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Wash. wineries getting bigger as production grows

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Six years ago, Precept Brands chose not to compete with companies making big-bucks wines, instead seeing opportunity in the under-\$10-a-bottle market.

Seems like it was a good move — the company recently expanded to a 53,000-square-foot facility with storage tanks rivaling those found at diesel plants in size.

Up the road in Richland, Goose Ridge Vineyards just completed construction of a massive production facility of its own. The new building will enable the winery, a smaller company, to bottle 325,000 cases this year and even more in the future.

Save for a few big operators, Washington state has largely been home to small, boutique wineries, despite its No. 2 ranking for premium wine. But the massive storage and fermentation tanks being erected up and down the state's wine corridors prove that things are changing.

"There's a lot of consolidation overall in the wine industry. Because of that, a lot of the bigger wineries, not necessarily us, have a lot more market opportunity," said John Freeman, winemaker for Waterbrook Winery, the flagship label for Precept Brands. "There's room to grow."

When it comes to wine production, Washington still can't touch California, which produces some 90 percent of U.S. wine. California is home to 2,843 wineries and more than 500,000 acres of wine grapes, and its overall value to the state is nearly \$59 billion, according to the California Wine Institute.

Washington sits a distant second with 33,000 acres, 600-plus wineries and a value of \$3 billion.

Washington still trails California, and small wineries that produce 5,000 cases or less still dominate the state's industry, said Robin Pollard, executive director of the Washington Wine Commission, a promotional agency financed by fees on member wineries and growers.

But facilities like this make it easier to try and catch up, she said.

"The construction is a sign our industry is growing and, in spite of the economy, we are seeing increasing investment," Pollard said.

Long known for its cattle operations in central Washington's lower Yakima Valley, the Monson family first planted wine grapes in the late 1990s. Now the family's Goose Ridge Vineyards comprises 1,400 contiguous acres, with more to come.

The new production facility includes 30 tanks, each equivalent to about 7,500 cases of wine, with a total storage capacity of 18,500 gallons.

Yet most of that wine is made for someone else. The winery currently bottles only about 7,500 cases under its Goose Ridge label and another 50,000 cases under its Stone Cap label. The rest is sold for bulk wine for retailers and other wineries to sell as their own.

"We can grow it, make it and bottle it for you under your own label. It's a diversified business," Monson said. "We're hoping to grow that industry, because that's a niche we can provide for small and large wineries."

Precept Brands, on the other hand, focused on consolidating and increasing production of its dozen-or-so brands, with a sideline of some custom bottling for retailers to help build sales relationships. The new facility has 89 tanks with a total capacity of 900,000 gallons.

"With our production, we make a lot of wine for ourselves," Freeman said. "The custom bottling, it's a foot in the door to sell our own wines."

Increasing production is an important part of Washington's wine industry making a bigger mark on the national and international wine scene, Pollard said.

"It will translate to having more wine to fill orders, which means we'll be able to garner more shelf space in retail shops or on wine lists in restaurants," she said. "We're not there yet, but we will be viewed as a serious player in the world market."