

# From Product to Label

An Interview with Michael Mondavi,  
Folio Fine Wine Partners

**EDITORS' NOTE** Michael Mondavi's career began in 1966 when he cofounded the Robert Mondavi Winery in Napa Valley with his father, Robert. 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 1993, he was appointed President and CEO, and later served as Chairman from 2001 to 2004. Michael Mondavi established Folio Fine Wine Partners in 2004 with his wife, Isabel, and their children, Rob and Dina. 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, and past Chairman of Wine Institute and of Winegrowers of California.

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

## Did you see a major impact on the company as a result of the economic downturn?

The impact of the economy has been felt by all of us. Our main customers are the restaurants and finer wine shops, and the hotel and restaurant business has been very soft the past couple of years. Wine shops have been increasing, but modestly. There has been a conscious trade down by consumers from drinking very expensive wines and going out to more expensive restaurants to doing that less frequently.

## Is there an appreciation today that it's not just a matter of price when it comes to value?

Yes, value is probably one of the most important words today in all business. I recently returned from a 10-day trip to Austria, Germany, and the U.K. to introduce the M by Michael Mondavi Cabernet Sauvignon, which sells for \$200 a bottle in the U.S.; the Emblem single-vineyard Cabernet Sauvignon from our Oso vineyard in Napa Valley - made by our family — that sells for \$50 a bottle; and the Emblem Napa

Valley Cabernet that is \$25 a bottle. All three were enthusiastically received as very good values, even in Europe. When they tasted those wines in comparison with many of the great wines of Bordeaux, for instance, they realized that the value was terrific, because you have to spend potentially two to three times the money to get a similar quality product.

## What made you feel it was the right time to launch M, and how has the family been involved in the process?

The family is involved from product to label. I originally purchased a vineyard on Atlas Peak in the early '90s as a hillside vineyard to use in blending into the Opus One wines, because we wanted Opus to have a little more structure with some hillside vineyard blended in.

When the family sold Robert Mondavi Winery and our interest in Opus One along with it, I retained ownership of that hillside vineyard and my wife, son, daughter, and I decided we were going to make a wine of the Opus One stature and quality, but from our estate, hillside vineyard. The initial vintage of 2005 sold out, and we released the 2006 vintage in April of this year.

## How limited is your production?

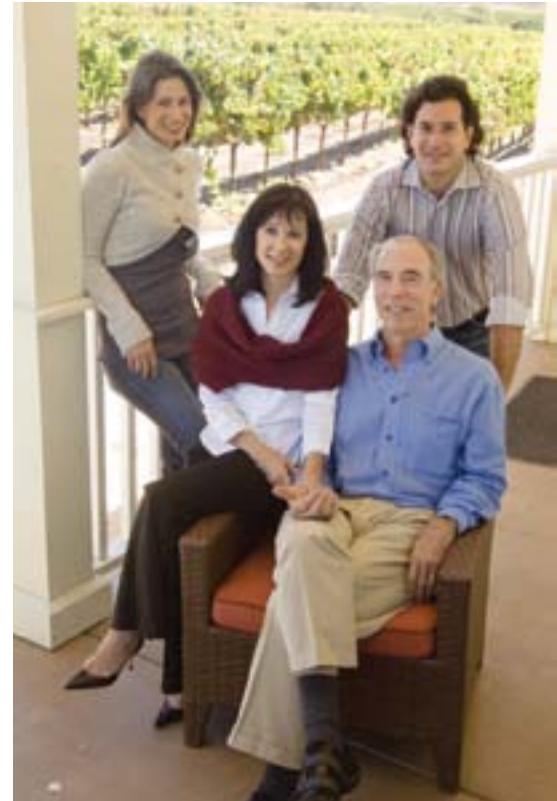
It is very limited. The vineyard is only 17 acres, and we produced just under 700 cases of the 2005, and just under 900 cases of the 2006. It's probably the size of production of what many refer to as "cult" wines, albeit many of those wines are priced considerably above \$200, and may not always be a good value.

## Do you foresee bringing on or creating additional brands for Folio?

At Folio, we brought on two brands this past year: Arnaldo Caprai, a family winery in Umbria that produces phenomenal Sagrantino wines; the son, Marco Caprai, was awarded the best winemaker in Italy in 2009.

In addition, we're working now as the exclusive importer for the Masi wines from Verona; they produce beautiful Amarones, and are considered one of the great winemakers in Italy. Our portfolio is now very nicely complemented for Italy and Spain.

We also have a great German wine called Prinz von Hessen, and a wonderful Grüner Veltliner from Austria called Laurenz V, which is named after owner Laurenz "Lenz" Moser, a fifth-generation winemaker.



These all complement the M, Emblem, and the Isabel Mondavi wines, as well as the Oberon wines that we produce in Napa. The Villa Sandi Proseccos, for example, have become very popular these past couple of years. The growth of Prosecco alone is close to 50 percent in 2009 versus 2008. Part of that is value. Prosecco offers a better quality/value relationship than champagne. People have been moving to the wonderful Proseccos produced in the Veneto region of Italy.

## In a family business, there are many positives but also challenges. How have you been successful at finding a balance?

If historically, the Mondavi family worked well from generation to generation, my father would not have left the Charles Krug Winery in 1965, and in 2004, we as a family would not have sold Robert Mondavi Winery but would have continued owning it as a family. The previous couple of generations have not been able to pass the business from one to the next.

I have the luxury of working with many of the historic families in Italy. The dean of them is the Frescobaldi family – for 31 generations and over 800 years, they've been growing grapes and making and selling wine as a family. I asked Vittorio Frescobaldi, who is the patriarch of the family, how they were able to continue generation after generation. The conclusion was that they would try at a very young age to teach the new generation how to best have conflict resolution among their brothers and sisters and cousins of that generation, rather than having the older generation, or the father or the mother, always solve the conflict.

So my son, daughter, my wife, and I have had conversations along those lines. When there are differences, we try to encourage our son and daughter to talk about them and come to a conclusion. If they need additional resources or input, they can get it, but they should learn to come to a conclusion among themselves while there are still coaches of the senior generation to assist them. ●

*Emblem single-vineyard Cabernet Sauvignon (left); Michael Mondavi, seated with his wife, and their two children (right)*