

WINE BUSINESS MONTHLY

February 2023 \$5.95

The Industry's Leading Publication for Wineries and Growers

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Review of the Industry



Largest Wineries

Outlook & Trends | Distributors | Wineries

Inside the February Issue

There are nearly 12,000 wineries in the U.S. and, as we report, the official number grew by 3 percent last year, reaching 11,991. They're mostly small businesses. There are now 15 wineries in Alaska, six in Hawaii, seven in Wyoming and the Dakotas are home to 38. Eight of 10 wineries in the U.S. make fewer than 1,000 cases while a third make fewer than 5,000 cases. Per Wines Vines Analytics, there are 281 medium-sized wineries making 50,000 to 499,999 cases—counting both bonded and virtual wineries. There are 79 large wineries in the U.S. making 500,000 cases or more, including 10 virtual wineries, including custom crush wineries and facilities owned by wine conglomerates with multiple sites.

This issue includes our list of the top 50 U.S. wine companies by volume with a review of what they accomplished in 2022. These companies account for most of the volume sold in the U.S., market. The other 11,411 wineries are chasing a relatively small slice of the pie. The WBM 50 list doesn't include custom crush volumes or private labels. It counts domestically produced wine under brands the wineries own. Two wineries cycled off the list this year: A to Z Wineworks in Oregon was subsumed by Ste. Michelle Wine Estates while Mesa Vineyards, formerly the largest winery in Texas, went out of business. Scout & Cellar, also from Texas, is new this year touting so-called clean wine sold direct to consumer. There are now three companies on the list selling almost exclusively DTC. Daou Vineyards of Paso Robles is also new to the list.

When it comes to business models, the WBM 50 wine companies are wide ranging. Some are asset heavy and some are mostly estate made, while others are asset light. A few have huge branded businesses but make millions of cases under contract for others, some focus on premise, some focus on specific regions and others import and market vast quantities of wine. Several now include spirit portfolios. Eleven are stand-alone public companies or are owned by public companies. Pernod Ricard, the French multinational and world's second largest seller of wines and spirits, is on the list, even if it's relatively small in terms of U.S. produced wine.

Accolade Wines of Australia among the world's largest wine companies by volume too, selling more than 30 million cases, but is still relatively small in the U.S. when it comes to domestic production and isn't on the list. Milbrandt Vineyards and Rack & Riddle are examples of notable custom crush outfits that aren't included. Plata Wine Partners is on the move and is affiliated with one of California's largest wine grape growing outfits and isn't part of the list yet because much of its wine volume sells under private labels. If we were ranking wineries by revenue the list also would look a bit different.

Each WBM 50 listing includes a mini company update and the outlook and trends piece summarizes what top industry executives are saying about the state of the business. In short, even though the wine business is facing headwinds in 2023, there are tailwinds and enterprising wineries will use them to their advantages.



WINE BUSINESS MONTHLY

February 2023 • Volume XXX No. 2

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Cyril Penn – editor

Outlook & Trends

Recession, Diversification and Hesitancy for the New Year

Most wine executives concerned about sales over the next 12 months

Cyril Penn

MOST FINANCIAL EXPERTS BELIEVE the U.S. economy will be in recession this year. During the last major recession of 2008-2009, people continued to drink wine but mostly traded down within the same category. In the current economic climate, it isn't as clear what consumers are doing. They don't appear to be trading down—so far—as much as they've been drinking fewer alcoholic beverages in general or are choosing to buy whisky, tequila, ready-to-drink cocktails, hard seltzers, or other alternative alcoholic beverages—spirits have been taking share from wine.

Few of the top U.S. wineries were seeing much, if any, growth in volume in 2022, even if revenue was up. Importantly, the biggest players weren't immune to the trends.

Industry executives know they need to do a better job in terms of meeting the needs of younger consumers because there are more alcoholic beverage choices than ever.

Much has been written about how tough the wine business will be in 2023: The premiumization trend is still alive but has been decelerating. Higher priced wines sales volumes are not growing as fast as they once were off-premise. Growth above \$25 has decelerated. There's growth in the \$15-plus category, but in \$11 to \$15 there's a slight decline. The under \$10 category has been fading for years, even if value brands are starting to resonate more.

In an inflationary environment, most wine companies have taken price increases but haven't been comfortable taking price increases that fully cover their actual cost increases. They're living with compressed margins and therefore are under more pressure to manage costs. U.S. wine prices were up 3 percent in scanner data last year while grocery prices were up 10 percent. Even with wine prices only up nominally, the overall wine category is flat.

Jon Moramarco, editor of the Gomberg Fredrickson report and managing partner of market research firm bw1, was projecting total U.S. table wine sales would finish 2022 flat or up one percentage point. "People are finding it very hard to find growth," Moramarco said. "Everybody's fighting for market share. You have to be smarter than your competitor."

Fourth-generation California vintner Donny Sebastiani Jr, proprietor of Sonoma, California-based Don Sebastiani and Sons put it succinctly, saying, "The California still wine business is pretty tough."

In a keynote talk at the November 2022 Wine Industry Financial Symposium

in Napa, Calif., analyst Danny Brager cited Wine Market Council data that indicates the core and marginal wine consumer base is shrinking. "There are not as many wine drinkers now as there were." The good news, he said, is that core and marginal wine drinkers are drinking higher-priced selections. He presented data that indicates the wine market is bifurcating, with sales slowing for lower priced wines and growth continuing at higher price points. He included data that shows softness in the wine category year-over-year by price tier.

Industry executives say the financially well-off have continued to splurge on high-end wines. Survey information, meanwhile, indicates U.S. consumers of all income brackets—even more affluent consumers—plan to cut expenditures, including spending in restaurants, travel, and to a lesser extent, spending on alcoholic beverages.

"There's two worlds of the consumer," Chris Indelicato, CEO of Delicato Family Vineyards said. "Half the country is literally living check to check. Those folks are simply trading down and they're drinking less. Then the folks that still have a little bit more money to spend are trading down. We're finally starting to see some of that out there in the market. That that's been a very recent trend. Even last summer, people were still premiumizing, but I think it's starting to tighten up now."

"I think everything has changed since the pandemic," E. & J. Gallo Winery chief marketing officer Stephanie Gallo said. "There isn't one thing that we can point to: it's a confluence of a lot of things. The economy has changed,



Source: Danny Brager, 2022 Wine Industry Financial Symposium.

HIGHER END PRICE TIER GROWTH HAS DECELERATED SHARPLY, BUT VS HUGE COMPS OF YEAR AGO



Source: Danny Brager, 2022 Wine Industry Financial Symposium.

the consumer has changed with different tastes and preferences, shopping and buying has changed, at-home occasions remain strong but there's increased expectations for experiences outside of the home. What we're noticing is that consumers are looking for quality wines at every price point.

"Consumers are what I call 'total alcohol beverage' consumers. In the past you'd be a wine consumer, or beer or spirits consumer," Gallo added. "Now the lines are collapsing. Consumers are willing to drink across traditional categories to meet the needs of different alcoholic beverage occasions. What's different than before is that consumers are trading and trialing across more categories more than ever before."

Bright Spots

While there are several headwinds, there are also tailwinds, some positives pushing the wine industry forward. Success in wine depends on where you play.

- Fine wines at higher price points continue to do well. Premiumization continues, even if the rate of premiumization is slower.
- Big juggernaut brands consumers "know and trust" continue to do well. Brands such as La Marca, Meiomi, and Josh—some of the biggest in wine—are the share growers.
- The post-lockdown on-premise rebound continues, though on-premise hasn't fully recovered from pre-pandemic levels.
- Direct-to-consumer (DTC) sales were down post-lockdown against a record year but remain robust. It appears the lockdowns transformed DTC permanently.
- Sparkling wines are hot. Champagne and Prosecco continue to grow.
- Cabernet Sauvignon and Chardonnay sales are robust.
- Refreshing whites are rising in popularity. Lighter, high acid, easy drinking white wines in general were doing very well. New Zealand Sauvignon Blanc, marketed by several leading U.S. wineries for 15 years running, continues to gain.
- The "better for you" idea emerged as a full-fledged "category" in 2022. Non-alcoholic wines, which have been around forever, are receiving more attention and interest from consumers.
- Alternative formats, including premium boxed wines, continue to gain share.

CONTINUED STRENGTH IN DTC

After exploding during the lockdowns of 2020 and 2021, direct-to-consumer sales fell back down to earth in 2022—but are still way above pre-COVID-19 levels. Volume fell, but the value rose as well in 2022.

"COVID enabled the proliferation of e-commerce," Robert Hanson, president of Constellation's Wine + Spirits Division said. "Wine demonstrated that you could make 10 years of progress in a single year because of the need. Consumers got excited about being able to buy wine, and to a certain degree spirits, on their terms how and when they wanted to buy it."

"We see that only continuing," Hanson added. "We're obviously lapping some very strong growth numbers off the COVID years. But our DTC and three-tier e-commerce businesses are well outpacing the category growth rate. Our three-tier e-commerce business indices are gaining market share, typically in the mid to high single-digit range right now, which is terrific."

ON-PREMISE SALES REBOUND

On-premise business improved in 2022 as restaurants opened back up. "We saw the on-premise bounce back pretty nicely this year," The Wine Group's CEO John Sutton said. "It's nice to see that."

Some companies—Terlato Wine Group and Deutsch Family Wine & Spirits included—even exceeded pre-pandemic sales levels on-premise, driving growth.

Still, the on-premise side remains challenging. It's estimated that 15 percent of the licensed on-premise accounts in the U.S.—mostly smaller, family-owned, independent businesses—were lost and haven't returned because of the COVID-19 crisis.

Now restaurants are having difficulty with staffing. "They're unable to get the velocity of food business coming through their registers like they did before," Rodney Strong Estates President Carmen Castaldi said. "In New York City, it's hard to get a reservation at night for restaurants and people think, 'well, everything's back.' Well, the daytime business entertaining is still off because offices aren't back to work."

ABOVE \$25 ROBUST

Wines positioned at the higher end with authentic stories about land and place continue to do well. Several industry executives interviewed for this article pointed to \$25 and above as the bright spot.

Rick Tigner, CEO at Jackson Family Wines, said the challenges with upscale labels such as Stonestreet and Cardinale mostly involve meeting demand.

"The fine wine market continues to grow and it's thriving despite the overall wine category being flat to down," Tigner added. "DTC is doing well as a growing channel. DTC sales are not only important for the profit they deliver, but also because visits to tasting rooms or winery online experiences can build lasting relationships."

Constellation Brands, for its part, continues to build on a wine strategy focused on higher price points. "Even if there is pressure on the higher end, we've got a portfolio that's well positioned from ultra-premium to the entry point price points in fine wine all the way up to icon wines," Hanson said.

The Trends: Changing Consumer Needs and Taking Share

Wineries have been responding to evolving consumer preferences by offering new flavors and formats, emphasizing sustainability, and redesigns aimed at younger drinkers. They've been adding wine-based ready to drink cocktails, seltzers, cans and boxes.

At the same time, they've been trying to do a better job on the digital marketing.

Most are endeavoring to shift the product mix to higher priced wines, too. They're diversifying or are getting into channels they haven't been in before in the marketplace to grow, which means trying to take share from other wineries.

Many already have diverse spirits portfolios or are dabbling in spirits and it wouldn't be surprising to see companies such as The Wine Group or Foley Family Wines adding spirits this year.

Deutsch Family Wine & Spirits, the company behind [yellowtail], Josh, and other wine brands, added a luxury tequila. Wine is still 80 percent of Deutsch's business, but president Tom Steffanci expects future growth to be balanced evenly between wine and spirits. "We're still looking at wine acquisitions and looking to grow our wine business," he commented. "But we also are very excited about spirits. We're less developed in spirits so there's more to do there. Even 10 years from now I think we'll be a bigger wine company than a spirit company but as we grow, I'd expect over time that half our growth will come from spirits.

"It's a balanced approach and we've found a nice way to have them coexist," Steffanci continued. "We find that our sales force, who is used to selling products based on a quality story and an origin story, really suits itself well for super-premium and luxury spirits."

"We've accomplished a lot. I just hope it works. I hope it helps and resonates with the consumer."

— Jeff O'Neill, founder and CEO, O'Neill Vintners and Distillers

The largest wineries for the most part already market and sell imports. Now medium-sized wine companies such as C. Mondavi & Family, are entering the fray.

Wineries such as Ste. Michelle Wine Estates are focusing on new product development and on restructuring price tiering on existing brands.

Typical was a comment from O'Neill Vintners and Distillers founder and CEO Jeff O'Neill, which purchased wellness brand FitVine band this year, when he said, "We've accomplished a lot. I just hope it works. I hope it helps and resonates with the consumer."

BETTER FOR YOU WINES

There seems to be a consensus that the "better for you" segment is here to stay. "I do think it's real and it's starting to get more traction," Steffanci said. "It's been more led by premium offerings. Think about how long "better for you" has been around as a trend with food and beverages on the non-alcoholic side: It took a while to get here, but it's real now. It'll be \$150 million in sales. I think consumers are trying to get their head around what it all means. The challenge is you got to make these things taste good."

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“The fine wine market continues to grow and it’s thriving despite the overall wine category being flat to down.”

— **Rick Tigner,**
CEO, Jackson Family Wines

Courting New Consumers

There’s been concern for some time that younger people choosing alcoholic beverages other than wine may have potentially negative long-term implications for the overall health of the wine sector. One school of thought is that consumers are doing a lot of things, such as getting married or buying houses, later than previous generations did, and not to worry—they’ll come around and get into wine, just a little later. Whatever the case is, attracting new consumers is an issue.

“As an industry, we need to need to market and advertise to the next generation that’s looking for that authentic experience,” Bronco Wine Company’s national sales and marketing director Joey Franzia said. “I’ve been hearing the industry talk about that for 25 or 30 years.”

“The conversation always comes back to getting young people drinking wine,” Gary Heck, president and owner of Korbel Champagne Cellars said.

“As I’ve said many times, the industry needs to figure out how to talk to that next consumer,” Jeff O’Neil said.

In the case of E. & J. Gallo, the world’s largest family owned wine company, courting new consumers this year has included doing more around wine to make it more accessible with innovations such as Arbor Mist chillers and Vendage tetra packs.

“We have to continue to make wine more accessible through affordable pricing, welcoming taste profiles, and through packaging innovation,” Stephanie Gallo noted.

Moreover, E. & J. Gallo is now the official wine sponsor of the National Football League. Stephanie Gallo believes the NFL partnership will help reach new consumers and invite new wine consumers into new occasions and is promoting the Barefoot brand along with its range of styles and formats.

“When a category is facing headwinds, we have to take the headwinds on by truly lifting the consumer and being innovative—taking cues from what’s happening in other categories and applying it to wine. One of the reasons why the NFL sponsorship is so important for us as a category leader to begin introducing wine to occasions that are alcohol beverage occasions, where wine traditionally hasn’t been welcomed or accepted,” Gallo said.

Korbel, for its part, continues to spend millions of dollars on television advertising but is moving from traditional programming toward streaming services to target younger consumers while investing more on in-store promotions and ecommerce. Brown-Forman, Korbel’s marketing partner, even has a multicultural division dedicated to targeted marketing.

Constellation Brands has been responding to changes in consumer behavior by concentrating on the trends of premiumization, betterment, digital commerce, and sustainability.

“We have to make the wine category itself more exciting so we’re really looking at how to innovate with our existing brand portfolio in a manner that makes wine as a category more exciting to younger consumers, onboarding

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“Everything has changed since the pandemic. There isn’t one thing that we can point to; it’s a confluence of a lot of things. The economy has changed; the consumer has changed with different tastes and preferences; shopping and buying has changed. At home occasions remain strong but there’s increased expectations for experiences outside of the home.”

— **Stephanie Gallo**,
Chief Marketing Officer, E. & J. Gallo Winery

them at each price level into brands that are exciting, that are built for them, that meet their needs, from a sensory and an emotional standpoint, and that generate a higher level of growth for the category because the category growth rates are relatively anemic,” Constellation’s Robert Hanson said.

Constellation’s marketing and branding is focused to be more appealing to consumers who are *not* buying in the wine category, based on traditional access

points to fine wine. Hanson said consumers want lifestyle brands that are emotionally appealing to who they are, meeting them on their own terms. He pointed to a cross-promotion between the Prisoner wine brand involving High West Whisky barrels and a collaboration supporting prison reform; to NFT’s launched with Mondavi; and to high-end events with multicultural influencers such as pro basketball’s Carmelo Anthony, as initiatives that are appealing to younger, multicultural consumers. Younger customers are increasingly multicultural consumers and from a marketing perspective, they’re now one and the same.

Woodbridge, a \$10 wine, launched the Woodbridge Wines: Wine Your Way campaign this year, encouraging consumers to ‘drink wine the way you want it’. An online study for Woodbridge Wines conducted with 2,000 Americans explored their drinking habits and attitudes to wine consumption and etiquette: 7 percent of respondents believed there are right and wrong ways to drink wine, though only 17 percent “always” follow the rules. Hanson said encouraging consumers to have wine their way and eliminating off-putting gatekeeper rules about wine is important for onboarding younger, multicultural consumers.

Heidi Scheid, executive vice president at Scheid Family Wine, and the current president of Wine Market Council, similarly said the industry needs to “meet the customers where they are—then trust that they’re going to come along.” “Wine is an amazing product,” Scheid said. “There’s nothing else like it in the world. It’s been around for thousands of years. I don’t think it’s going anywhere but I think you do have to meet the consumer where they are today. And allow them to go on that journey in their own way.”

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— **Joey Franzia**,
National Sales & Marketing Director, Bronco Wine Company

NEW FLAVORS AND FORMATS

The trend of some wineries adding flavored wines and ready-to-drink wine-based cocktails to their stable continues. Gallo introduced Arbor Mist chillers, designed to make wine more accessible to younger customers. Trinchero introduced Sutter Home Sweet Tea, Peach Tea and Lemonade Wine Cocktails. Don Sebastiani & Sons doubled down on Flybird “margarita wine” in lime and strawberry flavors. The Wine Group, which took over sales of the Rancho La Gloria Mexican agave wine-based Margarita brand in 2021, introduced Cupcake Light Hearted low-calorie wine, marketed as “Bright and bursting with refreshing fruit-forward flavors”, and Main & Vine Lemonade Stand, a lemonade wine sold as “a refreshing blend of wine and natural lemonade flavors.”

“We, as the wine industry, need to continuously evolve even though there are headwinds,” Stephanie Gallo said. “But we are seeing bright spots. There’s continued growth in the premium box category. Alternative formats, like Tetra, are continuing to grow. Categories where consumers are looking to explore innovative flavors are continuing to grow.”

EMPHASIZING SUSTAINABILITY

Younger customers tend to care more about where their food and wine comes from and about sustainable practices, so wine companies are doing more to tout sustainability, more often discussing it and/or including sustainable certifications on labels. Some, such as Fetzer Vineyards, which adopted an operating name change to Bonterra Organic Estates this year, have long emphasized this—but it’s a priority now with publicly traded companies, such as Treasury Wine Estates, Vintage Wine Estates and Constellation, making commitments to reduce their greenhouse gas emissions.

This is one reason the large wine companies are shifting more of their production to lighter weight glass bottles, if they haven’t done so already. But costs are a huge factor here too, of course, more-so than ever because of soaring shipping costs.

“One area that we have addressed aggressively is sustainable design acceleration,” Hanson said. “We believe we have to not only deliver economic opportunity for our shareholders, but to be a force for positive change in the world. One of the things I’m most excited about is that we’ve been working hard to really convert all of our vineyards to either sustainable or fully organic.”

“The savvy wine consumer wants to purchase wines from wineries that can effectively communicate stories about the people who make the wines and the vineyards where the wine is grown,” Tigner with Jackson Family Wines said. “They want to know the winery shares their same values and concern for the environment and social responsibility.”

PASO ROBLES’ GROWING PROFILE

The trend of large wine companies wanting to increase their presence along the Central Coast persists. Paso Robles has become more attractive and the big wine companies continue to launch Paso Robles-based wines. Terlato Family Wines is launching a new Paso Robles focused brand this year; JaM Cellars opened a tasting room in downtown Paso Robles for Serial Wines, which is sourced from vineyards there; Trinchero Family Estates increased capacity at its Central Coast production hub again this year; and E. & J. Gallo—already a huge player along the Central Coast—acquired Denner Vineyards in Paso Robles, adding a winery and vineyards in the Willow Creek and Adelaida districts.

“Napa and Sonoma red wines have gotten very, very expensive and we have priced some consumers out,” Sandra LeDrew, COO of Terlato Wine Group, said. “Paso Robles makes great quality and it’s still relatively affordable, so we’ve gone down there.”

“Paso Robles is still quote-unquote ‘affordable.’” John Anthony Truchard, founder and CEO of JaM Cellars (John Anthony Family of Wines) said.

“It seems like the Central Coast area is going to be pivotal to the industry,” Trinchero Family Estates President & CEO Bob Torkelson said.

ALIGNING DISTRIBUTION

Distribution is always top of mind, as distributor share of mind and execution is so important to success.

Distributors tackled supply chain issues this year, the trucking and shipping crisis meant sometimes holding more—instead of the previous trend of less—inventory because of long shipping times.

They also pushed their newish business-to-business, e-commerce platforms that simplify ordering for customers: Southern Glazer’s Wine & Spirits launched new services and features for the Proof platform; Breakthru Beverage Group extended a partnership with Provi; Republic National Distributing Company (RNDC) expanded to new states with LibDib and invested in Thirstie, another e-commerce provider.

These systems are helping the distributor sales teams focus on things other than collecting checks.

In 2022, the trend of distributor consolidation continued, albeit at a slower pace. Distributors are still consolidating to a degree, but much consolidation has already occurred with three national distributors dominating. The trend of wineries realigning with national distributor route to market arrangements continued in 2022. Some wineries credited their improved performance to these new national partnerships allowing them to “better execute” on underdeveloped brands.

“There appears to be more energy around some of the large suppliers making multistate deals with the large wholesalers, one CEO said. “That trend will continue. “With basically three wholesalers in America, it’s basically like you’re just moving chairs around,” said another.

“It’s harder to be a half-million case brand or an unknown brand or a smaller brand,” Chris Indelicato said. “Right now, the focus is on the bigger brands. They’re easier to execute against and are less work for the retailers.”

M&A Outlook: Expect More, Not Less

There weren’t a huge number of acquisitions involving the larger commercial wine companies in 2022, though several high-end wineries and vineyards changed hands (see “2022 Year In Review: M&A Market Remains Active in 2022 in California and Pacific Northwest, WBM, December 2022). Notable acquisitions involving the biggest players included The Wine Group’s acquisition of several brands from Constellation; Vintage Wine Estates acquiring

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Meier's Beverage Group, which increases capacity for Ace Cider; E. & J. Gallo's purchase of Denner; Ste. Michelle's acquisition of A to Z Wineworks in Oregon; and though it was smaller acquisition, Constellation picking up Lingua Franca, also in Oregon.

Interest rates doubled in six to eight months in 2022. M&A will be harder going forward because of this increase in rates, but mergers and acquisitions are expected to at least keep pace in 2023 and possibly grow. If there's a continued economic downturn, it will put smaller operators under economic pressure. There are always the usual succession planning issues that can take a toll.

"Economic uncertainty over the next year or so could push some wineries over the edge, either financially or just in terms of dealing with the ongoing struggles of being in the business," Peter Mondavi Jr., co-proprietor at Charles Krug Winery, said. "That's on the sell side. On the buy side, there's a big appetite for consolidation to compensate for the consolidation of the distribution side of things."

"There are more people running into headwinds in this industry, O'Neill said. "If Brand X got it to 80,000 cases—and all of a sudden, the cost of goods is up, glass is up, labor is up, bulk wine is up, transportation is up, and distributor and retailer consolidation is up—there's going to be a handful of people that will come out of the woodwork wanting to sell. Whether buyers can make sense of it at with current interest rates will be an interesting question."

The Outlook: It Comes Back to the Economy

As always, the economy is top of mind. It's anyone's guess how long the recession will last.

"I've got to think that at some point, as interest rates tighten up and everybody's budgets get squeezed, that we're going to start to see a reasonable slowdown in wine sales," Hess Persson Estates CEO & Proprietor Timothy Persson said.

"We think the long-term outlook for the wine business continues to be bright, but I do expect next year it'll be a little bit choppy, mostly because of the macro headwinds we're facing in the in the economy," Ste. Michelle Wine Estates' CFO and president of operations and supply chain Mike Lee said.

"We haven't seen the impact on people's wallets hitting our wholesale volume that much," Foley Family Wines president Shawn Schiffer said. "We've had a little bit of a decrease traffic on the tasting room side."

"I'm not really that scared about the economy," Scheid said. "I do think wine has a problem in that we think in a very traditional way, but I think that's changing." **WBM**

50 Largest Wineries

AS PART OF OUR REVIEW OF THE INDUSTRY, *Wine Business Monthly* compiled its nineteenth 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 12,000 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)	15. Duckhorn Vineyards	2.1 million (WBM estimate)
2. The Wine Group	50 million	16. Foley Family Wines	1.7 million
3. Trinchero Family Estates	20 million	17. Korbel Champagne Cellars	1.7 million
4. Delicato Family Wines	17 million	18. C. Mondavi & Family	1.6 million
5. Constellation Brands	11 million (WBM estimate)	19. Viña Concha Y Toro (Fetzer Vineyards)	1.6 million
6. Treasury Wine Estates	8 million (WBM estimate)	20. J. Lohr Vineyards & Wines	1.6 million
7. Bronco Wine Company	8 million (WBM estimate)	21. NakedWines.com	1.5 million
8. Ste. Michelle Wine Estates	7 million	22. O'Neill Vintners & Distillers	1.2 million
9. Jackson Family Wines	6 million	23. Don Sebastiani & Sons	1 million
10. Deutsch Family Wine & Spirits (Josh Cellars)	5 million	24. Boisset Collection	1 million
11. Vintage Wine Estates	3.5 million	25. Scheid Family Wines	850 000
12. Precept Wine	3.2 million	26. Rodney Strong Estates	820,000
13. Bogle Family Wine Collection	2.7 million	27. JaM Cellars (John Anthony Family of Wines)	820,000
14. WX Brands	2.6 million	28. Oliver Winery & Vineyards	750,000

50 Largest Wineries

29. Riboli Family Wines	700,000	40. Hahn Family Wines	450,000
30. Wente Family Estates	660,000	41. Union Wine Company	442,000
31. Pernod Ricard USA	650,000 (WBM estimate)	42. Scotto Family Cellars	425,000
32. Domaine Chandon Estates & Wines (Moët Hennessy USA)	640,000 (WBM estimate, includes Newton)	43. Crimson Wine Group	400,000
33. Hess Persson Estates	600,000	44. Scout & Cellar	400,000
34. Terlato Wine Group	600,000	45. Cline Cellars	400,000
35. Purple Wine + Spirits	600,000	46. Castle Rock Winery	380,000
36. Michael David Winery	600,000	47. JUSTIN Vineyards & Winery	350,000 (WBM estimate)
37. House of Smith	600,000	48. Daou Family Estates	350,000 (WBM estimate)
38. Duplin Winery	563,000	49. Sonoma-Cutrer	350,000 (WBM estimate)
39. FirstLeaf	500,000	50. Rutherford Wine Company	300,000 (WBM estimate)

2003 — The First WBM 30 List

Wine Company (purchased by)

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

E. & J. Gallo, the world's largest wine company, now celebrating its 90th anniversary, continually expands and diversifies to meet evolving consumer preferences. This year, the company became the official wine sponsor for the National Football League, initially promoting Barefoot, a flagship brand. In the M&A market, E. & J. Gallo purchased Denner Vineyards in Paso Robles, including the brand, tasting room, winery and 130 acres of vineyards in the Willow Creek and Adelaida regions. The company launched fine wine import and export division Maze Row Wine Merchant, added import Bodega Lanzaga of Rioja, and organized spirits under the Spirit of Gallo umbrella, which represents 24 brands and invests in bourbon, rum and luxury tequila.

Gallo also expanded the Language of Yes collaboration with Randall Graham and built on the success of High Noon hard seltzer. Gallo integrated and promoted some of the brands it purchased from Constellation in 2021, including Black Box, Mark West and Clos du Bois, among others. A Black Box campaign features actor Adam Scott playing "Savvy Man," a connoisseur of a single brand of boxed wine—Black Box Wines—as part of the "Savvy Moves" campaign.

As consumers returned to tasting rooms, J Vineyards & Winery unveiled a three-part culinary residency program where chefs highlighted wide-ranging cuisines. E. & J. Gallo opened its regional distribution center in Chester County, South Carolina in October, the new home for East Coast operations.

2. The Wine Group



John Sutton, CEO
Annual U.S. Case Sales Volume:
50 million
Employees: 1,200

John Sutton was named CEO in August 2022, succeeding Cate Hardy. He joined The Wine Group in 2007 as general counsel, was named CFO in 2015 and served on the board.

The Wine Group continues to diversify and focus on SKUs priced from \$12 to \$15, and now has a presence in Washington state. Constellation Brands announced a deal in October to sell six brands to The Wine Group—Cooper & Thief (priced closer to \$25), Crafters Union, The Dreaming Tree, Monkey Bay, 7 Moons and Charles Smith Wines (from Washington state)—which account for roughly 1 million cases of annual volume. The deal for these brands comes on the heels of 2021's long-term licensing deal with Treasury Wine Estates for Beringer Main & Vine, Beringer Founders' Estate, Coastal Estates and Meridian, as well as The Wine Group's entrance into RTDs with MPL Brands, owner of Rancho La Gloria.

Art Ciocca, founder of The Wine Group, passed away in December 2021 at age 84. He was the CEO for 2 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.

Facilities include Benziger and Imagery Estate in Sonoma, as well as Concannon in Livermore, Calif., with offices in nearby Tracy and production facilities in Madera, Fresno, Sanger, Cutler and McFarland. The Wine Group also operates a large production facility in Australia. The portfolio includes Franzia, Cupcake, Chloe, Benziger, Tribute, Imagery, 7 Deadly, Flip Flop, Almaden, Main & Vine and corporate brands. Cupcake LightHearted is The Wine Group's entrant in the "better for you" category. Franzia remains the leading 3-liter box wine at 20 million cases, the top-selling wine for the past 2 years.

3. Trinchero Family Estates



Bob Torkelson, President and COO
Annual U.S. Case Sales Volume: **20 million**
Employees: **1,000**

Trinchero Family Estates (TFE) has been investing in and focusing on its Central Coast operations and is in phase two of a three-phase expansion project at Trinchero Central Coast, which formerly belonged to Fetzer. The SEAGLASS Wine Co. is sourced from the Central Coast. Iron + Sand, a Cabernet Sauvignon sourced from Paso Robles, launched on-premise a few years ago. New in 2022 was Graymore Wines, a Chardonnay

offering from Edna Valley. The Sutter Home franchise has entered the ready-to-drink category with Sweet Tea, Peach Tea and Lemonade Wine Cocktails. The offerings bring trending tea and lemonade flavors to the wine category. The 7.5-percent abv lineup comes in 187mL four-packs and 750mL bottles for \$8 SRP and 1.5L bottles for \$13 SRP. Sutter Home Sweet Tea mixes sweet white wine with smooth, natural tea flavors in a southern-inspired beverage.

TFE comprises more than 50 wine and spirits brands distributed in nearly 50 countries. The luxury business falls under the Heritage Wine Division. TFE is the largest family-owned winery in Napa Valley. The portfolio also includes Sutter Home Family Vineyards and M \acute{e} nage \grave{a} 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 Trinchero Vermouth.

4. Delicato Family Wines



Chris Indelicato, President and CEO
Annual U.S. Case Sales Volume: **17 million**
Employees: **1,200**

Delicato acquired Francis Ford Coppola Winery in the summer of 2021—one of the most notable winery mergers in several years. In the first full year with Coppola as part of the combined company, Coppola Diamond reached 1.1 million cases and launched a Prosecco.

Delicato announced distributor changes in late 2022, extending its relationship with Republic National Distributing Company in 12 more states and aligning with RNDC in 25 markets. Delicato extended its relationship with Johnson Brothers to include Minnesota, Iowa and Hawaii, and announced its work with Breakthru Beverage Group in Pennsylvania and Delaware.

Botobox minis exceeded 800,000 cases and could become Delicato's third million-case brand. Bota Breeze, the "better for you" 3-liter box, leads the category. Gnarly Head $^{\circ}$, a producer of bold California wines from gnarly old vines, partnered with the Grateful Dead to release two Limited Edition Grateful Dead wines: Old Vine Zinfandel from 35-to-80-year-old vines in Gnarly Head's home appellation of Lodi, California and a California Cabernet Sauvignon.

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: **11 million**
(WBM estimate)
Employees: **6,000 globally**

Constellation Brands continues to reshape its wine portfolio with an eye toward higher prices. In October, the company divested a portion of its portfolio (Cooper & Thief, Crafters Union, The Dreaming Tree, Monkey Bay, 7 Moons and Charles Smith Wines) to The Wine Group.

With the sale of Charles Smith Wines, Constellation is no longer a player in Washington state as the company sold Hogue Cellars to E. & J. Gallo in 2021.

Constellation, did, however, purchase a small winery in Oregon in 2022, Lingua Franca, the Willamette Valley producer founded by Larry Stone.

Constellation divested most of its popular and mainstream wine and spirits portfolio in 2021 with the sale of 30 brands to E. & J. Gallo and is "focused on competing predominantly in premium and fine wine and craft spirits segments, while continuing to invest in the growth of its remaining strategic mainstream wine and spirits assets," according to a press release statement.

"Over the past three years, we reshaped ourselves into a higher-end wine and spirits division with intentional, strategic mainstream plays and are moving our business towards becoming a leading global Premium/Fine Wine & Craft Spirits portfolio," stated Robert Hanson, EVP and president of the wine and spirits division.

The company has been making major capital improvements at Robert Mondavi Winery in Oakville and is transitioning the To Kalon Vineyard in Napa Valley to organic. The Schrader Cellars 2019 Napa Cabernet Sauvignon Oakville Double Diamond was *Wine Spectator's* 2022 Wine of the Year, the Number 1 wine on the publication's annual Top 100 list.

The wine and spirits portfolio includes Meiomi, Kim Crawford, The Prisoner Wine Company, The Robert Mondavi family of brands, High West Whiskey, Casa Noble Tequila, Schrader Cellars, Double Diamond, To Kalon Vineyard Company, SIMI, My Favorite Neighbor portfolio of brands, Lingua Franca, Nelson's Green Brier and others.

Constellation awarded Southern Glazer's Wine & Spirits distribution responsibilities across 70 percent of its U.S. wine and spirits portfolio in 2021.

6. Treasury Wine Estates



Ben Dollard, President, Americas
Annual U.S. Case Sales Volume: 8 million
(WBM estimate)

Treasury Wine Estates (TWE) sold Chateau St. Jean to Foley Family Wines in 2021—then promptly acquired Frank Family Vineyards, filling a portfolio opportunity for luxury Chardonnay. Treasury reportedly paid \$315 million for Frank Family Vineyards, a 150,000-case annual producer. This year Treasury, which is publicly owned and based in Australia, acquired Château

Lanessan in Bordeaux, with 80 hectares of Haut-Médoc vineyards planted, increasing capacity for Penfolds-branded wine sourced from France.

The 19 Crimes brand continues to be a driver, and Martha Stewart is now on Treasury Wine Estates' 19 Crimes bottles. The release of 19 Crimes Martha's Chard follows other wine introductions under 19 Crimes, including a red blend known as "Cali Red" with rapper Snoop Dogg.

In an earnings report, the company said strong U.S. sales and price hikes offset the hit the company took from hefty Chinese tariffs on Australian wine in 2022. The company has been re-directing its Penfolds' supply to the United States, Europe and domestically since China imposed an anti-dumping duty in late 2020. Net sales revenue at the Americas unit grew, benefiting from efforts to expand its presence in the market, including the collaboration with Snoop Dogg. The company also announced the creation of an in-house marketing agency with more creative, production and media talent.

In 2021, Treasury licensed several lower-end brands, accounting for roughly 4 million cases of volume, to The Wine Group in a long-term deal (Beringer Main & Vine, Beringer Founders' Estate, Coastal Estates and Meridian).

Treasury Wine Estates is one of the largest Napa Valley growers, producing luxury grapes in 10 of the 1 Napa Valley AVAs on vineyards either owned or under long-term lease. TWE currently farms more than 2,500 acres in Napa Valley—and owns Napa Valley-based Beringer, BV, Sterling and Stags' Leap. Treasury includes some of the world's leading premium wine brands: Lindeman's Wines, Rosemount Estate, Penfolds and others.

7. Bronco Wine Company



Daniel J. Leonard, President/CEO
Annual U.S. Case Sales Volume: 8 million
(WBM estimate)

It's been a whirlwind at Bronco Wine Company. Bronco chief executive Fred T. Franzia passed away in September. Following the loss of the long-time CEO, the board promoted vice president and chief financial officer Daniel J. Leonard to President/CEO. Leonard, a 35-year company veteran, will oversee multiple business units for Franzia Family Enterprises. Bronco was founded

in 1973 by brothers Fred T. and Joseph S., along with their cousin John. The founding owners stepped away from the board after Fred Franzia's death. Each of the three wings of the family is now represented on the board by two second-generation family members.

Bronco operates 40,000 acres of vineyards in California, mostly in the Central Valley. Like the rest of the industry, Bronco, known for Two Buck Chuck, is working on diversification and premiumization. Bronco is selling more appellation-driven wines among its roughly 50 brands. Longevity Wine, a certified minority-owned brand that Bronco represents, now includes Reserve Napa Valley and Alexander Valley wines. Carmentel just launched a Reserve California Buttery Chardonnay. Rosenbloom will make Amador Zinfandel with winemaker Charlie Tsegeletos, who retired from Cline Cellars in 2021. Blanc de Bleu added a sweeter wine in the blue bottle. Wines are sourced from Oregon for Pacific Pino and Laurelwood, and from Washington state for Gravel Bar and Komodo Dragon.

Bronco's "better for you"-type, low-alcohol/low-calorie brand, L+I, is a new line of premium wines in 250ml cans and includes a Chardonnay, Pinot Grigio, Rosé of Pinot Noir and a Red Blend. Camp Crush is another new line of canned wines designed for outdoor occasions.

Villa Roya is a new, single-SKU Garnacha from Spain. Bronco also sells Colores Del Sol Malbec from Argentina.

Bronco continues to certify vineyard holdings organically with more than 8,000 acres currently.

Bronco is a bulk producer with 100 million gallons of capacity. Other brands include Crane Lake, Estrella, Coastal Vines and Salmon Creek—an on-premise brand. 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. Bronco 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. The facility was 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. Bronco bottles vast quantities for other major wine companies, including small formats, bag-in-box and, more recently, RTDs with spirits.



8. Ste. Michelle Wine Estates



Mike Lee, CFO and President, Operations and Supply Chain
Annual U.S. Case Sales Volume: 7 million
Employees: 1,100

The leading wine company in Washington state is now the largest wine company operating in Oregon. In September, Ste. Michelle Wine Estates acquired two of Oregon's largest brands—A to Z Wineworks and Rex Hill. Coupled with Erath Winery, this gives Ste. Michelle a big presence in Oregon Pinot Noir. One of the bedrocks of A to Z's success has been its good relationships with growers—the company has worked with more than 100 vineyards.

Ste. Michelle Wine Estates made senior leadership changes in October, aligning into three divisions: Washington, Oregon and California. Toby Whitmoyer was named president, Washington; Amy Prosenjakwill, previously CEO at A to Z, was named president, Oregon; and David Bowman is president, California. Mike Lee was appointed CFO and president, operations and supply chain. President and CEO David Dearie, appointed after Sycamore Partners reportedly purchased the business for \$1.2 billion, left the company.

Washington winemaking operations were consolidated with the 2022 harvest. White wine production moved from Woodinville to Columbia Crest, closer to the vineyards in Eastern Washington.

Allen Shoup, who led the Washington wine industry through its formative years for two decades as president and CEO of Stimson Lane Vineyards & Estates—the wine company that included the Chateau Ste. Michelle Winery, later renamed Chateau Ste. Michelle—passed away in November.

Ste. Michelle announced a national alignment with Southern Glazer's Wine & Spirits this year. Ste. Michelle is with Southern in 3 states.

The Ste. Michelle Wine Estates' portfolio includes Chateau Ste. Michelle, 14 Hands, Columbia Crest, Erath, A to Z, H3, Liquid Light, Intrinsic, REX HILL, Spring Valley Vineyard, Patz & Hall and Northstar, along with several other premium brands. The winery also has partnerships with Marchesi Antinori (Stag's Leap Wine Cellars and Col Solare), Ernst Loosen (Eroica) and Michel Gassier (Tenet). Ste. Michelle Wine Estates serves as the exclusive U.S. importer for Marchesi Antinori and Champagne Nicolas Feuillatte. Its 14 Hands Unicorn Rosé Bubbles in cans launched in 2020, and the Unicorn Rosé Bubbles in bottles were released in spring 2022. Liquid Light Rosé and Sauvignon Blanc are 95 calories with less than 1 gram of sugar per 5-ounce serving.

9. Jackson Family Wines



Rick Tigner, President
Annual U.S. Case Sales Volume: 6 million
Employees: 1,750

Jackson Family Wines diversified its portfolio this year with its first vineyard acquisition in Washington state in the Walla Walla region. The company expanded its footprint in Australia with the purchase of Giant Steps and a new vineyard in Yarra Valley in 2022. The family is now looking to expand its presence in Canada. Jackson Family Wines continued to build on a commitment to sustainability and climate action with the Rooted for Good Roadmap to 2030 initiative. 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.

Jackson Family Wines owns and farms 13,000 acres of winegrapes. Its collection of 40 wineries includes properties in California, Oregon, Washington, France and Italy, as well as Australia, Chile and South Africa.

10. Deutsch Family Wine & Spirits (Josh Cellars)



Tom Steffanci, President
U.S. Case Sales Volume: 5 million
Annual Global Case Sales Volume: 12.4 million
Employees: 370

Deutsch Family Wine & Spirits is the top supplier in the \$10 to \$25 "low lux" price tier, focused on being best-in-class in quality with a supply chain that keeps products in stock. This year Deutsch added Beau Joie Champagne, priced at about \$50, to the roster. Deutsch acquired a minority stake in Beau Joie with exclusive sales and marketing rights for the U.S., Canada and the Caribbean. Deutsch also entered into a joint venture with Two Sons Imports, LLC, the owner of Cantera Negra Tequila.

Josh Cellars reached 5. million cases in 2022. [yellow tail], out of Australia, is still close to 5.5 million cases in the U.S. Most recently, [yellow tail] launched Pure Bright, a new lower-calorie and lower-alcohol wine positioned in the "better for you" wine segment. On the spirits side, growth brands include 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.

11. Vintage Wine Estates



Pat Roney, CEO and Founding Partner
Annual U.S. Case Sales Volume: **3.5 million**

After going public in 2021, following a series of acquisitions, Vintage Wine Estates (VWE) is evolving as a public company and made one acquisition this year, diversifying with the purchase of custom beverage production facility Meier's Beverage Group of Silverton, Ohio. Meier's bottles, imports and markets specialty alcoholic and non-alcohol products with custom blending, contract storage, contract manufacturing and private labeling for wine, beer and spirits. Meier's also owns a bonded winery, brewery and distilled spirits plant, along with a beverage canning line that will facilitate Vintage Wine Estates' expanding RTD production, including Ace Cider products.

While it focused primarily on existing brands in 2022, VWE launched House of the Dragon wines in celebration of "Day of the Dragon," HBO's prequel to "Game of Thrones." House of the Dragon wines include a vintage 2020 Red Wine, 2021 Pinot Noir and 2019 Cabernet Sauvignon.

Personnel changes included the promotion of Zach Long, senior vice president of winemaking and production, to chief operations officer. Jessica Kogan was named chief growth and experience officer.

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.

12. Precept Wine



Andrew Browne, Founder and CEO
Annual U.S. Case Sales Volume: **3.2 million**
Employees: **500**

Precept Wine, founded by Andrew Browne and Dan Baty in Seattle, Wash., celebrates its 20th year as a company in 2023. Precept has been a consistent growth company known for innovation, creativity and speed to market. In response to the challenging market conditions in 2022, Precept's team further defined and focused the portfolio led by Gruet, House Wine and Browne Family Vineyards.

Precept entered the spirits business in 2022 with the launch of Browne Family Spirits, an extension of Browne Family Vineyards. The Browne Family Spirits Collection is produced at its Spokane, Wash. distillery with a focus on locally sourced, limited-edition bourbon, rye and whiskey by Kentucky-native master distiller Aaron Kleinhelter. The Browne Family Spirits Collection is exclusively available in two Washington tasting rooms (Spokane and Bellevue), with a Pacific Northwest wholesale launch planned in 2023. The Northwest-rooted company continues to strengthen its dedication to Washington wine with heavy support in the local market, an expanded footprint of tasting rooms and strategic partnerships with Washington state sports teams, universities and arts programs, among others.

Other portfolio news includes the launch of two additional House Wine rainbow products in tandem with the five-year anniversary of its partnership with the Human Rights Campaign, donating a portion of the proceeds of all rainbow products to the organization that supports full LGBTQ+ equality. The Browne Forest Project was launched in partnership with the non-profit One Tree Planted, creating a range of wines that support reforestation efforts by planting one tree for every bottle sold. Gruet enjoyed its strongest year of direct-to-consumer sales and expanded its Santa Fe tasting room. Private label continues to be a focus for Precept.

Precept maintains estate vineyards, winemaking facilities and tasting rooms across Washington, Oregon, Idaho and New Mexico. Leading wine brands include Browne Family Vineyards, Gruet Winery, Original House Wine, Waterbrook Winery, Canoe Ridge Vineyard, Battle Creek Cellars, Primarius Winery, Pendulum, Callaway Cellars, Washington Hills, Sagelands, Ste. Chapelle and Sawtooth Winery.

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13. Bogle Family Wine Collection



Ryan Bogle, Vice President & Chief Financial Officer

Annual U.S. Case Sales Volume: 2.7 million
Employees: 100

The Bogle family changed the name of its company from Bogle Vineyards to Bogle Family Wine Collection. The change reflects a growing brand portfolio: Bogle Family Vineyards, Juggernaut Wines, Phantom Wines and Twenty Acres by Bogle. Much of the recent growth is with Juggernaut—which includes a new Pinot Noir and Chardonnay—and with Phantom.

The company owns 2,000 acres of vineyards that help supply a portfolio of 14 SKUs that include the mainline Bogle Vineyards brand, as well as higher-priced Juggernaut and Phantom. Twenty Acres, developed solely for on-premise, rolled out successfully despite doing so during the pandemic.

Estate acreage provides about 80 percent of the grapes needed by the company, which also works with more than 100 growers across California to supply total production.

Warren, Jody and Ryan Bogle lead the day-to-day operations. Their grandfather began growing grapes in 19 8. Bogle Family Wine Collection is headquartered in Clarksburg, Calif. and is run by the sixth generation of the family to live and work in the Sacramento Delta region.

14. WX Brands



Oliver Colvin, President and CEO
Annual U.S. Case Sales Volume: 2.6 million

WX Brands—which in addition to selling brands it owns, develops exclusive wine brands for retailers around the world—was purchased by beverage company Terold in August 2021. In October 2022, WX founder and CEO Peter Byck retired from the company, and COO and general counsel Oliver Colvin took the helm. Colvin is a

22-year company veteran.

Terold, a sixth-generation family business, has a long history in the beverage industry. In 2010, Terold acquired Grupo Peñaflo, the leading winery in Argentina. In 201 , Grupo Peñaflo 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 Peñaflo accounts for 27 percent of Argentine wine exports. The group also owns vineyards in Napa and Lodi.

WX Brands' wines are sourced from 14 countries and sold in 20 countries—counting private labels, it produces more than 4 million cases annually.

In recent years, WX Brands expanded by investing in a national brand portfolio through a series of acquisitions. This national portfolio is anchored by Bread & Butter.

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15. Duckhorn Vineyards



Alex Ryan, President and Chief Executive Officer
Annual U.S. Case Sales Volume: 2.1 million
(WBM estimate)
Employees: 400

Duckhorn Vineyards became a public company listed on the New York Stock Exchange in March 2021. The trading symbol is NAPA. Duckhorn's IPO made it the first major wine company to go

public since the late 1990s.

Founded by Dan and Margaret Duckhorn with the launch of Duckhorn Vineyards in 1977, 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.

Co-founder Margaret L. Duckhorn passed away in November 2022 at the age of 83. She helped change the face of U.S. wine when she and then husband, Dan Duckhorn, produced their inaugural vintage of Napa Valley Merlot and Cabernet Sauvignon in 1978. In 2007, when Duckhorn Wine Company was sold to GI Partners, she stayed on as director. In 2011, when TSG Consumer Partners acquired Duckhorn from GI, she retired from the board.

16. Foley Family Wines



Courtney Foley, Second-Generation Vintner and Vice President of Business Development
Annual U.S. Case Sales Volume: 1.7 million
Employees: 400

Foley Family Vineyards acquired Napa's Silverado Vineyards in the Stags Leap district, including the winery and 300 vineyard acres. Founded by Ron Miller and his wife, Diane Disney Miller,

holdings include 100 acres in Stags Leap, 100 acres in Coombsville and 100 acres in Yountville. This is the latest in a long line of acquisitions for Foley, including Ferrari-Carano in 2020 and Chateau St. Jean in December 2021. Chateau St. Jean, which Foley bought from Treasury Wine Estates, started making wine again at its Sonoma Valley facility during the 2022 harvest.

In 2021, Foley Family Wines sold Epic Wine & Spirits of California to Southern Glazer's Wine & Spirits, which represented more than 400 brands, 40 of which were Foley's. 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.

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 10,000 acres in production—the Ferrari-Carano acquisition added nearly 2,000 acres.

Established by Bill Foley in 1997, Foley Family Wines owns two dozen wineries across the globe. In addition to his wine holdings, which also include Chalk Hill, Sebastiani, Chalone, Firestone, Lincourt, Foley Sonoma, Guenoc, Langtry and Clifford Bay, among others, Foley is chairman of commercial data and analytics firm Dun & Bradstreet and title insurance giant Fidelity National Financial, as well as majority owner of the National Hockey League's Vegas Golden Knights.

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17. Korbel Champagne Cellars



Gary Heck, President and Owner
Annual U.S. Case Sales Volume: **1.7 million**
Employees **350**

The sparkling wine category continues to do well, and in the current environment, consumers continue to purchase “brands they know and trust.” That works for Korbel.

Korbel continues to invest in marketing and advertising with a \$5 million spend last year. Korbel has been a consistent television advertiser for 40 years, with an emphasis on NBC

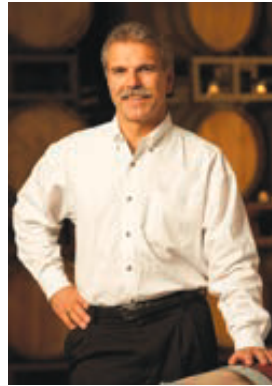
Sports. However, Korbel’s ad dollars have shifted somewhat toward streaming services, such as Hulu, digital marketing closer to the point of purchase, along with in-store activity and displays. Much of the marketing focuses on special occasions, such as Valentine’s Day, but also includes brunch occasions.

Korbel continues to sponsor sporting events, such as the American Century Celebrity Golf Tournament. Multicultural marketing around events, such as Hispanic Heritage Month, is an increasing area of emphasis. Korbel is marketed by Brown-Forman, which has a multicultural division.

Korbel Prosecco from Italy is in its third year.

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.

18. C. Mondavi & Family



Peter Mondavi, Jr., Co-proprietor,
Charles Krug Winery
Annual U.S. Case Sales Volume: **1.6 million**

C. Mondavi & Family has been diversifying while launching new brands and entering strategic partnerships, most recently with West + Wilder canned wines, “inspired by a deep appreciation for the outdoors.” It’s the first time C. Mondavi & Family has ventured into premium canned wine. C. Mondavi & Family also announced a strategic partnership with Prosecco brand Valdo. The partnership will

engage new and current consumers with C. Mondavi & Family as both the national importer and the sales and marketing arm for the Americas. C. Mondavi & Family first announced plans to add imports to its portfolio in 2021 with the acquisition of the French Blue brand from Flying Blue Imports. Widely distributed value brand CK Mondavi and Family introduced Buttery Chardonnay and Dark Cabernet Sauvignon in the spring.

Vice president of sales David Brown was promoted to CEO. Prior to joining C. Mondavi & Family in 2017, Brown served as chief sales officer at Pasternak Wine Imports. Before that, he was vice president of sales for Treasury Wine Estates and was with Mars, Inc., Procter & Gamble and Johnson & Johnson.

Charles Krug Winery, Napa Valley’s first winery founded in 1811, 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 and Family wines, the latter of which are made in much larger quantities. Charles Krug produces roughly 75,000 cases.

The family owns 1,500 acres of vineyards in Napa Valley and 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 vineyards, the family buys additional fruit from many growers. Most of these growers have been partners with C. Mondavi & Family for generations. C. Mondavi & Family is a St. Helena-based wine company founded in 1943 by Cesare and Rosa Mondavi. Owned and operated by third-generation co-proprietors, Marc Mondavi and Peter Mondavi Jr., along with their children. The six Mondavi cousins who make up the “G4” or fourth generation of the C. Mondavi family, have been increasing their roles. Winemaker Marc Mondavi celebrated his 45th harvest in 2022.

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19. Viña Concha Y Toro (Fetzer Vineyards)



**Giancarlo Bianchetti, CEO,
Bonterra Organic Estates
Annual U.S. Case Sales Volume: 1.6 million**

Fetzer Vineyards, one of the leading organic wineries in the U.S., has changed its corporate name to Bonterra Organic Estates, underscoring a commitment to environmental stewardship. The new name applies to the company's corporate identity, as well as its Mendocino County, Calif vineyard holdings and winery. Bonterra Organic Estates will encompass the company's California

wine brands, including Fetzer®, 1000 Stories® and Bonterra®, among others.

"Bonterra Organic Estates communicates the ethos of our California-based business and aligns with our dedication to regenerative organic farming," CEO Giancarlo Bianchetti said when announcing the name change. "We are embarking on a new chapter, in which we trailblaze advancements in regenerative organic practices while honoring the deep roots of the Fetzer family legacy."

The Fetzer family founded Fetzer Vineyards in 1988 and pioneered organic viticulture. Bonterra launched in the late 1980s and today is one of the fastest-growing premium wine brands. Bob Blue, the founding winemaker for Bonterra and credited with inventing bourbon barrel-aged wine, retired this year.

While Fetzer and Bonterra account for 1.6 million cases, Viña Concha Y Toro and Fetzer's total U.S. sales total 3.1 million cases, including wines from Chile, Argentina and California.

Fetzer achieved Regenerative Organic Certification (ROC) for all its Mendocino County vineyard holdings and winery in 2021. 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.

20. J. Lohr Vineyards & Wines



**Steve Lohr, President and CEO
Annual U.S. Case Sales Volume:
1.6 million
Employees: 250**

J. Lohr Vineyards & Wines promoted director of winemaking Steve Peck to vice president, winemaking, and plant manager Ian Herdman to vice president, production. CEO

Steve Lohr took on the additional position of president. President/COO Jeff Meier retired in December 2021 after 37 years. J. Lohr was the lead donor for Cal Poly's newly opened Center for Wine & Viticulture. The company recently 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 house its red barrel production while the Greenfield winery in Monterey County will store its white wines.

Founded 48 years ago by Jerry Lohr, the company now has more than 4,000 acres of Certified California Sustainable estate vineyards in Monterey County's Arroyo Seco and Santa Lucia Highlands appellations, as well as Paso Robles and St. Helena. J. Lohr makes eight tiers: J. Lohr Signature Cabernet Sauvignon, J. Lohr Cuvée Series, J. Lohr Vineyard Series, J. Lohr Gesture, J. Lohr Pure Paso™ Proprietary Red Wine, J. Lohr Estates, J. Lohr Monterey Roots and ARIEL Vineyards.

21. NakedWines.com



**Nick Devlin, CEO
Annual U.S. Case Sales Volume: 1.5 million
Annual Global Case Sales Volume: 4 million
Employees: 200**

Online wine retailer *NakedWines.com* continues to expand its range of U.S. wines from outside of California: it debuted Finger Lakes Riesling from winemaker Nova Cadamatre, MW and launched an exclusive new brand, Deft Hands, with Ken Wright out of Oregon. Winemaker exclusives with Naked Wines received recognition at the 2022

Decanter World Wine Awards, and Ana Diogo Draper's Amador Tempranillo was recognized by *Wine Enthusiast* as one of the top 100 wines of the year.

NakedWines.com saw rapid growth as consumers stayed home then faced challenges after stay-at-home orders were lifted. The company, which is publicly traded, announced a turnaround plan with a focus on profit over revenue growth. Chief executive Nick Devlin noted that the first half saw "the first steps to reduce costs and drive improvements to our liquidity, profitability and unit economics in the near-term."

NakedWines.com was 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 during the COVID-19 crisis.

Winemakers who work with *NakedWines.com* include Jesse Katz (Aperture Cellars, Healdsburg), Tom Rinaldi (Pellet Estate, St. Helena), Ted Henry (PRIME Cellars and Clos du Val, Napa), 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 that Naked sells is Stephen Miller. Other recent additions include Daniel Baron, who's made wine for Petrus, Dominus Estate, Silver Oak Cellars and Twomey Cellars, and Rudy von Strasser, known for playing a role in founding the Diamond Mountain District in Napa Valley.



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22. O'Neill Vintners & Distillers



Jeffrey O'Neill, Founder and CEO
Annual U.S. Case Sales Volume: **1.2 million**

O'Neill Vintners & Distillers acquired FitVine Wine, a leader in the wellness segment since 2015 that plays up the attributes of low sugar, low tannins and low sulfites. FitVine makes California wines with an SRP ranging from \$1 to \$20, including Sauvignon Blanc, Chardonnay, Pinot Noir, Syrah and Cabernet Sauvignon, along with Prosecco from Italy.

O'Neill Vintners & Distillers also achieved B Corp. Certification, distinguishing it for high standards of social and environmental performance, accountability and transparency. Projects in Paso Robles focus on regenerative farming.

In 2021, the company launched in the "better for you" category with varietal wine Line 39 Spritzers, 100-calorie, single serves in 250mL resealable aluminum bottles. Also new are Game Box California wines in 3-liter boxes.

The company produces 1 national brands that include purchased brands, such as Line 39 and Camelot, and new brands created in-house. National brands include a partnership with former NFL star Charles Woodson called Intercept Wines.

O'Neill produces 20 exclusive brands tailored to fit customers' specifications, each with a unique story and marketing strategy for sale in supermarkets and regional and chain retailers. Counting the national brands that O'Neill Vintners & Distillers owns, it produces some 1.2 million cases; but when including exclusive labels for retailers, etc., the number is closer to 1.8 million cases.

Intercept, Robert Hall, Rabble and Harken Chardonnay are growing. Line 39 recently released a varietal-based wine spritzer with Line 39 Spritzers. The brand includes Chardonnay, Cabernet Sauvignon, Pinot Grigio and a Red Blend.

23. Don Sebastiani & Sons



Donny Sebastiani, Jr., President and CEO
Annual U.S. Case Sales Volume: **1 million**
Employees: **75**

Don Sebastiani & Sons announced a strategic partnership with Spade & Sparrows and will produce and sell the brand in the North American retail market. Spade & Sparrows Wine Ltd. was co-founded by Kaitlyn Bristowe, a former contestant and host of ABC's the Bachelorette, Dancing with the Stars champion, influencer and host of the Off the Vine podcast. Spade & Sparrows targets female Millennials.

Flybird "margarita wine"—launched during the COVID-19 pandemic—is a pre-made cocktail in lime and strawberry flavors. Flybird bartender-free margaritas and cocktails are made in Mexico with "100 percent Blue Weber agave wine." The Simple Life Winery, which features Chardonnay, RosÉ, Pinot Noir and Cabernet, is adding wine-based, ready-to-drink cocktails with Cosmopolitan, Lemon Drop and Sangria flavors.

Don Sebastiani & Sons is adding low-alcohol sparkling wine brand Libby to its portfolio. Libby, which is bottled at 7 to 8 percent alcohol, includes a Rosé blend and white blend (\$18 for a 750mL and \$22 for a four-pack of cans).

Don Sebastiani, grandson to Samuele Sebastiani, who founded what is known today as Sebastiani Vineyards & Winery, began running the company in 198 . 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. leads Don Sebastiani & Sons while August leads 3 Badge Beverage Corporation. 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)

The Boisset family added Elizabeth Spencer Winery in Napa Valley’s Rutherford AVA to its collection of wineries and destinations in 2021 while Heidi Peterson Barrett signed on as a consulting winemaker in 2022.

Boisset reopened the Calistoga Depot—originally built in 1881 and California’s second oldest train station—with Calistoga Depot Provisions, a modern mercantile and wine shop. As the Depot evolves, the Calistoga Depot Distillery 1881 will be home to spirits tastings, barrel tastings and crafted cocktails. Oakville Wine Merchant, located in the circa-1881 Oakville Grocery store, opened a second location in Healdsburg. Jean-Charles Boisset purchased the Keller Building in St. Helena, and the Boisset Collection formed a partnership with the American Truffle Company to cultivate Périgord black truffles at Raymond Vineyards in St. Helena.

The LVE Lounge in downtown Napa opened this year—a tasting venue for singer John Legend’s LVE brand of wines produced with Jean-Charles Boisset. LVE stands for Legend Vineyard Exclusive. The wines were introduced in 2015.

Over in France, Boisset’s acquisition of Moncigale from Marie Brizard Wine & Spirits closed in January 2022. This was a major acquisition of a wine business that specializes in Rosé; Moncigale was founded in 1921 and produces millions of cases annually with alternative packaging, including cans and high-quality bag-in-box offerings, from the south of France. Boisset has since merged its Moncigale and Fortant operations under the name “Les Chais du Sud.”

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.

25. Scheid Family Wines



Heidi Scheid, Executive Vice President
Annual U.S. Case Sales Volume: 850,000

Scheid Family Wines continued to grow the branded wine side of its business, led by Sunny with a Chance of Flowers, its “better for you” lower-alcohol wine.

Building on that momentum with the “better for you” category, Scheid partnered with HOXIE Group, LLC to bring HOXIE wine spritzers to consumers across the country. Scheid is now the producer and operator for HOXIE Spritzer, an

artisanal dry wine spritzer that is 5 percent abv. HOXIE wine spritzers include Lemon Ginger Rosé, Grapefruit Elderflower and a range of seasonal collections, such as Strawberry Rosé. HOXIE is available in 250mL four-pack cans that retail at \$14.99.

Scheid, based in Monterey County, celebrated its 50th anniversary. Family-owned and -operated, Scheid Family Wines farms 3,000 acres of vineyards in the Salinas Valley, part of the Monterey AVA. Scheid Family Wines started as a farming operation that supplied other wine producers, then branched out into bulk and custom wine production. It continues to evolve as a branded wine company.

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.



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26. Rodney Strong Estates



Carmen Castaldi, President
Annual U.S. Case Sales Volume: 820,000
Employees: 160

Rodney Strong Vineyards is committed to Sonoma County and focuses on luxury wines, including its Knotty Vines core brand. This year Rodney Strong released a new Sonoma County Red Blend.

The family is replanting two of its top Cabernet vineyards in Alexander Valley.

Rodney Strong Vineyards and Luther Burbank Center for the Arts held the 30th Annual Rodney Strong Summer Concert Series at Rodney Strong Vineyards in Healdsburg this past summer. After announcing an expansion of their long-standing relationship in March 2020, the partners had postponed the events because of the pandemic.

Rodney Strong Wine Estates expanded and extended its alignment with Southern Glazer's Wine & Spirits in 13 markets in 2021.

Justin Seidenfeld was named senior vice president of winemaking and winegrowing. He's the fourth head winemaker in the long history of Rodney Strong Vineyards, starting with the eponymous Rod Strong, followed by Richard Arrowood then Winemaker Emeritus Rick Sayre. Seidenfeld succeeded Sayre as director of wine-making in 2018.

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.



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27. JaM Cellars (John Anthony Family of Wines)



John Anthony Truchard, Founder and CEO
Annual U.S. Case Sales Volume: 820,000
Employees: 60

JaM Cellars, known for Butter Chardonnay, expanded the Butter brand with the launch of a California Cabernet Sauvignon, Butter Bubbles, California, a collection of small-batch Platinum wines. JaM Cellars renewed its marketing agreement with the Bottle Rock music festival while John Anthony Truchard purchased Napa's Uptown Theater from George Altamura. Altamura bought the facility in 2000 and restored the theater to its original Art Deco style, re-opening it in 2010.

JaM Cellars started selling Serial Wines from Paso Robles a few years ago, and this year opened the Serial Wines tasting room on Park Street in downtown Paso Robles. The tasting room offers 10 wines from the region.

John Anthony Family of Wines restructured sales regions and appointed industry veteran Mike Gallo as director of sales, Eastern U.S. region. A New Jersey native, Gallo brings more than 20 years of sales experience to John Anthony Family of Wines after a career with Banfi Vintners and other wine companies.

Back 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 benefited 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. 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.

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28. Oliver Winery & Vineyards



Julie Adams, CEO
Annual U.S. Case Sales Volume:
750,000
Employees: 105

Oliver Winery focused on second year sales of Lemon Moscato this year and rebranded packaging, which will roll out in spring 2023.

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.

Private equity partner NexPhase Capital invested in the winery in 2021.

Oliver plans continued growth and recently increased bottling and 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 Lemon Moscato (March 2021). These three SKUs are the fastest-selling flavored Moscatos in the U.S., according to Nielsen in its 52 weeks ending 10/ /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, celebrated its 50th year in 2022.

29. Riboli Family Wines



Steve Riboli, Vice President
Annual U.S. Case Sales Volume: 700,000
Annual Global Case Sales Volume:
6.3 million

Riboli Family Wines announced the creation of AVANTI, a division dedicated to ultra-premium and luxury brands from France, Italy, New Zealand and other regions. Leading the division is vice president of sales Rebecca Powelson. Wines include a Grower Champagne from Nomine-Renard, the organic and Biodynamic estate of Uurlar from New Zealand and Santo from Piedmont, Italy.

Riboli acquired a 10-acre vineyard property in Paso Robles through a bankruptcy auction in 2022 that once belonged to Rabbit Ridge winemaker Erich Russell. The \$9.1-million deal included a 7,500-square-foot hilltop residence, Russell's former home. Eighty acres of Cabernet Sauvignon and Syrah vines are planted. The property is Riboli's eighth estate vineyard in Paso Robles.

Riboli 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.

Stella Rosa, the import brand owned by Riboli Family Wines, is still one of the fastest-growing brands. Stella Rosa topped 7 million cases in 2022, overtaking [yellow tail] as the largest imported wine brand. Riboli Family Wines created Stella Rosa nearly 20 years ago, an imported, low-alcohol, semi-sweet sparkling wine from northern Italy.

The Riboli Estates Group division is 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.

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 nearby Ontario and one in Paso Robles. There is also a state-of-the-art, sustainably certified, energy-efficient winery and event center in Paso Robles.

30. Wente Family Estates



Aly Wente, Vice President, Marketing and Customer Experience, Fifth -Generation Winegrower
Annual U.S. Case Sales Volume: 660,000
Annual Global Case Sales Volume: 750,000
Employees: 250

Wente Family Estates bucked a general trend of sluggish wine sales in 2022. The core Wente Vineyards brand grew, led by Morning Fog Chardonnay and Southern Hills Cabernet Sauvignon. Angels Ink, a Pinot Noir brand that launched in May 2020, is another highlight.

In a packaging refresh, Wente Vineyards put its Sustainable Vineyard and Winery certification center-stage on all front labels while transitioning to lighter, more carbon-neutral glass for its bottles. The winery conducted its first greenhouse gas audit across the organization this year.

Wente Family Estates also expanded operations with a new warehouse in Livermore, Calif. and is expanding bottling capacity. The new warehouse will allow Wente Vineyards to grow while building the Wente Family Estates' portfolio through new brand development, increased sales in key international markets and expanded import portfolio partnerships with Argentina's Bodega Cuarto Dominio and Blanchard & Lurton, along with Blanchard Perez Organic Cava from Spain.

Wente Family Estates operates a golf course, tasting rooms and a gourmet restaurant; in the summer, it hosts concerts at its Livermore Estate. Responding to the COVID-19 crisis, Wente Family Estates repositioned the structure of its hospitality business in 2020. Wente is America's longest continuously family-owned and -operated winery, currently managed by the fourth and fifth generations.

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31. Pernod Ricard USA



Marcus Woods, U.S. Operations Director at Pernod Ricard Winemakers
Annual U.S. Case Production: 643,000
U.S. Employees: 60
Global Employees: 1,700

Pernod Ricard's premium wine portfolio spans four continents, including Jacob's Creek and St. Hugo from Australia, Brancott Estate, Stoneleigh and Church Road from New Zealand, Campo Viejo and Ysios from Spain. The company owns Mumm Napa and Kenwood Vineyards in California and launched a new imported wine in the U.S. Pernod Ricard employs 18,000 people worldwide. It is the world's second-largest spirits and wines producer. Spirits include such brands as Absolut Vodka, Tequila Avi3n, Chivas Regal, The Glenlivet, Jameson Irish Whiskey, Malibu Caribbean Rum, The Kahlúa Company, Aberlour Single Malt Scotch Whisky, Altos Tequila, Beefeater Gin, and others.

The U.S. wineries and 53 hectares of directly managed vineyards across Napa and Sonoma maintained Certified California Sustainable Winegrowing status in 2022, first obtained in 2011. "By focusing on sustainable winegrowing practices that preserve natural resources, protect local wildlife and help to sustain grower communities, this year we've been able to extend our regenerative viticulture trials from 9 hectares to 12 as well as encourage biodiversity through multiple wildlife projects," U.S. operations director Marcus Woods said. "The pandemic caused consumers all around the world to re-evaluate what matters to them. That includes the 'hometainment' trend, where wine has a crucial role to play. Everyday moments of sociability and celebration are also key, and this is where trends like super-premium sparkling wines, such as Mumm Napa, continue to boom," Woods said.

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



Stéphane de Meurville, General Manager
Annual U.S. Case Sales Volume: 640,000
(WBM estimate, includes Newton)

Chandon is celebrating 50 years as a pioneer of California sparkling wine. Premium sparkling wine is doing well in the U.S., continuing a multi-year streak, with premiumization and innovation trends driving sales. Chandon recently added terroir-specific wines and elevated offerings, such as Chandon By The Bay (SRP \$29.50), a Blanc de Blancs. Chandon Garden Spritz is in its second year, a sparkling aperitif that taps into the popularity of spritz and sparkling cocktails. Strengthening the on-premise business continues to be a focus, including securing new by-the-glass and cocktail partnerships at top accounts. In 2022, Chandon hosted the "Welcome To Our Garden" pop-up series, celebrating the brand's ready-to-drink sparkling aperitif, Chandon Garden Spritz. Chandon hosted an on-premise National Oyster Day partnership, featuring the perfect pairing of Chandon's By The Bay Blanc de Blancs, with proceeds benefiting the Wild Oyster Project.

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 Moët Hennessy. 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.



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33. Hess Persson Estates



Timothy Persson, Chairman
Annual U.S. Case Sales Volume: 600,000
Employees: 150

The Hess Collection Winery embraced a new name in 2021: Hess Persson Estates. The name recognizes the business as a leading luxury wine producer with two distinct portfolios: the Hess Collection and the Lions Head Collection. Under the leadership of Sabrina and Timothy Persson, Hess Persson Estates has reinforced its

reputation as one of the premier family-owned and -operated wineries and is committed to luxury Cabernet Sauvignon.

Maverick Ranches is a new line of wines that includes wines from Paso Robles, honoring Donald Hess. It launched on-premise and is heading for broader distribution. The line is priced from \$28-30, filling the space between Hess Select and Allomi, Hess' entry point into Napa.

Stalworth (\$250/17 cases) was released in March 2022 and produced under winemaker Celia Welch. The name reflects the adversity Tim and Sabrina Persson have experienced in the wine business over the last decade (earthquakes, drought, fire) since moving to Napa in 2012 to directly oversee their family's wine business.

Hess Persson Estates continues to build on the momentum of luxury wines, such as Hess Collection Lion Tamer Red Blend, and its 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. 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

Terlato Wine Group makes its own wine for brands it owns and is also an importer of some very select wine and spirits brands. The on-premise channel is a major point of emphasis, and the return of the on-premise is driving growth. Terlato continues to make investments in its Sanford and Rutherford Hill properties in California and is poised to build a future winery in Italy's Colli Orientali DOC region of Friuli for its estate-grown Terlato Pinot Grigio.

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 that sell roughly 2 million cases of wine and spirits each year.

While sales of brands it owns account for some 600,000 cases, Terlato sells another 1.4 million cases of other brands that it represents.

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

Champagne Lanson, one of Champagne's oldest Houses dating back to 1700, is a new project for Terlato. Although it is one of the four largest Champagne producers in France, Lanson is relatively new to the U.S. market. Les Sarrins is Terlato's recent entry into Provence Rosé. Terlato's biggest brand, The Federalist, is priced at about \$18. Additionally, the company will be introducing a new wine brand based out of Paso Robles later this year.

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35. Purple Wine + Spirits



Aaron Webb, CEO
Annual U.S. Sales Case Volume: 600,000

Purple Wine & Spirits has focused on the Raeburn, Redwood Empire and Scattered Peaks labels. The company expanded its Chardonnay offerings with Raeburn 2020 Barrel Select Russian River Valley Chardonnay. The original Raeburn Sonoma County Chardonnay is a top five selling Ultra-Premium Chardonnay and was expected to reach 250,000 cases in 2022.

California's Purple Brands is seeing consumer enthusiasm for Pinot Noir and upscale American whiskey. The company's American whiskey brand is called Redwood Empire.

Purple is also emphasizing some of its on-premise-focused brands, including Avalon and Four Vines.

Scattered Peaks is a Napa Valley Cabernet Sauvignon that retails between \$35 to \$40, part of the push toward more premium offerings.

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 in 2019. It now conducts business out of a 13,000-square-foot commercial complex at the Foundry Wharf.

Derek Benham and brother Courtney purchased the Graton property in 1992 as the home base for their Codera Wine Company venture, creating the Blackstone label which sold to Constellation and, ultimately, E. & J. Gallo. Derek Benham used proceeds from the sale to launch Purple in 2001.

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36. Michael David Winery



Michael and David Phillips, Co-Owners
Annual U.S. Case Sales Volume: 600,000
Employees: 180

Since Michael David Winery sold the Seven Deadly Zins brand to The Wine Group in 2018, the main driver has been the Freakshow brand. Freakshow is rolling out an updated package this year. Other new labels from Michael David include the Sense Syrah and an updated version of the

winery's Lodi Red label.

The Geyserville winery that Lodi, Calif.-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.

Located on the west side of Lodi, 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

37. House of Smith



Charles Smith, Founder/
Anna Moser, President
Annual U.S. Case Sales Volume: 600,000
Employees: 62

A few years ago, Charles Smith planted 373 acres of Pinot Noir in Washington, a state known for Cabernet Sauvignon and Syrah. Those Pinot Noirs are now being released. They're from a vineyard named Golden West, which represents the largest planting of Pinot

in the history of Washington (see "Charles

Smith Unleashes Legacy Pinot Noir Project in Washington State," WBM September 2022 for details). In addition to Golden West, House of Smith just released a Pinot Noir under the Substance label.

The winery will likely produce more than 100,000 cases of Pinot Noir in 2023 as enough wine was harvested to make 90,000 cases for 2022.

House of Smith (previously K Vintners) changed its name in 2021.

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 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.

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38. Duplin Winery

David G. Fussell, Jr., Owner
Annual U.S. Sales Case Volume:
563,000



Duplin is scheduled to open its newest location in Panama City Beach, Fla. in May 2023, the company's third location.

The winery had a very successful introduction of a line extension—

Cotton Candy Wine by Duplin—in 2022. 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. The winery will introduce a first-of-its-kind Muscadine/Muscato blend and a line of Frizzante, Muscadine-based wines. Distribution expanded to Texas in 2022, and additional expansion states are planned this year.

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.

39. FirstLeaf

Philip James, Founder and CEO
Annual U.S. Case Sales Volume: 500,000
Employees: 125



After rapidly growing its direct-to-consumer case sales during the COVID lockdown, sales eased in 2022, partly due to external factors (supply chain, lifting of pandemic restrictions) but also because of a focus on higher-priced wines and higher-value members, resulting in fewer new members but less churn. FirstLeaf

previously sold wine for under \$15 per bottle but now covers a range from \$15-50.

This year the company hired a new director of winemaking, Dr. Marinda Kruger, who was previously the winemaker at South African winery Elgin. Her Ph.D. is in the field of infrared spectroscopy, which dovetails with FirstLeaf's focus algorithms. She will be based in Napa.

Founded by Philip James, Firstleaf is a direct-to-consumer wine company that launched in February 201 . Its customer-centric vision helps people discover wines tailored to their tastes. The business model offers curated recommendations for shipments based on member taste preferences, ratings of previously tried wines, etc. With 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 that 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.



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40. 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 its Arroyo Seco-appellated wines: 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-

Mourvèdre (GSM) blend priced \$18.99 to \$19.99 per 750mL. The contemporary package design features a copper capsule and an elegant label with copper foil accents and founder Nicky Hahn's signature.

Thomas Duhameau was promoted to president. 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. 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 50 acres in the Santa Lucia Highlands and 550 acres in Arroyo Seco, comprising one of the largest vineyard holdings in the region. Hahn Family Wines' brands include Hahn, Hahn Estate, Hahn SLH, Lucienne, Smith & Hook and Boneshaker, an old-vine Lodi Zinfandel.

41. Union Wine Company



Ryan Harms, Founder and Owner
Annual U.S. Sales Case Volume: 442,000
Employees: 45

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 Christopher Michael Wines, Kings Ridge and Alchemist, as well as 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.

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42. Scotto Family Cellars



Anthony Scotto III, CEO
Annual U.S. Case Sales Volume: 425,000
Employees: 50

Scotto Family Cellars benefited from two portfolio initiatives this year—a significant expansion of custom label partnerships for sparkling wines. An investor partnership allowed Scotto to purchase the Gnekow Winery near Lodi, which was rebranded as Colledgeville Vintners. This acquisition provides space and facilities needed for growth. Custom-built, state-of-the-art equipment will be installed in early 2023 for reducing alcohol in a variety of products.

Recent launches from Scotto Family Cellars include 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 successful jug wine brand for 0 years. 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, 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.

43. Crimson Wine Group



Jennifer Locke, CEO
Annual U.S. Case Sales Volume: 400,000
Employees: 68

Much of Crimson Wine Group’s sales growth comes from its direct-to-consumer sales channel. In a recent earnings announcement, the company said online sales remain elevated over pre-pandemic levels but declined from the highs of 2020, with consumers returning to traditional channels.

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.

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 then an investment in Archery Summit Winery in 1993, eventually purchasing both businesses in their entirety in 2002. In 2007, Leucadia purchased 00 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), Seghesio Family Vineyards (Healdsburg), Archery Summit (Dayton, Ore.), Chamisal Vineyards (San Luis Obispo), Double Canyon (West Richland, Wash.), Seven Hills Winery (Walla Walla) and Malene Wines (Santa Luis Obispo).



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44. Scout & Cellar



Sara Shadonix, Founder and CEO
Annual U.S. Case Production: 400,000

So-called “clean wine” may be a divisive topic, but Scout & Cellar has emerged as a leading wine company by pairing multilevel marketing that leverages female buyers and their social circles with “clean” wine messaging.

Scout & Cellar has now launched in traditional retail, too, with the release of Scout Wild™ wines in partnership with the Miller Family Wine Company for national distribution.

Founded in 2017, Scout & Cellar earned \$20 million in revenue in its first year in 2018, according to the *Dallas Business Journal* and, as reported in *Inc.* magazine, ranked 1,70th among the fastest growing companies in 2022 with reported growth of 35 percent over three years.

The company, which started with just seven wines, today offers 90 different products across 24 different brands with an average bottle price of \$24.

Founder and CEO Sarah Shadonix credits sales growth to transparency in how the wine is grown and made and how that information is communicated. She started the company after noticing her neighbor selling Mary Kay cosmetics peer-to-peer, a marketing technique popularized by Tupperware and Amway.

Scout & Cellar’s company website provides sourcing information on 24 brands that shows that most—but not all—of the “clean-crafted” wine comes from certified organic or Biodynamic growers or wineries that produce wine at the “Made with Organic Grapes” standard. In California, sources include Mendocino growers Haiku, McFadden Vineyards, Powicana, Testa and Thornhill Vineyards; Bartolucci in Lake County; Wulf Vineyards in Madera; and Larson Family in Sonoma. In the Northwest, the website lists Cooper Mountain and Maysara in Oregon and Tagaris in Washington. The prices for consumers are often marked up from what branded wineries sell their own wines for. For example, Cooper Mountain’s Pinot Gris sells for \$20 from the winery or \$28 from Scout & Cellar’s Conte de la Terre label.

International sources include Bodegas Yuntero and Bodegas Vegalfaro in Spain for its Oso Pardo label. In Italy, its Che Fico brand comes from Orsogna in the Abruzzo and the Marion Family in the Veneto. A few wines come from the south of France. Chilean wines are sourced from Los Guindos and Emiliana. Uncertified producers come from the Central Coast, Napa and elsewhere.

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45. Cline Cellars



John Grant, CEO
Annual U.S. Sales Case Volume: **400,000**

Cline Family Cellars is celebrating its 40th anniversary with a specially created bottle design for the Ancient Vines Zinfandel it makes from dry-farmed, 100-year-old vineyards in Contra Costa County. Fred and Nancy Cline's children, Megan, Hilary and Henry, are now involved with operations.

Hilary Cline was recently appointed Vice President of Marketing and Direct to Consumer Sales. Henry Cline helps steer the viticulture team.

Cline is well-known for Zinfandel but also makes Pinot Noir, Chardonnay and Syrah. The winery introduced its Cline Family Cellars' Sonoma AVA Series this year: Hat Strap Chardonnay, Carneros; Fog Swept Pinot Noir, Sonoma Coast; Eight Spur Zinfandel, Dry Creek Valley; Rock Carved Cabernet Sauvignon, Alexander Valley; and Gust, highlighting the Petaluma Gap AVA. Seven Ranchlands is gaining traction on premise under screwcap.

After meeting during college, Fred and Nancy Cline started a small winery in Oakley, Calif., choosing to focus on old vines and working with Rhône-style varietals, as well as Zinfandel. In 1993, they moved the winery to a 350-acre ranch in Sonoma's Carneros Valley, planting Merlot, Chardonnay, Pinot Noir and Syrah. They opened a tasting room in their 1853 farmhouse, and renovated the grounds to highlight the history and pastoral beauty of the property.

The Clines now own many acres of vineyards in Sonoma County, Oakley and Tehama County. They also operate Jacuzzi Family Vineyards, a tribute to Fred Cline's maternal grandfather, Valeriano Jacuzzi, one of seven brothers involved in aviation and water pumps—as in "Jacuzzi." Jacuzzi Family Vineyards makes Italian varietals, such as Montepulciano, Sangiovese, Lagrein and Barbera. The winery opened in 2007 across the street from Cline Cellars and is modeled on the Jacuzzi family home in northern Italy.

46. Castle Rock Winery



Greg Popovic, Founder and President
Annual U.S. Sales Case Volume: **380,000**
Employees: **11**

Castle Rock has a reputation for award-winning wines at affordable prices. The focus is Pinot Noir from several different appellations. New this year is the Dressage Chardonnay and Pinot Noir brand, with plans to release more Dressage wines in the

future. Castle Rock is partnering with U.S. Olympic Dressage rider, Sabine Schut-Kery, who assumes the role of Brand Ambassador for Castle Rock Winery's Dressage line of wines.

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.

47. JUSTIN Vineyards & Winery



Clarence Cia, Senior Vice President of Marketing, E-Commerce and Direct-to-Consumer
Annual U.S. Case Production: **350,000**
(WBM estimate)

The Restaurant at JUSTIN Vineyards & Winery received a coveted Michelin Star this year—one of the culinary industry's highest recognitions—as part of the 2022 Michelin® Guide California, as well as a Michelin Green Star for its sustainability practices. The restaurant is one of four restaurants in the nation to receive both a Michelin Star and a Michelin Green Star.

JUSTIN Vineyards and Winery, owned by Lynda and Stewart Resnick of The Wonderful Company, acquired Lewis Cellars in 2021, marking its first entry into Napa Valley.

Justin Baldwin, a former investment banker, founded JUSTIN Vineyards & Winery when he purchased 10 acres west of Paso Robles and planted estate vineyards in 1981. JUSTIN quickly became known for Bordeaux-style reds, becoming one of the pioneers in 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.

48. Daou Family Estates



Daniel Daou, Proprietor & Winemaker
Annual U.S. Case Production: **350,000**
(WBM estimate)

In the early 1980s, brothers Georges and Daniel Daou moved to California to study electrical and computer engineering, then started DAOU Systems, a networking technology company that went public. Daniel Daou had long known he was destined to be a winemaker, though, and had been studying up while making small quantities of wine in Southern

California. DAOU was founded by Daniel and Georges Daou in 2007 to develop Cabernet Sauvignon and other Bordeaux varieties in Paso Robles. Their estate is situated on a 212-acre hilltop estate in the Adelaida District. Daniel Daou is known as an innovator who continually conducts trials to keep elevating his winemaking.

49. Sonoma-Cutrer



Mick Schroeter, Winemaking Director
Annual U.S. Sales Case Volume 350,000
 (WBM estimate)

Sonoma-Cutrer is one of the most successful Chardonnay brands of all time. Sonoma-Cutrer Russian River Ranches' Chardonnay regularly places 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.

50. Rutherford Wine Company




Marko Zaninovic, owner
Annual U.S. Case Sales Volume: 300,000
 (WBM estimate)

Rutherford Wine Company is owned by Marko Zaninovich, who also owns ASV Wines in San Martin, Calif, a producer of bulk wines 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 newer wines in 2022 is called Torcia, which features Napa Valley Cabernet from different AVAs. Torcia ("Torch" in Italian) celebrates the "passing of the Torch" to the next generation as the family members in the third and soon to be fourth generation come on board. Also, a new low alcohol offering, California Sessions, was introduced this past fall.

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

Russ Joy assumed the role of Chief Operating Officer this year after serving as COO of Vintage Wine Estates. He had previous roles at Ste. Michelle Wine Estates, Napa Wine Company and Patz and Hall.



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TOP 10 WINE DISTRIBUTORS

Leading Wholesalers Increase Dominant Share of Market

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.

It's BEEN BUSINESS MUCH CLOSER to usual in the U.S. three tier market where the largest wholesalers remain firmly in place at the top as seen in the 2022 Wines Vines Analytics' ranking of the top U.S. wine distributors. Several opened new distribution centers across the United States in concert with ever improving digital infrastructure to support more sales, data analytics and operations.

One long term trend continues to define the industry, and that's consolidation. According to the Wines Vines Analytics' Distributor Market Service, wine distributors nationwide now total 1,084, up two from last year's 1,082. While the increase is negligible, the largest such companies' reach has grown. The two largest, Southern Glazer's Wine & Spirits (SGWS) and Republic National Distributing Co. (RNDC), dominate distribution of the 307.3 million cases that industry analysis firm bw166 estimates moved through the three tier system in the latest 12 months, a volume that represents about 95 percent of the market. Both companies now reach more than 80 percent of the U.S. legal drinking age (LDA) population, with SGWS expanding its reach to 86 percent from just 80 percent last year and RNDC now reaching 82 percent, up from 79 percent last year.

The following rankings are based on a unique model that incorporates proprietary data from the 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 or import wines. Washington, D.C. is also included in the number of states served by each wholesaler.

2022 Top 10 U.S. Wine Distributors

Source: Wines Vines Analytics Distributor Market Service

Rank	Distributor	States	Offices	U.S. Winery Count
1	Southern Glazer's Wine and Spirits	40	124	1069
2	Republic National Distributing Co.	38	86	999
3	Johnson Brothers Liquor Company	24	37	514
4	Breakthru Beverage Group	15	44	517
5	Winebow	18	18	352
6	Empire Distributors	4	14	402
7	Opici Family Distributing	6	8	153
8	Heidelberg Distributing Co.	2	6	143
9	Wine Warehouse	1	2	71
10	Martignetti Co.	5	4	287

No. 1: Southern Glazer's Wine & Spirits

Southern Glazer's Wine & Spirits (SGWS) retained its No. 1 position as the foremost U.S. wine distributor as the Miami, Fla. company continues to serve the largest market across the most states. On Nov. 22, premium liquor importer and producer, Hotaling & Co., announced a national expansion of its distribution agreement with SGWS to include 15 new markets.

In July, SGWS announced an expanded distribution agreement with Ste. Michelle Wine Estates. The two companies have been partners for more than 30 years, and SGWS now handles Ste. Michelle's products in 3 states. Also in July, Stephanie Silvestre became SGWS' senior vice president of supply chain and operations strategy and is leading the company's digital transformation to streamline operations. Lewis Kenrick has been named to the role of executive vice president and general manager of California; he previously had been executive vice president and general manager of SGWS' Coastal Pacific Wine & Spirits group.

In late October, officials with the TTB and IRS visited the company's Union City, Calif. Offices, but representatives with both agencies would only confirm the visit that was first reported by the San Francisco Chronicle and did not elaborate on the reasons for the action.

No. 2: Republic National Distributing Co.

On Nov. 2 the second largest U.S. wine distributor, Republic National Distributing Co. (RNDC), announced it had officially completed the acquisition that made it such a dominant player in distribution. Following its acquisition of the remaining 50 percent of Young's Market Company, RNDC became the sole owner of the company, assuming full control over distribution in 10 states, including California. In December 2022, RNDC also announced it had agreed with Horizon Beverage on the purchase of the company's Ultra division to expand its business into Maine, New Hampshire and Vermont. The deal, which was expected to have closed by the end of the first quarter of 2023, would expand RNDC's spirits and wine distribution business in New Hampshire and just spirits in Maine and Vermont. RNDC said the deal also reflects its long-term goal of establishing a presence in every control state.

RNDC continues to expand its partnership with the web-based marketplace LibDib by launching LibDib@RNDC OK, a new sales division and platform to serve the state of Oklahoma. Following the launch of a similar effort in Texas, LibDib is now available in 11 states, and the two distributors plan to expand to other states served by RNDC.

At the beginning of 2022, the Grand Prairie, Texas-based firm appointed Nick Mehall as president and CEO. Mehall succeeds Tom Cole who continues to advise the company's board as part of a succession plan developed with an advisory firm. Mehall had been in the role of CFO since 2017. Mehall's appointment was followed by several other new faces in key roles, including Tracy Aldworth's promotion to the post of chief transformation officer in April. Aldworth's role is to lead RNDC in adapting to the changing market. "As our industry experienced significant changes over the last few years and in anticipation of more in the future, I see an opportunity to get ahead of this transformation and position RNDC to be the distributor of choice," Mehall said of Aldworth's appointment. "To help us get there, we need a seasoned leader who will guide our transformation and implement the right capabilities at the right speed."

In September, the company announced the appointment of Marissa Garrett to the role of senior vice president for sales operations. Garrett joined RNDC in 2011 as an on-premise sales representative and, most recently, helped lead efforts in enterprise resource planning. Robert Cornella joined the firm as chief financial officer in June, leaving a similar role with the global chain Costa Coffee. Sanjay Shringarpure joined the company as chief information officer and will be leading work to "accelerate RNDC's digital footprint, deliver on ERP modernization, standardize data models and identify new technologies to position RNDC into the future."

Also in 2022, the company opened a 351,000-square-foot distribution facility in the Chicago area and announced an expanded distribution deal with Oregon's Sokol Blosser Winery. RNDC is now representing the Willamette Valley-based winery in 18 states, including California, Florida and Texas.

No. 3: Johnson Brothers Liquor Co.

Johnson Brothers in St. Paul, Minn. announced its agreement to purchase Dixie Beverage Company's wine and beer business in Virginia in the summer of 2022. The Dixie purchase comes after the acquisition of Service Distributing in Northern Virginia earlier in the year. The company also announced it would be the exclusive distributor of Copper Cane Wines & Provisions in Minnesota in addition to Iowa and West Virginia. In March, George Marsden became the company's chief commercial officer, overseeing sales, national accounts, sales strategy, category development and e-commerce. Marsden comes to Johnson Brothers from E. & J. Gallo Winery where he was a vice president of sales. Mark Hubler also assumed an expanded role of president and chief executive officer, reporting to co-owners Michael and Todd Johnson.

No. 4: Breakthru Beverage Group

In April, Breakthru Beverage Group closed its acquisition of Missouri distributor Major Brands, which is now operating as Breakthru Beverage Missouri with the same local staff and management. The company also opened a 282,500-square-foot distribution facility with nearly 30,000 square feet of cold storage in Delaware. In December, Breakthru announced the promotion of Kevin Roberts to a newly designed chief commercial officer role and Julian Burzynski to a newly created role of chief operating officer. The appointments became effective Jan. 1, following the planned retirement of E. Lloyd Sobel, the company's current chief commercial officer.

In July, New York-based Breakthru announced Stephanie J. Soto had been appointed to the role of executive vice president and chief human resources officer. Soto will be heading up the company's efforts to support employee education, as well as expanding diversity, equity and inclusion efforts. The company also announced the promotion of Chad Stone to the post of vice president of transformation and "new frontiers" in January. Stone is part of the team researching new and emerging areas of growth based on the evolution of consumer taste and buying habits. Breakthru is also now the exclusive distributor of the Moët Hennessy portfolio in six U.S. states after announcing last year it will be representing the iconic luxury brand in Illinois.

No. 5: Winebow

Richmond, Virginia-based Winebow continues to expand in the Pacific Northwest with the announcement in September of 2022 it would be representing Matthews Winery in Woodinville, Wash. Founded in 1993, Matthews now produces around 17,000 cases and is owned by the Otis family. In addition to adding Matthews to its portfolio, Winebow is also now representing the Otis' other brands, Jaine and Blackboard. "As an organization, we had identified and have been supporting the exciting movement happening in Washington state wine, and we are proud to have emerged, as a champion of this movement, through our wholesale network," stated Winebow's President and CEO Dean Ferrell.

Matthews, Jaine and Blackboard wines will be part of Winebow Imports Pioneer portfolio that also includes several wineries from the Southern Hemisphere and

emerging wine regions of the United States. The company also announced the promotion of Sean Woods to the role of senior vice president, overseeing the Northeast region after managing sales in New Jersey and Delaware.

No. 6: Empire Distributors

Empire Distributors, based in Atlanta, Ga., serves Colorado, Georgia, North Carolina and Tennessee. The company was founded by the Kahn family, and David Kahn, who became president in 1994, remains president and CEO. In May, the company unveiled a new online ordering system. Using the company's SevenFifty account, wholesale clients can now browse Empire's portfolio, order products and coordinate deliveries.

No. 7: Opici Family Distributing

Family-owned and Glen Rock, New Jersey-based Opici Family Distributing recently closed on a 50-50 joint venture agreement with RNDC for the key New York state market. The company also expanded into a 130,000-square-foot distribution center in Moorestown, N.J. as it continues to serve New Jersey, Connecticut, Maryland, Delaware and Washington, D.C., aside from the partnership with RNDC in New York.

No. 8: Heidelberg Distributing Co.

In October 2021, Heidelberg Distributing in Dayton announced it had sold to Maryland-based Redwood Capital Investments. In a report by the *Dayton Daily News*, Redwood paid more than \$33 million for Heidelberg's offices and warehouse in Moraine, Ohio, according to property records.

No. 9: Wine Warehouse


Los Angeles-based Wine Warehouse 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. Greg Akins is the firm's president and CEO. In April of this year, Wine Warehouse announced it had become the exclusive distributor of the European Cellars' wine portfolio assembled by Eric Solomon and Jon-David Headrick.

No. 10: Martignetti Companies

Returning to the list this year is Martignetti Companies, which describes itself as New England's leading distributor of wine and spirits. Based in Taunton, Mass., the company is owned by the third generation of the founding family, and this year it announced the formation of a new fine wine division focused on increasing sales throughout Massachusetts. The new division is headed up by Dennis Gilligan who has more than 20 years of experience and will be reporting to Michael Martignetti, senior vice president of wine. "The foundation of Martignetti Companies lies in our fine wine portfolio," Martignetti said in the statement announcing the new division. "This new team is a strategic effort to enhance our focus, both for our supplier partners and statewide customers."


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11,691 Wineries

U.S. Winery Growth Remains Positive

Most states see increase in wineries in 2022

Andrew Adams

THE NUMBER OF U.S. WINERIES GREW by 3 percent in 2022, marking another year of growth that continues a long-term trend in effect for at least the past decade.

According to the Wines Vines Analytics Winery Database, the United States is now home to 11,911 wineries, which is nearly 400 more than in 2021 and 1,215 more than in 2020. Since 2019, the number of U.S. wineries has grown at a rate of 4 percent, which matches the growth rate since 2010.

The sustained growth of wineries, through the pandemic and associated economic turmoil, is encouraging, especially when compared to the decline seen in the restaurant industry and other on-premise and retail outlets over the same period. With total U.S. wine sales expected to remain flat or even decline in the coming year, winery growth may slow in the future.

Yet the U.S. wine business is hardly a uniform one, and that is reflected in the growth of smaller wineries across all 50 states. There are now 15 wineries in Alaska, six in Hawaii, seven in Wyoming and the Dakotas are home to 38. The wineries in these states are small operations, but that is true for eight out of every 10 wineries in the United States. In 2022, 49 percent of all U.S. wineries fell into the “limited production” category, making fewer than 1,000 cases, while 33 percent are classified in the database as “very small,” producing fewer than 5,000 cases. Combined, the two categories accounted for 82 percent of all U.S. wineries in 2022.

Cumulatively, however, the large number of small wineries helps the industry make an oversized economic impact. In 2022, the lobbying group Wine America released a report that stated the industry generates \$27 billion in total economic activity by employing more than 1 million people, generating more than \$95 billion in direct and indirect wages and nearly \$23 billion in tax revenue. The Wine Institute released a similar report that pegged the national impact of just California’s wine industry at \$170.5 billion.

As the number of small wineries continues to see solid gains, there has been much less growth among the largest U.S. wineries, those that produce more than 500,000 cases a year. In 2022, there were 71 such wineries—unchanged from the previous year and down from a high of 74 in 2020, following a few mergers and acquisitions among this top tier of wineries.

Wines Vines Analytics also maintains the Wine Analytics Database that can be used to compare the number of wineries over time. Since 2010, the number of wineries in the limited production category has grown percent a year on average with the number of such wineries increasing from 2,854 in 2010 to more than 5,000 in 2022. Over the same period, the share of the smallest wineries for the total number of American wineries has grown from 41 percent to 49 percent while the share of the medium, small and very small categories all declined. The count of the largest wineries has remained the same.

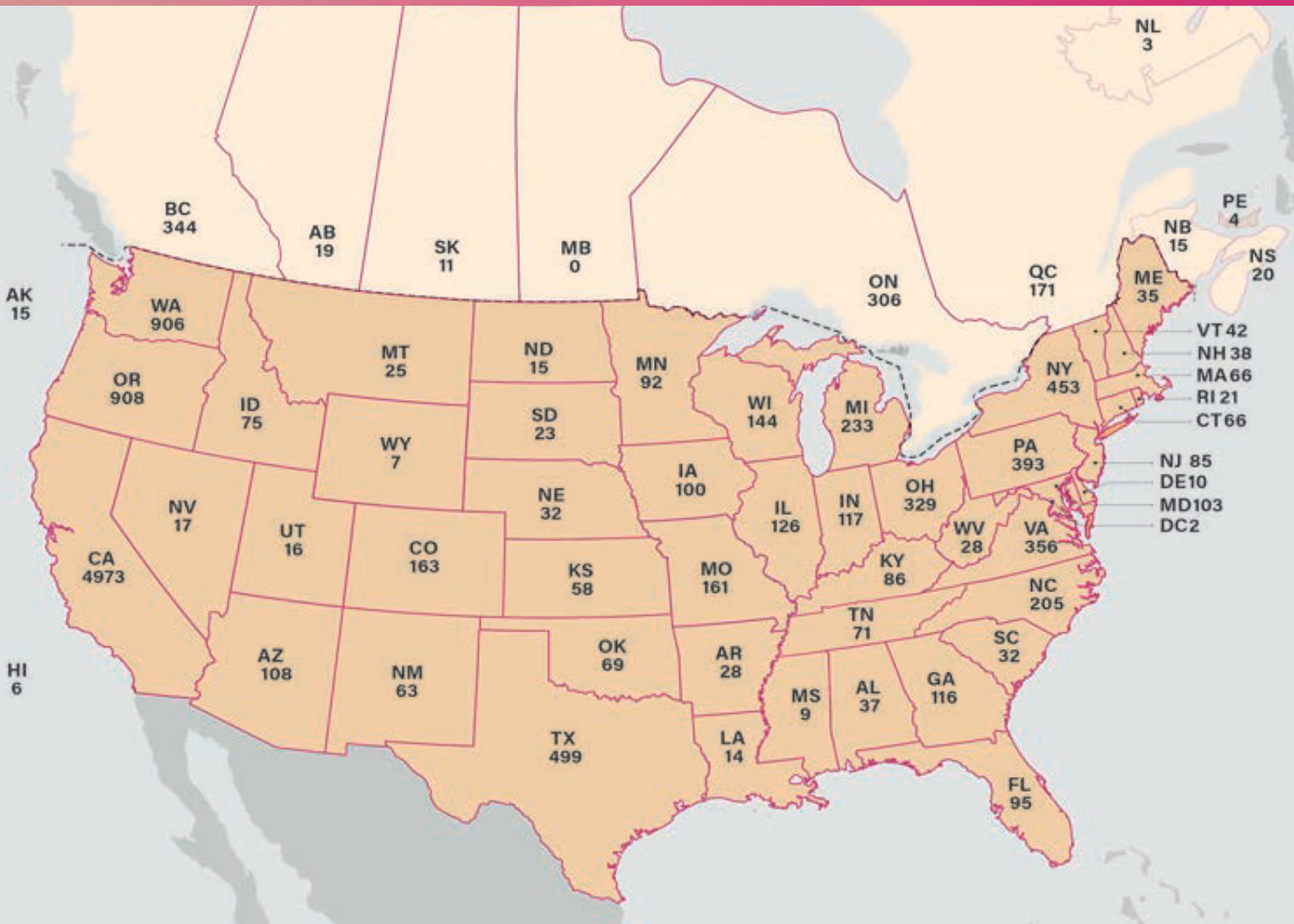
Jon Moramarco, editor of the Gomberg-Fredrikson Report and founder of the market research firm bw1, said he wasn’t surprised by the sustained growth in the number of wineries as the dream of establishing an estate or launching a brand remains as enticing today as ever and it can be realized just about anywhere in the United States.

According to Moramarco, there is a generation of older winery owners who may be planning an exit, but so far, there are plenty of new ventures to replace any wineries that have been shut down or sold. Another change has been that winemakers, particularly at larger companies, were at one time discouraged from launching their own brands. Moramarco said such policies have pretty

Number of U.S. Wineries by State

Bonded, Virtual and Total U.S. Wineries (as of February 2023)

State	Bonded	Virtual	Total	State	Bonded	Virtual	Total
CA	3,964	1,009	4,973	CT	64	2	66
OR	624	284	908	MA	65	1	66
WA	881	25	906	NM	59	4	63
TX	486	33	519	KS	57	1	58
NY	432	21	453	VT	41	1	42
PA	368	25	393	NH	38	0	38
VA	349	7	356	AL	36	1	37
OH	320	9	329	ME	35	0	35
MI	225	8	233	NE	28	4	32
NC	175	30	205	SC	31	1	32
CO	157	6	163	AR	28	0	28
MO	157	4	161	WV	28	0	28
WI	140	4	144	MT	23	2	25
IL	119	7	126	SD	22	1	23
IN	117	0	117	RI	19	2	21
GA	114	2	116	NV	14	3	17
AZ	90	18	108	UT	13	3	16
MD	100	3	103	AK	15	0	15
IA	98	2	100	ND	14	1	15
FL	84	11	95	LA	11	3	14
MN	90	2	92	DE	7	3	10
KY	86	0	86	MS	7	2	9
NJ	71	14	85	WY	7	0	7
ID	73	2	75	HI	6	0	6
TN	65	6	71	DC	2	0	2
OK	63	6	69	Total	10,118	1,573	11,691



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 2023.

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.

much disappeared, enabling winemakers to turn side projects into fully fledged wineries. "Today there are a whole lot of winemakers with small brands as well, and that leads to the expansion of the number of wineries," he said.

Further helping to support the growth of small and virtual wineries has been the increase in the availability of custom crush services. Since 2012, the number of U.S. wineries that offer custom crush services has increased 32 percent to more than 1,200. As the number of custom crush facilities has increased, so too has the number of companies that supply the industry with materials, such as packaging, or professional services in sales, information technology and compliance. A network of national and regional brokers also facilitates the sale and shipment of bulk wine and grapes from the West Coast to wineries throughout the U.S.

In addition to confirming winery counts and other information for the database, the Wines Vines Analytics data team also removes wineries that are confirmed to be no longer in business. The rate of removals per month, since January 2012, has remained relatively constant at an average of 31 wineries per month. That trend remained in effect through



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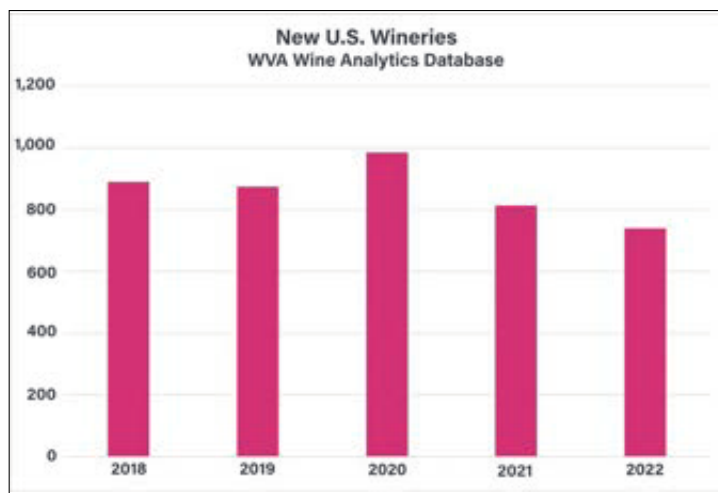
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the most stringent period of COVID-19 lockdowns with, for example, 125 wineries added to the database and only six removed in July 2020. For the entire year of 2020, the number of new wineries added to the database was more than twice the number of wineries removed. Since 2019, the average, gross number of wineries added to the database each year has been 851, with 737 new wineries added in 2022.

When small wineries are removed from the database, the companies have typically shut down rather than been purchased by new owners. A common reason to remove an inactive winery is because the founders or owners are retiring.



In 2014, Carol Collison used the winery database to analyze how many wineries are bought and sold and found there are about 20 deals in a typical year. Collison is a partner in St. Helena, Calif.-based Global Wine Partners where she handles mergers, acquisitions and winery valuations. She said that level of deals has remained relatively consistent since 2014 with a notable uptick in 2021 of more than two dozen winery transactions.

The unfortunate reality for most winery owners is that there is little to no market for their company. “People love the lifestyle, they like the idea of owning a winery, and there’s various levels of success doing it, and most people think they can sell, but in most cases they won’t,” she observed.

For most winery owners who are looking to exit, Collison said she recommends they stop producing wine, sell through their existing inventory and then sell any vineyards, property and equipment. If a buyer does emerge, it likely will be a similarly-sized operation. “Smaller companies are typically bought by smaller companies. The big boys won’t buy a 10,000-case brand,” she said. “You can sell a small brand over asset value in some conditions, but that’s only if you’re growing rapidly and are highly profitable.”

If the dream doesn’t pan out and the estate won’t sell, Andy Starr can help at least get the equipment sold. A longtime wine industry veteran, Starr founded an alternative closures supplier, contributed to *Wine Business Monthly* for a few years and brokered some equipment on the side then turned it into his fulltime focus when the business took off during COVID.

Back in 2020, wineries were looking to generate revenue by selling unneeded equipment; but since then, he’s become even busier helping to sell and buy equipment for a variety of wineries across the country. According to Starr, demand for his services and equipment has only grown stronger in recent years. While he wouldn’t be surprised if there is an increased number of smaller wineries closing due to owner retirement, he hasn’t seen a significant drop in the number of people wanting to start wineries. “No one wants to buy your dream: they want to buy their own dream or their own label,” he noted.



Winery Growth by Price Range

Segmenting by self-reported average winery price (of all SKUs), about half of all U.S. wineries fall between \$15 and \$30. This price tier accounted for 51 percent of all wineries in 2019, and that has been consistent through 2022 even as the total number of wineries increased. Wineries with an average price of more than \$50 account for 12 percent of all U.S. wineries, and this share has also stayed constant since 2019 even as the number of wineries in this price range grew by 15 percent in 2022 compared to the previous year. Wineries with smaller annual production typically have higher average bottle prices while

the largest U.S. wineries with national, retail distribution have average bottle prices lower than the majority of American wineries.

Growth has been much slower for wineries with an average price of less than \$25. The share of these wineries of the total number of U.S. wineries has also declined from 4 percent in 2019 to 42 percent in 2022. At the lowest end, the number of wineries with an average price of less than \$15 has fallen 4 percent compared to 2019.

At the upper levels of pricing, growth has been dramatic although the number of wineries is much smaller. Wineries with an average price of more than \$80 accounted for 3 percent of all wineries in 2019, but that share has since grown to 4 percent as the number of wineries increased by 2 percent at a rate of percent a year.

CALIFORNIA

While wineries continue to spread across the United States, the largest share is claimed by California, which saw its number of wineries increase 4 percent in 2022 to 4,973. The state accounts for nearly 43 percent of all wineries; but as the total number of U.S. wineries has steadily increased, that share has declined from 48 percent in 2010. Since 2019, the number of California wineries grew at a rate of 3 percent, and much of that growth occurred in Southern California.

While the North Coast, which includes Sonoma and Napa counties, accounted for 48 percent of the state's wineries in 2022, this share is down 1 percent from 2019 while Southern California gained a percentage point as the number of wineries in the region grew by more than 20 percent, from 401 in 2019 to nearly 500 in 2022. The number of North Coast wineries has grown 5 percent, from 2,18 in 2019 to more than 2,300 in 2022. Within the North Coast region, Napa and Sonoma counties account for the most wineries, with more than 1,200 in Napa and more than 940 in Sonoma County.



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NORTHWEST

Oregon and Washington combined accounted for 1 percent of all U.S. wineries in 2022, with Oregon coming in at No. 2 by number of wineries behind California with 908 wineries and Washington No. 3 at 90. All told, the West Coast accounts for 58 percent of all American wineries, with nearly 1,900 more wineries than are in the 47 other U.S. states combined.

The key difference between the two major Northwest states is that there are 10 large wineries, each producing more than 500,000 cases in Washington, and no such wineries in Oregon. In Oregon, the largest wineries remain in the medium category, producing between 50,000 and 500,000 cases a year. There were 20 such wineries in Oregon in 2022, and that has remained unchanged since 2020. Washington has fewer medium wineries (1 in 2022) and less small wineries, but both states have roughly the same number of very small and limited production wineries, which account for 84 percent of the total wineries in both states.

LEADING EASTERN STATES

Accounting for slightly more than 10 percent of all U.S. wineries, the states of New York, Pennsylvania and Virginia are the leaders in the eastern half of the nation by number of wineries. New York is home to the most wineries at 453, followed by Pennsylvania with 393 and Virginia at 35. Compared to 2021, the number of wineries in New York and Pennsylvania grew by 4 percent while Virginia's total was up percent. Of the three states, New York is the exception, with four large wineries and nine medium wineries. Pennsylvania is home to three medium wineries (producing 50,000 to 499,999 cases a year) while Virginia has two.

Although they don't have as many wineries as their neighbors, Kentucky, Maryland and Georgia all enjoyed an 8 percent increase in the number of wineries in 2022. In Georgia that pushed the total to 11 while Maryland has 103 and Kentucky is now home to 8 wineries. Nearly all the 305 wineries in these three states fall in the small, very small or limited production categories, except one medium winery in Kentucky. In 2019, these states were roughly the same in total wineries, with 75 in Georgia, 78 in Kentucky and 8 in Maryland. Since then, Georgia's winery growth has outpaced the others with a 5 percent increase in wineries in 2022 compared to 2019, based on an average annual growth rate of 12 percent. Wineries in Kentucky and Maryland grew at a rate of 2 percent and 5 percent, respectively.

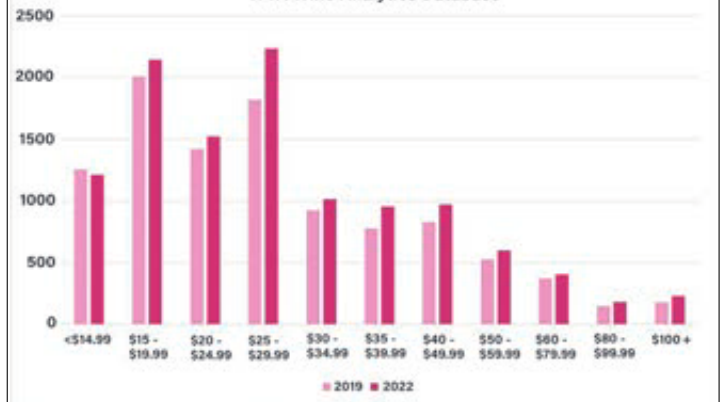
Sean Wilborn is the winemaker and owner at Cloudland Vineyards + Winery in Buford, Ga. and a board member of the Georgia Wine Producers trade group. In an email to *Wine Business Monthly*, he credited hybrid varieties that are now producing quality grapes throughout one of the wettest growing seasons in the country. Wilborn said much of the most recent winery development has come in the Elijay region in the Northwest, but several new



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U.S. Wineries by Average Price
WVA Wine Analytics Database



Number of Canadian Wineries as of February 2023

STATE	TOTAL
AB	19
BC	344
NB	15
NL	3
NS	20
ON	306
PE	4
QC	171
SK	11
YT	1
CANADA Total	894

urban wineries have opened in Atlanta, and wineries are popping up across the southern half of the state. “Recently, we’ve seen a boom in very promising and obscure hybrid varieties that hold up to their European counterparts in quality while showing promise beyond the northern parts of the state,” he reported. “This is the catalyst for the next (winery) boom, which is currently underway.”

Wilborn also credited the growth in wineries to “open-minded consumers” who are looking for unique winery experiences that are also authentic to the state of Georgia. These types of consumers aren’t bothered by the lack of *vinifera* varieties, especially when better estate wines can be produced with hybrids, such as Lomanto, Blanc du Bois, Chambourcin, Vidal Blanc and others. “Wines that are unheard of but still satiate the knowledgeable palates is a huge wine for us,” he explained.

OTHER KEY STATES

The Lone Star State continues to shine in terms of winery growth, with a 4 percent increase over 2021 to 519 wineries. Texas now claims a 4 percent share of the total number of wineries in the United States and is home to seven medium wineries. Since 2019, the number of wineries in Texas has grown from 401 to more than 500, a 28 percent increase at a rate of 10 percent per year. Sixty-one percent of the wineries in Texas produce fewer than 500 cases a year while 27 percent fall into the very small category, making between 1,000 and 5,000 cases.

Ohio and Michigan account for the largest number of wineries in the Midwest, with 329 in Ohio and 233 in Michigan. Winery growth in Michigan over the past four years has been much more modest than in Ohio. Compared to 2019, the number of Michigan wineries increased by 9 percent while Ohio saw a 24 percent increase at a rate of 6 percent a year. While Ohio can claim more wineries overall, Michigan is home to more larger wineries, with six medium wineries and 41 small ones (producing between 5,000 and 50,000 cases). Ohio has four medium wineries and 28 small ones.

CANADA*

The number of wineries in Canada increased 3 percent last year to 894, with the major wine regions of British Columbia and Ontario adding the most producers while the Prairies showed the strongest growth.

Ten new wineries in B.C. and 11 in Ontario saw the two regions continue to present opportunities for new entrants in a competitive field. Growth has moderated in B.C. in recent years, however, as high start-up costs challenged would-be producers. The province remains the most active region in the country, however, with more than 11,000 acres of vineyards supporting approximately 284 grape wineries and 344 wineries overall. Ontario ranks second with 30 producers, up 4 percent from last year. Nevertheless, those

wineries are more productive, with annual sales of 9.3 million 9L cases versus 7.1 million 9L cases in B.C.

Quebec ranks third in the total number of wineries with 171, down one from a year ago. Producers include both grape wineries concentrated in the southwest of the province, as well as several fruit wineries and meaderies.

Wineries in the Prairie provinces of Alberta and Saskatchewan continued to increase last year, with one new winery in each. This made for significant growth from a low base, with just 30 wineries between the two provinces, but it also underscored the ascendance of winemaking in the region over the past four years.

Despite the operating challenges posed by the pandemic and short crops because of extreme weather events, including heat, drought, flooding and frost, Canada’s winery count is up 20 percent versus 2019. The major producing regions of Ontario and Quebec saw 2 percent and 32 percent growth, respectively, while B.C. posted slower growth of just 9 percent.

The strongest growth occurred on the Prairies, where Alberta’s winery count surged 280 percent to 19 from just five producers prior to the pandemic. Saskatchewan has also seen steady growth, with 11 wineries today from nine in 2019. Many of the producers use local fruit and honey as the harsh Continental climate makes viticulture a challenge. Yukon’s first winery, launched in 2020, also uses local berries in its products.

The four Atlantic provinces of Newfoundland, Nova Scotia, Prince Edward Island and New Brunswick have seen a small amount of churn among producers over the past four years but no net change in the number of wineries, which total 42. The only regions of the country without wineries are the province of Manitoba and the northern jurisdictions of the Northwest Territories and Nunavut. **WBM**

* Peter Mitham contributed the section on Canada for this report.

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