

# YEAR IN REVIEW

## TOP NEWS STORIES OF 2009

### JANUARY

#### WINE LOVERS TRADE DOWN

Signs of a recession were around for more than a year, but it hadn't hit home with wineries until October and November 2008 when sales plunged. As news outlets reported in January, total wine sales still are growing, but the growth has shifted to lower price-points.

#### CHRISTIAN WÖLFFER DIES

Christian Wölffer, owner of Wölffer Estate Vineyards, who helped bring attention to Long Island's wines, is killed while swimming in Brazil. He was 70.



#### HUNEESUS FAMILY BUYS MAJORITY INTEREST IN FLOWERS

Agustin and Valeria Huneesus and Walt and Joan Flowers join their wineries, bringing Flowers under the Huneesus portfolio.

#### OWNERS OF WILSON WINERIES BUYING JEPSON

Sale adds 120 acres of vineyards along the Russian River to the Wilsons' Sonoma County holdings.

#### WINDSOR VINEYARDS CUTS 16 WORKERS

Wine company that purchased Windsor Vineyards from Foster's in 2007 finds its "cold calling" division having difficulty increasing sales to new customers over the phone.

#### NOMACORC LEADS STUDY INTO CLOSURES

Synthetic closure maker funds a three-year study into Chile's Carmenère grape, aiming to improve wine quality by studying effects of oxygen on aromas and evolution.



#### GUN BUN GETS NEW WINEMAKER

Keith Emerson is named director of winemaking after departure of long-time winemaker Linda Trotta.

#### FREDDIE LOSES BID FOR PARDON

California winemaker Fred Franzia had sought a presidential pardon hoping to wipe out a decades-old grape fraud case for which he paid a \$500,000 fine and served five years' probation.

#### NEW YORK GRAPE-WINE FOUNDATION BUDGET THREATENED

Gov. David Paterson's attempts to cut \$9 billion in spending as part of his 2009-10 budget targets the New York Wine & Grape Commission. Ultimately, the commission is spared a total wipeout but funding is cut substantially from previous levels.

#### WINES OF CHILE: NEW U.S. PRESENCE

Wines of Chile opens New York office to promote imports in the U.S.

#### CECCHETTI & RACKE MERGE

Roy Cecchetti of Cecchetti Wine Company and Marian Kopp of Racke USA announce a merger. Cecchetti Racke projects 2009 sales of \$8.4 million on 140,000 cases.

#### STUDY CALLS CORK MOST ECO-FRIENDLY

Natural cork closures create less pollution during 100-year life cycle than screw caps or synthetic closures, audit paid for by world's largest cork producer says.



#### U.S. POISED TO BECOME LARGEST WINE-CONSUMING MARKET

In three years, the U.S. will be the world's biggest consumer of still wine, according to a VINEXPO study by *International Wine & Spirit Record*.

#### HYDROGEN SULFIDE REDUCING YEAST RECEIVES RECOGNITION

Functional Technologies Corp. reports funding commercialization of proprietary hydrogen sulfide reducing-yeast technology developed at UC Davis.

#### KIRKLAND RANCH WINERY FORECLOSURE

Madison Capital forecloses—and will later lease the facility to group operating a custom crush venture.

### FEBRUARY

#### LAY-OFFS AT KENDALL-JACKSON

Jess Jackson unleashes job cuts across his company in response to deepening recession and grim forecasts for high-end wines.

#### VINQUIRY SELLS MAJORITY INTEREST

California wine lab is acquired by Italian chemical and winemaking product supplier.

#### GARY ANDRUS DIES

Owner of Archery Summit and founder of Pine Ridge had pushed Oregon Pinot to new heights.

#### WINE PIONEER DAVID UPTON DIES

Michigan wine industry loses pioneer with passing of Upton of Tabor Hill Winery.

#### CALIFORNIA 2008 WINE GRAPE CRUSH TOTALS 3.05 MILLION TONS

Report shows previous year's crop in California totaled just over 3.05 million tons, a significant decrease when compared to the previous year.



#### JUDGE UPHOLDS \$24 MILLION AWARD IN PHELPS' CASE

Case centers on dispute over value of the winery and shares Phelps family promised former winemaker Craig Williams and late Phelps' CEO Tom Shelton.

#### GALLO GRENACHE LABEL FROM SPAIN

Modesto-based company acquires Las Rocas from importer European Cellars.

#### NAPLES AUCTION RAISES \$5 MILLION—\$9 MILLION LESS THAN 2008

Premier charity wine auction struggles, but organizers happy to raise so much.

#### FOSTER'S ANNOUNCES OUTCOMES FROM WINE REVIEW

Says wine business to be retained and reshaped over time: new appointments include new managing directors in Australia and America.

#### WISE ACADEMY LAUNCHES EDUCATIONAL PROGRAM FOR DTC

Only wine industry education, training and certification program to focus solely on direct-to-consumer sales.

#### FOLEY BUYS MAJORITY STAKE IN NAPA'S KULETO WINERY

Foley picks up 70 percent share of brand, winery and inventory.

### MARCH

#### SONOMA WINE COMPANY EXPANDS TO NAPA VALLEY

Opens facility in American Canyon, previously leased by Cartledge and Brown.

#### DIAGEO CUTS 150 POSITIONS IN NORTH AMERICA

After "global review," organizational changes will cut costs, further integrate beer and wine organizations.

#### CORK SUPPLY USA BUILDS COOPERAGE

Large producer/distributor of wine bottle closures rolls out its own barrels.

#### RED TRUCK LAUNCHES MINI-BARREL

"It's time consumers had the option of a premium quality wine in a format larger than 750 ml," said Carol Reber, vice president of marketing at 585 Wine Partners, which owns Red Truck Wines.



#### ITALY'S WINE EXPORT VOLUMES DROP

Exports fall under strong competitive pressure with traditional European markets taking the biggest hits.

#### BOISSET BUYS FAT BASTARD

French wine group Boisset buys rival company Société Gabriel Meffre, owner of La Chasse du Pape and Fat Bastard brand.

#### EU CHALLENGES "TRADITIONAL EXPRESSIONS"

Permissions to use more than a dozen expressions expire, and certain U.S. imports "no longer conform to applicable labeling rules." Wineries that export to the EU with banned words on their labels are at risk of having their product stopped from entering Europe.

#### CONSTELLATION CUTS 400 JOBS

World's biggest wine company cuts workforce 5 percent and has lower profit outlook.

### APRIL

#### B.R. COHN LINE OF CAR WINES

Winery releases Muscle Car Merlot, Roadster Red and Coup Cuvee with shelf price of \$9.99.



#### NEW YORK EXCISE TAX HIKE

Excise tax on sales of wine is set to increase by 58 percent (from \$0.19 to \$0.30/gallon).

#### CHATEAU LATOUR RELEASES AT 110 EUROS

Announces release price of 110 euros on the 2008—nearly half the price of its 2007 wine.

#### OENEO PROTECTS PATENT

Closure maker Oeneo successfully protects the technology behind its Diam "technical cork" in a court victory against rival closure companies.

#### CATENA APPOINTS WINEBOW EXCLUSIVE IMPORTER

Winebow picks up the brand in the U.S. after Billington Imports hits a financial wall.

### MAY

#### VALUE OF U.S. WINE EXPORTS TO HONG KONG UP 500 PERCENT

Growth attributed to February 2008 decision to abolish 40 percent duty on wine imports.

#### CUSTOM CRUSH FOR SOUTHERN OREGON

Southern Oregon's first dedicated custom crush operation opens for case and barrel storage and will be ready to vinify in the fall.

#### WASHINGTON WINE INSTITUTE APPLAUDS 2009 LEGISLATION

The new laws significantly revise the state's current liquor control system by addressing many "wine pricing" issues raised by the Costco litigation.

#### CONSTELLATION'S R.H. PHILLIPS WINERY TO CLOSE

R.H. Phillips Winery employs 53 workers, and some will transfer to Woodbridge.

#### WINE RESEARCH GROUPS CONTRIBUTE \$1.9M FOR VITICULTURE RESEARCH

Three viticultural research funding organizations link to contribute \$1.9 million in funding for viticulture and enology research projects, the American Vineyard Foundation says.

## JUNE

### NEW VINE LOGISTICS SUSPENDS OPERATIONS

Company says it will no longer be able to receive and/or process any further orders and lays off most of its 100



employees. The firm is later taken over by technology company Inertia Beverage Group.

### LONG, WALKER HONORED AT ASEV

Zelma Long, a world renowned winemaker, is honored with the ASEV's Merit Award. Dr. Andrew Walker of UC Davis presents Honorary Research Lecture.

### AUCTION NAPA VALLEY RAISES \$5.7 MILLION, 55 PERCENT OF 2008'S TOTAL

Recession takes backseat to charity that raises more than \$5.7 million for local causes.

### TN: GOVERNOR SIGNS WINE BILL

Tennesseans can finally have wine shipped directly to their homes, but wineries need a \$300 license to ship at most three cases a year.

### SHIPCOMPLIANT USERS CONFERENCE

The economy is expected to bottom out by Quarter 4 of 2009 or Quarter 1 of 2010, Rob McMillan, founder of the Silicon Valley Bank Wine Division, says at ShipCompliant's 4th annual Direct Shipping Seminar & Users Conference.

### BRONCO INTRODUCES DOWN UNDER BY CRANE LAKE

The "Two Buck Chuck" maker brings in bulk Chardonnay and prices it on the shelves at just \$3 per bottle. The wine is quickly nicknamed the "three-dolla koala."

### LODI WINE INDUSTRY GENERATES \$5B FOR AREA ECONOMY

A study says the economic value of Lodi's wine industry tops \$5 billion.

### WINES & VINES LAUNCHES ONLINE MARKETING SYSTEM

Powered by the wine and grape industry's leading database, the system is designed to help companies improve marketing effectiveness, manage sales territories, and identify and contact new winery customers.

### WINE.COM LAUNCHES SHIPPING DIVISION FOR WINERIES

Wine.com, the online wine store, starts direct-to-consumer wine shipping business while rival New Line Logistics returns from the dead.

### ROBERT YOUNG DIES AT 90

Grower moved from prune trees in the 1960s to planting some of Sonoma County's most prized wine grapes.

### MENDOCINO TOURISM GROUPS JOIN FORCES, FINANCES

Mendocino County Lodging Association and the Promotional Alliance join forces and finances to create Visit Mendocino County Inc.

### NEW YORK GROWERS SEEK DISASTER AID

Late spring frosts are a continuing threat. Crop loss in western New York juice grapes is estimated at 15 to 20 percent.



### CALIFORNIA WARNS INTERNET WINE SELLERS

June 5 "advisory" from California ABC sends shudder through world of wine social networking, where many sites sell wine to be delivered by others.

## JULY

### NY COURT UPHOLDS RETAILER SHIPPING BAN

A challenge from out-of-state wine retailers to New York's prohibition on direct sales is rebuffed by the 2nd U.S. Circuit Court of Appeals.

### MARTIGNETTI BUYS COMMONWEALTH

Wine and Spirits distributor Martignetti Companies of Norwood, Mass. acquires Commonwealth Wine & Spirits of Mansfield, Mass.

### IRS AUDITS WINERY INVENTORY ACCOUNTING

More than 30 wineries in Napa and Sonoma counties are IRS targets. Auditors say some wineries define inventory pool "items" under the dollar-value last-in, first-out (LIFO) cost-flow assumption too broadly.

### HARDY WALLACE PICKED FOR MURPHY-GOODE SOCIAL MEDIA JOB

Hardy Wallace from Atlanta, Georgia gets the job offer, a media bonanza for the winery.

### CONSTELLATION'S NEW DISTRIBUTOR ALIGNMENT

The company signs multi-year agreements with Southern Wine & Spirits of America, Republic National Distributing Company, National Wine & Spirits and Johnson Brothers Liquor Company in key markets.

### APPELLATION AMERICA DISCONTINUES EDITORIAL CONTENT

The six-year-old site promoting regional diversity folds.

## AUGUST

### CHAMPAGNE PRODUCERS PROTECT PRICES

Growers in the Champagne region plan to harvest fewer grapes to combat an over-supply.



### SONOMA-BASED FOLEY WINES BUYS NEW ZEALAND WINE COMPANY

Buyers New Zealand Wine Trust, a 280,000-case wine company owned by about 30 shareholders.

### NUDE LABEL BANNED IN ALABAMA

Cycles Gladiator's label is banned in Alabama—but it's a boom for sales of the brand.



### BOISSET BUYS RAYMOND

Boisset Family Estates, with roots in France and California, acquires St. Helena's Raymond Vineyard & Cellar from a Japanese company.

### CONCANNON RECOGNIZED FOR PRESERVATION EFFORTS

The historic Livermore, California winery is in final stages of a 10-year, \$30-million revitalization initiative and opens a renovated tasting room.

### SIX STATES RAISE WINE TAXES

Six states have already raised taxes on wine in 2009, though other state governments rejected possible tax increases.

## SEPTEMBER

### FINDINGS OF WINE CONTEST STUDY HARD FOR CRITICS TO SWALLOW

A previous study of the California State Fair Wine Competition found judges often rated the same wine differently when they tasted it twice in a blind group of wines. The new study uses a compendium of wine contest entries and awards collected by *California Grapevine*, a wine enthusiast newsletter.

### SONOMA WINE AUCTION: TOUGH ECONOMY LEAVES GLASSES HALF EMPTY

Spirits high but bids low as Sonoma Valley Harvest Wine Auction raises \$330,000, less than half of 2008's \$702,500.

### USA TODAY WINE CLUB LAUNCHES

*USA Today* is the latest in a wave of publications starting wine clubs.

### NEW BOUTIQUE M&A FIRM

Zepponi & Company is founded by Mario Zepponi, Joe Ciatti and Matt Franklin for transaction advisory services including mergers and acquisitions.

### TRIAL IN WINE WAREHOUSE FIRE

Trial date set for Sausalito man accused of setting a 2005 fire at a Vallejo wine warehouse that destroyed millions of bottles.

### CÔTES DU RHÔNE ADVERTISING CAMPAIGN

Inter-Rhône announces debut of a consumer advertising campaign: "Côtes du Rhône: Always Right," the first from the region to run in the U.S.

### KOSTA BROWNE VALUED AT \$40 MILLION?

The main players remain, but new partners cash out original investors in a deal the press reports to be worth \$40 million.

### SOUTHERN WINE & SPIRITS, GLAZER'S END VENTURE TALKS

More than a year after announcing a "strategic collaboration," wholesale giants Southern Wine & Spirits of America, Inc. and Glazer's Distributors terminate their planned merger.

### BEEN DOON SO LONG

...is the name for a new book with works by Randall Graham, founder of Bonny Doon Vineyard. The "best of" collection includes literary parodies of Joyce, Kafka, Salinger and others, along with song lyrics, poems, lectures and so forth.



## OCTOBER

### HAVENS CEASES OPERATIONS

California winery winds down, inventory is liquidated and the facility is for sale after the parent company, Billington Wines, calls it quits.

### CARNEROS VINTNERS OPENS CUSTOM CRUSH FACILITY

A huge state-of-the-art custom crush facility is built in the Sonoma Carneros region. It gets a late start but is open for business during the 2009 harvest.

## NOVEMBER

### AMAZON PUTS WINE PROGRAM ON HOLD

After working on a launch for more than a year, Amazon.com decides to discontinue a wine program that hadn't yet launched.



### RENWOOD FILES FOR BANKRUPTCY

The Amador winery, which makes 100,000 cases of wine a year, lists assets of \$14.7 million and liabilities of \$8.3 million after it defaults on debt to TCA Holdings, a subsidiary of MetLife.