

O'NEILL VINTNERS AIMS TO TAKE COMMERCIAL BRANDS TO NEW HEIGHTS

Earlier this year, we reported Cecchetti Wine Company and O'Neill Vintners had formed a strategic partnership to be called O'Neill Vintners & Distillers [see [WSD 03-04-2014](#)]. Under the new partnership, O'Neill does the grape sourcing, winemaking and production for all of the brands while Cecchetti founder Roy Cecchetti leads the company's national sales organization. Now that the dust has begun to settle, WSD spoke with O'Neill founder Jeff O'Neill about the logic behind the merger and future plans for the company.

First thing to know about O'Neill Vintners is that there are three components to the business: brandy making, bulk wine sourcing and more recently bottled wine. O'Neill's commercial wine brands include Moscato Allegro, Camelot, Pepi and Tin Roof, the latter three it acquired from Kendall Jackson. Although the brands consistently grew about 30% in the past seven years, they remained the smallest part of the business.

"I will say that until we acquired the Cecchetti brands, we had good brands, but we didn't have enough volume to get any reasonable interest from wholesalers around the country," says Jeff. "Then, we were doing in total about 400,000 cases, but we really wanted to continue to diversify our portfolio and that's what led to the opportunity to work with Roy Cecchetti."

He says the partnership has provided O'Neill brands with a "great platform" to move forward. When asked how far O'Neill can grow these brands, Jeff said, "Actually, I wouldn't say it's unlimited, but it's close to that." In fact, the company has a production capacity of 6 million cases, making it the eighth largest US winery based on production volume. "There's plenty of room to grow. Having said that, obviously we are a key supplier to many other branded wineries as well."

Because O'Neill's brands were purchased from Kendall Jackson and remained in its distribution network both the O'Neill and Cecchetti brands had a good distribution network with "a lot of overlap." In most places there was no need for a change and no major changes were made at all. The combined portfolio includes: Austerity, Backhouse, Exitus, Line 39, Redtree, Camelot, Moscato Allegro, Pepi and Tin Roof Cellars brands.

Going forward, Jeff says they'd like to keep the good growth of both portfolios growing. "We do control labels as well, but we would really like to see the branded portfolio grow and that's why we've put extra emphasis on it."