Can Napa sustain the dream of the idyllic winery?

BY ESTHER MOBLEY

In today’s Napa, can small still be mighty?

This is the question I’m considering when I drive up to Von Strasser Winery, off a craggy road near Calistoga. Perched in this picturesque enclave of Diamond Mountain, the 35-acre property is homey in its beauty, bearing little evidence of landscape architects or hospitality consultants. A barn built in 1860, a diminutive tasting room with its old wooden sign out front (“Tasting Today: Estate Cabernet”) — all of these seem the markings of a winery that eschews bells and whistles.

Rudy Von Strasser purchased this land in 1990, when just 6 acres were planted to vine; he’s since expanded it to 15. He built his reputation on firm, brambly Diamond Mountain Cabernets, though he was also the first in Napa to plant Grüner Veltliner, Austria’s famous white grape — an homage to his father’s homeland.

Earlier this year, Von Strasser, 56, sold the property. All of it, even his own home.

He won’t reveal to whom, but he does say that the buyer has allowed him to use the facility through the end of 2016. After that, he’ll move production to a new facility, retaining the Von Strasser brand, but will not buy new vineyards. (He currently supplements his estate vineyard with fruit from other growers; in the winery’s new incarnation, he will rely exclusively on purchased grapes and will branch out beyond Diamond Mountain.)

“The environment for the small winery has changed dramatically,” Von Strasser says.

In this age of mergers and acquisitions, it’s hard to resist that pang of disappointment when we see the self-made, family-owned, up-by-his-boots business owner selling out. The Von Strasser epilogue, in which the business owner caves to economic considerations rather than romantic ones, doesn’t sound as appealing as the idyllic fairy tale.

But Napa’s new reality is more complicated than either of these narratives.

When Von Strasser and his wife, Rita, bought this property, they had no intention of starting a winery. He was then assistant winemaker at Newton Vineyard and wanted to buy a house with some money he had inherited from his parents. “It was very rundown,” Von Strasser says. “The barn was missing part of its roof; the house had all kinds of structural issues. It was something we could afford.” That the barn already had a winery use permit — secured by a previous owner, Roddis Estate — was pure serendipity. The couple started making some wine.

1990 was a very different scene in Napa. It was in 1990 that the Winery Definition Ordinance went into effect, aimed at preserving the county’s wineries as primarily agricultural enterprises. Suddenly there
were limits to wineries’ marketing and hospitality efforts — and with few exceptions, all new wineries had to accept visitors by appointment only.

That didn’t matter much then to Von Strasser, though, who at the time had no problem getting his wine on people’s tables. “Back then, there were a lot more distributors and a lot less wineries,” he says. “You could be a new winery, and people would want to try you. You could open doors for yourself.”

The consolidation of distribution channels over the last couple decades has meant that a small winery has to fight for attention alongside businesses with much larger marketing budgets, and a much greater ability to offer discounts. “The same guy who’s selling Kendall-Jackson has also got to sell Von Strasser, so unless I give him big kickbacks that’s not going to happen.” He insists that he has nothing against distributors; he just can’t play their game.

Meanwhile, small wineries in Napa have proliferated, dissolving the novelty of site-specific, small-batch, hand-picked — you get the picture.

So how to sell wine? The answer, increasingly: direct sales.

Conventional wisdom, at least, holds that direct-to-consumer — DTC in wine industry lingo — sales are advantageous because they cut out the middleman. Instead of sending your wine to a wholesaler and a retailer, and letting them take a cut, you get the full profit yourself.

Von Strasser, who sells 70 percent of his production directly, dismisses this claim. “The logistics of direct sales are still expensive,” he says — from sales staff to shipping costs to maintaining a visitor center.

The real reason to cultivate direct-to-consumer sales? Loyalty. “You reduce the capricious nature of the retailer,” he says. “People buy our wine because they’re part of our wine family. The customers become mine and not somebody else’s.”

For Von Strasser and many small wineries — excepting those fortunate brands who can sell off entire allocations without having customers taste it first — the lifeblood of DTC is hospitality, i.e. tasting rooms. People get to feel like they know the winemaker personally; they join the wine club; they remember their visit later and order the wine in a restaurant. That’s why in his new winery (he won’t share too many details about it, but he says he’ll stay in Calistoga), Von Strasser will outfit the facility specifically for hospitality, while forgoing vineyards.

By the economic logic that he must face, vineyard ownership is extravagant; tourism is essential.

“I couldn’t build a winery if I couldn’t see people at it,” he says. “There’s no money in it.”

Even with a thriving hospitality program, however, it’s hard for a little guy like Von Strasser to get by. The Winery Definition Ordinance limits the number of visitors he can see — but it doesn’t limit the number of visitors coming to Napa. It simply means that more visitors get pushed from visiting small wineries back to the bigger ones on Highway 29, many of which opened prior to the Winery Definition Ordinance and can see visitors without appointments.

“Those permits don’t reduce traffic; they just funnel people into fewer places,” Von Strasser claims. He’d like to see Napa ease restrictions on permits for small wineries.
There’s an admirable pragmatism here. Farewell, vintage barn and winery-adjacent vineyard; a harsh financial reality demands a shift in priorities.

Von Strasser doesn’t seem to be shedding tears over the possibility that his buyers might pave paradise and put up a parking lot. Can we — who drink Napa wine and visit Napa wineries in pursuit of some kind of romance — accept that?