

THE NEWCASTLE WEEKEND HERALD

The Herald H2

RICH PICKINGS, Winemakers high hopes for vintage year.

COVER STORY - Mixed Bunches

Saturday 28th February, 2009

WEEKEND HERALD
INSIDE TODAY
FREE GLOSS
WEEKENDER
MAGAZINE

PROFILES, OPINIONS, ANALYSIS

SATURDAY, FEBRUARY 28, 2009

Rich pickings

Winemakers' high hopes for vintage year

INSIDE

INSIDE HUNTLEE
HUNTER'S
NEW TOWN
PAGES 4, 5

SURVIVAL STORY
AFTER THE
FIRESTORM
PAGE 8

NICOLA ROXON
A REMEDY
FOR HEALTH
PAGE 9

THE HERALD Saturday, February 28, 2009 A 1



VINTAGE: Harvesting at Brokenwood's Verona vineyard last weekend. — Pictures by Peter Stoop

Mixed bunches

As the economic climate goes cold and the Hunter heats up, spare a thought for vignerons as they try to make sense of it all, writes **Frances Thompson**.

WINEMAKER Andrew Margan says he's never experienced a vintage like it.

Take the weather. There was a perfect spring then extreme summer heat then sudden wet.

His quantity of fruit is double that of 2008 and the quality is excellent, Margan said, especially the whites.

Margan, unlike many growers, harvested his white grapes and the reds before the serious rain fell on the weekend of February 7 and 8.

Others waited, hoping for more flavour to develop in the fruit, and were still picking this week.

That same February weekend when it was wet in the Hunter, cataclysmic fires in the southern states took a toll on vineyards that will cut the size of this year's national vintage.

"It is my 36th vintage and my 30th in the Hunter. The weather, the timing of events, the quality of fruit, the quantity... I have never had a vintage like this one," Margan said.

"You farm for the worst-case scenario and, when it comes, you are ready for it."

Diverse conditions and unpredictable events had made the past few weeks "interesting", seasoned Hunter vignerons Bruce Tyrrell said.

The ability to stay on track during the roller-coaster ride of vintage 2009 had been the test, he said.

Margan won't have much time to recover from the hurly-burly because he's scheduled to lead an international sales trip for his wines in May.

"There's no glamour in six countries in 10 days," Margan said.

He uses the old theatre maxim of "reading the boards" to describe his trip.

Tyrrell said Margan's plan was sound.

"We are all going to have to get busy," Tyrrell said. "They [growers] are going to have to get the next sale tied up as soon as they can."

The Australian wine industry has suffered its largest annual export slump, with the value of wine shipped overseas falling 18 per cent to \$2.47 billion in 2008.

National statistics from the Australian Wine and Brandy Corporation show the export boom enjoyed since the mid-1990s is over.

In its December export approval report, the corporation showed the value of wine exports to Australia's two key markets, Britain and the US, fell 18.2 per cent and 26.5 per cent respectively on the previous year.

The first half of 2008 was dominated by a high Australian dollar and the second half by the effect of the global economic crisis.

Export volumes for the year suffered their first decline since 1995, falling 11 per cent to 698 million litres.

It is the first time the value of annual wine exports has fallen since the corporation started monthly updates in 1994.

The world's biggest winemaker, Constellation Brands, whose Australian labels include Hardys, Banrock Station, Moondah Brook, Renmano and Houghton, trimmed its full-year earnings forecasts after a

7 per cent fall in third-quarter sales.

The UK, Europe and the US are markets considered by some Hunter exporters to be too hard now.

Brokenwood chief winemaker Iain Riggs said tourism kept the business strong over Christmas and New Year.

Although the 2009 vintage was "difficult", the semillon, verdelho and chardonnay grapes would produce high-quality wine.

"It is a difficult climate period for Australia but quality areas - Margaret River and the Hunter Valley - will shine," Riggs said.

Big losses of fruit tainted by smoke from the Victorian fires would contribute to a "correction".

Fruit production may be more under control but wine stocks are on the increase.

Hunter wine producers have been warned to be "conservative" with the 2009 vintage after the release of

Australian Bureau of Statistics figures that show production is up and that lower domestic sales and the drop in exports has led to increased wine stocks.

Hunter Valley Wine Industry Association secretary and Tulloch Wines general manager Christina Tulloch said producers needed to make "quality-driven wines".

Tulloch is not a big exporter but has decided to maintain a presence in Shanghai, China, despite the downturn.

"We need someone there on the ground because it is so incredibly competitive," Tulloch said.

The Little Wine Company at Broke, run by Suzanne and Ian Little, exports about 20 per cent of its production to Asia.

"It is good to have a spread of sales and different markets to go to," Suzanne said.

The couple also specialise in more unusual varieties such as viognier, sangiovese, tempranillo and petit verdot.

"It is better to operate in the Asian market because they are receptive to smaller companies.

"We have had good results."

Newcastle wine historian Julie McIntyre said the last great downturn in wine in NSW can be traced to the Great Depression in the 1920s and '30s.

Things did not pick up until the 1960s and 1970s but the investment started to pay off in the 1980s, after which came the boom years for wine, beginning in the 1990s, McIntyre said.

She urged customers to buy local wines and think about the "wine miles" in the same way people advocate eating local produce and cut down their "food miles".

In Christina Tulloch's opinion, the biggest threat to the industry is a growing preference of Australians for imported wine, not the global financial crisis.

She said the biggest-selling wine in Australia was New Zealand's Oyster Bay sauvignon blanc.

"We need Australians to drink more Australian wine," Tulloch said.

She and respected vineyard consultant Ken Bray believe drought, flood and unprecedented economic pressures are likely to see a reshuffle of interests in the region.

The large players, such as Foster's, had retreated from the valley, Tulloch said.

"It is back to the family producers," Bray said wine tourism had supported the wine industry but the extremes of weather and now the economy could make a continued presence for many operators in the valley less viable.

"They may have to make a decision why they really are here," he said. Britain's oldest independent wine merchant, Berry Bros & Rudd, predicted last year that by 2058 many parts of Australia would be too hot to support mass wine production.

China would become a major player but Australia would become a niche producer, the company said, concentrating on handcrafted, fine wine.

If that happens, the Hunter's experience as a producer of specialist, quality wines, such as semillon, may place it in a perfect position to survive into a new era.



Value in quality, curiosity

DANIEL Binet has opened his first commercial venture, a cellar door, but admits it may not be the most auspicious time.

"It is a challenging time to open a business, particularly a wine business," Binet, 29, said.

But Binet, with business partner Alex Stuart, has a plan for this difficult time. He is determined not to overcapitalise.

He will make only enough wine for the Ballabourne label to sell through his Broke Road cellar door and recoup the full retail price.

"Three and a half thousand cases. Not too big," he said.

He makes wine from "curiosity" varieties that tempt consumers and hopefully "keep the till

ticking over". Binet grows shiraz and gamay, used in Europe to produce Beaujolais, at the Broke Road location and buys in other stocks of verdelho, tempranillo and chambourcin, much of it from the Lovedale area.

Born in Vanuatu, he has been working in wine in the Hunter Region for about eight years and gained experience at Capercaille under the late Alasdair Sutherland.

The young winemaker said it was important for him to always be available at the cellar door.

"I am not looking at export markets," he said.

"People will buy locally and travel locally."

"The weather has reduced the wine glut and margins are looking healthier now."