

These 8 power players are reshaping the future of Napa Valley wine

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July 26, 2022 | Updated: July 26, 2022 5:18 p.m.



There's an overshaded, cliched joke that people in Napa love to repeat.

How do you make a small fortune in the wine industry? **Start with a big fortune.**

Certainly, that would describe the trajectory of countless Napa Valley vintners. A person makes their money in San Francisco or New York in real estate, or software, or venture capital, then buys a splashy vineyard in St. Helena or Rutherford, builds a mansion on it, hires a pricey winemaker and spends the next several years admiring the beautiful vistas while wondering whether they'll ever make their investment back. For some, the investment may not even be the point: It's about the dream of owning a slice of Napa Valley.

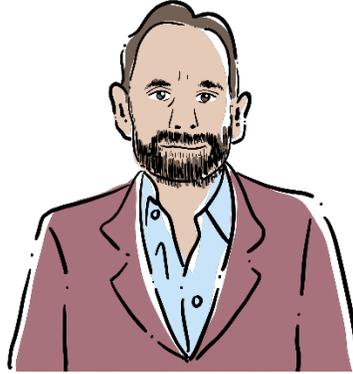
But an enterprising few have found a different path. If they started with a big fortune, they've amassed an even larger one. The key, for many of these successful entrepreneurs, lies with land acquisition.

Longtime power players like Andy Beckstoffer and Jean-Charles Boisset have known this for years, grabbing desirable vineyard and winery properties over the last few decades. Now, they're joined by a new generation of figures like Gaylon Lawrence Jr. and Juan Pablo Torres Padilla — each of them acquiring new parcels at a different pace, with a different scope in mind, but all with a clear strategic vision. Meanwhile, established wine companies like Far Niente and Duckhorn have moved suddenly into periods of major expansion.

The moves of these magnates matter. At 43,000 acres, Napa Valley's winegrowing footprint is limited. (For comparison, Sonoma County has 60,000 acres of grapes, and Lodi 100,000.) Virtually all of its plantable land is already spoken for. Over time, it's inevitable that ownership of Napa land will concentrate in fewer hands, especially as larger corporations like Gallo, Constellation and Treasury continue to buy up family-owned wineries. That means that every merger and acquisition counts. However small, it tilts the balance of power.

Here are the Napa Valley's empire builders worth watching in the coming years.

Napa's original empire builder



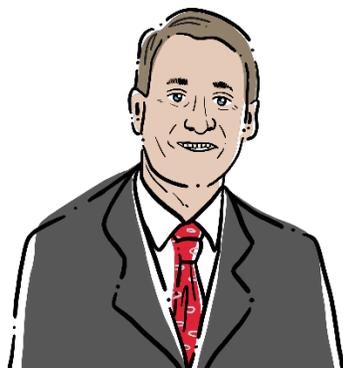
Andy Beckstoffer
1,215 acres in Napa Valley

Winery: None. But Beckstoffer owns some of Napa Valley's marquee vineyards, including To Kalon, Georges III, Missouri Hopper and Dr. Crane

Andy Beckstoffer's vineyards are more than just plots of land. They're brands in themselves, especially the To Kalon Vineyard, considered by some to be the finest source of Cabernet Sauvignon anywhere in California. By elevating the status of his vineyards to such a high level, Beckstoffer — who grows grapes and sells them to wineries, never making any wine himself — invented a new model for grape farming. He emphasized the quality of the raw grapes, rather than the skill of the winemaker, as the key factor that would determine the ultimate wine. For his top vineyards, he runs an unusual pricing scheme in which wineries pay him for fruit based on the bottle price they charge to their customers. Since Beckstoffer-grown wines can sometimes command as much as \$500 per bottle, that's turned out to be a very lucrative arrangement for Beckstoffer.

Beckstoffer has been relatively quiet on the M&A front in Napa recently, having solidified many of his most significant properties there between the 1970s and 1990s. Instead, he's concentrated his efforts on building his acreage in satellite regions. He's particularly bullish on Lake County's Red Hills appellation, where he's strenuously trying to build a reputation for high-end winegrowing and where he bought his third vineyard, Amber Mountain, in 2019.

The mysterious Arkansas ag billionaire



Gaylon Lawrence Jr.
600 acres in Napa Valley

Winery: Heitz, Burgess, Stony Hill, Brendel, Ink Grade, Haynes

Perhaps no one in Napa Valley went from an entirely unknown entity to a major player as swiftly as Gaylon Lawrence Jr. When the Arkansas agricultural magnate purchased Heitz Cellar, one of Napa's most beloved icons, in 2018, it looked like a move out of the vanity-vintner playbook. But when Lawrence began buying up other highly regarded historic wineries, it became clear he was a canny strategist.

Lawrence himself largely stays out of the spotlight, handing that instead to his charismatic CEO, the master sommelier Carlton McCoy. (Lawrence has repeatedly declined to give an interview to this newspaper.) But his business record speaks volumes. In addition to acquiring historic wineries Burgess and Stony Hill, Lawrence has purchased the famous Haynes Vineyard, and is creating an estate wine based on it; spun off a new estate, Ink Grade, from a Howell Mountain vineyard that came with the Heitz acquisition; launched a more affordable, Millennial-focused brand, Brendel, complete with a hip tasting room in downtown Napa; and started an importing business, Demeine Estates. He's not afraid to institute major changes, whether that means making less of Stony Hill's coveted Chardonnay, halting the production of Heitz's beloved, quirky Grignolino wine, or turning Heitz's modest tasting room — where tastings were always free — into a ritzy salon with \$125 experiences. Not all of those updates have been met with unanimous approval from the wine-drinking public. But change is never easy.

The flamboyant, French-born magnate



Jean-Charles Boisset

Company would not disclose exact acreage owned

Winery: JCB Collection, 1881 Napa, Durant & Booth, Elizabeth Spencer, Raymond, plus others in Sonoma County, France and elsewhere

When Jean-Charles Boisset made his latest acquisition — Elizabeth Spencer Winery in Rutherford, in late 2021 — he joked to The Chronicle that Highway 29, the major artery running through Napa Valley, should be renamed the “Boisset Highway.” Indeed, the Burgundy native, who is married to powerful vintner Gina Gallo, now owns property in each of the valley’s major towns, from Napa to Calistoga. It’s impossible to go very far here without encountering the JCB machine.

And it’s impossible to not know when you’ve encountered a JCB property, since the vintner’s aesthetic is unmistakable. Swarovski crystals adorn everything, leopard print makes many appearances, and some walls are cloaked in velvet. At Raymond, the legacy winery in St. Helena that Boisset purchased in 2009, there’s even a “tasting room” for dogs, called Frenchie Winery (see Cesar Hernandez’s review of the Raymond tasting experience). It’s not just wineries — he’s also opened a boutique hotel, a cheese shop, a day spa, a clothing boutique, a fast-casual restaurant in a former train depot, even a “wine museum.” Boisset’s vision for Napa is eye-catching and maximalist, focused above all on the hospitality experience. Some might call it over the top; Boisset calls it sexy.

The CEO of the legacy Napa brand that’s on a land-grabbing tear



Steve Spadarotto
533 acres in Napa Valley

Winery: Far Niente, Nickel & Nickel, Dolce, EnRoute, Bella Union, Post & Beam

Most wineries with the kind of history and stability of Far Niente would be content to uphold the status quo. It was founded in 1885 by the Gold Rusher John Benson, a relative of the famous painter Winslow Homer, and revived in 1979 by the Nickel family. Although it generated two notable spin-offs earlier in its life — the dessert-wine brand Dolce in 1989, and Nickel & Nickel in 1997 — the winery, now led by CEO Steve Spadarotto, has suddenly kicked into fast-growth mode.

The company has launched new spin-off brands in recent years — EnRoute, Bella Union and Post & Beam — and has meanwhile been grabbing desirable land at an astonishing clip. In 2021, Far Niente purchased a large vineyard in Napa's Carneros region, then acquired the well-known Provenance Winery. It killed the Provenance brand, choosing instead to turn its Highway 29 winery into a new facility for Far Niente's existing projects. At this kind of speed, it's anyone's guess where Far Niente's land grab will go next.

The AI executive who's just getting started



Juan Pablo Torres Padilla
40 acres in Napa Valley

Winery: Sullivan Rutherford Estate

By the time Juan Pablo Torres Padilla purchased a winery out of bankruptcy in 2018, he'd been on the hunt for a Napa estate for 12 years. He wanted to buy something that had some history attached to it, he said: "I don't believe in building something overnight," he told The Chronicle in 2021. That led him to Sullivan Rutherford Estate, which had been producing wine since the 1970s in one of the valley's most sought-after

neighborhoods but had never built a national reputation — leaving some value that Torres Padilla figured he could still add. He's since purchased the Criscione Vineyard, another property that's under the general public's radar but is well known to industry insiders.

Torres Padilla, the former CEO of an artificial-intelligence company and current CEO of a capital management group, is amassing his holdings slowly and methodically. Don't expect to see big, dramatic acquisitions from him going forward. Count instead on seeing him seize on properties that have been overlooked and undervalued.

The leader behind Napa's \$300 million IPO



Alex Ryan
379 acres in Napa Valley

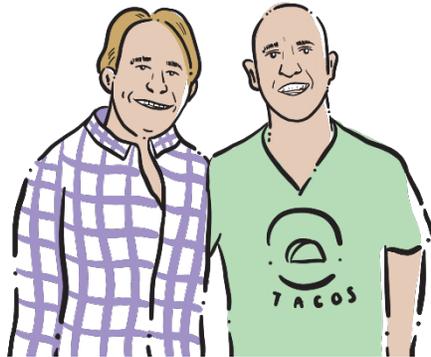
Winery: Duckhorn Vineyards, Paraduxx Winery, plus others in California and Washington state

Duckhorn Vineyards' stock market debut in 2021 marked the first time in decades that a Napa Valley winery had attempted an initial public offering. (Its ticker symbol is absolutely iconic: NAPA.) The figurehead leading that launch, CEO Alex Ryan, started working at Duckhorn in the 1980s as a high school student and, returning after college, subsequently rose in the ranks.

Even before going public, Duckhorn was a formidable power player, growing from a homey family-owned winery known for Merlot into a varied portfolio of brands stretching across California, like Goldeneye, Migration, Paraduxx and Decoy, plus Canvasback and Greenwing in Washington. (There's a duck theme, if you couldn't tell.) In the last 10 years, Ryan oversaw the acquisitions of two A-list Pinot Noir producers, Sonoma County's Kosta Browne and the Central Coast's Calera, adding to its clout in the luxury market. Lately, however, Duckhorn is doubling down on its original home turf, Napa Valley. It spent \$14.3 million in January to acquire three new parcels of land, including part of Stanly Ranch, the location of the valley's latest high-end resort. (It

also grabbed a 289-acre ranch in Paso Robles (San Luis Obispo County) in May.) Given that shareholders of public companies tend to demand constant growth, it's unlikely that Duckhorn will slow down anytime soon.

The vintners driving a new generation of “cult” wine



Scott Becker and Benoit Touquette
About 200 acres in Napa Valley

Winery: Realm Cellars

Within the universe of ultra-expensive Napa wines, Realm has something of a rags-to-riches tale. The winery was on the verge of bankruptcy when Scott Becker and a group of other investors purchased it in the early 2010s, enduring a visible period of mismanagement and disappointing wine reviews from critics. Becker and head winemaker Benoit Touquette turned the ship around, recasting Realm in the model of the “cult” Cabernet producers — the Harlans, Colgins, Bryants et al — that had preceded it a generation earlier. Its wines now command as much as \$500 on release.

Unlike the earlier cult Cabernet producers, most of whom opted to remain bound to a single, small estate, Realm has steadily expanded its footprint in Napa. First came the Hartwell Estate in 2015, a Stags Leap District property with a winery and 15 acres of grapevines; later, Realm grew that property by acquiring two adjacent plots. In 2018 it bought the Farella Vineyard, arguably the most famous site in the Coombsville appellation of southern Napa. In June, Realm purchased the Houyi Vineyard and Nine Suns winery, a lauded site located in one of the valley’s most exclusive corners, Pritchard Hill.