



STANDING TALL

Using his outsized personality, David Taub has built Palm Bay International into one of the country's leading wine importers

BY MITCH FRANK

David Taub dominates most rooms he walks into. At a recent gathering of wine and spirits industry executives in New York, it was easy to find the CEO of wine importer Palm Bay International as he moved through the crowd. Wherever there was laughter and energy, Taub stood in the center.

It's not because of his size. Taub stands 5 feet 6 inches. But imposing height is not a prerequisite for vision. Over the past 33 years, Taub has built one of the country's most successful import operations.

Palm Bay started operations in 1977 by importing an obscure white wine from an unknown win-

David Taub, CEO of Palm Bay International



Peaks tower over the Cavit Vineyards at Casa Toblino in the Trentino region of Italy. David Taub first visited Trentino in 1977 in search of a white wine to compete with the trendy Soave.

ery in Trentino, a region many Americans didn't realize was in Italy. The winery was called Cavit, and Taub's aggressive marketing helped put Pinot Grigio on the map in the United States. Within five years, Palm Bay was importing 500,000 cases of wine annually. Last year, the company's portfolio represented more than 5 million cases. While some labels are volume brands like Cavit, others are prestige producers, such as Planeta in Sicily and Fonterutoli in Tuscany.

Part of Taub's success lies in his strategy—he finds good producers and gives them the marketing and sales ammunition they need in the American marketplace. Part of it lies in the team he surrounds himself with.

But a large part of Palm Bay is Taub's personality. At 70 years of age, he is still brimming with new ideas. He can be disorganized and scattered. But when he wants something, he works tirelessly to get it, occasionally smothering people with kindness. "He has the best sort of attention deficit disorder," says one former employee.

Marc Taub, David's son and Palm Bay's president and chief operating officer, remembers a day trip they took to Yankee Stadium for a baseball game when he was in junior high. "On the drive home, my dad asks me what I'm doing that night," Marc recalls. "I said, 'I don't know, probably watching the Islanders play the Penguins in the playoffs.'" This was the early '80s, when hockey's New York Islanders won four consecutive Stanley Cups. "My father says to me, 'You want to go to the game?' 'Well that would

be tough,' I replied. 'It's in Pittsburgh.' Next thing I know, we're turning into LaGuardia Airport."

They arrived late in the first period, and David convinced the will-call attendant to sell them a pair of unclaimed seats.

"My father has always been like that—in business and life," says Marc. "When he wants something, he just pushes forward. When people explain why it can't be done, he just doesn't hear them."

Taub was born into the wine and spirits business. His father, Martin, jumped into the industry three days after Prohibition ended. In December 1933, he and three brothers opened a rectifying spirits business in Jersey City, buying alcohol in bulk, redistilling it to a higher proof, adding flavorings or aging it in barrel, and then bottling and selling it. Martin handled sales. Their best brand was Lafayette Brandy.

During World War II, however, American distilleries were ordered to only produce industrial alcohol for the War Department, and large Canadian companies took over the spirits market. When the war ended, the Taub brothers found that demand for their brands had dried up. They struggled on for six more years before closing shop. Martin was looking for a new job when he was contacted by one of his old suppliers, a California winery owned by two brothers who used to sell him unaged brandy for \$3 a barrel. Ernest and Julio Gallo needed a new distributor on the East Coast

and knew Martin was a good salesman. In 1952, with Gallo in his portfolio, Taub started Premier Wine & Spirits in New York City.

David grew up knowing he'd work for his father, but after he started at Premier, he realized that his passion lay in wine imports. "That was the part of the business that I truly loved," says Taub. Imports fit Taub's personality. While Martin enjoyed the logistics of distribution, David enjoyed finding wineries, developing relationships with them and promoting their products.

With Premier, Martin dabbled in importing in the '60s, sold the import division for a profit in 1971, and then reentered the field by establishing Palm Bay in 1977. "At that time, we felt there were opportunities," says David. "Something was happening in the Italian wine business that we found interesting."

What was interesting was that America was discovering Italian wine—easy-drinking Lambrusco, Valpolicella and a white wine from the Veneto called Soave. The Bolla family, based outside Verona, was exporting a large amount of Soave to the United States every year.

Taub didn't quite get the Soave phenomenon. He understood that it was fresh and exotic, but he thought it was a poor fit for American tastes. It was fruity up front, but he believed the almond note on the finish was rather bitter for a population that

still drank more soft drinks than wine. So he asked some contacts to start scouring Italy for a fruity and fresh white wine. They put him in touch with a producer in a region even more obscure than Soave, where a third of the population spoke a German dialect.

Trentino is a picturesque mountain province dominated by the southern reaches of the Alps and the Dolomites. Valleys wind their way past the peaks to intersect in the Adige river valley and its main city of Trento. The region has only been part of Italy since 1919. For the century before that it belonged to Austria, and for 800 years it had been an independent province, governed by the local Bishop of Trento.

That independent streak continues to this day. The local cuisine and architecture blend Austrian and Italian influences. And for more than a century, vineyard owners have planted a large variety of grapes, including local types such as Lagrein, Schiava, Marzemino and Teroldego, as well as international varieties such as Chardonnay, Pinot Grigio, Cabernet and Merlot.

Like many areas of Italy, Trentino found itself losing farmers to



The Cavit winemaking team, from left: winemaker Andrea Faustini, chief winemaker Anselmo Martini, winemaker Guido Mattiello, winemaker/agronomist Fabrizio Marinconz, sparkling wine maker Paolo Turra. The co-op includes 11 wineries and 5,000 growers.

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the cities after World War II. Local vineyard owners, many of whom farmed multiple crops and owned just an acre or two of vines, formed a cooperative in 1950 to pool resources. They named their winery the Cantina Viticoltori del Trentino, Ca'Vit for short.

Taub arrived in Trento in June 1977. "I thought I was Alice in Wonderland. This was such a gorgeous part of Italy. I could not believe I had been to Italy many times and had never seen it."

He wanted to push ahead at top speed. Luckily for him, Ca'Vit was eager to explore the U.S. market and

was willing to follow Palm Bay's guidance. In return, Taub promised that it would be Ca'Vit's name on the bottle—even if the partnership didn't work, the co-op would still own the brand. "The key was that we were going to build Ca'Vit," he says. "We weren't just treating them as a supplier selling us juice for a private label." Taub did request one change—ditch the apostrophe and change the name to Cavit. In September, the co-op sent a few hundred cases of a brand named Principato by Cavit to the United States.

Palm Bay's plan was to focus on white wines that could compete with Soave. Taub believed Pinot Grigio, in particular, held promise. "We felt like Pinot Grigio was more in the American style—easy to drink, customer-friendly," he says. "The problem was, how do you take a wine that no one had heard of and introduce it into the marketplace?"

Taub is still proud of his early efforts. A full-page ad in *The New York Times* asked, "Is your Soave really suave?" And in radio and print ads, popular talk show host Dick Cavett explained that Cavit was pronounced like his last name. "I'm the Cavett from Nebraska,

Cavit is the wine from the Italian Alps.” The Taubs’ history in distributing gave Cavit access to most major American markets. And soon enough, Americans did fall in love with Pinot Grigio. Italian acreage of the varietal doubled between 1990 and 2000. Cavit wasn’t the only Italian brand behind the trend—Taub still views Santa Margherita as his chief rival—but within two years of its launch, Palm Bay had imported 500,000 cases of Cavit wines.

Today, it’s 3 million cases a year. A full 75 percent of Cavit’s wine comes to the United States. The scale of the operation required to produce that much wine is impressive; the only efficient way to see Cavit’s vineyards is via helicopter. On a bright spring day, Cavit executives do exactly that, taking Taub and other guests on a tour over the Adige and neighboring valleys. As far as the eye can see, from one side of the valley floor to the other, there are vines, jostling for space with Trentino’s other top resource, apple trees.

Cavit is composed of 11 member wineries and almost 5,000 growers, who farm 17,000 acres. Most of those growers cultivate old family vineyards of 1 to 2 acres and have day jobs outside the wine industry. Selling to Cavit lets them keep their family plots; in return, the co-op provides plenty of technical support. Cavit guarantees quality by having member growers agree to a lengthy set of rules. It also requires that they sell their entire crop to the co-op; a grower can’t keep the best grapes for his own label and sell the lesser fruit to Cavit.

Back on the ground, the Cavit execs give a tour of their main facility, located just uphill from the center of downtown Trento. Led by head enologist Anselmo Martini, they show off several vinification cellars, including a large sparkling wine facility and a semiautomated cellar built in 2000 that is full of 150,000-gallon tanks for fermentation and 800,000-gallon tanks for blending, all operated by two men in a small office. And this is just one of a dozen facilities in the valley. Nearly two-thirds of the wine made in Trentino has Cavit’s label on it. In 2006, the company had sales of almost \$250 million, making it the third biggest wine company in Italy.

After the tour, the group heads for lunch at Maso Toresella, a medieval villa on the shore of Lake Toblino that was once home of the ruling Bishop of Trento. The current president of the co-op, Adriano Orsi, greets Taub at the front door. They talk back and forth for five minutes, despite the fact that Taub speaks little Italian and Orsi knows almost no English. Palm Bay Vice President Michael Petteruti, who’s been with Taub for 37 years and acts as translator on most of these trips, labors to keep up as Taub speaks a mile a minute. But it’s no matter—through his hands, facial expressions and sheer enthusiasm, Taub manages to get across most of what he’s saying. This scene is repeated throughout the day—Taub doesn’t need to speak Italian, he communicates by force of will.

Over lunch, the Cavit team explains how the relationship with

Palm Bay evolved. Martini and former director general Giacinto Giacomini worked with Taub constantly. Cavit’s scale, combined with the large array of grape varieties grown in the region, has allowed Taub to go back to them repeatedly over the past three decades to source new wines to sell based on U.S. market trends. Over the years, they have experimented with many varieties. Taub loved the obscure local red grape called Teroldego, but it never took off. Palm Bay imported a “Rhine Riesling” in 1982 that failed, but began selling Riesling again a few years ago to more success. Pinot



Filippo (left) and Francesco Mazzei of Castello Fonterutoli have partnered with Palm Bay for several years now.

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—FILIPPO MAZZEI

Noir was a flop in 1984, but has been a best seller since 1998.

Palm Bay has also provided Cavit with other business. When Gallo was starting the Italian label Ecco Domani in the '90s, Taub helped Cavit become the supplier for several years. And, as export manager Massimiliano Giacomini explains, for almost a decade now, the old Principato brand has been the

house wine “for a little Italian restaurant you may have heard of—Olive Garden.”

Olive Garden sells more wine than any other restaurant chain in America—more than half a million cases a year. And the chain’s management, Darden restaurant group, sees educating average diners about wine as part of its core strategy. The director of beverage services told a group of journalists in 2005, “We want to do for wine what Starbucks did for coffee. Before Starbucks went nationwide, few people had ever heard of a latte, and now it’s part of the language. We’d be happy if we could encourage people to become equally knowledgeable about wine.”

In 1998, Olive Garden partnered with Palm Bay, designating

Principato as its house wine. It also approached Taub about a possible project, hoping to add to the authenticity of its cuisine and atmosphere. A year later, the restaurant chain opened the Olive Garden Culinary Institute in Tuscany, where it sends groups of managers a few times a year to learn Italian cooking on the ground. The institute, located in an *agriturismo* just outside Castellina in Chianti, is run by one of Palm Bay's producers, Rocca delle Macie. Interiors of the most-recently built Olive Gardens are modeled on the Castellina farmhouse where the school is located. Asked how much wine he sells through Olive Garden, Taub would only smile and say, "Very significant volume."

While Cavit provides Palm Bay with a reliable revenue stream, the importer has worked to acquire more upscale wines. Italy still dominates the 75-brand portfolio, but the company has diversified in the past decade to add wines from 10 other countries, including France, Spain, Australia and Chile.

One former Palm Bay employee who now works for a rival says Palm Bay doesn't usually find undiscovered regions or wines, but rather identifies the producer with the most potential in a region and puts sales and marketing muscle behind them, whether it's Planeta in Sicily, Feudi di San Gregorio in Campania, Santa Rita in Chile or Recanati in Israel.

For many of Taub's clients, the relationships he builds are the chief draw. "For a family company like ours, we share common values and a long-term approach," says Jean-Charles Cazes, whose family owns Bordeaux's Château Lynch-Bages and eight other wineries in France, Portugal and Australia. Palm Bay imports all their wines, save Lynch-Bages, which is sold through the Place du Bordeaux. "If I should define David in one word, that would be 'charismatic.' He is a man of vision, and someone you can trust."

Filippo Mazzei, who co-manages his family's Castello di Fonterutoli in Chianti, says, "Palm Bay is a dynamic family business, understanding of Italian culture and values, as well as willing to establish long-term relationships. David is a very intelligent and skilled person who usually gets to the point right away with a problem-solving approach."

It's hard to imagine Palm Bay without Taub's energy, but it's not a one-man show. For six years now, son Marc has worked as COO. Marc was previously president of the distribution arm, Premier, but in 2004, the Taubs left the distributing business, selling Premier to Southern Wine & Spirits for an undisclosed sum. Southern was making an aggressive play to enter the New York market, and the wholesaler industry was in a consolidating phase. The Taubs felt it was time to sell. Both say they believe importing is a more dynamic, growing industry.

They are also now venturing more into spirit imports. Palm Bay recently started importing Aperol, an Italian aperitif that is a lighter, less-bitter version of Campari. In April, they hired Alain Barbet, former CEO of Pernod Ricard's Americas division, to head a new spirits division, suggesting that more brands will soon be joining the portfolio.



The business is in their blood: Palm Bay CEO David Taub (left), and his son Marc, COO and president, have worked for decades in the company founded by David's father, the late Martin Taub (portrait).

Walking around Palm Bay's Long Island headquarters with Taub can be slow going. He stops almost every young staffer who passes in the hall to ask him or her a question or get an update on current projects. He sticks his head in about half the offices to do the same.

When not working, Taub, with his wife, Linda, a retired attorney, is actively involved with several charities, particularly those focusing on cancer treatment. The couple has three sons and six grandchildren. Marc lives in Manhattan, while Andrew, the oldest, owns a recording studio in Brooklyn. Youngest son Joshua lives in the Los Angeles area, where he works as vice president of sales at Activision, the video game company behind "Guitar Hero."

Though he's handed more responsibilities to Marc at this point, Taub is active in multiple projects, still feverishly working on fresh ideas. His eyes start dancing when he talks about a new wine from Puglia or a new trend in spirits. Taub is doing what he loves—discovering wines (and the people behind them) and trying to sell them. He still lights up a room. And he still casts a big shadow in his industry. □