



PHIPPS FAMILY CELLARS

PRESS RELEASE

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Napa Couple Shares Wine Profits with the Children of Fallen Soldiers



By JACK HEEGER
Register Staff Writer

“No matter how you feel about the war (in Iraq), it’s about the kids.”

That’s how Andy Phipps described the reason for sharing profits from the Phipps Family Cellars brand with the Armed Forces Children’s Education Fund, an effort that has raised nearly \$2,000.00 so far — a figure that is substantial considering that his winery has had only one vintage and sold about 300 cases.

When Andy Phipps and his wife Jennifer started their business, they said they talked about how they would offer their wine, particularly in regard to discounts to customers. “I happened to see this

(organization) on the Web, I contacted them and asked where the money went,” Andy said. “I liked that idea, so instead of offering (customers) a discount, we’d give the money to the Children’s Education fund in the name of the people buying the wine. The fund sends them a letter and they get to take a tax deduction.”

Most wineries offer a percentage discount on case sales, but he has established a tiered structure – \$10 for three bottles, \$20 for six and \$40 for a full case of 12 bottles.

This isn’t a short-term project. “I see this as a long commitment,” Andy said. “If a child is an infant, there will be a need for funds for college.”

The Armed Forces Children’s Education Fund (AFCEF) was created in 2003 to provide financial assistance for the educational needs of surviving children of U.S. military men and women who lost their lives since the beginning of hostilities in Afghanistan and now in Iraq.

‘Kids are the Ones who Suffer’

“The kids are the ones who suffer,” Jennifer said. “We feel very strongly about giving back in some way.”

Asked if he was concerned about hostility from anti-war activists, Andy replied, “We thought about that, and I’ve felt some standoffishness in certain places.” He said the wine has done well in the Central Valley, from Visalia to Chico, and from the East Bay to Sacramento, and hopes to start selling in the Santa Barbara area.

He operates Napa Valley Design, a firm that provides logo, label and Web designs, but spends two to three days a week selling wine in the market, mostly calling on restaurants.

Thus far, the couple has produced only a 2004 and 2005 Zinfandel, but plans to add a 2006 Cabernet Sauvignon in 2009 and Sauvignon Blanc in 2008, and they expect to contact other similar military organizations to partner with for those varietals. But proceeds from zinfandel will always be designated for AFCEF.

Although the company’s initials — PFC — also stand for Private First Class, Andy said there really isn’t a military reason for it, but acknowledged that it’s a good tie-in. He doesn’t have any family member who is or was in the military, but Jennifer’s father was in the U. S. Marine Corps, her maternal grandfather was a Navy pilot and her paternal grandfather was in the Army.

The winery’s logo resembles a military chevron with “PFC” in the center. But Andy said it’s not used on the label, only in promotional materials.

Pieces Fell in Place

The couple, parents of two children — son Max, 5, and daughter Morgan, 2 — had the wine bug for years, and “in 2004 all the pieces fell into place” to start their own company, Andy said. “I always wanted to have my own wine. I love Pinot Noir, I love Cab and I love Zin,” he added.

They chose zinfandel as their initial varietal because “It has a lot of heritage in California, and it can be released in a shorter period of time,” he said. “But we’re going to make a cab next.”

The first zinfandel is labeled Sonoma County Ranches, and the fruit is sourced from several well-known vineyards in Russian River Valley and Dry Creek Valley. “We had access to the vineyards because of Larry Bradley,” who is listed as PFC’s consulting viticulturalist, Andy said. “He works with the vineyards and knows them well. He makes sure the vineyard managers and owners use good (viticultural) practices,” he added.

Their consulting winemaker is Jeff Fontanella, who has credentials from several of Napa Valley’s top producers. “I’ve known Jeff on a personal level for a few years,” Andy said. “He’s straightforward and intelligent — two qualities that I like. He’s worked on some amazing wines. We chose him because of his hands-on approach to making high quality wines.”

‘Wind beneath their Wings’

The others involved in PFC are Annie and David Johanson, a couple described by Jennifer as “the wind beneath our wings and our angels.” They provided financing to allow PFC to increase production and expand — “Current sales finance the operations,” Andy said.

David Johanson is a partner in Johanson Berenson LLP, a law firm specializing in business related matters.

They met the Johansons in a social setting. “We got into a conversation with them and we felt a kindred spirit,” he said. “David was interested in the wine business, so I went to him for advice. I had a business plan — it was about 45 or 50 pages, and he said that people come to him with two or three pages. He liked the plan so well that he wanted to be an investor.” In fact, the Johansons are the sole investors.

“We meet with them monthly, go over all the reports — financial, sales, marketing — and then afterwards we have dinner, as friends,” Andy said.

The growth plan is to reach 1,500 cases for a few years, then to 3,000. “I’d like to add a Rhone style white and red, and also make a riesling in the German style,” he said, eventually getting to 5,000 cases.

“We’re driven by what we like,” Jennifer said. “We’re not market driven.”

To which Andy added, “We’re not making wine for ratings,” although their first release received 89 points from Wine Enthusiast. “We’re trying to produce wine that’s food friendly.”

Restaurant Incentives

He’s working to get on wine lists and when he establishes a relationship with a new restaurant, he offers an incentive to the servers and bartenders. The one who sells the most gets a signed magnum. “It’s a fun way to get the servers to sell the wine, and it’s a good way to build friendships with them,” he said.

Andy, a native of Palos Verdes Estates and alumnus of UCLA, has been involved in the wine industry since 1993 when he worked his first crush at Beaulieu Vineyard. “It was an amazing time,” he said. “It was the last year that André (Tchelistcheff) was consulting there. I worked on many lots that were inspired by the late-great André (aka, the Maestro) and that, along with the sense of history that one gains at BV, is what helped galvanize my passion for fine wine,” he said.

Andy also worked in BV’s tasting room and the Georges de Latour reserve room and spent some time as a sales analyst on their national sales team. His first job after college was in sales for Coca Cola before BV and before creating his own wine marketing & design firm, Napa Valley Design.

Jennifer was born in La Jolla, but moved to Napa when she was 2, graduated from Vintage High School, started at San Diego State to study aerospace but transferred to Sacramento State where she majored in political science & government and worked for Representative Mike Thompson.

She met Andy at Rutherford Grill when he came in for lunch one day and she was a corporate trainer for Houston’s, the parent company of the restaurant. She also has handled all operations functions for Falcor Wine Cellars in Napa Valley and Coastal Products in Sonoma, a company she runs with her dad and step-mother, which manufactures and distributes shipping materials and carrier boxes for the wine industry.

Phipps Family Cellars is releasing its 2005 Sonoma County Ranches Zinfandel at a special open house Sept. 15 at the Napa Valley Country Club from 5 p.m. to 9 p.m. They’ll serve finger food and, of course, their wine. Cost is \$20 per person, but the fee will be waived with a wine purchase. A portion of all proceeds will go to the AFCEF. Call 265-0677 to RSVP.

For more information, go to www.pfcwine.com.