

ON EXTENDED WING

Sauvignon Blanc is to New Zealand what Riesling is to Germany and Shiraz is to Australia. The latest export figures available show that Sauvignon Blanc represented a massive 74% of all wine exports from New Zealand, observes Bob Campbell.

Think of New Zealand Sauvignon Blanc, think of Marlborough Sauvignon Blanc: 87% of New Zealand's Sauvignon Blanc is made from grapes grown in the Marlborough region on the north-east tip of the South Island. While Sauvignon Blancs from other regions can be very good, in export sales they coat-tail on the fame of the Marlborough model.

Why is Marlborough Sauvignon Blanc so successful? Oz Clarke summed up the impact of New Zealand Sauvignon Blanc in his *Wine Atlas* when he wrote, 'No previous wine had shocked, thrilled, entranced the world before with such brash, unexpected flavours of gooseberries, passion fruit and lime, or crunchy green asparagus spears. An entirely new, brilliantly successful wine style had appeared that the rest of the world has been attempting to copy ever since.'

Marlborough Sauvignon Blanc was first planted as recently as 1976. It was instantly successful on the dome-

stic market, but took another 15 years to earn international acclaim. A combination of quality-focused winemaking, attractive packaging and skilful marketing by Cloudy Bay launched Marlborough Sauvignon Blanc on the world stage as a premium-wine style. The market's appetite for Cloudy Bay Sauvignon Blanc was stimulated by carefully allocating the wine so that the trade and consumers never had quite enough. It worked. Cloudy Bay Sauvignon Blanc still retains much of its prestigious image, although it faces stiff competition from labels such as Saint Clair, Villa Maria Reserve, Dog Point and Foxes Island.

Over 200 Marlborough Sauvignon Blanc labels now compete for a share of an insatiable international market. A few are made from grapes grown by the brand owner, while the majority are produced from grapes purchased from contract growers, often with a mix of own grapes. In some cases the brand owner has neither vineyard nor winery,

preferring the less capital-intensive option of buying bulk or bottled wine.

Predictably, the quality of Marlborough Sauvignon Blanc varies more or less in line with price. Local prices range from NZ\$10 to \$30 (€5 to €15), with a similar spread internationally. Steady sales growth at all levels suggests the price-to-quality ratio meets international standards. Although quality is influenced by vintage variation, differences are not great unless, as in 1995, the season is very cold and wet or unusually hot, as in 1998. Quality has steadily increased since the first vintage in 1979, thanks mainly to improvements in viticulture and reduced cropping levels.

The style of Marlborough Sauvignon Blanc has remained fairly constant throughout its history. Grapes are typically harvested with a potential alcohol of around 13.5%, before being de-stemmed and pressed, often after a brief period of skin contact. The wine is inoculated with cultured yeast prior to

1 NZ Wine Vintages 1997-2006 (Tonnes)*							
	1997	2000	2002	2004	2006	10 Year Growth	CAGR ¹⁾
Sauvignon Blanc	11,511	15,472	36,742	67,773	96,686	739.9%	26.7%
Other Varietals	46,795	62,597	79,944	94,327	86,199	84.2%	7.0%
Total	58,306	78,069	116,686	162,100	182,885	213.7%	13.5%
% Share of Vintage ²⁾	20%	20%	31%	42%	53%		

*NZ Winegrowers Annual Vintage Survey;

¹⁾CAGR: Compound annual growth rate; ²⁾Sauvignon Blanc

Table 1: Over the past 10 vintages, Sauvignon Blanc's share of the total tonnes crushed has increased from 20% (1997) to 53% (2006). Over the same period, the total tonnes of Sauvignon Blanc crushed has grown by approximately 27% year-on-year.

2 NZ Wine Exports 2002-2006 (91 Cases)*							
	2002	2003	2004	2005	2006	5 Year Growth	CAGR ¹⁾
Sauvignon Blanc	1,373,238	1,906,199	2,194,119	4,034,475	4,756,025	246.3%	36.4%
Other Varietals	126,017	126,834	142,536	184,064	205,218	62.8%	13.0%
Total	2,507,390	3,047,705	3,476,946	5,691,055	6,602,983	163.3%	27.4%
% Share of Exports	55%	63%	63%	71%	72%		

Table 2: Over the past five years, export volumes of Sauvignon Blanc have more than doubled. (246% growth 2006 over 2002). Over the same period, Sauvignon Blanc's share of total NZ wine exported has increased from 55% (1997) to 72% (2006).

a cool fermentation at 13–15°C lasting two to three weeks. The wine is usually bottled within a few months of vintage and released four to six months after harvest date.

Winemakers have experimented with various techniques, such as oak fermentation, oak maturation, extended lees contact and even malolactic fermentation, but the market has never embraced the resulting styles with enthusiasm.

Grape prices were expected to soften in the 2007 vintage, which would have yielded a record harvest if normal cropping levels resulted. However a cool, wet flowering period reduced berry set, while a late frost nipped any chance of a bountiful harvest in the bud. Marlborough Sauvignon Blanc is expected to be down by 20–25%, although the increase in productive vineyard area will to some extent soften that loss. The average grape price is now expected to increase slightly on last year's figure of NZ\$2,350 (€1,250) per tonne. Many winemakers now pay quality bonuses on top of that base figure.

The worldwide popularity of Sauvignon Blanc and the widespread planting of the variety in many countries is beginning to make Sauvignon Blanc a popular brand in much the same way as Brand Chardonnay. Marlborough winemakers believe that the distinctive character of their wine will always set it apart from Sauvignon Blanc made in other New Zealand regions and other countries. Most feel that Chile offers the strongest challenge, although, as one winemaker wryly commented, 'Chilean Sauvignon Blanc won't be a serious threat as long as it is sealed with a cork.'

Although difficult to extract sales and production figures from the country's larger local wineries, it is estimated that New Zealand's top selling Sauvignon Blanc

is the variety's founding label, Montana Sauvignon Blanc. The first vintage was 1979. Today the brand sells more than 10.7 million bottles worldwide, with 75% export sales. Top leading markets in order of volume, with full retail prices in those markets, are the UK (£6.99), New Zealand (NZ\$14.95), the US (\$13.95) and Australia (A\$16.95). The style is dry, light and gently aromatic with green capsicum (or bell pepper) and lemon-grass flavours.

Oyster Bay is the second-largest brand, with annual sales of just over one million bottles. First made in 1990, the wine has enjoyed a fairly meteoric rise, with a strong focus on export sales (94%). Leading markets and prices are the UK (£6.99), Australia (A\$18.99), the US (\$12.99) and New Zealand (NZ\$19.99). The wine is made from an equal mix of grower grapes and grapes harvested from owned or leased vineyards. The wine is light and fresh, with a mix of citrus, tropical fruit and capsicum flavours.

Wither Hills Sauvignon Blanc, a wine of significantly superior quality and moderately higher price, is probably now the third largest brand. It has experienced very rapid sales growth since the first vintage in 1994, which yielded a modest 250 cases.

Today Wither Hills sells over 2 million bottles, with 55% sold in the different export markets (a drop from 65% the previous year thanks to buoyant domestic sales). Top markets by volume are New Zealand (NZ\$18), the UK (£8.99), Australia (\$20) and the US \$17.99). It is an intense and powerful wine with pungent passion-fruit and capsicum flavours. Wither Hills Sauvignon Blanc consistently rates as one of the country's best. Founder Brent Marris sold his company to Lion Nathan in 2002, but continues to manage it. ■



CRITIC'S COMMENT

» Like Coca-Cola, Marlborough Sauvignon Blanc is the "real thing". «

Robert Joseph

Marlborough Sauvignon Blanc is one of a small number of New World wines with genuine validity of quality and character. The brand is well established, growing and is unlikely to suffer serious decline in the near future. The potential for expansion is seemingly only limited by the size of the region.



When it comes to competition, the category is in a fairly safe position, thanks partly to its regionally limited production: like Coca-Cola, Marlborough Sauvignon Blanc is the "real thing". However, the style, like that of Coke is imitable and it is not difficult for producers in other countries and regions to come up with passable alternatives at lower prices. Their ability to achieve this will depend partly on their finding regions with a similar climate (the Loire is generally too cool and has too little sunlight) and winemaking techniques (a little residual sugar is often part of the recipe). But they will also, crucially, need to use the same clones. So far, the region has managed to maintain an enviably high price for its wines. I expect prices to soften somewhat, though a lower-than-expected crop in 2007 has postponed this.

As Montana is cleverly demonstrating with its "Terroir" range, the future for super-premium Marlborough Sauvignon Blanc lies in emphasising the significant sub-regional differences. The herbal styles from Marlborough's cool Awatere Valley are very different from the lush, full-bodied wines from the southern Wairau Valley and the delicately aromatic examples from the stony soils of the northern Wairau Valley.