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AN ENTREPRENEUR'S *Journey*

THE SUCCESS STORY BEHIND
PURPLE BRANDS



PHOTO: ALAN CAMPBELL

Purple Brands head
distiller Jeff Duckhorn and
winemaker Joe Tapparo.



COVER STORY

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Purple Brands founder
Derek Benham.

THE SUCCESS STORY BEHIND
DEREK BENHAM'S
PURPLE BRANDS

BY JONATHAN CRISTALDI

PHOTO COURTESY OF PURPLE BRANDS



Purple Brands head distiller Jeff Duckhorn and winemaker Joe Tapparo.

Since the 1930s, the Del Mar racetrack in northern San Diego County has attracted Hollywood celebrities, U.S. politicians, and world leaders—all eager to place bets with the hopes of hitting it big. From Del Mar's fourth-floor Turf Club, a dark-blue sliver of the Pacific Ocean is just visible on clear days. But Derek Benham, who has a home in Del Mar, hasn't set foot in the famous landmark—instead, he spends many mornings riding on that surf. “I enjoy it, but I'm not very good,” he admits. Still, he's traveled as far as Indonesia, Bali, the Maldives, and Costa Rica just to indulge his favorite pastime.

It's a fitting one for Benham, who eschews business gambles in favor of catching waves of opportunity in the wine industry. His first company, Codera Wine Group, produced Blackstone Merlot, which he grew to 650,000 cases annually before selling to Constellation Brands in 2001. He took just a month off from that triumph before founding Purple Wine Co. and relaunching Mark West, a

Pinot Noir-focused brand, which he grew to 600,000 cases annually—and then sold, again to Constellation, in 2012. Never one to rest on his laurels, he springboarded shortly thereafter into his latest endeavor, Purple Wine + Spirits, expanding his portfolio to include distilled products in 2013. (It's a wonder he has any time for surfing.)

Today, the company, recently renamed Purple Brands, boasts six wine brands: Scattered Peaks, a Cabernet Sauvignon made in partnership with Joel Aiken, as well as Avalon, Four Vines, Calista, Bex, and Raeburn Winery, which is enjoying immense on- and off-premise success. The company is also diving deep into the production of artisanal spirits. In early 2016, Benham launched his first spirits brand—Benham's Gin. Soon after, Redwood Empire Whiskey was born.

In short, Benham is no ordinary entrepreneur. Rather than simply providing funding for Purple, he's also bringing 38 years of experience, branding ingenuity, savvy distributor partnerships, and the knack for timing he needs to usher the company's brands onto the national stage.

Scaling a Brand

It was 1982 when Benham graduated from the University of California, Berkeley, with dual degrees in English and philosophy. At 22, he took a job as a salesperson for Lost Hills, a Lodi-based winery that was failing for a slew of reasons the young Benham felt he could correct. He proved to be adept, singlehandedly selling 60,000 cases a year in the Bay Area alone. That track record allowed him to convince the owners to “throw me the keys,” he says, and they did—when he was just 26.

Benham downsized the company's workforce, sold off excess bulk wine and old equipment, and raised some capital to pay down debts, effectively stabilizing the business over the next few years: “That's really where I cut my teeth in different aspects of the biz,” he explains. Having turned Lost Hills into an appealing asset, he orchestrated its sale to the former owners of La Crema.

His next move was to co-found Codera Wine Group with his brother, Courtney. The idea for the pioneering virtual wine company was to create varietally focused control labels for

major retailers like Cost Plus and Trader Joe's and see if any of them took with consumers, indicating potential for a national brand. One of them did: Blackstone.

"I was inspired, quite frankly, by the Clos du Bois Merlot program," says Benham. "I thought, 'I like Merlot. I can make a really good one for \$10.' And we caught the wave of the French paradox, and it became a darling of on-premise [when the] by-the-glass . . . phenomenon started in the mid-1990s." (The term "French paradox" was coined in 1992 by researchers who hypothesized that red wine reduced the risk of heart disease, fueling a red wine boom in the U.S.)



The Purple portfolio includes spirits brands such as Redwood Empire and wine labels like Raeburn.

After the sale of Blackstone to Constellation, Benham moved into Pinot Noir with the formation of Purple Wine Co. and the Mark West label; recognizing that the grape was underrepresented in the value tier, he sought to produce a \$10 bottle with high-quality grapes. "I had grower relationships that go back to [Lost Hills] and beyond," Benham explains, "because my father was a big almond and pistachio grower [who] also knew a lot of vineyard growers. So I had sourcing that other companies didn't have for Merlot and, subsequently, for Pinot Noir."

Benham says that Mark West was originally a brand in the Russian River Valley that pumped out good Chardonnay and Gewürztraminer, but it needed to be "resuscitated."

At the time, "nobody got into [Pinot

Noir] because you couldn't get any," so he asked the growers he knew in Monterey to graft Pinot over vineyards that had once grown his Merlot. As a result, he became the largest buyer of Pinot Noir grapes from the Central Coast almost overnight.

As with Blackstone, timing was again in Benham's favor: Mark West launched not long before the release of the movie *Sideways*, which made Pinot a household name, and the brand in turn became synonymous with the variety in the super-premium market, which in the 2000s hovered around \$8–\$12 per bottle. Around the time that Benham sold the brand, it became clear

of Chardonnay, [and] it sold out, like that," he says with the snap of his fingers. "We got the flavor profile right, and the \$19.99 price was racy—it was of value comparable to twice its price, maybe more."

Winemaker Joe Tapparo trained at UC Davis and cut his teeth at Ruby Hill in Livermore and Geyser Peak in Sonoma before joining Purple in 2008; he says that his success with Raeburn is about doing "as much as possible on the front end, in the vineyard and during harvest, to put the initial quality stamp on what we'll have working for us in the pipeline."

That simple philosophy, coupled with a deft hand in the cellar, has served Tapparo well enough that he decided to toss a curveball at Benham. "He slipped some Pinot Noir through without me knowing, and it's blowing up!" Benham said in amused disbelief. "We'll produce 20,000 cases, and we're only into our third vintage. He also snuck through 6,000 cases of Russian River Rosé and it was a hit—vanished."

For the Pinot Noir, the grapes undergo a three-day cold soak in open-top fermenters, with up to three punch-downs daily, before the wine ages 11 months in 100% French barrels, a quarter of which are new. "For \$24.99 a bottle," says Tapparo, "I feel like it should be the company motto, but it really holds true—we like to overdeliver for the price point."

As for the rosé, "it's Provençal-style but with slightly more weight," Tapparo explains, adding that there are no rules for the blend. The current release is a combination of Pinot Noir, Grenache, and Zinfandel, each of which contributes "unique layers and a gauntlet of aromatics," he says. Citrusy and crisp, it's certainly a crowd-pleaser, and at \$20 it's tremendously easy to drink.

The second wave, originating in Graton, is fueled by gin, vodka, and, above all, whiskey. "After the sale of Mark West, I wanted to do spirits our way in the Russian River Valley, where I could have as much control over the production process as possible," says Benham. That's how a section of an old apple-processing plant was converted into a distillery, where head distiller Jeff Duckhorn says he aims to "take a balanced approach to all our spirits—I want depth and complexity, so that whatever you are drinking takes your palate on a ride."

The program may be young, but it's

that price points for the super-premium category were moving north into the \$12–\$15 range; today, Benham says, "the consumer sweet spot" has moved to \$15–\$25.

Riding the Purple Wave

Against the pleasant backdrop of Graton, a sleepy town with less than 2,000 residents just north of Sebastopol in Sonoma County, two Purple waves are building momentum and will soon break into the U.S. market. The first is Benham's Raeburn Winery, launched in 2013. Based in the Russian River Valley with a focus on Chardonnay, it has been recognized by *Impact Magazine* as one of the fastest-growing brands in the country.

"Our first vintage was 10,000 cases

PHOTO: ALAN CAMPBELL

off to a running start with Redwood Empire Whiskey. To make up for his lack of experience in selling spirits, Benham invested in a seasoned team led by Aaron Webb, a Brown-Forman alum who now serves as President of Purple Brands. And to augment the 25,000 cases of whiskey produced annually by the company's own stills, he began building up an inventory of reserve lots purchased from distilleries in Kentucky, Indiana, and Tennessee that now encompasses some 11,000 barrels. Duckhorn's strategy is to leverage different distillates of various ages and mash bills, a process that lends "real length and depth to our spirits," he

servationist—who has also inspired Redwood Empire's partnership with nonprofit organization Trees for the Future, ensuring that one tree will be planted for each bottle sold.

Duckhorn's also up to some interesting tricks with respect to the white spirits. For Benham's Gin (\$35; *Tasting Panel* 95), he distills each botanical separately before blending, which he says "creates a layered effect [that] allows you to pick out the individual botanicals in your glass." The newly launched Benham's Vodka (\$27) is a blend of different distillates—corn for the structure and base; wheat to add some texture and silkiness; and grapes to provide some

The Cabernet Whisperer of

SCATTERED PEAKS

by Deborah Parker Wong

To meet Joel Aiken is to be in the presence of a bona fide Cabernet whisperer. The winemaker emeritus of Beaulieu Vineyards and consulting Purple Brands winemaker has been making Cabernet Sauvignon for 37 years—longer than almost anyone in Napa Valley.

Winemaking is a business that naturally requires patience, tied as it is to the cycles of vine and vintage; Cabernet Sauvignon, which begins to show its true colors only after a decade or more in the cellar, is particularly trying. In conversation, Aiken's own patience is palpable. In the space of a few questions, he was able to make clear his intentions—shaped by the insights afforded by nearly 40 vintages—for the wines that we tasted.

In selecting sources for Scattered Peaks, the icon label at the apex of the Purple portfolio, Aiken looked first to the Napa sub-AVA of Rutherford and an old favorite of his, the Morisoli Vineyard, as well as to higher-elevation sites that he'd been eyeing for years. The Scattered Peaks 2017 Napa Valley Cabernet Sauvignon (\$40) was sourced from Rutherford and a property in Pope Valley, while the Scattered Peaks 2017 Small Lot (\$125) is a marriage of fruit from the Morisoli Vineyard and grapes from Sage Ridge, which sits at an elevation of 900 feet just south of Howell Mountain. Beyond the dusty, grippy, and perfectly ripe tannins one would expect from Rutherford, it's the new-oak complexity that makes these labels so imminently drinkable upon release.

Aiken's restraint in the cellar and careful selection of coopers has produced wines of instant gratification that also hold the promise of future reward. No wonder that, when Scattered Peaks made its debut at the 2020 Premiere Napa Valley auction, its ten-case barrel selection lot went for \$19,000.

PHOTO: ALAN CAMPBELL



Raeburn's 2019 Rosé received a rating of 93 from *The Tasting Panel*; its 2018 Chardonnay and Pinot Noir both received a score of 95. All three are Russian River Valley designates.

says. "I love fermentations of all kinds and have been making beer and bread and other fermentables for many years. I take this approach in the distillery. When starting a new project, there is a lot of experimentation and tasting."

The current Redwood Empire portfolio includes the just-released Pipe Dream Bourbon (\$45), blended from barrels aged four to 12 years; Emerald Giant Rye Whiskey (\$45; *Tasting Panel* 97) aged four to five years; and Lost Monarch (\$45), a blend of straight whiskeys. As the name suggests, the brand's striking design is strongly connected to the redwood forests in Northern California. Inspired by John Muir, who's widely considered the founder of America's national parks system, the labels feature caricatures of and quotes from the famous con-

fruity top notes—joined by a splash of rye for a touch of spice.

The fact that Benham is now making waves in the spirits market, however, doesn't mean that he's finished innovating in the wine space, where the need "to move as a company into higher price points," in his words, is being met by Raeburn in the \$15- to \$25-plus range and Scattered Peaks at around \$40. Harkening back to Blackstone and Mark West, he acknowledges that the ultra-premium and luxury categories they fall into today are populated by super-suppliers that have made it harder to compete. But, he says, "The expectation of our channel partners is that we overdeliver on quality, and that's our history. I think we do that with all our brands—we put our money where our mouth is." ■■