

Orangewood Wines

Small Wineries, Great Wines

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Introduction

We did have a great vacation in Italy, as predicted. I came back fired up to write a Newsletter, but the impending events drained my adrenaline. With those events - Halloween, Guy Fawkes night and, not to mention, the Mid term Elections behind us, I am ready to do battle with my pen - or more correctly, my keyboard.

Orangewood continues to grow as we brace ourselves for the coming "Distribution Realignment". That is the topic this month.

Note: Richard has changed to a new editing tool at Constant Contact. The format may evolve for a while.

Distribution Realignment

At the beginning of the year there was an announcement that two of the national distributors (those that distribute wine in a substantial number of states) had agreed to merge. They do this to give them more coverage across the United States and to take advantage of economies of scale. No attempt is made to help consumers or small wineries. These large distributors count the number of wineries they represent in thousands. (By comparison, Orangewood represents about 50 wineries. The small number actually allows us to represent each winery.) Larger wineries usually have their own representatives in each state, leaving the distributor to be an order taker. When a merger occurs, the number of wineries more or less double. One of the synergies of the merger is to drop up to half of their suppliers. This reduces the combined inventory by half. It also reduces the number of office staff dedicated to the back office aspects of dealing with a winery - brand management, purchasing, accounts payable, web maintenance....

Another cost savings is often in the sales force. Why have multiple sales people calling on the same customers? That is not to say that the big distributors don't have multiple people calling the same customer already, each with their own specialty: wines, fine wines, spirits, beer...

We second tier distributors (there are about 10 or so in Arizona) are standing by to see what is falling off the table, through the cracks or just plain trying to escape from the mating of the elephants. If you are a winery nervous about your prospects or just less than happy with how things are, there are alternatives.

In case you didn't guess, we are on the lookout for wineries and experienced sales people.

Rambling

We did make our trip to Italy in September. We flew to Philadelphia and spent a day with our friends and travel companions, Pam and Dick, who were with us when we made

our first trip to Italy over 20 years ago. Taking a day in Philadelphia put us 3 hours closer to Italy, from a time zone perspective, and generally set the tone of our relaxed vacation. In general we were unscheduled. We had no desire to get the most check marks on the lists of must-do touristy things. As I said last month, we did have a couple of Florence visits scheduled. I got to contemplate Michelangelo's Slaves (or Prisoners, as they are also referred to) emerging from blocks of marble. My viewpoint this year was from a bench above an air conditioning duct. It was pretty hot and sticky in Firenze for mid-September.

We also visited two Tuscan wineries we represent. Avignonesi is now certified as bio dynamic. One of the benefits for doing so is that the savings made from not using expensive chemicals can be applied to paying for more farm workers to maintain the vineyards. They become year round rather than seasonal employees. We saw an experimental vineyard planted with rows of vines running radially. Overall it looks like a circle - you can see it on the [Avignonesi home page](#). They grew the grapes and harvested them each year in concentric rings. They would process the grapes separately with the intention of finding the spacing between rows that worked best for these Sangiovese vines. The answer was closer is better; so close that the grapes have to be hand picked. The other winery, Ormanni, is near to Poggibonsi. We arrived at the same time as the first grapes of the 2018 harvest. Their vineyards straddle the boundary of the Chianti Classico region, so they produce Chianti Classico and Chianti from the different sections. One section was all rocks and clay, the other all chalk.

In Rome we met up with, Gary, a high school friend of Laurie's. The last time they had seen one another was back when she played Anita and he Bernardo in their High School production of West Side Story. That was several years ago. Gary took us on a whirlwind walking tour of Rome, finishing at an Irish pub!

We also met Ginny, one of the avid readers of this newsletter. Though Ginny has a house around the corner from us in Cave Creek, we met at a restaurant in Rome for an extended lunch.

The rest of the days we got up late, had breakfast, picked an old town to visit, wandered around, then food, wine, more wandering, more wine. This was not a high pressure trip!

The Rambler rambles on...

Cheers,

Richard (newsletter writer) and Laurie (editor)
Orangewood Wines

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