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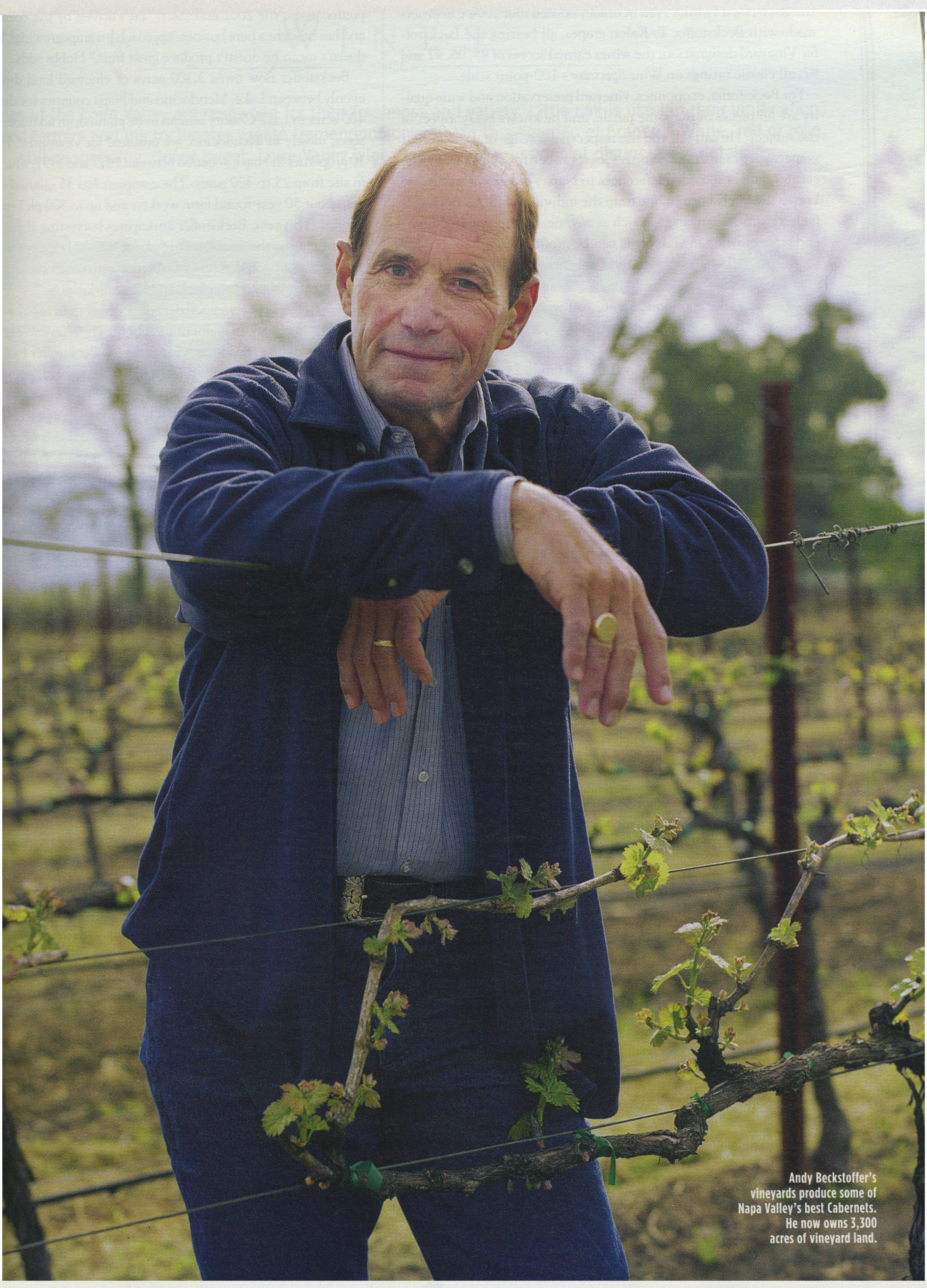
GRAPES OF GOLD

ANDY BECKSTOFFER HAS BUILT A VINEYARD EMPIRE ON THE CALIFORNIA NORTH COAST

BY DANIEL SOGG

THE LARGEST INDEPENDENT VINEYARD OWNER IN NAPA VALLEY HAS A TALENT FOR SQUEEZING GOLD FROM GRAPES. THIS YEAR, BECKSTOFFER EXPECTS GRAPE SALES FROM HIS 2,900 ACRES OF VINES IN NAPA, LAKE AND MENDOCINO COUNTIES TO YIELD UPWARDS OF $20 MILLION IN REVENUE. CABERNET SAUVIGNON FROM HIS PREMIER PROPERTY, A SECTION OF THE HISTORIC TO KALON VINEYARD IN OAKVILLE, CALIF., CURRENTLY SELLS FOR AS MUCH AS $23,500 A TON.



Andy Beckstoffer's vineyards produce some of Napa Valley's best Cabernets. He now owns 3,300 acres of vineyard land.

And California vintners are happy to ante up for a portion of the gold. Napa vintner Fred Schrader bottled four 2004 Cabernets made with Beckstoffer To Kalon grapes, all bearing the Beckstoffer Vineyard designation; the wines earned scores of 95, 96, 97 and 97, all classic ratings on *Wine Spectator*'s 100-point scale.

For Beckstoffer, economics, vineyard preservation and wine quality are all pieces of the same puzzle, and he knows every aspect of the subject. He can tell you the respective acreage of the different grape varieties at his 20 North Coast properties. He can cite the earliest date of recorded references to Napa's oldest vineyards. He knows the likely bottom line from the individual blocks. Beckstoffer is a businessman, and as much as anyone, he's proven that high-end grapegrowing in California can be profitable.

"People will say, 'He's just in the business of raising the price of grapes.' And yes, I am; we're trying to get our fair share. If the vineyards don't make economic sense, you won't preserve the vineyards," says Beckstoffer, 67, who still speaks with a drawl from his native Virginia.

He arrived in the Bay area in 1969 as a brash, 29-year-old executive for a food-and-drinks conglomerate. At that time, the modern Napa wine industry was in its infancy. Grapegrowing in California then was a dicey venture, as it had been since the repeal of Prohibition. Even until the 1980s, there were relatively few wineries in operation, making it strictly a grape buyers' market. Beckstoffer has led the vanguard to level the field.

"Andy's very aggressive in his pricing, compared with almost any other grower," says Sonoma-based winemaker Paul Hobbs, who buys To Kalon Cabernet for the vineyard-designated Paul Hobbs Cabernet Sauvignon Oakville Beckstoffer To Kalon Vineyard. Hobbs' wine is typically superior; the current release, 2004 ($235), scored 94 points, as did the 2002 and 2001. "He's driven by the bottom line and has brought a pure business approach [to grapegrowing], but that doesn't mean he doesn't produce great fruit," Hobbs adds.

Beckstoffer now owns 3,300 acres of vineyard land distributed evenly between Lake, Mendocino and Napa counties (of that total, 400 acres in Lake County remain to be planted; an additional 1,200 acres, mostly in Mendocino, are unsuited for vineyards). He owns 10 properties in Napa, acquired between 1973 and 1997, which range in size from 25 to 300 acres. The company has 35 salaried employees, about 50 year-round farm workers and up to 300 pickers during harvest. This year, Beckstoffer anticipates harvesting about 14,000 tons of grapes, the equivalent of about 800,000 cases of wine. He sells fruit from 1,200 acres of Cabernet Sauvignon to 40 wineries, including Caymus, PlumpJack and Kendall-Jackson.

Beckstoffer appears a good decade younger than his 67 years. He met his wife, Betty, in elementary school. They have five children, three of whom work in the wine industry. Beckstoffer looks every bit the gentleman farmer, in jeans and a leather vest over a mock turtleneck and rust-colored twill shirt. He has a knack for stating his case cogently and affably, making it sound eminently sensible; it's a safe bet that he loses few arguments. And he's never off the clock. Sitting down to lunch at a bistro on the Napa waterfront, he asks if the restaurant serves rosé by the glass. "Yes, we have a Tavel," says the waiter.

"That's from France," Beckstoffer responds, his even tone conveying perfect disapproval. "Do you have a Napa Valley rosé?" They don't, so he gets a Pinot Noir from Mendocino, where he owns 1,000-plus acres. He orders a hamburger very rare, and the kitchen obliges, serving tartare-purple beef, which he relishes.

Beckstoffer Vineyards (the property outlined in yellow is located in Mendocino) produces premium wine grapes for the likes of Fetzer, Kendall-Jackson, Beringer and Beaulieu.

PREVIOUS SPREAD: ANDREA WYNER

Beckstoffer does not mince words. Ask him a question and he'll answer it, graciously but directly. He sells many of his grapes according to a formula that he introduced in 1976, whereby the price per ton is about 100 times the bottle price. Paul Hobbs, for example, pays about $23,500 a ton for the To Kalon Cabernet he subsequently sells for $235 a bottle. Schrader pays $7,500 to $12,500 a ton. "The major thing this does is put the grower and winery on the same page," Beckstoffer explains. "Historically, the grower wants to overproduce and the winemaker underpay. There's none of that conflict [with the 100-times pricing]."

HOW BECKSTOFFER got his vineyards is a Napa Valley entrepreneurial success story. It also explains in part why he's been a divisive figure. He came to California as an executive with Connecticut-based Heublein, a corporation whose holdings included mass-market brands Smirnoff vodka and A.1. steak sauce. Heublein sensed the growth potential of California wine, and in 1968 it bought United Vintners, the company that owned Inglenook Winery in Rutherford. The next year, Heublein also purchased Beaulieu Vineyard.

Beckstoffer, who had attended Virginia Tech on a football scholarship and received an MBA from Dartmouth, was appointed president of Vinifera Development, the company Heublein formed to oversee its vineyard holdings, in 1970. Beckstoffer, who at the time knew nothing about viticulture, had the good luck to work with legendary Beaulieu winemaker André Tchelistcheff. Beckstoffer also had a knack for hiring capable people: His fourth employee, brought on in 1971 as viticulturist, was Bob Steinhauer, who went on to direct vineyard operations at Beringer, and a subsequent hire was Steve Yates, the current vineyard director at Kendall-Jackson.

Steinhauer wasn't familiar with Napa and had studied viticulture in the California Central Valley, which was producing inexpensive jug-style wines. According to Steinhauer, Tchelistcheff had had his doubts about him, and in March 1971, said to Beckstoffer, "If you take my vineyards and give them to this guy, you might as well cut off my legs."

But Tchelistcheff came around once he understood that they all wanted to learn. "I couldn't have been any luckier having André as a mentor, and I feel the same way about Andy," says Steinhauer. "He taught me it's not just farming anymore, that you have to know all aspects of the business."

In the beginning, they flew by the seat of their pants, planting new vineyards, experimenting with new trellising, irrigation and spacing techniques. By 1973, Heublein wanted out of the business: expenses were too high, profits too low, and the East Coast conglomerate wanted no part of the looming labor conflicts with the César Chávez–led United Farm Workers union.

This presented Beckstoffer with an opportunity. "I had to decide if I wanted to be an entrepreneur," he says. He did, and convinced Heublein to sell him Vinifera Development, along with its 1,200 acres in Napa and Mendocino. The deal was highly leveraged, with Beckstoffer paying $7,500 in cash and borrowing $6 million. But vineyard acreage in Napa increased significantly in the mid- to late-1970s (along with inflation), and grape prices plummeted. By 1978, Beckstoffer was on the verge of bankruptcy and had lost much of the vineyards in the restructuring with Heublein and other creditors. He renamed the company Beckstoffer Vineyards and spent the next five years climbing out of debt. "I had to sign personal servitude contracts," he says.

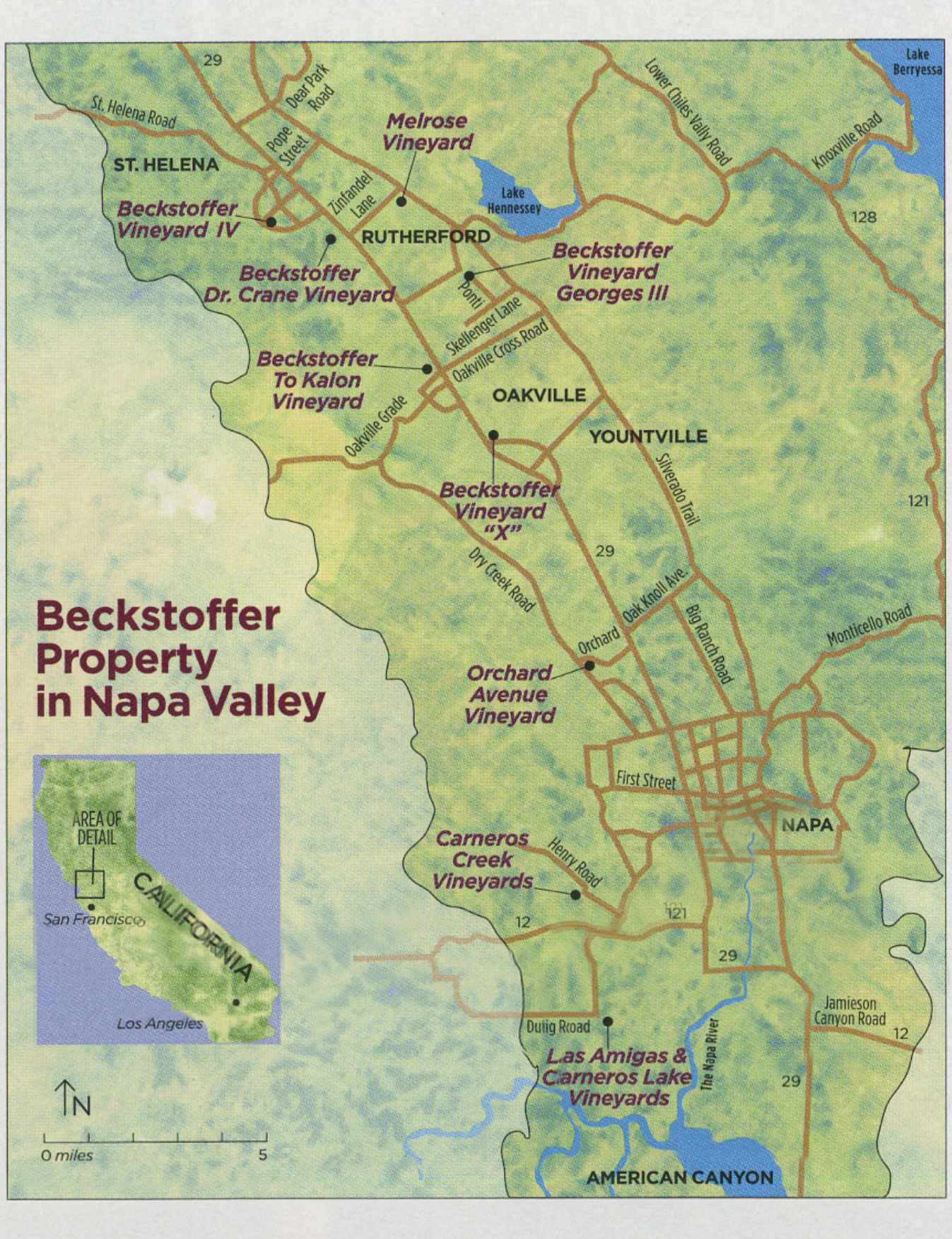
Still, by 1983, Beckstoffer had accumulated 873 acres in Mendocino and 171 acres in Napa. He'd also started working to correct what he perceived to be the fundamental inequities between wineries, who dictated grape prices, and growers.

Three of Beckstoffer's children work in wine; his son, David (right), is president and COO of Beckstoffer Wines.

ANDREA WYNER

Napa vintner Schrader, who buys Beckstoffer grapes from To Kalon and the Amber Knolls Vineyard in Lake County, says, "There's a story about Andy years ago going to a Napa vintner-grower meeting, with 12 chairs around a table for the wineries, and chairs along the walls for the growers. They weren't equals. And it makes me laugh, because knowing Andy, that setup couldn't last. When vintners and growers meet now, I can tell you that Andy sits at the middle of the table."

Although Beckstoffer is most closely associated with Napa, two-thirds of his vineyard land is in Mendocino and Lake counties. He has 1,100 contiguous acres of Cabernet Sauvignon in the Red Hills AVA of Lake County (700 acres are now in production), all hillside plantings with well-drained volcanic soil. The project, started in 1997, represents a substantial risk for Beckstoffer: By the time all the land is planted, he will have invested $25 million, despite the region's modest track record with Cabernet. "We looked around Lake for a year, digging holes, looking everywhere," he recalls. "It turns out the Cab [elsewhere in the county] had been planted on the wrong ground."



Beckstoffer Property in Napa Valley

The market reception so far has been lukewarm, with about half the grapes unsold. In 2004, Beckstoffer started using grape surplus to make wine, which he sells to négociants who bottle it under their own brands (Beckstoffer would not identify the buyers, other than his son Tuck). This is his second foray into winemaking. The previous effort, in 1989, was by his own admission ill-executed—they didn't hire a full-time winemaker and failed to market the brand. "And I didn't like that business," he adds. "I didn't want to do winemaker dinners and fly around the country dealing with food-and-beverage managers."

He prefers using his grapes to help other wineries build their brands. Provenance Vineyards, a winery based in Rutherford, buys half of the fruit for its 60,000-case brand from four Beckstoffer properties: Las Amigas in Carneros, Orchard in the Oak Knoll District, George III in Rutherford and To Kalon. Contracts vary according to the site. At To Kalon and parts of Las Amigas, Provenance buys by the acre; at the other vineyards, prices for Merlot and Cabernet range from $3,000 to $5,000 per ton. Tom Rinaldi, director of winemaking at Provenance, admits that he's glad he's not involved in hammering out the details of those contracts. "I would feel overwhelmed," he says. "Andy's beyond a tough negotiator—he's brilliant."

When he started with Provenance in 2000, Rinaldi felt apprehensive about working with Beckstoffer, whom he knew only by reputation. But with time, he found out for himself that Beckstoffer was not unreasonable. "About the only thing that upsets him from time to time is that he says we're undercharging for the wines that have his name on the label," Rinaldi relates.

IN THE PAST, Beckstoffer has been characterized as a corporate carpetbagger, and after nearly 40 years in Napa, this portrayal still bothers him. "I didn't steal anything from anybody. I bought good vineyards from wineries that should have known better [than to sell them]," he says.

But he does acknowledge that his attitude toward the vineyards has changed over the years. "When I first arrived, I was a young businessman that considered the vineyards an asset to be exploited," he says. Now he wants to preserve them. Beckstoffer has placed his To Kalon holding in a conservation easement, a legal entity that prevents the site from ever being developed, and he was integral in lobbying Congress for changes to the law, approved last year, which gave farmers, ranchers and foresters significantly expanded tax benefits for putting their land in conservation easements. Beckstoffer also formed a trust that prevents his children or descendents from ever selling To Kalon, to anyone. Eventually, he expects about 700 acres of his vineyards to go into that trust.

Asked why his perspective changed, Beckstoffer grows wistful. "When you just hang out in Napa long enough, you begin to see the beauty of the valley," he says. "I remember developing some vineyards, taking out old oak trees with three or four-foot trunks. Then afterwards you look around and wish you had left the trees."

In Napa's current political environment, it's easy to reach an agreement on protecting the land. But Beckstoffer has also been at the center of other, more controversial issues. Perhaps the most contentious, and furthest reaching, was the formulation of the Napa County Winery Definition Ordinance. In the late 1980s, Beckstoffer led the effort to mandate that any new winery in Napa use at least 75 percent Napa grapes. Existing wineries would receive a grandfather-clause exemption, but subsequent expansion on their production facility would be restricted by the rule. Many vintners, especially those with brands made from out-of-county fruit, strenuously opposed the idea. As a major holder of Napa acreage, Beckstoffer was castigated as merely advancing his own interests.

The Napa County government approved the Winery Definition Ordinance in 1991, and it's now widely recognized as an important legal safeguard. "If we hadn't passed that, I can virtually guarantee that Napa would now be a region where wineries mostly truck in grapes from other areas," says Andrew Hoxsey, whose family owns the Napa Wine Co., as well as 635 acres of Napa vineyards.

Beckstoffer has tackled other issues that serve the common good as well as his own interests. He's been the driving force behind the hang-time seminars sponsored by the Napa Valley Grapegrowers, a promotional organization Beckstoffer started in 1975. The seminars, which have featured vintners and viticulturists,

> "[ANDY BECKSTOFFER] HAS BROUGHT A PURE BUSINESS APPROACH [TO GRAPEGROWING]. BUT THAT DOESN'T MEAN HE DOESN'T PRODUCE GREAT FRUIT."
>
> —*PAUL HOBBS, WINEMAKER*

address the topic of excessive ripeness in California wine today, and whether winemakers' current preference for advanced ripeness negatively impacts wine styles, vine health and grower profits, as picking later can reduce tonnage due to dehydration.

Many producers believe that from Beckstoffer's perspective, the grower profits are the primary concern. "I think Andy Beckstoffer ought to be the last person to complain, because he already gets high tonnage and charges a lot for that tonnage," says one Napa vintner, speaking anonymously.

For his part, Beckstoffer sees it as a question of fairness. If winemakers want the style that comes only from an extended hang-time, then they should pay for it. But simply charging more per ton isn't the solution, he says. Growers and vintners are in the same boat, albeit at different ends, so there is a common goal of preserving quality at higher yields and achieving flavor ripeness faster.

BECKSTOFFER LIKES VINEYARDS with history. "There's real quality and perceived quality, and the perceived quality is the pedigree," he says. Few California vineyards better combine pedigree and quality than To Kalon, which was first planted to vines in 1868. Beckstoffer bought 89 acres of the 359-acre site from Beaulieu in 1993 for a reported $3.9 million, or $44,000 an acre. Barring unforeseen changes in the law, it will never again be sold, but the current value of the property is at least $350,000 an acre, the price Francis Ford Coppola paid in 2002 for a comparable property, the J.J. Cohn Vineyard in Rutherford.

All 89 acres required replanting due to phylloxera. Beckstoffer changed the trellising to get more sun exposure on the grapes, and tightened up the vine spacing. He initially planted 10 acres of Merlot, but later replaced it with Cabernet. Depending on the customer, yields at To Kalon range between 2.5 and 5 tons per acre. For the next replant, in perhaps 15 years, he expects to use a more diverse array of Cabernet clones and to tweak the row direction and trellising system to reduce the risk of sunburn.

In 2002, Robert Mondavi Winery, which also owns 250 acres of To Kalon, claimed that it had sole rights to the To Kalon trademark and sued Beckstoffer and Schrader Cellars in federal court. The defendants responded that the use of the To Kalon name didn't belong to the Mondavi brand, but to the vineyard itself, as defined by its historical boundaries. Mondavi eventually dropped its suit.

It's a beautiful site, located on the west side of Highway 29, just south of Mondavi. From the road, the vineyard slopes gently upward for about 1 mile, abutting the foothills of the Mayacamas Mountains. On a sunny afternoon late in February, a few vines drip sap from their pruning wounds, a sign that budbreak will soon happen.

"Coming out here on a day like this is the reward," says Beckstoffer. Then, flashing a smile, he adds, "And of course, it's nice when you know it's yours." ☐

Selected Recent Releases From Beckstoffer Vineyards

SCORE	WINE	PRICE
CARTER		
96	Cabernet Sauvignon Napa Valley Beckstoffer To Kalon Vineyard H&C 2004	$65
PAUL HOBBS		
92	Cabernet Sauvignon Oakville Beckstoffer To Kalon Vineyard 2003	$235
95	Cabernet Sauvignon St. Helena Beckstoffer Dr. Crane Vineyard 2004	$150
MERRYVALE		
86	Cabernet Sauvignon Oakville Beckstoffer Vineyards X 2003	$75
90	Cabernet Sauvignon Rutherford Beckstoffer Vineyards Clone 6 2001	$88
PROVENANCE		
91	Cabernet Sauvignon Oakville Beckstoffer To Kalon Vineyard 2004	$75
REALM		
90	Cabernet Sauvignon Napa Valley Beckstoffer To Kalon Vineyard 2004	$85
SCHRADER		
97	Cabernet Sauvignon Napa Valley Beckstoffer To Kalon Vineyard 2004	$95
97	Cabernet Sauvignon Napa Valley CCS Beckstoffer Vineyard 2004	$75
96	Cabernet Sauvignon Napa Valley RBS Beckstoffer To Kalon Vineyard 2004	$95
95	Cabernet Sauvignon Napa Valley Beckstoffer To Kalon Vineyard MM IV 2004	$250 /1.5L
WAYPOINT		
91	Cabernet Sauvignon Oakville Beckstoffer To Kalon Vineyard 2003	$80
92	Cabernet Sauvignon St. Helena Beckstoffer Dr. Crane Vineyard 2003	$80