

The Grapes of Wrath...



McLaren Vale grape growers and winemakers are finishing their vintage spin. **JAMES HOOK** investigates why the current 2007 vintage set to be the shortest this decade, and the smallest grape crop since the vineyard planting boom of the 1990's.

As the farmers draw breath, they have start to look around and wonder, where were the grapes? They turn to their neighbour and ask the inevitable question, *"How much were you down?"*

The wineries have begun looking at their empty tanks and have started to count every drop of juice.

JOHN MINCHELLA, who runs one of the largest family controlled farms in McLaren Vale, finished his harvest in record time. He has started an unexpected and some what unwelcome holiday.

"Sometimes we begin picking in February, but usually don't finish until April. This season we finished before the end of February. I picked for 2 weeks straight day and night, the yields were just terrible. 60-70% down what is normal," John said.

John grows all of the districts major red varieties, Cabernet Sauvignon, Merlot and Shiraz, as well as some exotic whites like Viognier. His quick picking is due to small crops ripening weeks earlier than expected and all at the same time.

John wasn't alone in having low yields with most wineries reporting taking in half the fruit compared to last season. It is expected that once the counting of tonnage is done the local harvest will be the smallest this decade.

It doesn't have much recent competition.

In 2004 70,000 tonnes were crushed, 50,000 of red grape alone. 2005 saw 65,000 and 2006 62,000. A crush of 60,000 tonnes had become to be considered the modern benchmark.

Local estimates put the 2007 vintage at 35,000 tonnes. That's half the yield of 2004 and no where near the last two years.

McLaren Vale Grape Wine and Tourism Association chairman **JOCK HARVEY** said he could not remember a worse harvest, suggesting the amount of grapes taken off per vine is lower than any since the 1900's.

"Even though we have irrigation, it has just been so dry.

There was one year recorded after World War One where it was so dry some vines didn't even shoot, but apart from that I don't know if it has been worse."



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In a normal grape season the districts harvest sells \$100 million dollars worth of grapes. As grape prices have fallen since 2000 an increase of production levels has kept it around the \$100 million dollar mark. Each year these grapes are turned into many more times that value of wine.

The reduced crop is causing belts to be tightened all around the town. The math is very simple. **FOR A GRAPE GROWER YIELD X PRICE = RETURN.**

Over the last few seasons the district average price for grapes slinked down to \$1100 per tonne. Average vineyards pick 10 tonnes of grapes over every hectare. The global wine companies Foster's and Hardy's are the largest buyers of fruit in the area. They don't accept any vineyard with more than 12 tonnes per hectare - 4 tonnes in the old acre measurements. Over the last few seasons a grower has been returning something like \$11,000 per hectare. It sounds a lot but taking out the costs of production, it is just a living.

Many stories had been written hearing how tough the last few years have been trying to grow grapes.

Large operations like John Minchella's have been surviving by holding any debt over large areas of land. Most small farmers use other off farm income to support their livelihoods. Since grape prices declined they have to work more. Working at a restaurant, driving a school bus, or working as a nurse is becoming more common.

For vintage 2007 with half the crop and only a minor increase in grape prices doing the math it's obviously a clear loss. Low crops and low prices equal a worst year than the financially bad last few. Making up the shortfall in income means cleaning a lot of plates.

Low yields are not just bad news for grape growers. It means less picking work for labourers, less grapes to cart on the truck and less sandwiches sold at the corner store.

All parties in wine production feel the pinch. Less grapes come over the weighbridge, there is less work in the cellars, less over-time for the winery workers and finally, most importantly less wine to sell.

INCOME FOR WINERIES = CASES X SALE PRICE.

Fewer grapes mean less pallets of wine to sell. From the big multinationals down to the garage winemaker if you don't turn grapes into wine how do you fill your export orders? You have to access bulk wine. The price of wine on the open bulk market has doubled in response to the grape yields. If after scratching around you are still short what do you do? Demand is higher than supply?

Increase bottle prices! Wineries can't increase the price of their wine just because there are shortages. Consumers in Australia, importers in the US and EU won't budge much on price because other regions around the world are all too happy to fill our spots on the shelves at the same old prices.



One winemaker joked to me he will make the first \$50 Sauvignon Blanc. *"But in reality I can't put my prices above \$20. The market would laugh at me."*

Another winemaker told me they must look at dropping one of their export markets because they aren't going to have the wine to sell. All wineries will hold his 2006 stock longer in the marketplace and hopefully bring the yet to exist 2008 vintage into the market quicker.

With all this talk of wine shortages, low yields and increasing debt don't confuse a bad vintage for the industry with bad wine. There are good looking grape parcels. Wineries just wish there was more.



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BLEWITT SPRINGS

THE SANDY HILLS TO THE EAST OF MCLAREN VALE. HOME TO THE HAPPIEST GRAPE GROWERS IN AUSTRALIA...

Putting on the *Lazy Ballerina* winemaker hat. I look at what is going to be made from all this doom and gloom. Is it possible this cloud will have a silver lining, even if it didn't bring any rain when it was needed?

Grape quality should be good; you hear the old cliché about how low crops make great wine. There is some truth to this old saying. Lower crops tend to mean smaller bunches. These in turn have smaller grapes.

Smaller grapes have more skin, compared to pulp and more 'goodies' like anthocyanins- colour and flavour molecules per bottle. Simply put you get more flavour/colour in every litre of wine.

Even as the high colour and flavour is bleeding into the fermenting wine some winemakers are expressing worries that the ripening season was too quick for good flavour.

They have a text book reason to have this concern. High temperatures cause the low-weight flavour molecules in berry skins to be lost by evaporation. The grapes lose delicacy. The flavour of the wine literally gets cooked away.

The mumbles are that the vintage will be judged like 2003. The wines will have good colour and intensity but perhaps not the acid balance and length of 2004, '05 and the yet to be released 06's. All of these seasons had a longer, gentler ripening period which gave a better chance of holding flavour.

The best hope for 2007 wines may be Blewitt Springs at the high top of the McLaren Vale Basin. Blewitt Springs has very deep sandy soils and the vines roots search deep. In these light sands vine roots can stretch of tens of meters.

Any rain that falls or irrigation that is applied is readily slurped up by the huge masses of roots. This seasons drought saw the lack rainfall have the positive effect on keeping berries small. What little rain that has fallen

during the drought has kept the vines going better than their clay soiled cousins closer to the sea.

Growers in that area are probably some of the happiest in Australia with both good quality and close to average grape yields.

Blewitt would be the safe bet for the best quality fruit in McLaren Vale. When you consider the widespread effects of drought across Southern Australia, it may just be the best of the lot.

You will need to write that in your diary, because red from this year won't be on sale until 2010!

For JOHN MINCHELLA his family business will continue next year with just that small bit higher of debt loading. The vine pruners will come into the vineyard in May and start the season again. The only bright point is that the glut is gone. *"Next year will bring price back to normal and the industry will stabilise,"* hopes John.

With the right weather conditions 2008 could be a recovery year.

Good wine would be a bonus.

