



Joe Wagner founded Copper Cane Wines & Provisions in 2014 and has already built a platform for growth. The portfolio now boasts seven wine brands from California and Oregon.

THE VISION TAKES HOLD

*Bolstered by the 2015 sale of Meiomi to Constellation,
Joe Wagner is shaping the next phase of an
already-storied wine career*

BY DAVID FLEMING

IT'S TOUGH to keep pace with Joe Wagner—even when simply listening to him expound on the wealth of projects currently occupying his young company, Copper Cane Wines & Provisions.

But one central message is clear: Wagner's vision extends beyond the business of winemaking, and into a larger goal of creating a new cultural platform for luxury wine drinkers.

Tasting through his wines, he's discussing Quilt (\$48), a Napa Valley Cabernet Sauvignon blended from a patchwork of AVAs including Oakville, St. Helena, Atlas Peak, Coombsville, Calistoga and Howell Mountain. The wine's name reflects Wagner's belief that Cabernet does better in Napa Valley when it comes from a variety of sources. "Structuring the wine with grapes from the hillsides and blending them with grapes from the valley floor isn't a new concept," he says. "But with Quilt, we're at a price point that will get people reacquainted with this aspect of Napa."

PHOTO BY COLIN PRICE

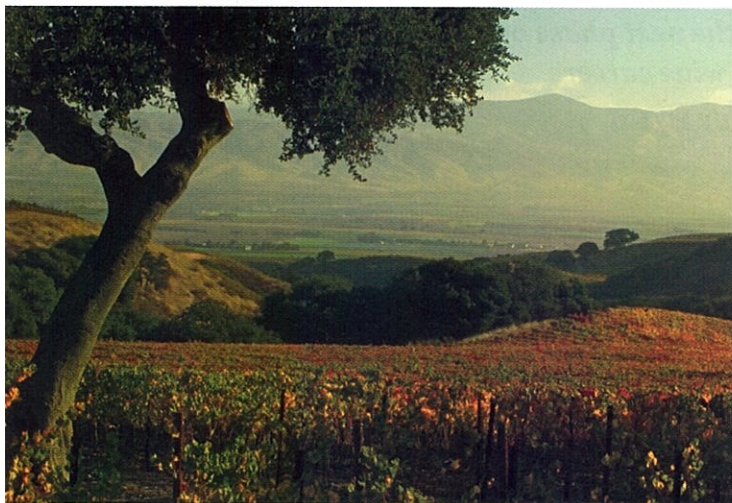
Acquainting and reacquainting people with fine wine—particularly younger consumers—is a constant theme. "When I grew up in Napa Valley, it was a rural area, with just a few wineries," says Wagner, whose father, Chuck, owns and operates Rutherford-based Wagner Family of Wine with Joe's siblings. "Obviously it's changed a lot. While that's been mostly for the better, Napa has priced itself out of the market for people who want to try something new at a reasonable price. The newer Napa wines are great, but they're being marketed with a more elitist approach. We need an aspirational message—that wine elevates your everyday experience, that it's about enjoying the finer things in life on a more regular basis. Napa Valley is losing its way, particularly with younger consumers. The younger generation won't pay \$80 to \$100 for a Cabernet they've never heard of."

Quilt has been well received—"overly well received," jokes Wagner. The wine launched last year with 7,000 cases from the 2014 vintage and sold out within

three months. This year's release of the 2015 vintage is nearly three times as big at 20,000 cases.

Quilt isn't the largest brand in the Copper Cane portfolio, but it goes to the heart of Wagner's youthful, millennial-centric spirit. He's best known for building Meiomi, the Pinot Noir-led label that launched in 2009 and became a smash hit. He broke away from his father's company to found Copper Cane in 2014, and sold Meiomi to Constellation Brands for \$315 million in the following year. Since then, it's been a busy couple of years as Wagner's plans for Copper Cane take hold.

After the Meiomi sale, the first order of business was filling a nearly 800,000-case void left by its departure. "The Meiomi deal eliminated a huge part of our production, and I didn't want to lose anyone on the team, so I've worked to fill that gap," Wagner says. Today Copper Cane employs around 70 people, including vineyard and winery staff, administration, sales and marketing. "We've got a bigger team than we need for our current volume, but we're building for five years down the road," Wagner says. "We expect our brands to get somewhere, and we have a pretty good plan over the next four to five years to achieve that."



Wagner (above with Copper Cane director of winemaking John Lopez) sold Meiomi (Monterey vineyards top) to Constellation for \$315 million in 2015. He has filled the void with a host of new brands.

Delving Into Oregon

Total production at Copper Cane hit around 200,000 cases in 2017, and Wagner aims to reach 1 million cases by 2021. The portfolio offers seven brands, including the Cabernet-led Quilt, Oregon Pinot Noir Elouan, California Pinot Noirs Belle Gos and Böen, Zinfandel label Beran, Napa Valley field blend Carne Humana, and sparkling wine Steorra. Wagner sees Elouan, Belle Gos and Böen as the priority brands.

While Copper Cane is based in St. Helena in the heart of the Napa Valley, its Elouan label means that Oregon is a key focus. Launched in 2014 with the 2013 vintage, Elouan sold around 30,000 cases in 2016. The 2016 vintage launched this year and 2017 volume will reach 80,000 cases. Considering Wagner's track record in Pinot Noir with Meiomi and Belle Gos, a move into Oregon made sense. And Oregon wine country reminds Wagner of his agrarian roots in Napa. "Oregon's farming has a real mom-and-pop aspect, which is something I love and grew up with in Napa Valley," he says. "Elouan has been growing like crazy for us—it's pretty exciting."

Elouan's name is taken from a Breton word meaning "good light," a nod to the fact that Oregon receives more light than California because of its northern latitude. "Oregon's grapes don't have the same ability as California's to ripen through heat and desiccation," Wagner notes. "It's all about growing-degree days up there. At the height of the season, Oregon gets about 45 minutes more sunlight than California. That how it's different, and how it successfully grows grapes."

Elouan currently has three bottlings in the range. The core Elouan Oregon Pinot Noir (\$22) is a blend of Pinots from the Willamette, Umpqua and Rogue Valleys. There's also Elouan Rogue Valley Reserve Pinot Noir (\$45) that "showcases what Rogue Valley can do in terms of a higher-tier Pinot Noir," Wagner says, as well as an Elouan Rosé (\$20), made with Pinot Noir and Syrah from the Willamette, Umpqua and Rogue Valleys. Next year, Elouan will add a Willamette Valley Reserve and a small run of Chardonnay. "Oregon Chardonnay has a character that stands on its own," says Wagner. "I don't think many people see that yet."

Wagner will continue to explore new possibilities in Oregon. "Last year, we made a sparkling wine that was phenomenal," he says, adding that there are no specific plans to release an Oregon sparkler quite yet. "But a lot of Oregon producers are making small runs of sparkling wine, and I think they're superior to many from California," Wagner argues. "In general, there's a lot of opportunity in Oregon for new styles."

The California Pinot Noirs

Back in California, the jewel in Copper Cane's crown remains its single vineyard Pinot Noir label, Belle Gos. Named for the family of Wagner's grandmother, Belle Gos has three core offerings, including Clark & Telephone from Santa Barbara County (\$55), Las Alturas from Monterey County (\$55) and Dairyman from the Russian River Valley (\$55). A fourth Belle Gos vineyard (and the brand's original property) is Taylor Lane in coastal Sonoma County. At present, Taylor Lane is in the midst of a major stylistic transition that began

in 2011 and is aimed at creating a more Burgundian profile. “We threw out the process and went for a very traditional method,” Wagner says. “I also felt the wines needed more bottle aging.” All the Taylor Lane wine is now bottled in magnums. The 2011 vintage, the first under this new method, will be released in 2019 or 2020, after seven years of bottle aging.

Quality, pricing and inventory are key to the success of a luxury stalwart like Belle Glos. To head off any potential inventory issues, Copper Cane is developing a new Belle Glos label called Balade. “I call Balade a transitory vineyard-designated wine,” Wagner says. “We’ll move from vineyard to vineyard each year, and talk about the reasoning behind our choice in terms of showcasing the Belle Glos style.” Rather than using vineyard names, Copper Cane is using GPS coordinates of the block or vineyard where the grapes are sourced. Belle Glos Balade will be offered to the Hillstone Restaurant Group through 2018, but will be nationally distributed thereafter. “Balade (\$20 a glass) will help us maintain our placements, and continuity of supply is important with by-the-glass,” Wagner says. “But Belle Glos’s three main vineyard-designated labels will remain the most prominent.” Belle Glos has also released some small production runs of Napa Valley Pinot Noir, primarily for local Napa restaurants. “It’s a very forward Pinot Noir and a fun wine—not traditional by any means, but still pretty cool,” Wagner says.

Copper Cane’s third Pinot Noir label, also a priority brand, is Böen. “Böen is our appellation-tier wine, while Belle Glos is vineyard-designated and Elouan is our everyday-priced wine,” Wagner says. Böen (\$28), whose name derives from an old Danish word meaning “farm,” touches upon Wagner’s agrarian identity. Thus far it offers just one label, a Russian River Pinot Noir, but Wagner is preparing new expressions from the Santa Lucia Highlands and



Copper Cane’s California crown jewel is Belle Glos, a luxury single-vineyard Pinot Noir label (Wagner pictured pouring Belle Glos at Wine Spectator’s 2015 New York Wine Experience).

Santa Maria Valley, which may be released in early 2018. Total production for the three appellations will be around 20,000 cases. Wagner also plans to release a Böen Chardonnay, as well as Pinot Noirs from the Sta. Rita Hills and elsewhere, in the future.

Reviving Zinfandel’s Legacy

While best known for his prowess in Pinot Noir and Cabernet Sauvignon, Wagner is also fascinated by Zinfandel, a grape that he thinks has become neglected over the last decade or two. He’s looking to revive its legacy with his Beran Zinfandel label. “Zinfandel has so much history in California,” says Wagner. “It’s a very expressive varietal that became a bit overproduced, and so it’s still misunderstood.”

Beran also goes to the heart of Wagner’s fascination with farming and California history. He buys the grapes from prominent Zinfandel growers including the Saini and Foppiano families, who’ve been cultivating the varietal for a century or more. “We want to tell their story,” Wagner says. The Beran line includes a California-appellated Zinfandel (\$24), and expressions from Sonoma County (\$31) and Napa Valley (\$48). But Wagner concedes that developing Beran into a major label will take time. “Our expectations aren’t the same as for our Pinot Noirs and Cabernet,” he says. “I’m passionate about Zinfandel, and we want to reacquaint people with it, but it will be a long-term project.”

Copper Cane also offers a sparkling wine label in Steorra (\$23), a non-vintage Russian River Valley Brut whose name means “star” in Old English. “Steorra is a tie to the history of California wine,” says Wagner. “A lot of German immigrants arrived in California during the mid-1800s and made sparkling wines. It was a major part of the origin of California’s wine industry.” Thus far, Steorra is an on-premise label. “We didn’t put a UPC on the back label—we’re trying to maintain it as by-the-glass only,” Wagner

COPPER CANE WINES & PROVISIONS

Founded	2014
Headquarters	St. Helena, California
Number of Employees	70, including vineyard and winery staff, administration, and sales and marketing personnel
Total Volume	200,000 cases for 2017, projected to reach 1 million cases by 2021
Portfolio	Seven wine brands in total, as well as a partnership for a cigar brand and a swimwear line

says. “The sparkling category is very hot, and what’s growing is the drier style, so Steorra fits right in. It’s also at a good price point for a California sparkler, and people like that it’s not so retail-driven.” Next year, Copper Cane will add a 2013 vintage Blanc de Blancs and a 2014 vintage rosé to the Steorra line.

Rounding out the Copper Cane portfolio is Carne Humana, a Napa Valley field blend sourced from within the original boundaries of Rancho Carne Humana, an 18,000-acre Mexican land grant made in 1841. Carne Humana offers a Napa Valley Red

(\$36) and Napa Valley White (\$21). Its relatively high price for a Napa blend has caused some difficulties, as has the historic name, which translates as “human flesh.” As a result, Carne Humana is being rebranded as RCH and will be reintroduced in 2019.

Balancing On- And Off-Premise

About 60 percent of Copper Cane’s volume is done in the on-premise—mainly by-the-glass sales in fine dining venues. Wagner sees great strength in by-the-glass sales for



COPPER CANE’S PORTFOLIO

Elouan

An Oregon Pinot Noir (\$22), blending grapes from Willamette, Umpqua and Rogue Valleys. The Elouan line also includes a Rosé (\$20) made with Pinot Noir from those same three regions, and a Rogue Valley Reserve Pinot Noir (\$45). Total volume for 2017 is 80,000 cases.

Belle Glos

A vineyard-designated California Pinot Noir from coastal Sonoma and the Central Coast. The three core expressions are Clark & Telephone from Santa Barbara County (\$55), Las Alturas from Monterey County (\$55), and Dairyman from the Russian River Valley (\$55). A fourth Belle Glos vineyard, Taylor Lane, is currently undergoing a transition to a more traditional, Burgundian style. A new on-premise label, Belle Glos Balade (\$20 a glass), will be sourced from a different vineyard each year. Belle Glos also makes small amounts of Napa Valley Pinot Noir for local restaurants.

Böen

An appellation-driven Pinot Noir. Böen’s only current label is Russian River Valley Pinot Noir (\$28), but it will be expanded into new appellations, starting in early 2018 with Pinot Noirs from the Santa Lucia Highlands and Santa Maria Valley. Wagner also plans to release a Böen Chardonnay, as well as Pinot Noirs from the Sta. Rita Hills and elsewhere, in the future. The name Böen comes from an old Danish word meaning “farm.”

Quilt

A Cabernet Sauvignon sourced from a patchwork of prime Napa Valley vineyards covering the AVAs of Oakville, St. Helena, Atlas Peak, Coombsville, Calistoga and Howell Mountain. Labels include a Napa Valley Cabernet Sauvignon (\$48), Cabernet Sauvignon Reserve (\$112) and a new Chardonnay (\$36), from Carneros and Oak Knoll. Quilt’s production hit 20,000 cases in 2017, up from 7,000 cases in the previous year.

Beran

A Zinfandel sourced from renowned family growers in Sonoma, Napa, Mendocino, Amador and elsewhere in California. The Beran line includes a California Zinfandel (\$24), as well as wines from Sonoma County (\$31) and Napa Valley (\$48). Beran is an Old English word meaning “bear,” a nod to the animal’s symbolic role in California history.

Carne Humana

A Napa Valley field blend, with a Napa Valley Red (\$36) and Napa Valley White (\$21). Named for Rancho Carne Humana, a 19th-century Napa Valley land grant, and sourced from vineyards within the grant’s original territory. Wagner is currently transitioning the name to the acronym RCH, planned for release in 2019.

Steorra

A Russian River non-vintage brut sparkling wine (\$23). Copper Cane is planning to add a vintage Blanc de Blancs and vintage rosé to the Steorra line next year. Steorra is an Old English word meaning “star.”

all the brands, particularly for the Pinot Noirs. “People are still learning that Pinot Noir is a superior food wine that’s highly versatile and complex,” he says. “And with Quilt, we can offer a glass of Cabernet at between \$15 and \$18, at a quality level that I think contends with some of the top cult wines. I think it’s amazing that we can offer a Napa Cabernet at retail for between \$40 and \$50, with by-the-glass pricing below \$20.”

In managing the on-premise, Wagner ensures that retailers also have a comfort zone in terms of pricing, emphasizing a combination of approachability and value. “One of the keys to our success is in maintaining the discrepancy between our retail and by-the-glass pricing,” he says. “That’s helped keep the on-premise business healthy. When you start seeing compression on a \$20 Pinot Noir at retail, restaurateurs begin to feel they aren’t offering enough value. So we’ve always been very strict about our retail standards, and check pricing on a regular basis. If somebody is bastardizing the price, we’ll ask our distributor to cut them off. If they don’t, we’ll stop shipping to that distributor. A lot of people don’t understand how damaging it can be to let the retail price slide. It’s the quickest way to ruin a brand.”

Acquisitions And New Projects

After the sale of Meiomi, Wagner set a target of owning 4,000 acres of vineyards within five years. Right now, Copper Cane farms about 1,000 acres of vineyards, including leased and owned properties. Thanks to California’s overheated real estate prices, Wagner has dropped the timetable for reaching the 4,000-acre goal.

“It will all depend on the market,” he says. “We’ve slowed the pace substantially because we don’t want to overpay. We still have the goal of more acquisitions and more leasing, but we’re waiting for the time to be right.” In Oregon, Wagner has a specific scale in mind for establishing a farming operation. He’s eyeing two properties that total over 400 acres and is moving closer to a deal, but has yet to pull the trigger.

The pace of vineyard acquisitions may have stalled, but Wagner is proceeding with other projects at a rapid clip. He’s currently breaking ground on a new winery in Napa Valley, located between St. Helena and Calistoga. It will be a small facility with annual capacity of just 50,000 gallons, sitting on a 600-acre property that includes cabins and hiking trails. “It’s beautiful,” says Wagner. “We’ve already started bringing people up there, mostly from the trade. We can take them on hikes and showcase native Napa Valley, then bring them down to the winery.”

The winery, as yet unnamed, is slated for completion by the 2018 harvest and will operate with a somewhat unorthodox philosophy. “The aim is to showcase our winemaking and have

consumers become part of the process,” says Wagner. “They’ll be able to return in six months and taste the wine they’ve punched down. We’ll have an education influence, and the place will also serve as an incubator for our own experiments.”

Another winery project is The Dairyman in Sonoma County, located on property just outside Sebastopol that once was a dairy and sits amid 40 acres of Pinot Noir vines. Wagner has plans for a 1.2 million gallon winery, a 250,000 proof-gallon distillery focused on heirloom apple brandy, and a creamery. Thus far, however, local opposition has slowed the project.



Wagner (pictured tasting red wine samples with John Lopez and Copper Cane marketing director Sally Burton) currently has a number of new ventures in the pipeline, including two new winery projects in Napa and Sonoma County.

“We’re trying to take the historical components of Sonoma’s agriculture and put them together in one facility,” Wagner says. “We’ve stayed within the dairy plant’s original footprint in our design, we’re not impacting any native ground or habitat and we’re not expanding the vineyards. The small creamery will make local cheeses from Sonoma’s few remaining dairies. And I want The Dairyman to be a home to facilitate research and development for all our Sonoma wine production.” The project is still under an environmental impact review, and won’t get started until next year at the earliest. “I’m confident we’ll be able to build something there,” Wagner says. “Gaining approval is a lengthy and costly process, but that’s how the county operates and we have to deal with it.”

The Distilling Side

Like many winemakers of his generation, Wagner has embraced the art of distilling—and added it to Copper Cane’s repertoire. About four years ago, he began sourcing apples from the top orchards in Sonoma and made cider at the winery, with the idea of turning it into apple brandy. Wagner then began working with Modesto, California-based Do Good

Distillery, developing a friendship with owner Jim Harrelson. “Over a handshake, we began working with Jim in 2014,” says Wagner. The 38-year-old Harrelson passed away suddenly this past summer, leaving behind a wife and three children. “We worked with Jim on a daily basis,” says Wagner. “He was the guy behind everything, and had great expertise and a terrific palate. He was a wealth of knowledge, and we learned a lot from him.” Wagner made his first apple brandies with Harrelson in Do Good’s pot still, and subsequently bought a stripping still



Maintaining strict pricing standards in the off-premise is an essential component of Copper Cane’s strategy (Total Wine display above).

and a second pot still with a brandy head for the Modesto facility. He has also purchased the Do Good distillery building, along with another building next door that’s being used for storage. “We’re not business partners with Do Good, but we share the infrastructure of the distillery and expertise of the team,” Wagner says. “We’re upgrading our continuous still next spring, and will be able to produce pretty much whatever we want. We’re doing a lot of experiments, but we do have specific plans for spirits we’ve developed. The lineup will include apple brandies, grape brandies, Bourbon, rye, single malts and a gin. We’re also doing a Merced rye, to stay local in Central California. Much of our experimentation has come from the crossover of wine knowledge into spirits, so that’s been a great marriage.”

Moving To Mare Island

While those projects are important to Copper Cane’s future, Wagner has even bigger plans for future production of the company’s core seven brands. While Meiomi was formerly produced at multiple sites, all of Copper Cane’s wines today

are made at one centralized location, a leased facility in Napa Valley. Even the Pinot Noir for Elouan is picked at night in Oregon and driven to the Napa Valley facility, where it arrives by midday. Having one winemaking location thus represents a change from the Meiomi years. “Now that we’re all under one roof, everything is much smoother, and I want to maintain that method,” he says.

But Wagner is always looking ahead. The future locus for Copper Cane’s production is a planned facility at Mare Island in Vallejo, at the southernmost tip of Napa Valley where the Napa River flows into San Pablo Bay. The site is an old submarine repair facility, and Wagner hopes to have it revamped and operational by 2021. “We’ll slowly move everything to Mare Island,” he says. “We’re still doing due diligence, but it should come to fruition. There will be plenty of space, and that will provide opportunity for expansion. “The site also has some historic buildings that might eventually be part of a hospitality infrastructure.” The Mare Island facility will also be accessible by ferry from San Francisco and Oakland, which should help draw the younger wine drinkers who are Copper Cane’s core audience. It might also incorporate some wine studios to give fledgling winemakers without their own winery a place to cultivate their skills.

Meanwhile, Wagner is charging ahead with another unique project—a bar, tasting room and restaurant in downtown Napa. Several years ago, he purchased a row of three historic buildings on Main Street, one of which housed Fagiani’s, a historic Napa bar that had been closed for decades. New York City-based restaurant group AvroKo agreed to reopen Fagiani’s with a new name and concept, but ultimately decided to pull out. That left Wagner, as landlord, with a decision to make. “We figured we could either get a new tenant, or re-conceptualize the place,” he says. “We decided to take it on.”

The three-story building has been redesigned. “The first floor is a bar for our wines and some of our upcoming spirits as well,” says Wagner. “There will be a big focus on wine, of course—hopefully a tasting bar by day and a full-service bar by night with some light food.” The second floor will house a dining space, while the third floor will operate as a rooftop lounge. The newly revamped Fagiani’s should open by next summer, and it’s already being used for some Copper Cane events. “This will be another way for us to communicate with a younger generation that wants to get out and learn bit more,” says Wagner. “And it will be a venue to showcase our wines and spirits locally.”

For now, Wagner wants to pause from Copper Cane’s frenetic pace of product innovation, though there will certainly be new additions to existing brands. In March, the company added a Napa Valley Chardonnay (\$36) to Quilt’s portfolio, made from grapes grown in Carneros and Oak Knoll. But overall, the lineup and the game plan is set. “I feel like we have a good, well-rounded portfolio,” Wagner says. “From a national standpoint, we won’t go beyond those brands. We don’t aspire to become a 10-million or 20-million-case company. We want to remain in the luxury tier, and hopefully continue to get people excited about fine wine.”