

REALM CELLARS IS DEFINING A NEW PIONEERING ERA FOR NAPA VALLEY WINES

BY GEMMA PRICE

n the decades after pioneering winegrower Robert Mondavi opened Napa Valley's first post-prohibition winery in 1966, this Northern California viticultural region has undergone many eras of evolution. Experimental planting by the first families paved the way for another wave of vintners in the 1980s and early 1990s who poured their business savvy and wealth from commercial successes elsewhere into furthering wine quality and brand prestige. Then, a new generation of scrappy winemakers and entrepreneurs moved in, this time focusing on sourcing fruit from top growers and making wine in custom crush facilities rather than buying expensive properties—the founders of Realm Cellars among them.



One decade later, Realm is focused on spearheading a new era

"We don't need to reinvent the wheel—cab will always be king here. We need to find how we can make these one percent improvements. The devil is in the details." says Scott Becker, Realm co-owner and CEO.

Its most recent acquisition, the 40-acre Nine Suns property on Pritchard Hill, which Becker aptly describes as the Rodeo Drive of Napa Valley, is arguably its most visible. Perched at the end of a serpentine access road, the glass-fronted modern residence offers sweeping views of the Valley and the property's Houyi Vineyard from which Realm has sourced fruit since 2013 and farmed from 2022—almost a full year before Realm purchased the estate.

"We took the risks ahead [of time] because that's how much we believe in the importance of take control of the farming and the viticulture," explains Winemaker and Co-owner Benoit Touquette. "Last year ended up being a very difficult vintage because of the heat spike at the end. We were rewarded with all the work we put in, previous to ownership—it was a gamble that paid off."

Taking calculated risks has been Realm's stockin-trade since Becker and Touquette, a Bordeaux native and protegée of celebrated wine consultant Michel Rolland, took the helm in 2012.

Becker met one of Realm Cellars' co-founders Juan Mercado in 2011—the same year that Touquette, who was Mercado's roommate at the time, joined Realm after the previous winemaker departed.

The business was in shambles, but Becker—an Air Force veteran and Harvard Business School graduate who was "intellectually and emotionally" drawn to the wine world—was intrigued by what had been accomplished since establishing the brand in 2002, persuading top growers like Andy Beckstoffer to sell them fruit, and bootstrapping to build a mailing list.

A month before he signed the contract to acquire Realm in July 2012, Becker paid for glass and corks for the June bottling of Realm's 2010 vintage; the Realm team hadn't been paid for months and the winery was practically bankrupt. Soon after, when Becker and Touquette realized the 2009 vintage of The Bard exhibited unmistakable taint of spoilage yeast brettanomyces, or "brett," and made the tough call to pour what remained in the cellar down the drain—a \$250,000 hit to a business worth less

than \$2 million—Becker's faith in their supportive customers, Touquette's talent and the phenomenal 2012 vintage in barrel inspired him to ignore external advice to either raise capital or fold.

"We've done things that at first, if you look at it from the outside, it seems like it doesn't make business sense. But it makes relationship sense, that in the long run ends up making business sense," he says. In the following years, Becker, Touquette and first hire Eden Foley, now Realm's Chief of Staff, deepened the connections with growers forged by the original co-founders and turned their attentions to making the best wine possible. After Realm's 2012 vintage sold out following spectacular reviews from The Wine Advocate—five wines scored upwards of 96 points, with Beckstoffer Dr. Crane and The Absurd earning "perfect" 100-point scores—the team, after years of feeling like they were "cooking in someone else's kitchen," at Château Boswell, began to look for their own space.

After months of negotiation, they were successful in acquiring the Hartwell Estate in Stag's Leap, largely because Touquette had made wine for the Hartwell family since 2004 and worked as a viticulturist on the Estate since 2008, and they trusted him.

So did Frank Farella, the lawyer who represented Realm in their purchase of the property. He was so impressed by the team's vision and collaboration with the Hartwells that in 2018 he proposed they enter into a lease agreement to eventually take over his family's eponymous vineyard, where the team had been making a Single Vineyard Farella Cabernet Sauvignon since 2003—an offer that Becker and Touquette accepted.

As part of their agreement, Realm partners with son Tom Farella on farming and development decisions. And Tom continues to make wine under his own label

"Bob [Hartwell] ultimately decided to sell to us because of our relationship. In so many words, he said, 'Benoit and Scott, I'm handing you the baton. Don't screw it up'." recalls Becker.

"It's a lot of confidence in us. It's just not just passing on just a property, but walking alongside together," adds Touqette.

The Realm team got to work developing the Realm Cellars Stag's Leap property, replanting blocks, creating 5,000 square feet of caves in the hillside and upgrading the winery, and constructing Whiskey Hotel, a modern structure in concrete and enough steel to withstand an earthquake. Its name is taken from the NATO phonetic alphabet for Wappo Hill, where the winery is located, and the team's code for the Hartwell property before the sale went through.

Flanking an open-plan kitchen and fireside lounge featuring antique rugs knotted and woven by female members of Persian mountain tribes, a floor-to-ceiling cellar displays wines from all over the world—Krug Champagne, Masseto, Domaine Leflaive, Château-Figeac—that Becker says is "both for enjoyment and also for inspiration".

In the glass-fronted tasting room, sweeping views of the estate vineyards are framed by huge artworks commissioned from various artists who create Realm's eclectic suite of labels.





"Before, it was a millionaire's game. Now, it's a billionaire's game," quips Touquette.

But wine lovers are happy to pay top tier rates. In 2021, the average tasting room purchase in Napa County was \$377.87. Spring through fall, impeccably coiffed people in well-cut suits and designer dresses compete for tasting experience reservations that can run from \$50 to more than \$950, with add-on experiences including vineyard tours by private plane and Baccarat crystal glasses engraved with your name. Realm hasn't hosted visitors for more than five years, and now the Stags Leap and Pritchard Hill properties are well-appointed, by and large for guests, the team is putting thought into developing experiences that are uniquely Realm.

As many voices lamenting that their membership is aging and young Millennials and Gen Z don't drinking wine, Realm is doubling down on authenticity and stoking curiosity in the brand rather than chasing scores: the origins of the wines in the vineyard and the associated stewardship of the land and agricultural craft; the perspective and design of the labels and hospitality design choices.

"At the high end, we have to be careful not to try to target somebody because you feel it when you're being marketed to." Becker. "If you're chasing the next demographic, or the next critic, or the next trend, I think you get a little bit lost. That philosophy is true north for us."

Now they no longer worry if the tanks are clean and cellar workers have been paid, Realm is thinking very long-term, laying the groundwork for vineyards that will produce fruit for 50 years and make wines that can age for 100 years. Central to their vision is what Touquette describes as "MMA winegrowing"—a multifaceted approach where the team eschews dogmatic traditions to explore different disciplines and ideas, tapping an informal scientific advisory network to dial in row orientation, clones, rootstock and bud wood, and water and nutrient uptake.

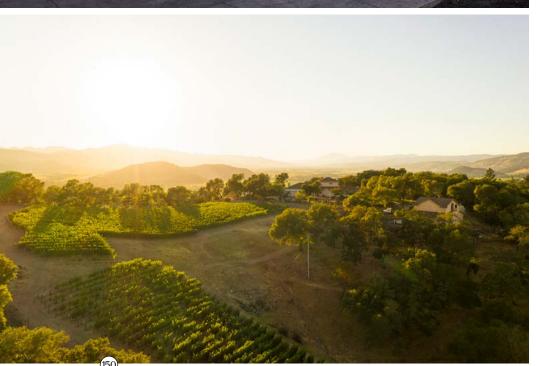
Mitigating the impacts of fire is a core focus. In 2020, the Glass Fire turned Bay Area skies turned apocalyptic shades of red and orange as ash blotted out the sun and blanketed grapes, and Realm forewent making any red wine due to smoke taint. (Instead, they decided to craft a rosé, La Fe, from merlot and cabernet sauvignon in homage to the hard work of their vineyard teams and to share with members in lieu of their 2020 allocation—a wine which was so well received the team is considering making it again.)

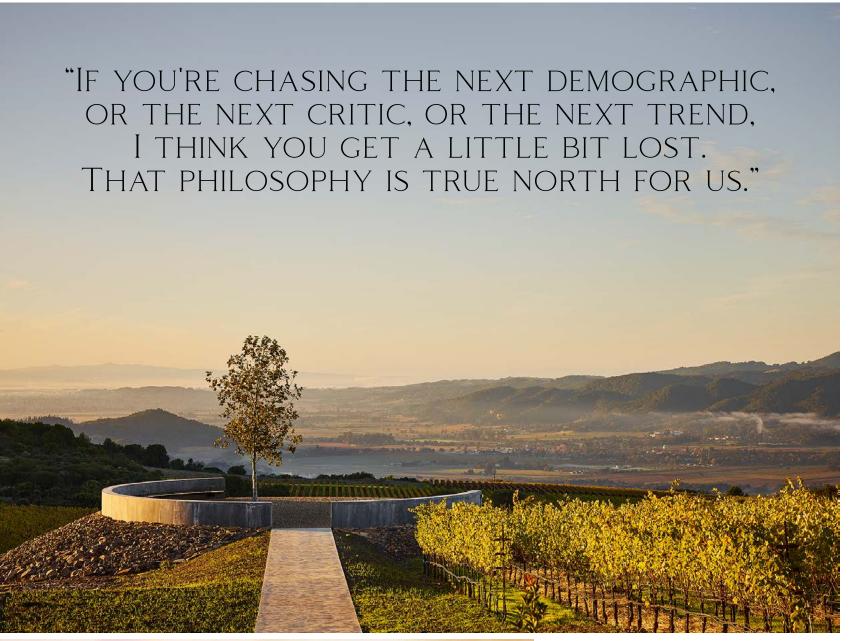
Realm is working to install UV and infrared cameras as part of an early warning fire detection system that will alert CalFire so a firefighting aircraft can be dispatched within minutes. Touquette is also working with Foundation Plant Services at UC Davis—the source of all California Registered or Certified grapevines—to develop proprietary heritage petite syrah and charbono clones using bud woods from legacy sites which he'll populate in Realm's greenhouses.

"The long-term opportunity is to continue to establish Realm as iconic to the Napa Valley with global reach—the vision was always this idea of a first growth with enough scale to be relevant around the world, producing around 25 to 30,000 cases," explains Becker, adding that they have a potential Bordeaux project in the works that they're not quite ready to talk about.











"The portfolio approach is that Realm isn't one wine, it isn't one place, but everything together."

While the Realm team can't say for sure what will define this era, they know continuing to take advantages of opportunities that come their way and enhancing their estates—currently the team is updating Nine Suns' catwalk-accessed gravity-fed tanks to double production and introduce more estate wines—will steer them right.

"Robert Mondavi took a big swing. We share the same values: making a move on such a property, this is a big swing," says Touquette.

"You've got to have the passion, the drive, vision and dare greatly."