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Toiling in the Vineyards

Opening your own winery in later life involves inspiration, fermentation -- and perspiration

By

Christine Larson

One month after Pam Satek, now 57 years old, retired as principal of a Chicago-area elementary school, she was tending to a group quite different from a student body.

Mrs. Satek and her husband Larry, 56, opened the doors of Satek Winery in northeastern Indiana in June 2001, and were greeted on the first day by some 500 customers.

"It was just the two of us in the tasting room, and neither of us had ever worked a cash register," Mrs. Satek recalls. At one point, while wine buyers were packed five deep into the small room, the credit-card machine jammed; it had reached its maximum number of transactions for the day.

"It was nerve-wracking," Mrs. Satek says. But that glitch was soon resolved, as were other problems, and by December, nine of the Sateks' 12 wines had sold out, and the couple was hard at work creating 2,500 cases for next season -- an increase from the initial run of 1,000 cases.

What does Mrs. Satek make of her experience?

"I retired to get up at 6 a.m. in the morning and work until 11 at night?" she asks. "That doesn't exactly sound like retirement, does it?"

Ah, but it does -- at least for many wine enthusiasts. Seduced by visions of sun-dappled vines, cool barrel-filled caves and their own name on a wine label,

many oenophiles dream of retiring to the genteel life of the wine maker. "People who start wineries as a retirement thing are usually looking for something more creative than what they did earlier, something they can share with their friends and family," says Murli Dharmadhikari, director of the Midwest Viticulture and Enology Center at Southwest Missouri State University, who frequently counsels such would-be retirement winemakers.

But as the Sateks have learned, the winemaker's life isn't all sunny vineyards and private reserves. Far from it: Most small winemakers face an array of challenges, including crop disease, gophers, equipment breakdowns and marketing troubles.

Winemaking is a competitive business that requires lots of capital, and those who succeed typically start planning years before retirement, often working weekends and nights to ensure their venture is firmly rooted before they leave their professional lives. Many retirees in the wine business say such efforts have paid off, yielding a worthy harvest. Here's a private tour of some of their operations, with a close-up look at the efforts behind the label.

Wineries launched in retirement often start out as home winemaking operations run amok. "People begin to think, 'Gee, I spend so much money and time on this, I should really make this hobby pay,' " says Dr. Dharmadhikari. Doing so, however, requires extensive homework into the business and science of commercial wine.

Dispelling Illusions

"A lot of people have built their notions about the business from very poor foundational input -- a silver medal in an amateur wine competition, for instance," says Richard P. Vine, a wine-industry consultant who teaches at Purdue University. "You have to dispel a lot of ideas, and unfortunately that's sad sometimes."

Retired medical researchers Stephen Haskill, 62, and his wife, Susanne Becker, did years of homework before opening Villa Appalaccia in Floyd, Va., in 1996. Dr. Haskill, a home winemaker, persuaded his wife to help plant grapes on 2 1/2 acres near Virginia's Blue Ridge Parkway in 1989. "The whole thing was just

supposed to be a retreat in the mountains where Steve could grow grapes and I could do my thing," says Dr. Becker. But the couple discovered a brisk market for their grapes among local wineries. They expanded their acreage and soon began envisioning a winery of their own. Dr. Haskill took courses sponsored by the state of Virginia on starting and running vineyards, and the couple toured wineries from Oregon to Italy in search of ideas.

The couple found that all the advice and expertise they needed was readily available in the wine industry: Agricultural extension programs sponsored by states and universities provide information on vineyard management, and winemaker's associations frequently offer educational conferences and events. The country's leading viticulture and enology program, at the University of California at Davis, even offers online courses (extension.ucdavis.edu) in wine production.

The initial research process usually yields some surprises for would-be winemakers: For instance, the country's most fruitful wine region isn't necessarily the smartest location for a retirement winery. "Wine is made in almost every state, and it's a viable retirement job or a second line of income in many of them -- but *not* California," says Jim Wolpert, head of enology and viticulture at the University of California at Davis. California's highly developed wine industry makes it difficult and expensive for small operators to compete. Lesser-known wine states such as Missouri or Indiana can prove far more affordable locations.

Another surprise for new winemakers: Not all wineries have vineyards, and not all vineyards have wineries. Some wineries simply buy their grapes from vineyards that may or may not produce commercial wines themselves. Indeed, some commercial winemakers have neither winery nor vineyard; they buy grapes, then hire other wineries to crush, store and bottle them. These various options mean that new winemakers can choose to start slowly, focusing their resources on just one aspect of winemaking.

Building on a Budget

An industry adage holds that the only way to become a millionaire in the wine business is to start off as a billionaire. In truth, of course, many retirees who start wineries are neither -- but nearly all agree that the capital demands of the

business are its single largest barrier to entry. Buying and planting vines typically costs \$10,000 to \$15,000 an acre, while the cost of equipping a small, no-frills winery easily reaches into six figures.

"I tell people that if \$250,000 sounds scary, they should look at doing something else," says Dr. Vine, the winery consultant. That figure includes equipment for crushing, pressing and bottling, plus barrels, tanks, forklifts and more -- but not elegantly appointed tasting rooms or luxurious landscaping.

Some families manage the costs by gradually building their venture overtime, while both spouses continue working. The Sateks, for instance, planted grapes on family property back in 1992, and started building their winery in 1999, two years before Mrs. Satek retired. "I was putting in six-day weeks," Mrs. Satek recalls. Her husband still is. He continues to work as a research chemist in Chicago, some 200 miles away.

Greg and Fran Cramer also started early, buying 109 acres in Oakland, Ore., in 1996, four years before Mr. Cramer's retirement from the Food and Drug Administration in Washington, D.C.

"Many people start with much deeper pockets," says Mr. Cramer, who is 57. "We came in as government employees with some inheritance from our parents, who were also government employees." The couple spent \$40,000 on young vines in 1999 and called in volunteers to help control planting costs. "We had 16 friends from across the country come and plant 12,000 vines in four days," Mr. Cramer says. The Cramers hired part-time help to monitor the vines, and then flew home to Maryland to continue working for another year.

Supplemental Income

Today, two years into Mr. Cramer's retirement, the couple isn't quite living off the land. "Taking early retirement meant reduced income, so we're doing what a lot of ranchers do: a patchwork of things to make it all happen," Mr. Cramer says. Mrs. Cramer works with computer networks in a town more than 50 miles away, and her husband takes occasional consulting jobs.

Once new winemakers address start-up costs and establish initial operations, then the real work begins. "For the first few years, the winery will run them, and not vice versa," says Dr. Vine.

Winemakers with their own vineyards quickly discover that grapes bring all the headaches of any agricultural crop. Gophers burrow beneath the vines, blackbirds can eat hundreds of pounds of fruit, and fences to keep out deer cost thousands of dollars. Diseases, weather and weed control are all constant worries.

"It's a very humbling experience to try to imprint your vision on the land," says Mr. Cramer. Two weeks after the Cramers' big planting party, their vineyard manager called them in Maryland: The vines showed ominous signs of damage, possibly from a neighbor's herbicide that could wipe out the entire vineyard. "I was in tears," says Mr. Cramer. "My wife was trembling in my arms. Our house, our retirement were all hinged to this." After agonizing hours waiting for an expert opinion, the Cramers got the call: It wasn't herbicide. It was frost. The crops were damaged, but not lost.

Once the grapes are in, manual labor can take its toll. With a 45-ton harvest at Villa Appalaccia last year in Virginia, Drs. Haskill and Becker, the retired medical researchers, exhausted themselves lifting and moving 25-pound grape baskets during the crush. They were convinced their winemaking days were numbered until a friend talked them into trying a forklift. "We suddenly realized we can do this for another 15 years," Dr. Haskill says.

The hard physical labor has its upside, too, one couple found out.

"It's been really good for our marriage," says Sibylla Brown, 61. She and her husband, Bill, 65, a semi-retired dentist, built Timberhill Winery in 1994 on property in southern Iowa where they'd been growing grapes for years. "You can't stay mad at each other when you have to plant grape vines and prune together," she says.

Intellectual Demands

In addition to the physical challenges of winemaking, the constant intellectual demands -- understanding the fermentation process, monitoring acidity levels, determining when to bottle a wine -- can curtail any leisure time.

"It's difficult to get a baby sitter for your wine," says Mrs. Satek. "After we opened, it was kind of like postpartum depression. Here we had this entity that demanded so much attention, and we couldn't leave it."

Popping the cork on a finished bottle of wine is far from the end of the story -- a fact that took Ed Coulson by surprise when he released his first wines in 1996 in California. "I really thought I was going to make such a top-flight wine that people would flock to carry and distribute it," says Mr. Coulson, 73, owner of Coulson Eldorado Winery. Mr. Coulson, a retired chemical engineer, had been making award-winning home wines for more than a dozen years when he decided to lease an unused winery near the gold-rush town of Placerville, Calif. His commercial wines continued to win awards, but his production level -- initially fewer than 1,000 cases a year -- was too small to attract most distributors. Today he makes about 2,200 cases a year, but sells just 15% through a distributor. The rest he sells retail at the winery or at special events.

Dr. Vine, the winery consultant, calls marketing "the most difficult problem we have in the industry." A few enormous producers dominate sales, leaving thousands of small wineries competing for a tiny slice of the market. Many small wineries find the most effective sales strategy is to lure visitors to the tasting room -- which means marketing not just the wine, but the winery itself as a travel and leisure destination.

That's Entertainment

"We've suddenly gone from being scientists to being entertainers," says Dr. Haskill. Villa Appalaccia's Italian-style wines, as well its Tuscan ambiance and live music on weekends, draw 150 to 200 people on a busy Saturday. Many visitors learn about the winery and its events through its Web site (villaappalaccia.com) and e-mail marketing campaign.

Luckily, marketing is one area where retirees often benefit from their life experience, Dr. Vine says. "Older retired folks typically have a more down-to-

earth perspective on marketing and are willing to invest in it because they've seen it work," he says. "With younger people it's more difficult to make them understand they need to put money into billboards and brochures."

But all the entertaining, however pleasant, can keep winemakers away from important tasks in the winery itself. Mr. Coulson, the California winemaker, solved that problem by recruiting other retired people to work in his tasting room. "I ran an ad that said 'Bored with retirement? Good with people?' And they came."

For all the backaches, varmint and high costs, few retirees who have started vineyards would trade in their happy exhaustion. Many share the sentiments of the Cramers. "Neither one of us would want to do anything else for the rest of our lives," says Mr. Cramer. "It's hard work, but it's a wonderful new adventure."

--Ms. Larson is a writer in Sacramento, Calif.

Write to Christine Larson at encore@wsj.com