

Land's user is now its steward

Calif. wine-firm founder, a Virginian, seeks reform of tax laws to save farms

BY CHIP JONES

Times-Dispatch Staff Writer

Andy Beckstoffer has made a bundle in the California wine business in the past four decades. Yet the Richmond native, who recently returned to speak at his alma mater, Benedictine High School, remains a down-to-earth guy who wants to preserve the rich land that has brought him fortune and a measure of fame.

"When I went out to California, I was an MBA who looked at the land as a business asset to be exploited," he said with a distinctive twang that has earned him the nickname "The Virginian" in Napa Valley wine circles.

His energy and innovation helped him build Beckstoffer Vineyards into the largest independent family owned vineyard on California's North Coast.

The lifestyle magazine *Gourmet* wrote last year that Beckstoffer owns, cultivates and harvests more than 3,000 acres of vineyards north of San Francisco, where land can sell for more than \$200,000 an acre. He sells grapes to 50 wineries. The premium grapes are used primarily in cabernet sauvignons and merlots.

Beckstoffer Vineyards is worth about \$450 million, according to industry sources.

But quantifying his life's work misses the point, said Beckstoffer, 67. Though he initially squeezed the grape industry for its return on investment, he has found

a new path to leave the land intact for future generations.

He has become a leading advocate, both in California and Washington, D.C., for reforming federal tax law to preserve and protect farms.

Scenic land such as Napa Valley is always going to be pressured by development, he said, whether it's for new homes or fast-food joints. Until two years ago, farmers could write off only a fraction of their adjusted income on taxes — creating the pressure to sell property.

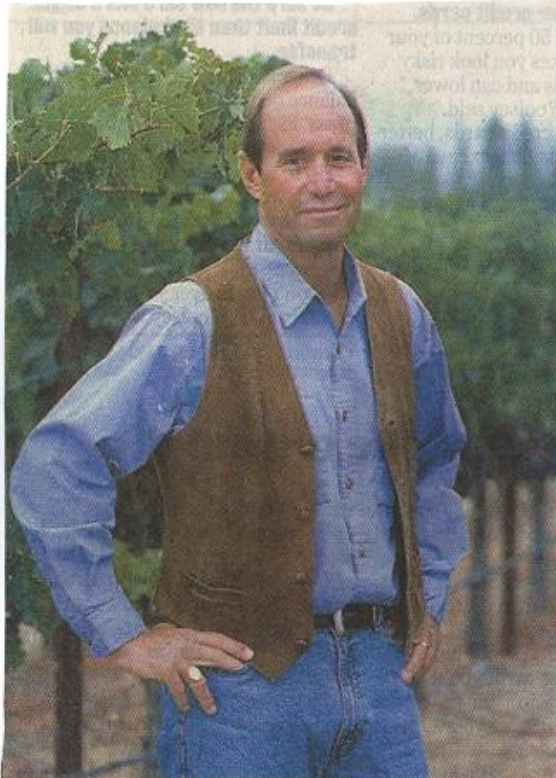
"The farmer becomes land poor," Beckstoffer explained. "His land is worth more than the income it produces."

As a result, many farmers around the United States have chosen to sell. Two years ago, he said, Congress temporarily changed the tax code so farmers could write off 100 percent of adjusted gross income produced by their land over a 15-year period.

"Now you can write it all off," he said.

He's working to get that change made permanent, and has been backed by U.S. Sen. Dianne Feinstein, D-Calif.

"We're gaining momentum," Beckstoffer



ANDY BECKSTOFFER

Richmond native Andy Beckstoffer used innovation to build up Beckstoffer Vineyards in Napa Valley, Calif.

Andy Beckstoffer

The founder of Beckstoffer Vineyards (www.beckstoffervineyards.com), which grows wine grapes on California's North Coast, has come a long way since attending Benedictine High School in the 1950s.

Richmond roots: Born Nov. 28, 1939

Education: Benedictine High School, 1957; Virginia Tech, 1961, where he was on a football scholarship and got a degree in construction engineering; MBA from the Amos Tuck School of Business at Dartmouth College, 1966

Family: Betty, wife of 47 years; five children, including three in the wine business.

said. "It's politics and it does cost the treasury money, so you have to convince them it's in the national interest."

He describes his evolution from user to steward of the land as a slow morphing, not a sudden epiphany.

"Beckstoffer was seen by some as one of the barbarians massing at the gates of an ecological paradise," *Gourmet* mused. Beckstoffer admitted to "the hubris that animated his early career."

He told the magazine: "Now I understand the land is a natural resource to be preserved."

Through the 1970s and 1980s, his grapes helped make the Napa Valley wines competitive with French products. Grapes made from his storied To Kalon Vineyard — in cultivation since the 1860s — fetched more than \$250 per bottle last year.

Wealth and accolades weren't enough, though.

"As you go through life every day and see a gorgeous place, you think it's a miracle that we're still predominantly agricultural, and you want to preserve it," he said. "Now I think of it as a national treasure."

Beckstoffer grew up in a large, community-minded family that always gave back, led by his father, Herman Beckstoffer, a patron of Benedictine High School.

Andy Beckstoffer developed a nose for California wines while serving in the Army in the early 1960s in San Francisco. On the weekends, "we would take off and go up to the wine country," he told *The Times-Dispatch* in 1988.

After getting his MBA from Dartmouth, he returned to California in the late 1960s. While working in mergers and acquisitions for a financial firm, he entered the wine business.

He later bought the business and devoted his life to the vineyards — employing modern technology such as improved irrigation techniques. He also moved to sustainable farming techniques, using biological methods rather than chemicals to control pests and diseases.

More enlightened tax laws could help protect land around the country, including historic properties in Virginia, he said.

"I firmly believe that in the 20th century, we were users" of the land, Beckstoffer said. "I make no apology for that, but we used up land and water, and created this global-warming problem. In the 21st century, I think we're going to have to be preservers" of the Earth.

SUNDAY

June 17, 2007

Richmond Times-Dispatch

inRich.com