

## BUSINESS

# Small Wineries Find Creative Ways to Thrive

NewsUSA

(NU) - A real-life David and Goliath battle is brewing in California wine country, as smaller wineries fight to compete against behemoth wine companies—corporations and private equity funds that are changing the face of the West Coast's wine industry forever with a frenzy of acquisitions.

"2016 will be remembered as one of the busiest years in M&A history for California wine, in terms of numbers of transactions and the amount of high-profile purchases," says George Coope, an analyst for Zepponi & Company.

Higher wine consumption; consumer interest in more expensive, higher-quality wines (known as "premiumization"); and lower interest rates are among the forces driving the trend. Premiumization is perhaps the most important trend shaping today's U.S. wine industry, according to Coope.

So how do the small vintners thrive and compete? Some streamline the number of wines offered; others focus on building their wine clubs and relationships with consumers who purchase direct. One California winery has taken an unconventional approach—creating a values-based partnership with a like-minded winery in another part of the world.

Jordan Vineyard & Winery, in Sonoma County, and Champagne AR Lenoble in France, recently announced a new kind of collaboration. This one requires no financial investments; just two family-owned wineries sharing expertise and each other's wines. Jordan now serves guests who attend Jordan culinary events and winemaker dinners Jordan Cuvée by Champagne AR Lenoble. AR Lenoble also serves Jordan wines to its guests at the win-



ery in the village of Damery. Both wineries take pride in being independent in today's globalized wine world.

"We believe small, independent businesses like ours are stronger if we stick together," Antoine Malassagne, winemaker and co-proprietor of AR Lenoble says in a statement. Founded in 1920, AR Lenoble remains one of the few houses in Champagne that is 100-percent independent with no corporate investment.

The Jordan Cuvée by Champagne AR Lenoble will be served at Jordan's special events and will be available for purchase direct from the winery in spring 2017.

"Sparkling wine is a family tradition we just couldn't let go of," says John Jordan, proprietor of Jordan Vineyard & Winery. Jordan Winery has a history with sparkling wine dating back to 1987, when John's father and sister created J by Jordan sparkling. His sister sold J to the E&J Gallo corporation last year.

"Independent businesses need to be nimble to succeed in an increasingly corporatized industry," Jordan says. Founded in 1972, Jordan remains independently owned, increasingly less common for established mid-sized wineries in Northern California.