

# Napa Valley *Register*

## **A 10-year search for the perfect blend: Louis Roederer buys Russian River's Merry Edwards Winery**

Peter Stoneberg Feb 28, 2019



Frédéric Rouzaud, CEO of The Louis Roederer Champagne House, and Merry Edwards of Merry Edwards Winery.

Submitted photo

Frédéric Rouzaud, CEO of The Louis Roederer Champagne House, had been searching to buy a premium Northern California winery for 10 years before he met Merry Edwards and tasted her Pinot Noir. For both, it was coup de foudre (love at first sight).

The two announced the consummation of their courtship last Friday, when Louis Roederer acquired Merry Edwards Winery for an undisclosed amount. The purchase includes the 28,000-case per year winery, inventory (including an extensive library of older vintage wines), 79 acres of vineyards spread over six sites and the Merry Edwards Winery name.

Originally founded in 1776, Champagne Louis Roederer continues as one of the rare Champagne houses to remain firmly in the hands of the same family. For three centuries, seven successive generations have been responsible for building the winery into one of the finest in the world, producing 300,000 cases a year, including the prized Cristal brand.

In addition to their presence in France, Roederer has long been in love with Northern California. In a phone call from Paris, Rouzaud said, “We were founded in 1776, so we share a birthday with your country, and the U.S. is a very large and important wine market to us. We have other business operations in the USA; in 1982 my father founded Roederer Estate in Anderson Valley to make sparkling wines, we acquired Scharffenberger Cellars from LVMH in 2004 and Domaine Anderson from the Dach family in 2011. In addition we distribute Dominus' highly regarded wines in the US.”

Merry Edwards is a legend in the Pinot Noir industry, having been a pioneering winemaker over her 45-year career at Mount Eden Winery, Matanzas Creek and several smaller wineries. In 1997, family and friends joined together to found Merry Edwards Winery, with a focus on producing Pinot Noirs, Sauvignon Blancs and Chardonnays with a sense of place from their estate vineyards in the Russian River Valley and Sonoma Coast.

“Roederer spent several years looking for a Napa brand but were not able to find the right fit,” Edwards said at her Sebastopol winery on a rainy Monday morning. “They were looking for a family owned and managed winery, with a focus on making terroir-driven wines from sustainably grown estate vineyards.”

Rouzaud continued, “We are frequently looking at wineries to partner with around the world. We look at terroir first. Merry Edwards has several estate vineyards that they have farmed sustainably over many years. They take a long-term approach to vineyard management, as do we in Champagne. Our vines average 40 years old and many of our best wines come from vineyards over 70 years old. We are patient and take a multi-generational view in everything we do, from business to vineyards to winemaking.

“Over the years, we have had opportunities to look at many renowned wineries in Northern California, but it was not until Robert Nicholson from IWA introduced me to Merry that I felt my heart beating. Her personality, her story, her wines won me over. Pinot Noir and Chardonnay are in our House DNA, so it is a natural fit.”

Edwards said she and her husband and business partner, Ken Coopersmith, weren’t thinking at all of selling. But “in mid-2017 we met with a broker, who offered to do a valuation of the business.”

She added, “Ken and I owned a majority of the business, but also have about 30 outside investors who have been very supportive over the years. When the results of the valuation came back, it inspired us to consider a transition for all of us. So we spent the next several months assembling all the information that a buyer would want and preparing to talk to prospective partners.

“We met with several other interested parties over the next year, but Roederer were different in that they have been a family business for centuries and are focused on the same grape-growing and winemaking values that we are. We didn’t want to be bought by a private equity group or a public company. We wanted it to be owned by another family passionate about wine,” Edwards said.

Roederer is buying a successful business and is happy to let it continue running independently. “Going forward it is our mission to ensure continuity as we have done with our other acquisitions since 1990,” said Rouzaud.

Edwards continued, “I will be staying on as GM/Founder for at least a year to make sure that Roederer and my employees achieve their goals. We have been grooming Heidi von der Mehden for several years and she will continue as the Merry Edwards head winemaker.”

Edwards said Roederer is “intrigued by our successful direct-to-consumer (DTC) and restaurant sales model. We don’t charge for tastings like most others do, but our visitors like and buy our wine so it works out well. Wineries that charge \$60-plus a person for tastings risk alienating the millennials we all seek and could end up killing their DTC business.”

According to Edwards, the deal was kept quiet until it was announced Friday, Feb. 22. Several magnums of Roederer’s Cristal Champagne and Merry Edwards Pinot Noir flowed for all participants at John Ash Restaurant to celebrate their 10-year search for love at first sight.

*Peter Stoneberg is an investment banker specializing in the wine industry and enjoys watching grapes grow at Circle R Ranch on Atlas Peak.*