

FLYING LEAP®
VINEYARDS & DISTILLERY

An Arizona Wine Experience

WRRRC Conference Panel Discussion

July 12th, 2022

MARK BERES

(520) 954-2935

MarkBeres@msn.com

Hometown: Walla Walla, Washington

Alma Mater: US Air Force Academy (B.S. Aerospace Engineering, 1991)

Advanced Degrees: Physics, Thermodynamics, Business, Viticulture, Enology & Distillation Sciences

Military Career: 1991-2006, pilot (4,640 hrs, 640 in aerial combat), test pilot (USN test pilot school graduate, 2001). Medically-retired in 2006 due to combat injuries.

Civilian Career: 2006-2018, principal engineer at Raytheon Missile Systems (turbine engine design, integration & test lead, consultancy role 2018 to the present)

Associations: Society of Experimental Test Pilots, Arizona Winegrowers Association, Arizona Farm Bureau

Reading List: Current – “Rocket Fuel - The One Essential Combination That Will Get You More Of What You Want From Your Business” by Wickman & Winters. 2021 – “The Gulag Archipelago” by Aleksandr Solzhenitsyn. “Grant” by Ron Chernow.

Hobbies & Interests: cellist, art collecting, woodworking, veteran services, fly fishing, gardening and cooking



Property Expansion Phases

- **2010-2011** first vineyard developed & planted in Willcox, AZ
- **2011-2012** second vineyard developed and planted in Willcox, AZ
- **2013** winery estate purchased in Elgin, AZ
 - **First retail sales:** Feb. 9th, 2013
- **2013-2016** estate vineyard restored & replanted;
- **2014** first Flying Leap wines (AZ) released
- **2014-2016** distillery & event center built
- **2017** first Flying Leap distilled spirits released
- **2019** partnership with Hoffmann & Girotti families (California/Argentina) established
- **2021-2022** production expansion



Pros & Cons of Arizona Wine Production

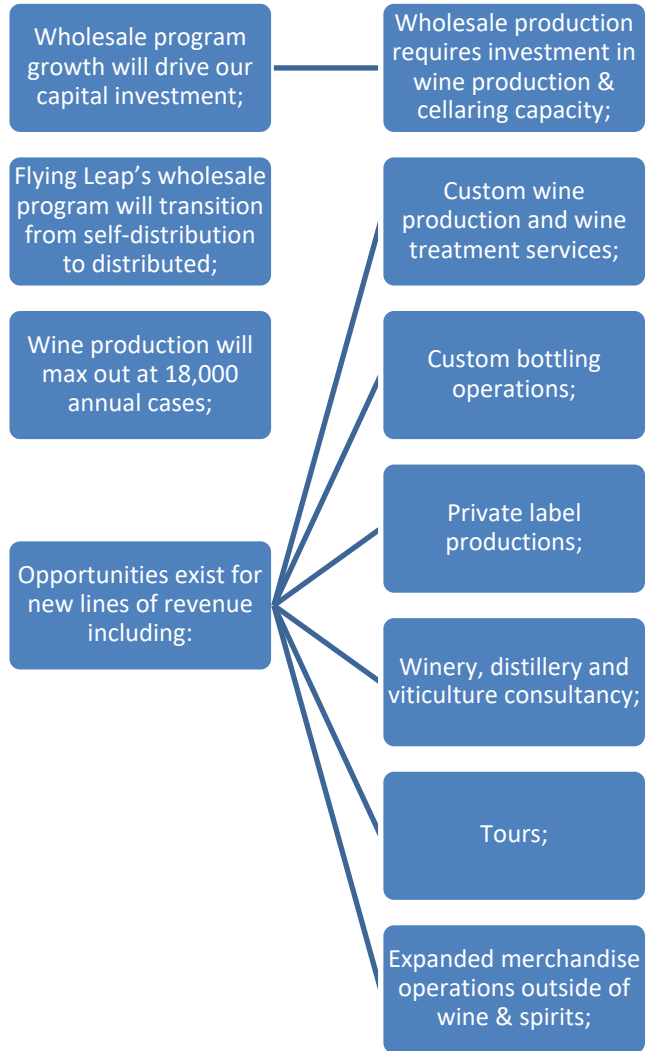
- Pros

- Warm, dry climate perfect for winegrapes;
 - Flavor, balance, concentration;
 - Grapevines do not need a lot of water;
- Good, plentiful water;
- pH-balanced soils, rich volcanic till;
 - Ideal for plant health;
- Affordable land in premium growing sites (SE Arizona);
- Long growing season;
 - Spreads out the harvest, allowing smaller production facility and lower labor costs;
 - NOTE: liability as well, results in shorter pruning season!
- Small market, high demand;
 - Less substantive competition, easier to establish a brand;
 - Rarity, customer intrigue & quality drive demand;
- Favorable legal framework for small, craft producers

- Cons

- Remote location of major commercial vineyard sites
 - High labor costs;
 - Scant customer traffic in major growing regions (no natural “pull”)
- Unavailability of skilled labor
 - Lack of trained production & viticulture staff requires substantial in-house training programs \$\$\$
- Lack of regional wine identity
- Water scarcity
- Customer bias/perceptions
- Challenging market entry/distro
- Statutory maximum – AZ legal framework is favorable up to a point, then it becomes a roadblock
- Difficulty in obtaining financing

Flying Leap – Future Opportunities



MARK BERES
(520) 954-2935
MarkBeres@msn.com