

JULY 2017 • \$6.95

THE tastingpanel MAGAZINE



MOON (Shine)

**OVER
BUFFALO
(WILD
WINGS)**

**OLE SMOKY DISTILLERY
OFFERS NEW DRINKING
EXPERIENCES TO BUFFALO
WILD WINGS' CUSTOMERS**

FOSTERING A RESURGENCE

E. & J. GALLO TAKES A COLLABORATIVE APPROACH TO CALIFORNIA CRAFT BRANDY WITH THE **CALIFORNIA BRANDY SUMMIT**

BY DIANE DENHAM



For decades, Bob Gallo, son of E. & J. Gallo co-founder Julio, had been distilling very high-quality brandy and storing it in oak barrels—without a real plan. He amassed decades of stores of premium brandy with no sales program in mind, in large part because he simply loved brandy.

But that didn't mean Bob, Co-Chairman of the Gallo Board, just let it lie. Through the years, he regularly talked with family members, including his nephew Ernest J. Gallo, General Manager of Gallo's Spirits Business Unit. Bob would often ask whether the family was ready to sell a premium craft brandy.

Every chance Bob had, he would suggest creating a brand of premium brandy, and he would hear that California, and America, was not ready. Brandy's heyday in California lasted from the mid-1800s until Prohibition put an end to it, but it fell out of fashion about the same time as top hats.

Then about two years ago, Bob brought it up again. This time was different. After all those years, Bob heard the answer: "We're ready."



Brandy Summit attendees at the historic McCall Distillery near Fresno with their formal declaration to elevate California brandy.

The Gallo company could have gone solo from there; it certainly has experience launching brands and has excellent resources and talent upon which to draw. But they believed the entire California brandy community would benefit if they all worked together. “We know we don’t have all the answers, so we hoped to make this a more collaborative effort,” Gallo explains. That collaboration took various forms, both inside and outside the company, in the development of Argonaut, Gallo’s debut line of craft brandies.

Argonaut Saloon Strength, Speculator and Fat Thumb are scheduled for a July soft release in San Francisco. Even though trade input influenced Argonaut’s conceptualization, the cautious single-market rollout



Argonaut’s back label lists everything you want to know about what’s in the bottle.

is deliberate. “If we go out to too many markets at once, we can’t learn,” Ernest said. “We want to make sure we get it right.”

Saloon Strength, developed with cocktails in mind, wholesales at about \$28 and is available only in one-liter bottles. The more complex Speculator, with its silky mouthfeel and floral notes, will stand up in cocktails, but consumers may prefer to enjoy it neat. It retails for \$38. The blend in Fat Thumb (so named for greedy merchants’ “fat-thumbed” pinches of prospectors’ gold dust) exhibits flavors and texture akin to a traditional Cognac. Its pastry yeast notes marry well with orange flower and Muscat elements. Fat Thumb retails for \$50.

Chances are, Gallo won’t have to tweak much before

introducing Argonaut to other markets. The Gold Rush–themed branding befits a California brandy, and the packaging is clever. There’s also high quality in the bottles. Those aged brandies the Gallos have been hoarding for decades are a component in all the blends, and everything you could possibly want to know about them is on the innovative back label. You won’t need cheaters to read about it, either; Argonaut’s proof, blend percentages, aging and distillation methods are laid out in a legible table format.

The California Brandy Summit

As they contemplated the question of how to stimulate demand, the Gallo team lit on the idea for the California Brandy Summit. They decided to take a “rising tide floats all boats” approach by inviting the modern pioneers of California craft brandy, producers who had been going it nearly alone for decades. Gallo hoped they’d be willing to share their experiences; the produc-

ers accepted. By joining in a category discussion group with spirits experts, media and trade representatives at the Summit, perhaps ideas would emerge that would benefit them all.

Twenty gleaming copper pot stills inside the historic McCall Distillery near Fresno set the stage April 24 for the first day of the inaugural California Brandy Summit. On the dais with E. & J. Gallo's Master Distiller, David Warter, were three of America's preeminent spirits experts: moderator Paul Pacult, dubbed "America's foremost spirits authority" by Forbes.com; Doug Frost, one of four people in the world to simultaneously hold MW and MS titles and a leading wine and spirits educator; and David Wondrich, senior drinks columnist for The Daily Beast. Among the brandy producers in attendance were Ansley Coale, founder and principal of Germain-Robin; Dr. Dave Farber, founder and distiller of Osocalis Distillery; Marko Karakasevic, 13th-generation distiller at his family's Charbay Distillery; and Paul Ahvenainen, Director of Winemaking and Master Distiller at F. Korbel & Bros.

Ahvenainen underscored the novelty of such an assemblage. "I've been doing this for 32 years, and I've never sat in a room with other brandy producers talking about what we can do to elevate the brandy category."

The big reveal concerning the American market came early on. As Pacult got down to brass tacks with category statistics reported by the Distilled Spirits Council of the United States, intriguing evidence came to light: to wit, the luxury price point isn't the obstacle. There is consumer demand for brandy—just not for high-end *American* brandy. U.S. consumers are willing to shell out at the super-premium level for Cognac but don't seem to regard American brandy as having the same cachet. As Frost pointed out, "Consumer perception of American brandy as a commodity is a major obstacle blocking the path. In restaurants, brandy is either in the well or in the kitchen. In retail, it's on the bottom shelf. Consumers associate Cognac as a luxury product but don't necessarily know that Cognac is brandy."

Pacult laid it out with hard numbers. "The statistics show that the U.S.



The Brandy Summit Argonaut cocktail competition team from left to right: Tyler Hudgens, Troy Clarke, Paul Pacult, Jon Santer and Paul Clarke.



David Wondrich, Daily Beast spirits columnist, signs the brandy declaration as Doug Frost, MW, MS, looks on.

consumer is ready, willing and able to spend on high-end brandy," he said. "Between 2002 and 2016, the reports show phenomenal growth in the U.S. brandy/Cognac premium market . . . more important, the growth in the super-premium segment is nothing short of staggering. That segment increased 279 percent by volume and 354 percent by revenue."

The Tenaya Lodge's location just outside Yosemite Valley was the ideal location for Gallo's introduction to Argonaut. "It was here in the surrounding area that the entrepreneurial gold

miners known as Argonauts paved the way for modern California," explained James Pelligrini, Manager of Spirits Brand Development, at the Argonaut unveiling and tasting. A "spirited" team cocktail competition and a trip to the national park topped the afternoon.

At the closing dinner, Ernest Gallo expressed his gratitude. "I really appreciate the time the other producers and everyone involved put into the Summit," he said. "It's been an great experience. I believe the California premium brandy category is on the verge of a renaissance." ■■