

us east coast



# EASTERN promise

The small wineries of USA's eastern seaboard seem able to find success while bypassing the world of ratings, national publicity and even distribution networks. Roger Morris finds out how they do it

**ALTHOUGH HIS** small estate winery is only 12 years old, Anthony Vietri, owner and winemaker at Pennsylvania's Va La Vineyards, has been producing wines of such quality that his best bottles command up to US\$50 (HK\$388). Yet his wines have never been reviewed and rated by a national publication.

Jim Law, considered one of the most accomplished winegrowers in the US, has had similar quality and commercial successes at his Linden Vineyards in Virginia over the past 25 years. Likewise, he receives little national or international attention.

What's more, it's unlikely you'll find either of their wines on most restaurant wine lists in nearby towns or in local wine stores. If you want to taste the wines, your best bet is having someone in the area send you a bottle or drive up to the cellar doors.

The middle Atlantic coast of the United States – which stretches south from New York to New Jersey, Pennsylvania, Delaware, Maryland, Virginia and, finally, North Carolina – is the most densely populated and affluent part of the country. It is also a hotbed of hundreds of small vineyards and wineries that collectively defy easy categorisation.

But like a twilight zone with a confused magnetic field, business plans that would bankrupt winegrowers anywhere else in the world work here, and what makes economic sense for wineries in Europe, California and the southern hemisphere doesn't here. To survive, eastern wineries have had to devise business models different to that of any major New or Old World wine region.

#### COASTWATCH

As a result, the east coast invites some intriguing observations:

- Although there are more than 900 wineries along the east coast, very few of them have distribution deals locally or regionally, and almost none nationally. Most could be labelled "artisan wineries" because the wine

they hand-make is mostly sold directly to consumers.

- Despite the likes of Robert Parker living in Maryland, smack bang in the middle of the east coast, but wines here get less coverage of vintages and wine ratings compared to other major wine regions.
- The wines of the east coast are decidedly Old World in structure, though not always by preference or design of the winegrowers.
- Wineries that produce excellent, world-class wines often exist next door to those whose wines are – charitably – rustic in nature.
- But both the regal and the rustic are most likely profitable. In fact, fewer east-coast wineries went out of business or changed hands because of economic difficulties during the recent recession than on the more-glamorous west coast.
- The region is possibly the only one in the world that can be economically viable without having large networks of distributors, either inside or outside the area, or any major wine cooperatives.
- In spite of, or perhaps because of, their almost-instant success over the past 25 years, many winegrowers in the region are still not certain that they have planted the right grapes in the right places.
- If the east coast were magically relocated to Eastern Europe or South America, small American wine importers would most likely be fighting each other for rental cars at local airports to explore the area.

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#### Feature findings

- ▶ The east coast of USA is home to hundreds of small wineries, which sell their wines primarily at the cellar door or locally.
- ▶ Business models are based around small scale production, and the only state which has more than a whole one percentage point share in national production is New York.
- ▶ Until the 1960s, it was generally believed that *vitis vinifera* vines could not be grown on the east coast. Changes in laws and tastes in this part of the country means that it has been a growing niche for only 25 to 30 years.
- ▶ Many east coast winemakers are self-taught, adding to the area's quirky nature, but others see a real need for wine education in the area to develop.

- Finally, if you don't live on the east coast but know firsthand of a half-dozen wineries in the region, then you must be a true devotee or writing a book on the area.

#### BUILD IT AND THEY WILL COME

So what is the secret to survival for these wineries – and in some cases, prosperity? Eliminating dependence on the profit-sapping, many-layered American wine distribution system. To adapt the famous line from the movie, *Field of Dreams*: "Open a small, quality winery, and they will come."

"The best business plan for limited capacity," says Virginia winegrower David Pollak, "is to sell at least 80% of production at the winery, and use distributors to target restaurants and retail exposure for prospective customers who would likely visit



Seneca Lake Wine Trail, New York State

the winery in the future. If I sell my wine at the winery," he continues, "I get 90% of the list price. If I sell the same bottle to a distributor, I get about 50% of list price."

"I can understand why national magazines don't publish our ratings, and I don't really blame them," says Law, who has a similar business philosophy, "Most of their readers can't buy our wines."

It may help go back in time and examine how things got this way. Until the 1960s, it was generally believed you couldn't grow *vitis vinifera* grapes on the east

coast. Often cited were the crushingly unsuccessful but well-publicised attempts of founding father and Francophile Thomas Jefferson to grow French and Italian grapes during the 18th century at Monticello, his Virginia plantation. Eastern winters were too harsh, and its humid summers too disease-infested in an era that did not have modern chemical pesticides. And there was understandably little demand for wine made from native, overly vinous grapes, although many acres of them were grown to provide grape juice for school children.

Phylloxera, America's gift to European vineyards, actually produced an early ray of hope to the region's dismal winemaking prospects. Two attempted solutions to the vine plague were grafting *vinifera* shoots on American rootstock or, alternately, creating disease-resistant French-American hybrids. The first solution proved the better one, and

eventually hybrid grapes were banned from French vineyards (except in Armagnac where some Baco Blanc is still grown for distillation).

Grapes such as Vidal Blanc, Marechal Foch, Chambourcin, and Baco Noir were soon planted up and down the east coast and in the country's interior. They were prolific, generally winter-hardy and if they didn't taste exactly like *vinifera*, they were close.

But Prohibition (1920-1933) and restrictive state production and distribution laws (the 50 states have their own regulations) kept the number of east

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coast wineries at just a handful until the 1970s, when the US discovered its love of wine. The passage of farm winery laws, which allowed direct sales to consumers in eastern states, which California already enjoyed, started what is still a growing wine boom.

But if the number of eastern wineries has mushroomed, total production is still quite small, a miniscule part of US wine production. California accounts for around 90% of American table wine production by volume, and the other two west coast states – Washington and Oregon – combined, make up 4%. Of east coast states, only New York at 3.7% can claim more than a fraction of a percentage point.

**We are a decent-sized Virginia winery at 6,000 cases. A typical California premium brand would probably be 30,000 cases**

Yet, they are a warren of vineyards and small wineries. Virginia, for example, has around 200 wineries, Pennsylvania 150.

#### **EAST COAST TERROIR**

As with elsewhere in the world, the various terroirs of the east coast have their pluses and minuses. John Levenberg, who has made highly rated wines in California working for Paul Hobbs Winery, now consults many Eastern wineries on how to grow grapes and make wine.

“Long Island [in New York state] has very well-drained soils, which are great, particularly for Merlot,” he says, “but it is flat and has no topography. I need mountains to get minerality.”

He is optimistic about New Jersey, next

to New York and a late bloomer on the wine scene, because “it is hot enough to get ripeness without excessive heat. In states farther south, such as North Carolina, I see excessive alcohol peeping through.”

He loves Pennsylvania for white wine production, especially Chardonnay. “The wines produced have great balance between alcohol and acidity with mature flavours,” he says. He is also optimistic about the more mountainous regions of western Maryland for reds. “Reds could be great here,” he says, “but like California – and unlike Virginia – you need to add acidity.”

This positive view of eastern wine quality is not only a local observation. Lorenzo Zonin, estate director of Podero San Cristoforo in Italy’s Maremma region, worked for a few years early in his career at Barboursville Winery in Virginia, which the Zonin family pioneered in 1976. He quickly became convinced of the quality potential of wines from the US east coast.

“Virginia wines have shown to be as good as [those in] other areas in the world,” Zonin says. “They show elegance and a surprising longevity, being so different from some other warmer – and apparently more ‘suitable’ – areas in the New World.” Many think that Eastern wines can present a leaner, lower-alcohol, more European alternative to west coast blockbusters.

The East Coast is also developing pockets of specialties. The Finger Lakes area of western New York is noted for its Rieslings, while the hilly coastal area of Pennsylvania just west of Philadelphia, where Vietri’s Va La winery is located, has shown great early success with northern Italian varieties, especially Barbera. Because of cooler growing seasons and good natural acidity, Pennsylvania and New York – and even chilly Massachusetts – have

begun to show progress with sparkling wine production.

Still, the weather is a major factor that greatly influences growing conditions, vintage variation and certainly production volume. Black Ankle Vineyard in Maryland, just north of Washington DC, has been applauded by the wine community for the quality of its produce in the few short years of its existence and in its attempts to grow organic grapes. However co-owner Sarah O’Herron says: “We couldn’t find an organic solution to Japanese beetles, and black rot is pervasive. There is not a good solution to that either. So we are not completely organic, but we’ve gone as far as we can down that road.”

#### **WINERY AS DESTINATION**

David Pollak, an Ohio businessman, was the first manager of Napa Valley’s Bouchaine Vineyards in the early 80s. In 2003 he established Pollak Vineyards in Virginia with his wife Margo.

“Land in California is more expensive, but farming costs in the east are significantly higher,” he says. “Our chemical spend is higher because of constant mould and pathogen pressure. In Virginia especially, the vine vigour is higher, which requires much more labour for leaf-pulling, shoot-thinning, and hedging,” he continues. “There are also economies of scale. Because of frost, we can only plant knolls on tops of rises.

So on our property, I have six distinct vineyard parcels covering 27 acres. At Bouchaine, we had one field covering



A vineyard in Long Island

30 acres. We are a decent-sized Virginia winery at 6,000 cases. A typical California premium brand would probably be 30,000 cases.”

Hence the need for business plans that could keep overhead in line. “In my opinion, US wineries shouldn’t [attempt to] compete with lower prices and volumes, but rather with a better experience for consumers,” counsels Italy’s Zonin. “Wine experience is not only about wine, it’s about food, landscapes, friends and many other things. That’s why I think it is important to create a network between producers, restaurants, hotels, museums, travel guides and all the possible points of interest.”

And that is what most Eastern wineries do – tirelessly invent reasons for repeat customers to come back to the winery, such as festivals, music, food and special events.

Furthermore, Pollak and many other wineries are now relying on national wine competitions, not ratings, for recognition, a system California used in pre-Robert Parker, pre-*Wine Spectator* days. “I can spend an hour talking about what we are doing to produce a premium Cabernet Sauvignon,” Pollak says, “or I can simply say that our 2009 reserve won a gold medal in San Francisco in the heart of California Cabernet country.

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“Would I rather have a 93 [score] from Parker? Probably, but all this helps get us on wine lists and gives us exposure to our primary target audience – prospects that are likely to make a trip to Charlottesville.”

But while these wineries want to be identified as producing only quality, dry table wines, others emphasise a two-tier system. For example, New Jersey’s Heritage Winery received high marks this summer in a blind tasting of its red wines versus those from Bordeaux – yet another recreation of Stephen Spurrier’s famous 1976 Paris tasting. Yet most of Heritage’s production is “stickies.” Owner Bill Heritage says: “Sales of those sweet wines pay for the French oak barrels for the dry wines.”

Unlike with California, however, major financial investments in winery estates,

either for vanity or love of wine, have been slow in coming, and most of that has been in Virginia. The Zonins did it as financial investment in the New World. Former millionaire Patricia Kluge established a huge estate and auxiliary businesses around her Kluge Estate winery before she went bankrupt in the recent market collapse. Kluge was bailed out by fellow millionaire, politician and showman Donald Trump – but he took over operations and renamed it Trump Winery.

Both Kluge and John Kent Cooke – at his northern Virginia winery, Boxwood – recognised the paucity of local experience in winemaking and brought in noted French consultants, in Kluge’s case Michel Rolland and Stéphane Derenoncourt at Boxwood. The majority of east coast winemakers are self-taught, and many wineries cannot afford trained enologists.

John Levenberg sees this as a hurdle that needs to be overcome. “There are not enough good winemakers here,” he says, “and you need consultants before you plant the vineyards and build the winery, not afterward.” He sees hope that New York’s Cornell University, noted for its agricultural curriculum, may eventually become the equivalent of California’s UC Davis for wine education in the region.

Yet Vietri, whose small vineyard and winery produce only about 750 cases annually, is not too keen on changing a successful model. “The strange uniqueness of the region is the huge number of small wineries, which I think actually bodes well for potential quality and distinctiveness,” he says, “making for a successful business without the benefit of distribution. These are the kinds of elements that I hope that people begin to become more aware of – about the DIY, guerilla nature of this region.

“We are so not ‘big wine,’” he continues, “In my head, that’s the next step, to get folks to see this as a movement and become excited by it.” db