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Investors pour millions into Napa wineries despite a painful downturn

New owners are betting that organic farming, site-driven wines and more personal hospitality can revive demand in wine country

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Napa Valley is facing one of the toughest periods in its modern wine history, with falling sales, fewer visitors and high-profile cutbacks by major producers. Even so, some winery owners and investors are putting new money into the region, betting that Napa

can still grow if it changes how it makes, presents and sells wine.

The broader California wine industry is valued at $55 billion, but recent moves have underscored the strain. Treasury Wine Estates said it plans to remove 46 of the 76 brands in its portfolio over the coming years, while concentrating on labels including Penfolds, Daou, Beaulieu Vineyard, Frank Family Vineyards and Stags' Leap. Gallo has also continued to reduce capacity, announcing another closure in Lodi after shutting Ranch Winery in Helena and Courtside Cellars Winery in San Luis Obispo.

At the same time, a quieter wave of investment is taking shape in Napa. It includes both small family-backed projects and larger corporate-owned wineries. Their common approach is less focused on the rich, heavily styled Cabernet Sauvignon that defined an earlier era and more focused on site-driven wines, environmental practices and hospitality built around personal experiences.

Matt Stamp, owner of Compline Restaurant and Compline Wine Shop in Napa, said many wineries are still trying to satisfy the tastes that dominated the market in the mid-2000s. That model, he said, no longer fits what many buyers want. He pointed to brands such as Memento Mori, Vice Versa and Realm as examples of luxury Napa producers still moving wine at high prices by staying active in the market and offering more distinctive experiences. He also cited Macdonald for vineyard-focused winemaking and Promontory for producing more restrained wines.

Caren Orum and her husband, Nick, expanded their Arborum estate by buying a 24-acre parcel next to their Hidden Key Vineyard north of St. Helena from the McMinn family. The couple founded Arborum in 2019 on 20 acres with 2.5 acres under vine. After the purchase, the property totals 44 acres, with 10 acres planted.

Orum said the goal was not to add another luxury Cabernet label to Napa but to express the site through organically and regeneratively farmed wines made with low-intervention methods. Arborum’s wines are made by Andy Erickson and sell for $125 to $345 a bottle. Orum said sales doubled from 2024 to 2025. Net proceeds go to nonprofit groups including the Napa Valley Farmworker Foundation, Puertas Abiertas Community Resource Center and Point Reyes National Seashore Association and Save the Redwoods League.

Hayes Drumwright is also expanding his footprint in Napa. He recently raised $25 million to buy the historic Edge Hill Estate in St. Helena from Joel Gott. The property includes 27 acres, six acres under vine and a stone winery built in 1876. Edge Hill will serve as a home for Vida Valiente while a separate $25 million facility for that brand is developed with a working winery and tasting rooms designed around communal experiences.

Drumwright said Memento Mori has grown 270% in sales over the past three years. He attributed that growth partly to wines that tell a story and partly to philanthropy tied to the Vida Valiente Foundation, which provides scholarships and mentoring for first-generation, low-income students attending Stanford University. He said brands that combine collectible wines with stronger consumer engagement are performing better than producers that simply make wine without building a broader connection.

That emphasis on values is showing up elsewhere in wine country. Joe Nielsen, general manager and director of winemaking at Ram’s Gate Winery, said consumers increasingly want transparency about where wine comes from and how it is grown. He said buyers are less interested in image-driven luxury and more interested in products tied to land, environmental care and community values.

Ram’s Gate deepened its regenerative agriculture efforts after O’Neill Vintners & Distillers fully acquired the winery in 2024. Nielsen said the estate had farmed organically since 2020 and later became certified organic under O’Neill’s ownership. The winery also began an agroforestry program, removing some vines to plant heirloom fruit trees including figs, peaches, pears, apples and nectarines to increase biodiversity. It also expanded its culinary program with more local sourcing.

Nielsen pointed to Robert Mondavi Winery as another example of large-scale investment aimed at updating Napa’s appeal. Constellation Brands, Mondavi’s owner, has reportedly spent about $200 million on a renovation that began in 2022 and culminated in a reopening in April 2026. In 2023, Mondavi’s 450 acres under vine became certified organic.

Peggy Hemphill, Mondavi’s brand marketing director, said the renovated winery uses upgraded winemaking technology intended to highlight differences among vineyards and blocks while improving how visitors experience the property. With To Kalon Vineyard at the center of its hospitality program, she said the winery is responding to younger consumers who want personalized service and authentic connections to place.

Another major reopening is scheduled this week at Clos Pegase Winery. Adair Family Wines is set to officially unveil the restored property on June 27. The winery was founded in 1984 by Jan and Mitsuko Shrem and was bought by Jay and Tammi Adair in 2024.

Tammi Adair said her family has invested another $35 million into its wineries because it believes in Napa’s long-term future. She said visitors are looking for authentic places where they can gather and celebrate rather than just traditional luxury settings.

The shift comes as producers across Napa confront weaker demand and changing drinking habits. Some industry figures say there are too many wineries chasing too few consumers. Others argue Napa still holds strong global value but needs to broaden its style range, rethink hospitality and move away from what Stamp called vanity brands if it wants to stay relevant.

For now, even amid layoffs, closures and portfolio cuts elsewhere in California wine, these investors are making a different calculation: that Napa remains viable if it adapts to what today’s drinkers want from both a bottle and a visit.