's substituted habaneros.

"People need to know things are forever changing," Chuy explained. "They think they know what's going on, that things are under control, but they have to remain vigilant and learn to adjust." If Jake Lorenzo sees him messing around with Carolina Reapers or Trinidad Scorpion peppers, I'll get my food to go and wear my mask the whole time I'm near him just to be sure none of the new "variant salsa" makes its way to my nose or mouth.

These changes are affecting all of us. Dr. Iggy Calamari has calmed down about his COVID worries, but he is all worked up over the drought. He is currently designing golf courses that will require only minimal watering. The fairways and short roughs are made of sand. Putting surfaces are fashioned from compacted dirt. Calamari calls them "browns." The only thing on his courses that need water are the green traps where grass captures wayward golf balls, making for difficult pitches up to the browns.

Unfortunately, Iggy Calamari is a scientist, one who has never played golf. It never occurred to him that a golf ball launched hundreds of yards into the air, when hit off the tee, would bury itself into fairways made of sand. No worries for the good doctor. He simply invented a wine-powered homing device in the core of his proprietary "Calamari Balls™" that beeps a signal to your cell phone for locating your golf ball. It works, but golfers look like tourists on the beach with metal detectors as they wander the fairways, waving their phones while looking for their golf balls.

Winery tasting rooms had to make substantial changes. This detective wouldn't be surprised if some of them are with us forever. First off, you don't just belly up to a bar and taste a bunch of wine these days. You need an appointment. A mask wearing server (now called an ambassador or wine educator) will meet you and direct you to a table socially distanced from other tables and tasters. Especially if you go inside or into a cave, proof of vaccination or a recent negative COVID test will likely be required.

Tasting wine is not cheap, and it is no longer called wine tasting. It is all about the "experience."

Wineries offer Estate Experiences, Heritage Experiences, Vineyard Experiences and Wine Library Experiences. Depending on the experience, the average cost will run between $40 and $200 per person. If your experience includes a train, helicopter or spaceship ride, expect the price to go up dramatically, especially if tidbits created by the winery's personal chef are included. Jake Lorenzo remembers when wineries had to go to Production Credit to get loans to keep their businesses afloat. Nowadays, most tourists need to visit their banks just for an afternoon of wine tasting.

It occurs to me that at times, living in this pandemic is a little like being in jail, which is where Arthur Lee found himself on bogus charges in 1996. He served five years before the appeals court set him free, citing prosecutorial misconduct. Once free, he put together another version of his Love band and went on tour, performing live versions of Forever Changes in its entirety. Sadly, within five years of his prison release, Arthur Lee was dead from acute myeloid leukemia.

Today the sun is out. The air is clean, and Jake Lorenzo is sitting on his porch, listening to Forever Changes yet again. Chuy is working. Iggy Calamari is fine-tuning his golf balls. Jakelyn's mother is in the guest cottage weaving, so I have the porch to myself. I am sipping on a 2017 Cune Crianza Rioja and snacking on some serrano ham that I have carefully sliced off the 17-pound leg sitting on my kitchen butcher block island.

I realize that I was wrong. Living through a pandemic is nothing like prison. I wish Arthur Lee could have spent time on our porch with this wine, the ham and this simple wine country detective. If he had, it might have changed him forever. **WBM**

Brad Ford, winemaker/owner, Illahe Vineyards and Winery, Dallas, Oregon

"*Wine Business Monthly* presents information I use every month and helps to clear up misconceptions in the industry that commonly begin as word-of-mouth. Once I see an article on a subject I've been thinking about, I know I have a foundation I can work from. I always check the Nielsen data, then read articles about marketing, winemaking, and vineyard practices. Mark Greenspan's articles are always helpful. The article I enjoyed most recently was Erin Kirschenmann's article, *Wine Label Text: How Much Is Too Much—and Too Little*, which was about much more than just text. We recently designed a new label for a sparkling wine, and the considerations of the experts she interviewed were exactly the same ones we had in designing our new label. The experts confirmed many guesses we made and also made us rethink some ways in which we may improve an important decision like this in the future."

WINERY NAME AND LOCATION: Illahe is in the pending Mt. Pisgah, Polk County, Oregon AVA within the Willamette Valley AVA. Illahe is distributed in 37 states and has received international interest for use of innovative vineyard and winemaking practices. We have used horses in the vineyard part-time for the past 12 years. We invented a bicycle-powered wine pump which we use on a wine we make called 1899 that is a professionally wine made without using electricity or modern machines. We also deliver the wine 96 miles by bicycle and canoe to Portland every year to connect with the Willamette and focus on slow practices. At Illahe, we are interested in making premier sustainable wines while also making the wine as hand-crafted as possible.

ANNUAL CASE PRODUCTION: 15,000 cases

PLANTED ACRES: 85

CAREER BACKGROUND: I began work at Wine by Joe and Domaine Serene and did my most important harvest with Russ Rainey at Evesham Wood in Salem, Oregon. My first vintage with Illahe was in 2006 and I have worked as head winemaker and owner here since then. My wine education after my first career was at Chemeketa Community College and Portland State University for organic and biochemistry.

WHAT HAS BEEN YOUR BIGGEST PROFESSIONAL CHALLENGE? Growing with a team of excellent wine professionals in the vineyard, the winery, and in sales is the achievement I'm the happiest about. Figuring out how to make a wine without using electricity has been my favorite challenge, and it keeps improving year after year. Now I would like to continue that idea in our equipment and in the vineyard. My most difficult challenges have been surviving the Great Recession when the winery started, managing Brettanomyces, and dealing with the many hurdles of the 2020 vintage in Oregon.

VARIETALS THAT YOUR WINERY IS KNOWN FOR: Pinot Noir, Pinot Gris, Viognier, Tempranillo Rosé and Grüner Veltliner.


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