

Willamette Valley Vineyards, a Lesson in Growth

By Steve Kanaval

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Investing in [small cap wine stocks](#) is a tricky endeavor, because they usually get snapped up and don't stay around long. **Willamette Valley Vineyards Inc. (\$WVVI)**, has been an outlier, though. They have been trading since 1995 and have returned nearly 100% in share appreciation since January 2013. All the while, they have had award-winning wines that are coveted by high-end restaurants and collectors of great pinot noirs.

Jim Bernau, CEO at Willamette, loves his work, and it is evident in every bottle they sell. I met Jim back in 2006 and have been following his publicly traded wine company ever since. They are one of the few remaining small cap wine stocks, and at \$30M [valuation](#), they slog through every quarter like the dutiful growers they are.

You won't see much press from them unless you read the local paper in Oregon, but you will certainly find their award winning wines on many of the best restaurants around the world. It is so refreshing to see these small companies survive the volatility that comes with being a public company – Bernau has done this as well as any CEO I follow over the years, and all they do is put out good wines while remaining undiscovered.

One of the Last Small Cap Wineries

Willamette Valley Vineyards, Inc. produces and sells wines in the United States and internationally. The company offers various types of wines, including pinot noir, chardonnay, pinot gris, rosé and riesling under the Willamette Valley Vineyards label; Oregon Blossom under the Oregon Cellars label; semi-sparkling muscat under the Tualatin Estate Vineyards label; and syrah, merlot, cabernet sauvignon, cabernet franc, The Griffin, and Viognier under the Griffin Creek label.

Willamette also owns and leases 654 acres of vineyard land. The company markets and sells its wines through direct sales at the winery; directly through mailing lists; and through distributors and wine brokers. Willamette Valley Vineyards, Inc. was founded in 1983 and is headquartered in Turner, Oregon.

I encourage any new CEO to review the record of Willamette. They are not flashy, do not flaunt a bunch of PR, don't attend many conferences and keep to what they do best, which is grow and bottle wine. I imagine that the wine business requires the same type of dogged patience and observance of the seasons as a new growth goes out and a new one begins; managing a public company is the same methodology, where you prep each 90-day period, release quarterly earnings and watch the results filter down to the [stock price](#). For Willamette investors, they have had advancing share prices in the last two years, coupled with the great wine the company has produced over the years. It may finally be time that investors also discover an interesting small cap stock to watch.

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