



WINE OFFERING FALL 2002

calerawine.com
AND OTHER EXCITING NEWS

By Josh Jensen

MORE THAN A YEAR has gone by since I last sat down to write one of our trusty newsletters. But I haven't been idle. No, I've spent most of the last 12 months trying to figure out how to work a computer. I'm happy to report that I've already learned how to switch my computer on. And that's not all. I've also learned how to use the basic features of a word processing program.

My next goal is to learn how to do e-mail, but the jury is still out on whether I'll ever get the handle on that technology. I'm OK at tractor and forklift technology, and I know how to drive a car, but trying to figure out little "icons" and using a "mouse" are much more daunting. So far I am making modest progress learning how to read my handful of incoming e-mails, but answering them is beyond my current set of skills. That will have to wait. Maybe next year, or perhaps 2004.

Also, I never remember to check my e-mail.. It's still best to contact me by telephone for anything of importance – unless you are a stock broker making sales calls pitching investment "opportunities." If you fit that description, I'm on a permanent safari in Antarctica and can be reached only by smoke signals.

So I'm belatedly joining the computer age, or trying to, albeit with a fair amount of kicking, screaming and trepidation. Not even my Luddite's reluctance, however, can detract from my pleasure in announcing after all these years that

CALERA NOW HAS ITS OWN WEBSITE:
calerawine.com

I know, I know. Many of you will remember that I previously wrote my opinions that the Internet was "just a fad" and that we weren't going to bother with a website. But I've been bombarded over the years by learned, sound advice from our in-house computer whiz, Diana Vita, whose title is Winery Manager, and from my son, Duggan, a recent college graduate. So I finally relented and spent the big bucks to have our BEAUTIFUL new website designed.

I must say that calerawine.com is the most aesthetically pleasing, efficiently designed and useful website I have ever seen, but then it's also the only site I've ever seen. Check it out and draw your own conclusion.

CALERA WINE CLUB

We recently also have started a Calera Wine Club in response to many of your requests. You can receive membership information and sign up by telephoning us at (831) 637-9170, by faxing us at (831) 637-9070, or by visiting www.calerawine.com. The act of joining costs you nothing, but we do expect you to pay for the six bottles of wine we will automatically ship you twice a year. You can sign up for one of three price categories: expensive, medium-priced or less expensive – or get all three sets! In all instances, members will pay 15 to 20 percent less than normal retail for these regular shipments. Plus, as a member of the club you will be able to order additional quantities of any Calera wines at 15 percent below normal per-bottle prices. You'll also receive other benefits, such as invitations to certain events. Call or write us for more information.

CALERA'S FIRST-EVER OPEN HOUSE, MAY 4, 2002

In early May we staged the first open house in our 27-year history. It was a rousing success, at least by our standards. "What standards?" you might ask, since we're admitting we never before had one.

The weather, having been nasty earlier that week, cooperated with a lovely, clear spring day. The food, music and wine -- of course! -- all were terrific, and to our utter amazement more than 500 people attended. I guess people decided we're not in such a remote location after all. Maybe some of them reasoned that if it took us 27 years to throw our first party, they'd better check this one out in case we wait that long before we do it again.

Everybody seemed to have a good time – hey, what's not to like about great cuisine, a lovely selection of wines, and music, all "in the warm California sun" and all at no charge? People immediately started asking us when we plan to host another open house, hinting that two or three of these things every year would suit them just fine.

Having had six months to think it over, we've started telling people that we'll make it a biannual, i.e., once every two years, event. The next open house is tentatively scheduled for May 1, 2004, a Saturday.

WHAT'S UP WITH GRAVITY?

What exactly is "gravity-flow" winemaking, and why do wine people talk about it?

When you make wine you have to move first the grapes and then, after pressing, the wine through the steps of the winemaking process.

In Calera's case grape clusters are harvested from the vines always and only by hand, by human pickers, and never by machines known as mechanical harvesters. So far that's pretty simple.

But once the grapes are trucked to a winery it can get more complicated. Most wineries are built on a flat site, on just a single level. As a consequence, moving the grapes from a receiving area or hopper to a fermenting tank (for red wines) or to a press (for whites), requires that those wineries use some sort of conveyor – such as a screw conveyor, a cleat conveyor, a rubber conveyor belt, or large must pumps that whoosh the grape solids along with the grape juice – to get tons and tons of grapes from one place to the next.

By contrast, in a gravity-flow winery, of which Calera's unique building is the world's most complete example, moving grapes and then the resultant wine by gravity means moving it simply and naturally by letting first the grapes, then the wine, drop, slide or flow downward (by gravity) rather than having to be moved or pumped mechanically (by force). To be able to do that you need several different levels. Calera has seven sequential levels, with the grape receiving level being the highest up the hill and the bottling line at the bottom, on the seventh level.

If this is hard for you to picture, as it must be, you can find a schematic drawing (a cross-section of our building) by going to our website, www.calerawine.com, clicking on "Winemaking," then clicking again on "Gravity Flow Schematic."

Philosophically, most winemakers who aim to make the finest, most natural wines prefer the simpler gravity method because it's gentler on the wine. Conveyors and pumps are machines, and every time you pump a wine, in my opinion and that of many of my colleagues, you detract in some way from that wine, even if only slightly.

So the desire for the highest quality, through gentle, natural handling, is the main reason many of us prefer using simple gravity to move our grapes and wine. There are other reasons. Conveyors, must pumps and wine pumps all are extremely expensive, and they make a lot of noise. Also, it's extra work to clean them before use, hook them up, and then clean them again, which you always have to do thoroughly when you've finished.

So if you can move this stuff around just by letting it flow gently downhill into a tank or barrel, both the wine and you are much better off.

Gravity-flow winemaking can be done with just one level, provided you have a way to lift the grapes or wine every time you need to move it. All you have to do is get it higher than the container into which you want it to flow. That's the way many home winemakers, who may be making only 20 or 50 gallons, usually operate. That amount of lifting also can be done in very small wineries, where they will raise up their small

tanks or oak barrels with a forklift or a hoist and let the wine flow down into another container. But it would be difficult to do all that lifting and draining for a winery of any size, even for Calera's size (only about 30,000 cases of annual production).

So that's why we built our winery in what looks at first glance to be a crazy place: a series of concrete walls and terraces where a limestone rock crushing plant operated in the 1950s. When I bought this property in 1977, the partially built structure had been abandoned for about 20 years. To everyone else it was an eyesore, overgrown with weeds. But when I saw it I said, "Aha! Here's a gravity-flow winery already half-built!"

At Calera we normally move grapes, then wines, about six times prior to bottling them. The first move is tipping the grapes from their picking bins, on level 1, down into either the press (for whites) or stainless steel fermentation tanks (for reds), both of which are on level 2. Even with so many different levels -- count 'em, 7 -- we typically pump every batch of wine here **ONE TIME**, the step immediately before bottling. My goal is to eliminate pumping of all our wines. To do it we'd have to buy, in effect, a duplicate set of tanks that would be used only a few weeks each year, and we can't afford to do that just yet. But one day we will.

CAPITAL IMPROVEMENTS AT CALERA IN RECENT YEARS

As it's been a long time since I last wrote and sent out a newsletter, it's been an even longer time since I brought everyone up to date on the many facilities upgrades and capital improvements around here. What follows is a quick overview of the improvements we have put in place over the last nine years.

1993 – We built a roof over a large portion of our winery that had been fully exposed to the elements for our first 16 years. This roof turned out to be a major design, engineering and construction undertaking. The roof would have to span the top four levels of the unique, terraced winery. The grape-receiving level, the highest part of our building, is 16 feet above our Pinot Noir fermentation tank level, which in turn is five feet above our press level, which is 10 feet above our storage tank level. So in 1993 we built a large, steeply sloping roof covering all or portions of those four levels. It had to be specifically engineered, as does everything we build around here, because our winery is a mere 100 yards from the San Andreas Fault. The U.S. Geological Survey calls our segment of the San Andreas, "the central creeping portion". A secondary benefit of this great roof was that for the first time we were able to install powerful, bright lights on our grape receiving and tank levels. I remember all too well what it had been like groping around at night in the fall, trying to make wine in the dark. For most of the year we get to work only during the daytime, but during harvest it can be practically around the clock. So the lights have been a huge blessing.

1994 -- We built a catwalk, suspended from the roof we built the year before, to give us better and safer access to the tops of our fermentation tanks.

1995 -- We built a steel mezzanine floor in the highest portion of our lower barrel cellar, which is level 6. Until then quite a bit of the temperature-controlled interior space of that cellar went unused, because we didn't want to stack our barrels more than four (or at most five) high, being practically on the San Andreas Fault and all. Our large mezzanine floor is terrific, 10 feet in the air, and we have high hopes that during the next very large earthquake it will slide back and forth, as we designed it to, rather than crashing through a wall and taking the rest of the building down with it.

1996 -- We re-routed the main driveway and got rid of one of the original rock crusher walls, the one at the top of our winery building, so we could more easily get Pinot Noir grapes into the winery.

1997 -- We broke our self-imposed limit – no more than one big project a year -- and tackled two separate projects: planting 14.9 acres, a completely new Pinot Noir vineyard, up on Mt. Harlan, in the very steep parcel that separates the Jensen and the Mills Vineyards. And we built a 210-foot-long retaining wall at the winery, at the eastern edge of our “parking lot,” to ensure that our whole operation wouldn't one day slide down onto Cienega Road. You might think that such a slide could be a good thing, since we then could claim to have eight levels. But seven is plenty, thank you.

1998 -- We threw caution to the winds and embarked on multiple projects:

1. We planted another new Pinot Noir vineyard, 9.4 acres, on the back side of Mt. Harlan, and 4.3 acres of Chardonnay, in three separate parcels.

2. We built a small (1,000 square foot) concrete room alongside our existing warehouse, which we covered with 15 inches of earth to give us perfect year-round temperature for our growing collection of all the wines we've ever made, known in the wine biz as a "wine library." Now we know where and how to find any of our older wines we happen to be looking for, rather than having to hunt through all the pallets in the entire warehouse.

3. We built three new concrete retaining walls alongside our grape receiving and fermenting areas, to house a large new German 15,000-liter press. That gave us our first permanent press station – before that we'd roll our two much smaller presses around from one spot to another.

4. We bought and installed two large new stainless steel tanks, a 12,000-gallon fermenter equal to our largest existing one, and a 15,000-gallon storage tank in which to put together the different batches of the Central Coast wines just prior to bottling.

5. We made some other mechanical changes and upgrades: buying and installing our second pneumatic punch-down tool for punching down the

caps of grape solids that rise to the tops of fermenting musts during fermentations. We also moved our refrigeration unit for chilling our tanks, along with our two air compressors, into the rock hopper that was part of the 1950s structure. The move freed up floor space on the fermentation level for more tanks.

1999-2001 – We tackled the biggest construction job in our history: a 5,000-square-foot combination warehouse, laboratory, lunchroom and employee bathrooms, all on a new, lowest seventh level, four feet lower than the previous lowest level (the sixth). It's a handsome two-story structure attached to our existing warehouse, the second floor of which houses our lovely, 1,600-square-foot permanent offices, featuring the world's best view. Many of you had visited Calera during the 16 1/2 long years we worked out of the same substandard 12-by-35-foot office trailer. Well, I'm happy to report that the new building and new offices are as nice as that dilapidated old trailer was terrible.

Certainly, the large new building, which incidentally took us two years to build (don't ask me why), was the main project we've undertaken since 1999. Still, we did tackle a few other items during that time: We planted 5.4 more acres of Pinot Noir on Mt. Harlan, mostly filling in around the edges of fields we planted in '97 and '98. We now have 83.6 total vineyard acres on Mt. Harlan, and we harvested the first substantial tonnage from most of the new vineyards in 2002, this fall. It is always exciting to get your hands on the first harvest from a brand-new vineyard. We are thrilled with what we see so far from these new parcels.

We also bought a new large fermentation tank in 2000; and the following year we bought an expensive new four-head foil spinner for our bottling line, and a new electric forklift that now "lives" on the seventh level. (Our trusty old electric forklift still runs great, but it has to stay on the sixth level, thus illustrating one of the drawbacks to hillside, gravity-flow operations: You have to have duplicate equipment in many instances.)

As we approach the year 2003, Calera is in a stronger place than ever, poised to take our work and our wines to an even higher level. The 83.6 acres of limestone-soil vineyards that we have carved out of the wilderness represent an asset that very few wineries are fortunate to have. The greatly improved facilities and equipment in which we've invested have put us in position to produce wines even better than we've made before. I believe Calera is on the verge of a new era. It's going to be a thrill to see the next few years unfold and reveal themselves to our curious minds.