

BUSINESS

FROM PEARS TO GRAPES:

Andy Beckstoffer is putting his faith in the potential of Mendocino chardonnay



Beckstoffer Vineyards general manager Rich Schaefer walks a former pear orchard in Hopland this week owned by independent grape grower Andy Beckstoffer, who has begun the conversion to organic chardonnay vineyards.

Top independent grower on North Coast bets on future

By KEVIN MCCALLUM

THE PRESS DEMOCRAT

Andy Beckstoffer, the North Coast's largest independent grape grower, has purchased two pear orchards in Mendocino County and begun converting them into about 300 acres of organic chardonnay vineyards.

The project on the banks of the Russian River in Hopland reflects Beckstoffer's belief that the wine industry's future remains strong, especially for reasonably priced wines.

"I think the industry's long-term prospects are very good," Beckstoffer said. "The question is the timing of this. Are we really too early?"

The project is noteworthy because new vineyard development in California has been at a virtual standstill for several years. The record grape harvest of 2005 flooded the market, depressing grape prices and halting most vineyard projects.

Just as the grape industry was recovering following several smaller harvests, the recession and credit crunch hit, drying up the capital most farmers need for vineyard expansions.

But Beckstoffer's move is an encouraging sign for the industry, said veteran vineyard consultant Tony Correia.

"I think that sale is significant because Andy is one of the savviest guys out there," Correia said. "There hasn't been much happening in Mendocino County for a while."

While not known by the general public, Beckstoffer is a major player in the wine industry. He farms more than 3,000 acres of vineyards in Napa, Lake and Mendocino counties, selling grapes to wineries that include Stag's Leap Wine Cellars, Duckhorn, Quintessa and Clos du Val.

Last month, Beckstoffer purchased a

178-acre orchard just north of Hopland between the Russian River and Highway 101. The land had been owned by the Thomas family, a prominent Mendocino County pear grower that has been around "since Moses was a corporal," Beckstoffer said.

He had previously purchased an adjacent 197 acres, and will now develop the property jointly, he said.

For the two sales, Beckstoffer paid \$3.2 million combined, or about \$8,500 an acre, said Tony Ford, who represented the Thomas family in the transaction.

The land has excellent water rights, which is one of the features that made it attractive, Beckstoffer said.

"We think that Mendocino chardonnay is just excellent," he said. "The marketing hasn't been what it could have been in the past."

The Alex R. Thomas Co., which was founded in 1919 in Ukiah and has holdings around the county, has suffered financial strain in recent years. Pear prices have softened from foreign competition, and Mendocino County is losing about 100 acres of pears a year, according to the county's Agricultural Commissioner.

After the bulldozers have finished knocking down the pear trees, the ground will be prepared, irrigation systems installed, trellises erected, and young vines planted.

Beckstoffer hopes to have a good portion of the work completed by the end of the year.

While he's confident of the industry's long-term prospects, Beckstoffer said he wouldn't want others to follow his lead just yet. He's far from certain about the grape industry's short-term health, given the state of the economy.

"I think it's a risky thing right now," Beckstoffer said. "If you haven't got the re-

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sources, it could be very risky."

That's because the impact of the recession on consumers remains unclear.

"Nobody expected this economic crisis and nobody knows how long it's going to last," he said. "That's the tough thing."

But Ford said the deal makes perfect sense for someone like Beckstoffer for several reasons. Wines under \$10 are selling strongly now as cash-strapped consumers hunt for bargain wines. Mendocino grape quality is high but prices are modest compared to Sonoma and Napa, Ford said. Mendocino County's average grape price was \$1,352 a ton last year, compared to \$2,235 for Sonoma and \$3,390 a ton in Napa.

That means Beckstoffer's chardonnay grapes will be in demand among winemakers who want to make a Mendocino County wine in the \$10 range or need grapes for blending into more expensive wines, Ford said.

Correia agreed Beckstoffer's move seemed like a smart one.

"The folks now are doing things right now are folks who have stronger resources than the typical family farmer," Correia said.

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