

The balance OF POWER

Can winemakers who buy in grapes have total control over their quality? Stephen Brook looks at the all-important relationship between the winegrower and the winemaker

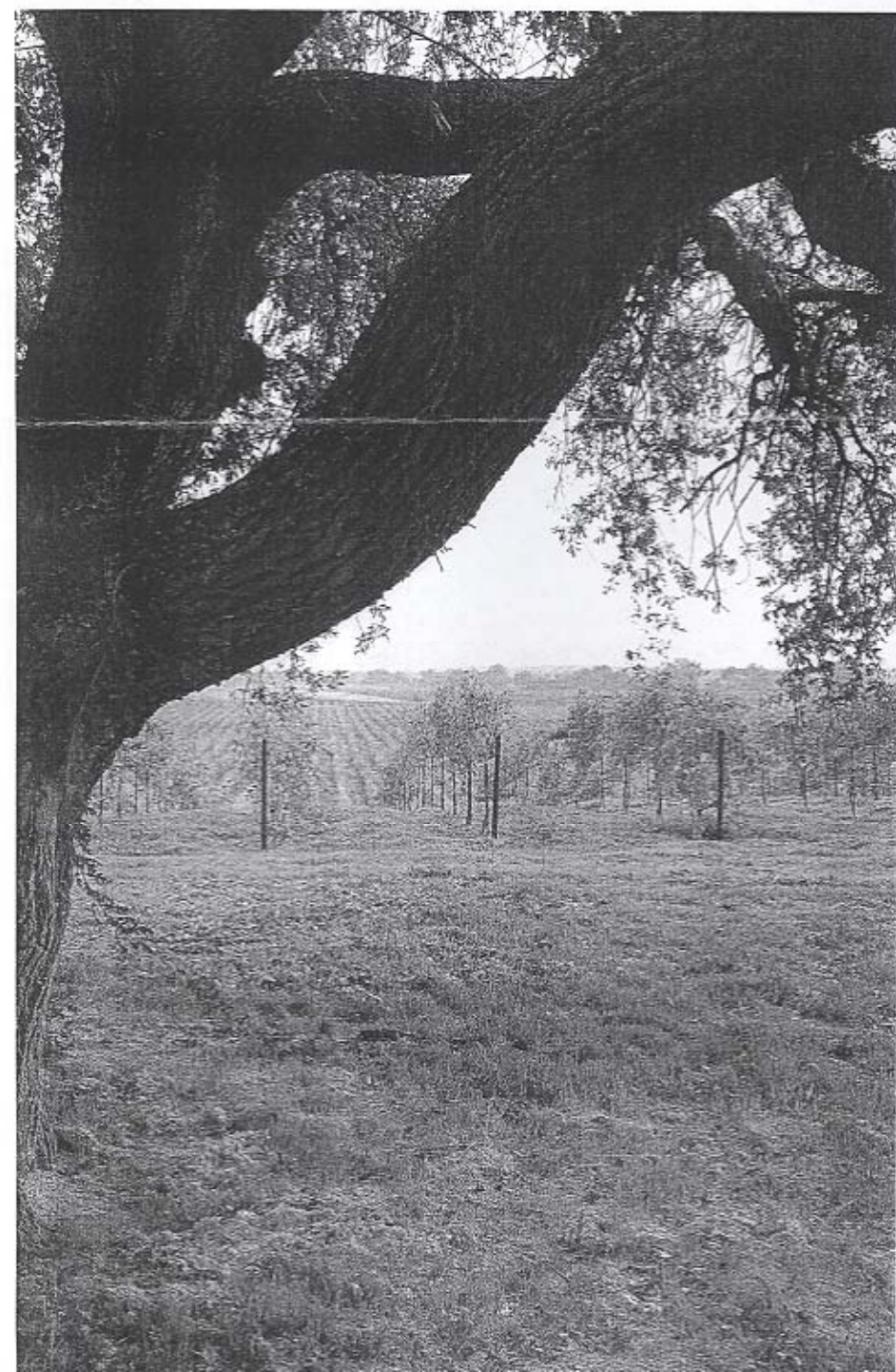
The Trefethen estate in Napa claims that of the 243 wineries in Napa County, just 22 vinify only the grapes they grow themselves. I suspect the figure is an under-estimate, but the general principle remains true: most American wine producers rely, to a greater or lesser degree, on purchased grapes. In Napa, roughly half of all grapes are grown by people who don't make wine.

Europe, too, has its hordes of grape farmers. But they invariably sell their fruit to co-operatives or *négociants*. In Bordeaux, it would be unthinkable for, say, Anthony Barton to phone up Christian Moueix to ask him if he can spare a few tons of Merlot.

In California, however, estates routinely supplement their own production by purchasing fruit from other growers. Sometimes this will be blended in with their own grapes, but if the fruit comes from a prestigious source, then it may be released as a 'vineyard-designated' wine. Thus the Bernardus estate in Monterey often buys Pinot Noir from the Bien Nacido Vineyard in Santa Barbara, and says as much on the label.

Yet implicit in this arrangement is a potential conflict of interest. The winemaker wants the best grapes he can obtain for his money; the grape farmer wants the best possible price for his fruit, while cropping his vineyards to the maximum yields consistent with decent quality.

In Sonoma County, the Dutton Ranch was founded in 1964 by apple farmer Warren Dutton. He planted Chardonnay back in the Californian Dark Ages of 1967. His neighbours told him he was mad, that Chardonnay would never ripen in the chilly Russian River Valley. He was right and





Joe look after 1,050 acres spread over 60 different sites. Their grapes, principally Chardonnay and Pinot Noir, are sold to prestigious producers such as Kistler, Lewis, Hartford and Merryvale. Of their 45 customers, one-third produce 'vineyard-designated' wines, which gratifies the Dutton ego and provides a helpful sales tool for the wineries.

Steve Dutton took time off during the 2003 harvest to explain how he works with his clients. 'The customer can dictate farming practices and yields, but if they differ from our standard practices, that comes at a cost. Most large wineries are happy with yields of 5-6 tons per acre for Chardonnay, but smaller ones may ask for only 3 or 4. The client also determines picking dates. Sometimes winemakers will come to us and say they're looking for a particular variety or style of fruit, and there are times when we'll custom-plant - but only in exchange for a long-term contract, as it will take us five years just to recoup the planting costs. As for payment, there are many different formulae, and contracts vary from client to client.'

Steve and Joe Dutton have both founded wineries in recent years (Dutton Goldfield and Sebastopol Vineyards respectively), which may seem like a conflict of interest, since the temptation to cream off the best fruit for themselves must be great. Joe's wife, Tracy, says this isn't so. 'In fact, having our own wineries has helped us all to understand the requirements of our clients. We don't get preferential treatment when it comes to buying fruit. We join the queue and we get no discounts.' I felt my eyebrows heading north when I heard this, and would give much to hear a Dutton negotiating with himself to buy his own fruit.

At Bien Nacido Vineyard in Santa Barbara there does indeed seem to be a close rapport between grower and client. The first vines were planted

here in 1973. Chardonnay and Pinot Noir were, and remain, the most important varieties. Driving through the 800 acres of vineyards, it's fascinating to observe the different inclines and expositions, the varied trellising systems, the multiplicity of clonal material.

Bien Nacido acquired its high reputation primarily because it was one of the few California vineyards to be planted with certified virus-free plants, which clients found reassuring. 'From the start,' explains the vineyard manager, 'our philosophy was that Bien Nacido should be a winery's vineyard, with winemakers spending time with us to discuss what they are trying to do, and with us trying to match our farming to accommodate their requirements. Syrah was a huge gamble back in the 1980s, but we developed those early vineyards jointly with Bonny Doon and Qupé, and nearly 20 years later they're still buying that fruit.'

'Because we've been around for 30 years, we have many specific blocks that always go to the same client. Roughly 80% of our customers pay the same price for our grapes, but there are exceptions. Our hillside blocks are more expensive to develop, so the grapes cost more, and the clients understand why. We offer a sliding scale of pricing depending on how much attention to detail is expected. So sometimes the contracts will specify the number of leaf-pulls or green harvesting. If there's a lot of additional hand work required from us, clearly our prices will need to reflect that.'

The acreage of Bien Nacido and Beckstoffer pales in comparison with the San Bernabe Ranch in southern Monterey. Here, more than 8,000 acres have been planted, though at present, because of replanting, only 5,200 are in production. This is

mostly industrial farming, with much machine harvesting. Yet vineyard manager Claude Hoover identifies 135 blocks at San Bernabe, each farmed and managed separately. From a distance the ranch looks flat and uniform, but elevations range from 340 to 700 feet, and 150 acres are dedicated to experimental plantings. High-tech solutions, such as aerial spraying and aerial monitoring of temperature flow during the frost season, have helped reduce labour costs.

San Bernabe sells to Mondavi, Beringer and other wineries, as well as its own Delicato and Monterra brands, which absorb 10% of the crop. 'Our clients remain loyal,' says Hoover, 'because we offer good service, sending them regular sugar readings before the harvest so they can decide when to pick. We also have complete frost protection, which many smaller vineyards just can't afford.'

There are two forms of payment: by tonnage or acreage. The former system encourages the grower to go for high yields, but this is not a problem for large wineries sourcing fruit for their high-volume brands. On the other hand, Bonny Doon pays by acreage, as this allows owner Randall Grahm to reduce the crop without diminishing Delicato's profits.

The most sophisticated of the growers is Andy Beckstoffer. After leaving business school, he was recruited by Heublein and helped that company purchase two historic Napa wineries: Ingenook and Beaulieu. He formed a subsidiary company that oversaw grape supply to these expanding wineries, but in 1973 Heublein decided to sell it. The canny Beckstoffer managed to retain control of the subsidiary company, and thus at the age of 33 was the owner of 1,200 acres of vineyards in Napa and Mendocino counties. Thirty years



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Andy Beckstoffer,
wine grower

later, Beckstoffer cultivates 3,200 acres in three counties. He has acquired some of Napa's most historic vineyards, the source of some of the valley's finest red wines since the 1930s.

'The California recessions of 1974, 1983 and 1991,' Beckstoffer explains, 'gave an opening for vineyard acquisition at what then seemed high prices, but now seem like bargains.' Thus he can offer his clients grapes from small parcels of prestigious vines on the one hand, and on the other large tracts of new, state-of-the-art Cabernet plantings on exceptional soil in Lake County. 'One advantage of being a large grower, with hundreds or thousands of acres, is that it's easier to hire the best viticulturalists, who relish the challenge and responsibility.'

Beckstoffer is a shrewd businessman as well as an expert grape farmer. 'We put new clients on

a one-year contract, so both sides can determine whether we see eye to eye. The client decides when to pick, and supplies his own bins, large or small. In practice, the client often asks our advice on picking dates, as we know the vineyards far better than he does.

'I won't let clients tell me how to farm, but they accept that we're as committed to quality as they are. We usually recommend that our clients take a blend of clones, but this can be weighted to meet their stylistic demands. We like to work together with the wineries to make sure they get the blocks and clones that they want. Sometimes clients will pick later than we recommend because they want a jammy style. And some ask for earlier picking to suit their winemaking schedule and tank space. But I'm not always happy about this, especially if the wine is going to be vineyard-designated and has my name on the label.'

Beckstoffer was the first grower to relate price per tonne to eventual bottle price. 'As a rule of thumb, if the producer plans to release a \$50 Cabernet, then we will charge \$5,000 per ton; for a \$120 Cab, the price would be \$12,000 per ton. This puts both grower and client on the same level. It's truly a joint venture that serves our mutual interest, and it means grapes aren't treated simply as a commodity to be traded. It's our way of giving the client access to some of the best vineyards of the valley. Just as importantly, it returns profitability to the land, and this helps to preserve agriculture in Napa. Napa will only survive as an agricultural area if the vineyards are profitable. The moment they cease to be profitable, vineyards will be turned into shopping malls, as happened in Sonoma.

'An interesting innovation since 1995 is that we and our client wineries organise a tasting of barrel samples to assess what they've done with our fruit. Last year there were more than 100 samples from three counties, all tasted blind.

This helps the wineries and us to establish which



are the best blocks and the best wineries. We don't participate in the tasting but we get all the data. I'd like to direct those who make the best wine to our best blocks.'

However expert the grower – and Beckstoffer and Dutton are among California's finest – wineries purchasing fruit are inevitably relinquishing some control over quality. Steve Beckmen in Santa Barbara, whose father planted the superb Purisima Mountain Vineyard, says: 'One reason for planting our own vineyards was that we couldn't always get the growers we bought from to make as many passes through the vines as we wanted.'

Bob Lindquist in Santa Barbara, who buys from many of the county's top sites, admits: 'Growers do watch their costs, and if I ask for another vineyard operation – additional bunch-

thinning, say – I'll have to pay them more.

They'll do the work because if the fruit turns out to be mediocre, I can argue for a lower price or even reject the crop.' Craig Jaffurs, a Syrah specialist in Santa Barbara, agrees: 'Growers will do as you say, as the quality of the wine I make from their fruit validates the vineyard, and then the grower can start charging higher prices. I pay a price based on a yield of four tons per acre, but always drop the crop to three. That's my choice.' Veteran winemaker David Ramey adds: 'Designating a vineyard on the label is up to the winemaker. But agreeing to do so also provides an incentive for the grower to improve quality.'

Ramey seems to have an ideal arrangement with his Chardonnay growers in Sonoma and Carneros. 'At Hyde and Hudson vineyards, I can control anything I want, but I don't need to, as the vineyards are self-limiting in terms of yield. I do some leaf-pulling and canopy management, but that's just fine tuning.'

It comes down to trust in the end. The grower is reassured and flattered knowing that his name will appear on some of California's finest wines. The winemaker, if he chooses the right grower and negotiates the right contract, can have confidence that he will acquire fruit tailor-made to his requirements. But that ideal is not always met. In boom times, many wineries must accept sub-standard grapes because demand is too high; during periods of glut, such as the present, the grower may be tempted to cut costs because of falling prices or simple lack of demand. The system can work extremely well, to the benefit of grower, winery and consumer. But it can also fail to deliver the goods, and it's hard to resist the conclusion that the European solution is better. When I see Dominique Lafon in his blue overalls clambering off his tractor and leading me into the cellar with pipette in hand, I know I'm in the presence of someone in total control of his product. ■

