

Defining Luxury

Mondavi's Mission

An Interview with Michael Mondavi,
Founder and Coach, Folio Fine Wine Partners

EDITORS' NOTE Michael Mondavi established Folio Fine Wine Partners in 2004 with his wife, Isabel, and their children, Rob and Dina. Mondavi's career began in 1966 when he co-founded the Robert Mondavi Winery in Napa Valley with his father, Robert Mondavi. Until 1974, he served as Vice President of Production, and from 1969 to 1978, he also served as Vice President of Sales. He was named Managing Director and CEO of Robert Mondavi in 1990, and following the company's public offering in 1994, he was appointed President and CEO, and later served as Chairman from 2001 to 2004. Mondavi is a member of the California State Chamber of Commerce Board, past Chairman and CEO of the Wine Market Council, past President of the Napa Valley Vintners Association, past Chairman of Wine Institute and of Winegrowers of California, and a previous board member of the National WWII Museum in New Orleans.



Michael Mondavi

COMPANY BRIEF Founded in 2004 by the Michael Mondavi family, Napa, California-based Folio Fine Wine Partners (www.foliowine.com) is an importer, fine wine agency, and producer of quality wines from the world's premier and emerging wine regions. Folio provides sales, marketing, and public relations services to wine brands from California, Argentina, Italy, Austria, Spain, and New Zealand.

Where is Folio Fine Wine Partners' business today?

We're only three years old, but we have the luxury of working with Marchesi de' Frescobaldi – a wine company over 700 years old with 31 generations of experience growing grapes and making wine – along with other historic wine families in Italy. For example, the Rallo family, who make the Donnafugata wines, have five generations of experience growing grapes and making wine in Sicily. So Folio is a Napa Valley grape grower and winemaker and we're also an importer, marketer, and sales and public relations agent for other family-owned wineries.

We focus on two niches: wines in the \$10 to \$25 range, and those above \$25 a bottle. The big conglomerates focus mainly on the \$10-and-under market, and they can have it. Some of our wines are \$250 a bottle.



Is your distribution primarily in North America?

Right now, we're focused on getting properly established in the United States. Many of the older European companies that we work with have had established international sales in Asia, South America, and Canada for many years. So that's not where we will grow with them. But for our own California brands and for some of the newer companies, there will be international distribution opportunities as we develop.

How would you describe the American wine market?

It presents greater opportunities today than it has in the past. But unfortunately, the majority of consumers are intimidated and overwhelmed by wine. They look at a wall of 500 to 1,000 chardonnays in a liquor store and think, "The heck with it. I'll go get a six pack of beer." So if we can take the mystery out of wine, but keep its magic, American consumers will enjoy wine on a far more regular basis.

Today, the per capita consumption in the United States is only about three gallons per person per year – an average of one glass of wine per adult per month. If the average American consumer drank one glass of wine per week, we would still only match half of Europe's annual consumption. That said, fine wine sales in the United States have grown, on average, about 12 percent per year. The below-\$5 segment is shrinking, while the \$10-to-\$20 segment is growing at about 14 to 15 percent. And then the above-\$20 market is growing at about 20-plus percent. So people are drinking more wine, and they're drinking better wine.

The most exciting thing, from a demographic standpoint, is within the millennial generation – those who have turned 21 since 2000. More women than men are drinking wine, and more men and women are drinking wine instead of beer; wine is their first choice of beverage. That hasn't happened since the turn of the 20th century. As the baby boomers, who were wine aficionados, start to age, and their per-capita consumption slows down, the younger generations are drinking more wine, and they don't want their father's Oldsmobile. They want to try something new, hence the influx of new wine brands. The younger generation also has

the confidence to drink white wine with steak. They're not going to drink red wine with steak just because somebody told them to.

So is there no wrong or right way to drink wine?

For me, the old rules were meant as guidelines and were so ceremonial they turned Americans off wine. Red wines are heavier than white wine, and heavier wines complement heavier foods, just as lighter wines complement lighter foods. If you have a heavy wine with a light food, the wine overpowers the meal. That said, no one ever said, "You can't have broccoli with steak. It has to be spinach." So you should drink the wine you like with the foods you enjoy. Serve it chilled or at room temperature, or even on the rocks; serve it the way it's most pleasing to you. There is no right or wrong answer. It's all about personal preference.

What sort of wines is Folio producing?

People are tired of brands with 31 flavors; they want wineries that specialize, and we do that. Under our Oberon brand, we produce Cabernet, Merlot, and Sauvignon Blanc from Napa Valley – end of story. Our Hangtime brand focuses on Pinot Noir, with wine from New Zealand, Burgundy, California's Edna Valley, and Oregon. We've also produced a brand exclusively for Hyatt called Canvas, which includes Cabernet, Chardonnay, and Merlot from California.

You've had a long career in this business. Is it just as exciting to you today as it was when you first started out?

Actually, it's even more exciting today. I've had the luxury of being in the business for 38 years; it has had its ups and downs. I could either wring my hands and think, "Oh my goodness. Another down cycle may come," or I can look at it and say, "Wow! Aren't we having fun?" Older generations are collecting more expensive, limited-production wines. Young kids are ordering branded wines at bars; they don't just say, "I'll have a chardonnay" – they want a Hangtime Chardonnay or an I'M Chardonnay. They want it to taste good, and they want to share their discoveries with their friends. And so if we create wines that very simply, as my grandmother used to say, taste good, our customers will introduce them to others. ●

Folio Wine Partners' Canvas line of fine wines