

Wine Group pulls plug on jugs for Almaden and Inglenook wines

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The Wine Group LLC's newly acquired Almaden and Inglenook wine brands are switching from jugs to bag-in-box packaging to dramatically slash their carbon footprints, the intensely private company said Wednesday.

Officials called the move "consistent with the consumer's desire for both value and environmentally-friendly packaging," and said the so-called BIB packaging weighs significantly less than glass and requires far less carbon-based energy to transport. It expects to save 11 million pounds in annual packaging waste and reduce the brands' carbon footprint by 60 percent.

Although The Wine Group didn't directly address the cost issue, that presumably means dramatically reduced shipping costs as well. Officials at the historically media-shy company, which is based in San Francisco with significant operations in Livermore, were not immediately available for comment.

The Wine Group bought the two historic but time-worn brands and an affiliated winery in February from Constellation Wines U.S., a unit of Constellation Brands (NYSE: STZ) for \$134 million.

"Consumers and the industry should applaud this move," Jon Fredrikson, a well-known wine industry analyst and consultant at Woodside's Gomberg, Fredrikson & Associates, said in the May 28 statement. "The fact that these two popular American brands are now taking this step is significant because of the volume they represent."

The brands account for 10 million cases annually, David Kent, CEO of The Wine Group, said in the statement.

Both brands have deep roots in California's wine industry. Almaden was founded in 1852, when Frenchman Etienne Théé planted grapes near Los Gatos, while Inglenook gained popularity after fur-trading sea captain Gustave Niebaum bought the Inglenook vineyard in Napa Valley in 1879.

The table wines sell for about \$3 a bottle, however, and long ago lost their magic with most wine consumers.

The Wine Group also produces brands such as Franzia, Concannon, Big House, Glen Ellen, Corbett Canyon, Foxhorn, Fish Eye and Mogen David. It was founded in 1981, by a management buy-out of the wine assets of The Coca Cola Bottling Company of New York, and is now California's second largest wine producer, according to the company.

It produced 42 million cases in 2006, according to Wine Business Monthly's most recent list of the 30 largest wine producers in the United States.