Wine Business Monthly

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 wine with sincere 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 WÖLFER DIES
  Christian Wölfer, owner of Wölffer Estate Vineyard, who helped bring attention to Long Island wines, is killed while swimming in Brazil. He was 70.
- HUNEEUS FAMILY BUYS MAJORITY INTEREST IN FLOWERS
  Agustín and Valeria Huneeus, and Walt and Joan Flowers join the wineries, bringing Flowers under the Huneeus portfolio.
- OWNERS OF WILLSON WINERIES BUYING JEPSON
  Sake sake 120 acres of vineyards across the Russian River to the Willamette Sonoma County holdings.
- WINDSOR VINEYARDS CUTS 14-TEA 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.
- NOMACCOR LEADS STUDY INTO CLOSINGS
  Synthetic closure maker funds a three-year study into Chile’s Carmenere grape, aiming to improve wine quality by studying effects of oxygen on aroma and evolution.
- GUN BUN GETS NEW WINEMAKER
  Keith Emmens 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 Pardes’ attempts to cut $9 billion in 2007 finds its “cold calling” division having difficulty increasing sales to new customers over the phone.
- NEW YORK GRAPE-WINE FOUNDATION BUDGET THREATENED
  Gov. David Paterson’s attempts to cut $9 billion in spending as part of the 2009-10 budget targets the New York Wine & Grape Commission. Ultimately, the commission is spared a total apportion but funding is cut substantially from previous levels.
- WINES OF CHILE: NEW U.S. PRESENCE
  Wines of Chile open New York office to promote imports in the U.S.
- CECCHETTI & RACKIE MERGE
  Roy Cecchetti of Cecchetti Wine Company and Marian Kopp of Rackie USA announce a merger. Cecchetti’s Rackie projects 2009 sales of $4.4 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
  Three years, the U.S. will be the world’s biggest consumer of still wine, according to a VINEO study by International`Wine & Spirit Record.
- HYDROGEN SULFIDE REDUCING YEAST RECEIVES RECOGNITION
  Painted Rock Technologies Corp. reports finding commercialization of proprietary hydrogen sulfide reducing yeast technology developed at UC Davis.
- KIRKLAND RANCH WINERY FORECLOSURE
  Mdewakanton Capital forecloses—will later lease the facility to group operating a custom crush venture.

FEBRUARY
- LAY-OFFS AT KENDALL-JACKSON
  Wine maker Ricardo Avis co-owns his company in response to deepening recession and grim forecasts for high-end wines.
- VINEQUIRy SELLS MAJORITY INTEREST
  California wine lab is acquired by Italian chemical and winemaking product supplier.
- GARY ANDRUS DIES
  Owner of Sandrock and founder of Pine Ridge had pushed Oregon Pinot to new heights.
- WINE PIONEER DAVID UPTON DIES
  Michigan wine industry pioneer partner with passing of Upton of Tabler Hill Winery.
- CALIFORNIA 2008 WINE GRAPE CRUSH TOTALS 2.05 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 $264 MILLION AWARD IN PHELPS’ CASE
  Case center on dispute over value of the vineyard and shares Phelps family prosecuted former wine-maker Craig Williams and the Phelps’ CEO Tom Shelton.
- GALLO GRENACHE LABEL FROM SPAIN
  Multi-billion-dollar company acquires Las Rocas from importer European Cellars.
- NAPLES AUCTION RAISES $5 MILLION—$9 MILLION LESS THAN 2008
  Premier charity wine auction attracts big donors, but organizers happy to raise to so much.
- POSTER’S ANNOUNCES OUTCOMES FROM WINE REVIEW
  Says wine business is to be retained and reshaped over time: new appointments include new managing directors in Australia and America.
- WINE 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 KUETO 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 Caridge 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 wine consumers had the option of a premium quality wine in a format larger than 750 ml,” said Carol Reber, vice president of marketing at SBS Wine Partners, which owns Red Truck Wines.
- ITALY’S WINE EXPORT VOLUMES DROP
  Exports fell under strong competitive pressure with traditional European markets taking the biggest hit.
- BOISSET BUYS FAT BASTARD
  French wine group Boisset buys rival company Société Gabriel Meffre, owner of La Chaise du Pape and Fat Bastard brand.
- EU CHALLENGES “TRADITIONAL EXPRESSIONS” PERMITTED
  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.
- CONCORDE WINE DISTRI UTILITY COMPANY ANNOUNCES PLANS TO EXPAND TO NAPA VALLEY
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APRIL
- B.R. COHN LINE OF CAR WINES
  World’s biggest wine company cuts workforce
- NEW YORK EXCISE TAX HIKE
  Announces release price of 110 euros on the 2008—nearly half the price of its 2007 wine.
- OENEOS PROTECTS PATENT
  Fosters successfully protects the technology behind its Diam “technical cork” in a court victory against rival closure companies.
- CATENA APPONIT WINEBOEW EXCLUSIVE IMPORTER
  Windowbox picks up the brand in the U.S. after Diligent Importers hits a financial wall.

MAY
- VALUE OF U.S. WINE EXPORTS TO HONG KONG UP 550 PERCENT
  Growth attributed to February 2008 decision to abolish 45 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 viny in the fall.
- WASHINGTON WINE INSTITUTE APPOISNS LEGISLATION
  New law significantly enhances the state’s current liquor control system by addressing many “wine pricing” issues raised by the Costco litigation.
- CONCERTATION’S R.H. PHILLIPS WINERY TO CLOSE
  The winery and inventory.
- 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 liquidate two of its 100 employees. The firm is later taken over by technology company Merita Beverage Group.

- LONG, WALKER HONORED AT ASEV

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

- AUCTION NAPA VALLEY RAISES $5.7 MILLION, 55 PERCENT OF 2008’S TOTAL

Foundation takes back charity that raises more than $5.7 million for local causes.

- TN: GOVERNOR SIGNS WINE BILL

Tennesseeans 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.

- BRONCROO DRAWS OUT UNDER CRANE LAKE

The “十佳” moves to its storage trailers in bulk Chardonnay and price is set on the shelves at just $3 per bottle. The wine is quickly nicknamed the “three-dollar koala.”

- LODI WINE INDUSTRY GENERATES $5B FOR AREA ECONOMY

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

- WINES & VINES LAUNCHES ONLINE MARKETING SYSTEM

Purposely set 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 wine 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 pair 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 grape juice grapes is estimated at 15 to 20 percent.

- CALIFORNIA WARNS INTERNET WINE SELLERS

June’s 5% “tax” 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


- IRS AUDITS WINERY INVENTORY ACCOUNTING

More than 40 wineries in Napa and Sonoma counties are IRS targets. Auditors say some wineries define inventory policy “barely” under the dollar-value last-in, first-out (LIFO) cost-flow assumption too broadly.

- HARDY WALLACE PICKED FOR CUSTOM CRUSH FACILITY

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.

- APPELALION AMERICA DISCONTINUES EDITORIAL CONTENT

The six-year-old site promoting regional diversity for trans- action advisory services including mergers and acquisitions.

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

Buy New Zealand Wine Plant, a 200,000-case wine company owned by 30 shareholders.

- NUDE LABEL BANNED IN ALABAMA

Cycads Gladiators’ label is banned in Alabama— but it’s a boom for 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, $3-million revitalization initiative and opens a renovated tasting room.

- SIX STATES RAISE WINE TAXES

Ten 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 comprehension of wine contest entries and awards collected by a blind group of judges.

- SONOMA WINE AUCTION: TOUGH ECONOMY LEAVES GLASSES HALF EMPTY

Sports high but bids low as Sonoma Valley Harvest Wine Auction raises $105,000; less than half of 2008’s $702,900.

- 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 Catti and Matt Franklin for transactions advisory services including mergers and acquisitions.

- TRIAL IN WINE WAREHOUSE FIRE

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

- CÔTES DU RHÔNE ADVERTISING CAMPAIGN

Her-Ribière announces debut of a consumer advertising campaign: “Côtes du Rhône: Alwaya Right,” the first from the region to run in the U.S.

- KOSTA BROWN 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 SOON

More than a year since the launch book with works by Randall Graham, founder of Bozing Vineyard. The “best of” collection includes literary parodies of Joyce, Kafka, Salinger and others, along with song lyrics, poems, lectures and so forth.