

Marlborough's Wine Story – the Prow.org.nz

Reply to article 2009- Wayne Thomas

As heartening as it was to read acknowledgment of some early vineyards and wineries in Marlborough prior to Montana's 1973 arrival in the area; it needs to be said that both were very small with annual production of less than one tonne per year and that if they had been financial successes I am sure the rest of the New Zealand wine industry would have been aware of them before now. Realistically these vineyards were not genuine commercial success stories.

Putting these reports aside, I must state that when I investigated Marlborough as a viable wine growing region for Montana and then made my recommendation to Mr Frank Yukich, the Managing Director of Montana, that Marlborough would be an ideal area due to the climate (sunshine hours, rainfall patterns and relative freedom from frosts) and soils for the growing of wine grapes; there were no vineyards or wine companies operating in the region.

However the purpose of this communication is to take strong exception to some of your statements in the article written in 2009.

1. "In 1973 a report written by his company's viticulturist and supported by a Californian colleague, persuaded Montana's Frank Yukich that Marlborough was a viable area for Montana to expand into".

To put the record straight- The viticulturist was me, Wayne Thomas (MAgSc) who had previously worked as a scientist at the DSIR (Auckland) where one of my briefs was the production of 'virus free' grapevines for the wine industry. It is news to me I was supported by a Californian colleague.

2. Frank Yukich did pay the deposit for the 4000 acres out of his own pocket, to secure the contracts on the land however this was prior to Frank telling the Directors of Montana that he had opted for the Company to go into Marlborough rather than one of the proven wine growing areas like Hawkes Bay or Gisborne. Areas he had flagged in previous Board meetings. Frank put the proposal on the Board table. The proposal was rejected. The Board felt that at 29 years of age I was too young and inexperienced to make such a definitive recommendation.

In the meantime I was embarking on a three month study trip to California to look at the wine industry there. I was based at the University of California, Davis, in Sacramento and attached to the California School of Viticulture and Oenology.

I had been there approximately ten days when Frank Yukich phoned me to say the Marlborough recommendation had been turned down by the Board for the reasons outlined above and that until such time that collaborative evidence was obtained to support my research data the Board would not agree to the Marlborough proposal being ratified. Mr Yukich asked if I had a copy of my investigation report with me in USA, which I did. Mr Yukich requested that I acquire the signatures of three to four professors verifying the research data.

Professors Berg, Lieder, Kliewer and Cook scrutinised my research data and all agreed that Marlborough satisfied all the criteria necessary for successful wine grape production. All four of the professors signed off the data and a copy was faxed back to Mr Yukich in Auckland.

The Board then ratified the proposal. A copy of this document was published in the Montana 25 year Anniversary of Planting in Marlborough newsletter published in 1998.

3. The Government only paid \$2500 per acre for vines to be pulled out. Penfolds Wines (NZ) Ltd was the exception because the company paid its growers an additional \$2500 per acre for reasons I will not elaborate on here. Penfolds extracted approximately 1000 acres out of a total industry extraction of 2800 acres.
4. Grafted Phylloxera resistant vines do not produce better quality wine. They produce wine of lesser quality. The only time you would graft vines is when you have one or both problems – Phylloxera and /or nematodes. This is well documented in scientific literature-article attached.

This was a major decision when the initial plantings were undertaken in Marlborough because we predicted that we would achieve 20 years of production without a Phylloxera problem as long as adequate quarantine precautions were taken. E.g. All planting material treated for Phylloxera prior to being moved into the area. Thus the company had the advantage of harvesting higher quality grapes than that which would have been harvested from grafted vines and thus prove the real potential of Marlborough as a premium wine grape growing region. The prediction was correct.

The first recorded instance of Phylloxera in Marlborough occurred on a vineyard where replacement plants were brought in from Nelson that had not been treated. Harvesting machines then spread the louse from vineyard to another vineyard and so on..

The other reason grape growers plant own rooted vines in the initial instance is that grape plants are not a tax deductible expense when setting up a vineyard. Own rooted vines cost between 15 cents to 50 cents each, whereas grafted vines cost between \$4 and \$5 each. However when the vineyard needed replanting because of Phylloxera, the grafted plants became a tax deductible expense, which represents a major saving in terms of vineyard set up costs. The average vineyard plants 1800 vines per hectare.

There are many more stories to tell but people like you should speak to the correct people to get the true Marlborough story rather than base it on hearsay

In Summary:

The decision made by Montana in 1973 to plant wine grapes in Marlborough was the most visionary and vital one made in the short history of the New Zealand Wine Industry. In addition, Mr. Yukich, the Managing Director of Montana had the confidence, based on the research carried out in respect to the suitability of the region for wine grapes, to purchase 4,000 acres immediately. Had he purchased a small area, and proved the viability of the region prior to purchasing more, any advantage the company had would have been lost. This would have been for two reasons; every other wine company would be watching with interest, and the price of land would have increased to unrealistic values. The decision to plant 4,000 acres was unprecedented in the history of the New Zealand wine industry, and in fact probably unprecedented for any new wine grape growing region in the world.

The planting program instigated by myself and approved by Mr Yukich in October-November 1973, which included the variety Sauvignon Blanc alongside Chardonnay, Rhine Riesling, Gewürztraminer, Chenin Blanc etc.

This was another decision that proved to be a master stroke in determining the success of the region. Marlborough Sauvignon Blanc with its distinctive characteristics that distinguish it from any other Sauvignon Blanc areas in the world (two phenolic compounds at twice the level found in any Sauvignon Blanc from anywhere else in the world) created a significant wine export industry for New Zealand that would have never eventuated without Marlborough and the variety Sauvignon Blanc. The outstanding success of the first Montana Marlborough Sauvignon Blanc wines with their unique style, that was different to any other Sauvignon Blanc produced in the world for reasons given above, produced an avalanche of plantings in Marlborough by many companies wanting access to 'Marlborough Sauvignon Blanc',

Mr Frank Yukich, as the result of planting in Marlborough, achieved his vision of realising New Zealand's wine producing potential. 'Wines from here will become world famous'.

One only has to examine the 2011 export figures for NZ wine to see the significance of Marlborough as a wine growing region as well as the significance of the variety Marlborough Sauvignon Blanc (NZ's flagship wine). In 2011 85% of wine exports were Sauvignon Blanc. Total value of wine exports was 1.135 billion dollars. New Zealand's total vineyard area in 2011 was 33,600 hectares (Ha) of which 16 758 Ha was planted in Marlborough 53%.

The Chief Executive Officer of Horticultural Research in New Zealand (500 employees); in a Graduation Address to Auckland Science Students in May 2005 stressed the importance of Scientists to the New Zealand economy and then proceeded to name 11 Scientists and their field of work.

I was included, and I quote 'Wayne Thomas of the DSIR completed the initial assessments and survey of potential areas in New Zealand for growing Sauvignon Blanc. He chose Marlborough....and the rest as they say is history'. Marlborough is now the premium Sauvignon Blanc growing area in the world.

The other advantage of planting in Marlborough was the utilization of marginal agricultural land, that previously grazed one sheep per acre but produced 5-6 tonnes of Sauvignon Blanc per acre. A gross return of \$150 per acre versus \$15,000 per acre.

Had Mr. Yukich heeded my original advice and purchased all the stony river terraces for vineyards, his initial outlay would have been only \$50 to \$70 per acre. Had Mr. Yukich purchased the stony river terrace land, he could have purchased 40,000 acres for the same initial outlay; the total area planted in Marlborough now. However, his unfamiliarity with this type of land for vineyards resulted in him taking a conservative approach, backed by his North Island Viticulture team. Montana purchased this type of land for future plantings. Mr. Yukich and myself when operating Penfold's New Zealand opted for contract growers who had access to these stony river terraces. The optimum use of marginal agricultural land.

The planting of the Gimblet gravels in Hawkes Bay resulted from the Marlborough experience.

Had Montana opted for Gisborne or Hawkes Bay as originally planned by the company, the move into Marlborough would probably have been stymied for up to 25 years due to the sheer impact of the production that would have come out of these high producing areas with 4,000 acres of new plantings. Sauvignon Blanc as a variety is generally not suited to these regions due to the fragile nature of the grapes caused by excessive growth of the vines and moist conditions at harvest time.

It would be really interesting to measure the economic impact of the Wine Industry on Marlborough since 1973, through to 2012. I believe it would have experienced the greatest economic growth rate of any region in New Zealand.

For the Wine Writer Keith Stewart to say that the move into Marlborough in 1973 was just an example of media hype is an absolute joke and another example of the tall poppy syndrome.

I have travelled extensively overseas during the last few years, and being a connoisseur of good wine, the one thing you notice in all wine shops I visit is Marlborough Sauvignon Blanc. In a lot of cases this is the only variety of wine available from New Zealand.