

LET'S TALK ABOUT WINE

When you read about the history of wine in California Italians are rarely mentioned. However, there is at least one Italian family who deserves to be included. Here's their story.



Wine history in California talks of Nappa Valley and always seems to skip the San Joaquin Valley, the city of Modesto and the brothers Ernest & Julio Gallo. The immigrant father, and his younger brother, Michael, had a business buying wine from small wineries and selling it in bars in Oakland and San Francisco. As early as 1906, they operated as the Gallo Wine Company. In the 1920s, Ernest & Julio's parents, Italian immigrants, bought a farm near Modesto and like their neighbors, began to grow grapes. They started a fruit & produce company, growing and selling grapes and home made wine to wineries and others.

In 1933, following the repeal of Prohibition, the Gallo brothers scraped together \$5,900 and started their winery, the E & J Gallo Winery in Modesto. The brothers purchased a winery space next to a rail line to make shipping more efficient, and bought a competitor in order to expand storage capacity. In the first year the Gallo Winery produced 117,847 gallons of wine. The brothers learned the craft of commercial winemaking by reading old pamphlets they retrieved from the basement of the Modesto Public Library. It was said that Julio was the inventive and gifted winemaker, and Ernest was the tough and savvy businessman and marketing genius. Together they were a force that changed the wine industry.

In the early years the Winery made a profit selling fortified wines like Thunderbird, Ripple and Night Train Express. The Winery continued to expand, purchasing other wineries and Julio began to produce higher quality wines. The brothers also began to buy grapes from other Napa growers so that supply could keep up with demand.

Julio was the first to establish breakthrough quality initiatives such as how to have a sound, clean fermentation, and how to clarify the wine. They also had long-term grower contracts for varietal grapes and grape research programs. It pioneered the use of stainless-steel winemaking vats and computers for wine blending. Julio helped develop and implement the Code of Sustainable

Wine Growing Practices. The Practices promote sustainable practices which are environmentally sound, economically feasible and socially equitable. It covers virtually every aspect of the wine business including viticulture and grape growing, wine making, purchasing and building and maintaining productive relationships with neighbors and the local communities.

By 1993, E. & J. Gallo was the country's largest winery, with a 25% share of the American wine market. Today the company makes, markets, and distributes wine under more than 60 other labels including Carlo Rossi, Boone's Farm, Bartle & James, Red Bicyclette, Barefoot Wines and Andre sparkling wine. Gallo Winery owns brands and wineries that range from the Central Valley to the North Coast, Sonoma and the Napa Valley in California as well as importing wines from Italy, Australia and other regions throughout the world.

Gallo Winery created their own distribution channels to supply Gallo to an ever expanding audience. Ernest introduced a series of innovations, including placing promotional displays in stores and creating an aggressive, sales force. Ernest was among the pioneers of wine advertising on television and launched many wine advertising campaigns. He was the first to introduce brand management and modern merchandising to the wine industry, and led the way in bringing new products to store shelves. In 1993, they opened its first international office in London. They were also first to establish a truly significant foreign sales and marketing force to export California wines overseas. Today they are the world's largest exporter of California wine.

Today E & J Gallo Winery is the largest, private, family-owned winery in the US. It is the largest wine brand in the world. It distributes and markets their products in more than 90 countries around the globe. In 2016 E & J Gallo Winery's revenue was \$4.3 billion and had over 5,000 employees.

Prepared by Jennifer Murphy

References

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