

Growers discuss negotiation, collaboration during Lodi Vineyard & Wine Economics Symposium

by Kerana Todorov (/search/?q=kerana%20todorov&sort=document-date)

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Panelists on the art of negotiation Thursday at the Fourth Annual Lodi Vineyard & Wine Economics Symposium included moderator Randy Caparoso, editor-at-large, *The Somm Journal*; Ann Kraemer, vineyard manager, Shake Ridge Ranch; Chris Passarelli, partner at Dickenson, Peatman & Fogarty; Robb Felder, director, grower relations, Trincherro Family Estates; Jeff Pisoni, winemaker, Pisoni Vineyards; and Dr. Jan Krupp, proprietor, Krupp Brothers Winery and a former owner of Stagecoach Vineyards. Photo by Kerana Todorov/Wine Business Monthly.

How does one negotiate grape contracts? How do you negotiate deals with clients?

"I am a collaborator," grape grower Ann Kraemer said during a panel on the art of negotiation.

Kraemer, a longtime viticulturist in the Napa Valley, now vineyard manager at her family's Shake Ridge Ranch in Amador County in the Sierra Nevada, was one of the speakers during Thursday's Lodi Vineyard & Wine Economics Symposium.

Kraemer farms 46 acres at Shake Ridge Ranch, which she established nearly two decades ago. The vineyard is planted in 12 varieties over 37 blocks.

She works with 33 winemakers who contract to buy fruit from specific rows. Kraemer's contract include the rows, the price of the fruit and other terms. Kraemer asks to taste the wine before a producer can use "She Ridge Ranch" on a wine label.

Many of her clients are young winemakers at the beginning of their careers.

"That's what I've always tried to do is have a partnership with our winemakers," Kraemer said. "I'll bend over backwards to give them what they want and they, in turn, make sure I stay in business."

"It's incredibly fun," Kraemer said.

Her family also produces Yorba with fruit from the ranch.

Kraemer, who has also consulted in Oregon and Chile, wanted Shake Ridge clients to produce wine that is of value to them. In turn, they would pay her enough money to do the farming she wanted to do.

Potential clients included buyers she had met in Napa.

Fruit prices were set at the 90th percentile of the Sierra Foothills district average. That was done with the promise that in two years, once clients knew the retail price their wine could sell, prices for Shake Ridge fruit would increase to meet Kraemer's farming costs.

"To focus on quality is so much more interesting," she said. "It's not inexpensive through," she said.

E&J Gallo acquired in 2017 the iconic 600-acre Stagecoach Vineyards on Pritchard Hill from Dr. Jan Krupp and his brother, Bart.

Jan Krupp on Thursday explained how he and his brother developed the vineyard in the 1990s into a property that produced fruit at top prices.

The development of Napa County's largest contiguous vineyard required the removal of 2 million tons of rocks, Krupp said.

The property was also landlocked. There was no access road and no existing easements.

Krupp and his brother, Bart, negotiated easements with 28 neighbors, producing about 135 legal documents, Krupp said.

"I was lucky to have a very smart attorney who believed in the project and didn't charge a lot," Krupp said. His Realtor was also sharp and "very talkative," he added.

People would listen to the Realtor and eventually ask "Where can I sign on the dotted line?" Krupp recalled, as the audience at the Wine & Roses Conference Center chuckled.

It took a year to negotiate the legal agreements and a month to build the access road, he said.

The Krupp brothers located water, thanks in part to a water witch.

Their efforts eventually paid off.

The fruit from Stagecoach Vineyards was 46 percent more expensive than Napa Valley's average winegrape prices during the last decade the property was under the Krupp brothers' ownership. The property supplied about 100 wineries, Krupp said.

Krupp worked with the press to place the vineyard on the map. Stagecoach was featured in the Wine Spectator in 2000 after he wrote a long letter to journalist James Laube.

He also listened to his customers who told him the Cabernet Sauvignon from Stagecoach Vineyards had more character than the fruit from the Napa Valley floor. Eventually, quoting one customer to another, Krupp sold 600 acres worth of grapes at higher than average Napa Valley prices.

"I think you can do the same in Lodi," Krupp said.

He urged the growers in the audience to be flexible when negotiating grape contracts. "You can give your buyers what they want and make sure you're getting a fair price," Krupp said.

Other speakers included Chris Passarelli, partner at Dickenson, Peatman & Fogarty. Among other tips Passarelli said grape contracts should address the use of vineyard name. To register a vineyard name as a trademark, growers can send pictures of fruit bins to federal officials to show how the name is used.

Robb Felder, director of grower relations at Trinchero Family Estates. The family contracts with about 60 growers in Lodi for about \$42 million worth of fruit. He told to growers to tell their story that resonate with buyers. Growers should know present materials include spec sheets on the vineyard and maps that show the location of the varieties farmed.

Also, growers should remain transparent with clients, including disclosing diseases and other issues, to build trust. Growers should also know market conditions and establish relationships with winegrape brokers. They can help growers understand where their vineyards fit in the market. Growers should also make sure they negotiate grape contracts with wineries that are reputable and will pay for the fruit.

Check with the client post-harvest to find out if the winery is happy with the fruit and if there is room for improvement.

Gary Pisoni started planting grapes in in the early 1980s on the family's cattle ranch in the Santa Lucia Highlands. One of his sons, Jeff Pisoni, is now winemaker at Pisoni Vineyards.

On Thursday, Jeff Pisoni said his father uses no contracts. His father's guidelines for clients include that they must be his friends and pay the bills, the younger Pisoni said.

The Pisonis support the use of vineyard designations on labels. There is a mutual benefit from that, Pisoni said.

Pisoni urged the audience to maintain a close relationship with clients and to exchange ideas.

Wineries share ideas about grape growing with the Pisonis, he said. "We share ideas about winemaking," Pisoni added. "There is a lot of collaboration."

Speaking on another panel Thursday Justin Leigon, viticulturist at Pina Vineyard Management, also stressed collaboration and dialogue with winemakers, with whom he maintains a no-surprise policy.

"That relationship is huge," said Leigon, who works with clients to deliver the fruit they expect. "A lot of the challenges come down to not having an open line of communication," Leigon said.

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