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Greetings

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Markets/Regions

Grape Expectations – just 26% of Brits think boxed wine is inferior to bottled



Previously a no-go for the nation's wine buffs, latest research from Mintel finds that screw tops, boxes and pouches are being seen as increasingly credible options among Britain's wine users. Today, as many as four in ten (39%) wine users agree that wine in a box or a pouch is equally as good quality as bottled wine – indeed, just 26% of wine users think that boxed wine is inferior. Meanwhile, screw tops are seen as even less of an issue for wine lovers, with just 17% claiming not to trust “screw cap” quality wine.

Cost pressures

Reflecting the cost pressures at play in the wine market, the relationship between wine buyers and brands has shifted. While the leading brands in the wine market can take comfort from the fact that they command a high level of trust, with almost three quarters of wine buyers (73%) trusting them to provide a consistently good product, there is a notable dark cloud on the horizon for as almost two thirds (63%) of wine buyers claim that they would switch from their favourite brand if another was on promotion.

Rosé rising

Rosé wine has made great strides over the past decade and is now a mainstream segment of the wine market, drunk by 43% of adults. Part of its success can be attributed to the fact that it has broadened its appeal and become a more acceptable drink for all ages but, more importantly, both men and women alike. In 2012, six in ten (60%) wine buyers think that it is a drink which is equally suitable for both genders, with just 15% disagreeing.

Low-alcohol wines showing growth

Despite the difficulties and potential extra costs of production, lower-alcohol wines are one of the few segments of the wine market showing robust year-on-year growth, with value sales increasing by 40% to around £23m over 2011/12. The market has benefited from lower duty on wines with an ABV of 5.5% or less and a growing emphasis on healthy lifestyles and lower alcohol consumption, although still just one in five wine buyers (19%) claim to be interested in lower-alcohol wines.

www.bizcommunity.com/Article/223/19/82233.html

Younger Australians are now drinking less

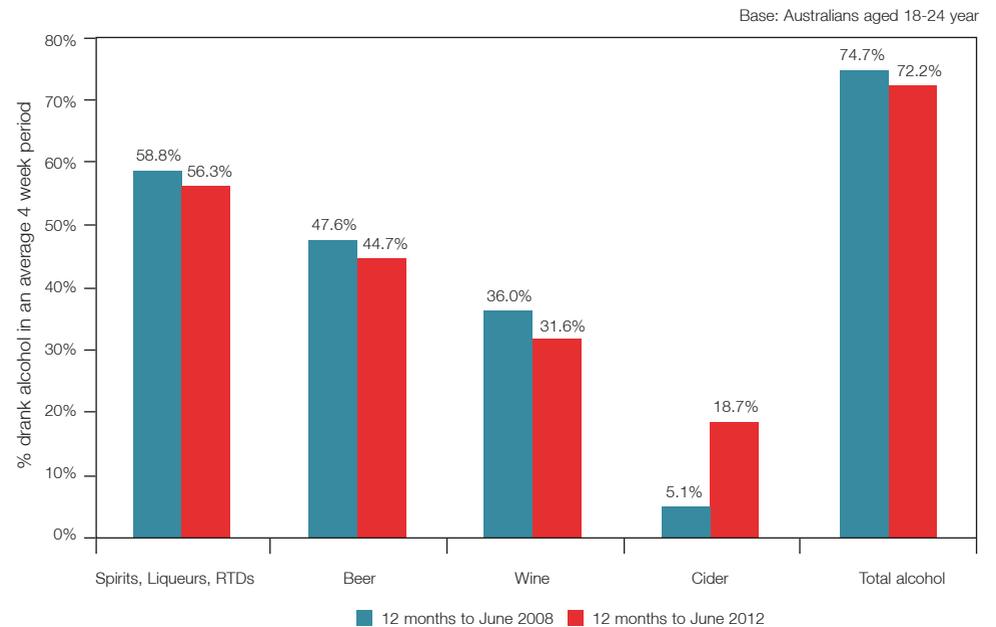
The proportion of Australians aged 18-24 years who drink any alcohol in an average four weeks has progressively decreased each year for the last five years. In the 12 months to June 2012, 72.2% of this age group drink alcohol in an average four weeks and the proportions of those drinking Wine and Beer have decreased, while Cider has increased.

These are the latest findings from Roy Morgan Research's report on Alcohol Consumption, for the five year period from July 2007 – June 2012.

While the proportion of 18-24 year-olds who drink alcohol in an average four weeks has dropped 2.5 percentage points, from 74.7% to 72.2%, the proportion who drink Cider in an average four weeks has more than tripled, from 5.1% in 2008 up to 18.7% in the 2012.

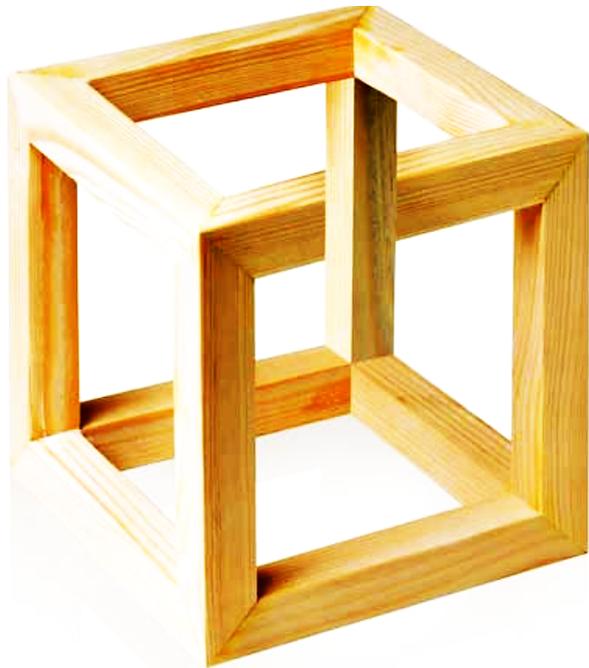
Losing the most traction with this age group over the last five years are Wine (from 36% down to 31.6%) and Beer (from 47.6% down to 44.7%).

www.newsmaker.com.au/news/19987



Source: Roy Morgan Single Source (Australia), July 2007 - June 2008 (n = 4,613); July 2011 - June 2012 (n = 4,985). Based on types of alcohol drunk at home or away from home (e.g. hotel, club or elsewhere) in 4 weeks. Note: RTDs = 'Ready To Drink'.

No liberalisation for vines, EU commissioner promises



The EU agricultural commissioner has said “liberalisation is not an option” for Europe’s vineyards as the row over planting rights continues.

Dacian Ciolos told a farmers conference in Budapest that European wines need an EU-wide “safety net”. He also said any regulatory framework should work to give growers more scope to develop the sector.

Opponents say liberalisation will allow cheap products to flood the market and put smaller, family-owned labels at risk. They also say it will increase the need for further “grubbing-up” programmes that have so far cost the EU about EUR1bn.

The European Federation of Origin Wines (EFOW) welcomed Ciolos’ remarks, but warned the EU needed a European framework for plantations instead of a single region-wide safety net.

EFOW president Riccardo Ricci Curbastro said that the implementation of a safety net in case of excessive plantations would be ineffective since the intervention would come too late.

It is said that they need an upstream management system given that vine is a perennial plant that produces wine for decades.

just-drinks.com/news/no-liberalisation-for-vines-eu-commissioner-promises_id108331.aspx

How Consumption Patterns Drive Branding and Product Development



In 2011, global soft drinks sales reached 609bn litres, up by 4% over the previous year and continuing a steady upwards trend. At the same time, global consumption continues to evolve, both in terms of what consumers are buying as well as how, where and - perhaps most importantly - why.

For consumers in traditional markets (mainly in Asia and Africa), packaged drinks consumption remains a matter of serving a specific need – better taste, greater safety, convenient packaging – with low incomes limiting demand for branding or additional added value.

In modern markets (mainly in Eastern Europe and Latin America), as incomes rise, demand for branding increases with new middle-class consumers looking to the status and prestige of global brands. Shopping habits change, as supermarkets and hypermarkets allow for one-stop shopping amidst busier lifestyles. Basic, affordable products, such as bottled water and concentrates, are joined by highly branded carbonates and energy drinks, as

consumers increasingly seek to define themselves as part of a global consumer class, with lifestyles to match.

In markets termed post-modern (mainly Western Europe and North America), as branding becomes omnipresent, consumer behaviour shifts again, with purchasing increasingly a matter of finding a portfolio of highly specific products to define one’s lifestyle. Unified global brands give way to segmented, niche products, with local, artisanal products becoming more prominent.

Differentiation becomes the driving factor for consumers, retailers and drinks players, as consumers increasingly ‘mix and match’ products and retail formats to serve ever more specific needs.

Traditional: Limited, specific needs for new consumers

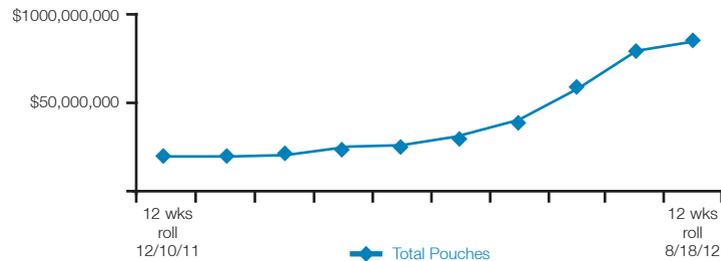
www.just-drinks.com/analysis/how-consumption-patterns-drive-branding-and-product-development_id108094.aspx

Packaging

Summer Alcohol Sales Pack a ... Pouch?

Total Pouches

Rolling 12 weeks end 8/18/12



Source: Nielsen, All Outlets Combined

nielsen

According to a research by Nielsen showed that alcoholic beverages packaged in a “pouch” approached reached \$200 million in annual sales through August 2012 compared to pouch retail dollar sales of \$12 million in a similar twelve-month period through August 2010.

And the trend shows no signs of slowing. Twelve percent of alcoholic-beverage buyers purchased a pouch product in the last twelve months, which is twice the number of people who tried it the previous year. The growth in popularity of this relatively new segment is attracting new product entries, flavors and brands, including many of the biggest supplier names in the alcoholic beverage business.

The alcoholic contents of the pouches vary — including malt, wine and spirits, depending on the brand but they all have convenience appeal. Many are marketed as a frozen cocktail with no need for a blender: “just freeze, squeeze and serve.” Others claim quicker

chilling, easy pouring and packaging with environmental benefits.

Not only are pouches ringing up significant sales, but new Nielsen consumer research shows that many of these sales are in addition to current alcoholic beverage sales, meaning that consumers are not switching from more traditional beer, wine, or spirits.

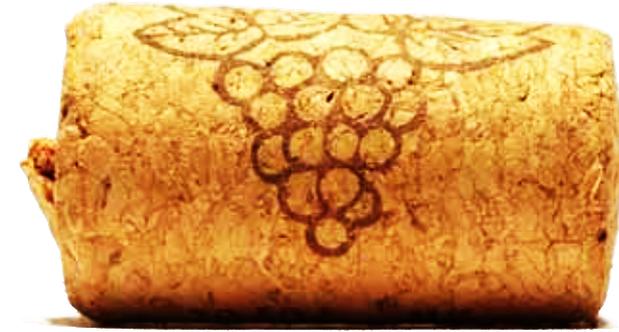
Who are pouch buyers?

- Compared to mainstream (or the typical) alcoholic beverage consumers, pouches seem to appeal to 35-54 year olds, key Gen X and Baby Boomer age groups
- African-Americans and females are also buying pouches in above-average quantities.

Consumers will ultimately decide if pouches are a passing fad or here to stay.

blog.nielsen.com/nielsenwire/consumer/summer-alcohol-sales-pack-a-pouch/?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+NielsenWireConsumer+%28Nielsen+Wire+%C2%BB+Consumer%29

Cork making a comeback



A while back we made the observation that some of New Zealand’s most prestigious wines are still being sealed under cork.

According to wine reviewers they often argued that a good quality cork closure is superior to the screw cap, because the wine tastes as the winemaker intended immediately upon opening. Wines under screw cap need some time, at least an hour, in a decanter or jug to enable them to more fully reveal their aromas and flavours.

These observations are expressed against a background of widespread industry dissatisfaction with cork, based on the fact that back in the pre-screw cap day, New Zealand winemakers were frustrated by the amount of wine that was spoiled by cork taint.

With all this in mind it was interesting to read what Tony Bish, winemaker at Sacred Hill, had to say as he unveiled his

impressive and highly covetable Special Selection range.

He says of this year’s releases: “You will notice one significant change; after considerable thought we have returned to using cork closures for Special Selection wines. In the 10 years since we have been using the screw cap, the quality of cork available to us has improved dramatically. We now purchase individually, hand-selected corks to ensure we receive the finest grade. They then undergo stringent cork taint testing to further ensure their quality.”

Mr Bish goes on to say in the more mature and traditional markets cork is still the preferred and more prestigious closure for the collector looking to cellar wines for the medium to long term.

They believe cork closures will see these exceptional wines evolve in a more progressive and expansive way.

www.stuff.co.nz/marlborough-express/lifestyle/wine/7767259/Cork-making-a-comeback

Technology

New device measures grapes' brix levels in field

A South African company has created a device that makes it easier for grape growers to measure brix levels in the field.

The patented Brixmaster, made by Western Cape-based Prospective Innovations CC, is used in the field by laborers and relies on specific gravity to measure brix levels.

According to David Harris, before the Brixmaster, growers relied on refractometers or, in the field, on the old-fashioned "taste it" method.

The Brixmaster is easy to use and costs less than a tenth of a refractometer.

The higher the sugar level, the higher a grape's specific gravity, Harris said. Within seconds, the Brixmaster will indicate if a grape is above or below a desired level.



Pickers attach the Brixmaster to their waists with a belt clip. To operate it, they put a grape into the Brixmaster. If it floats in the unit's calibration solution, the sugar content is too low. If it sinks, the grape is sweet enough to be picked.

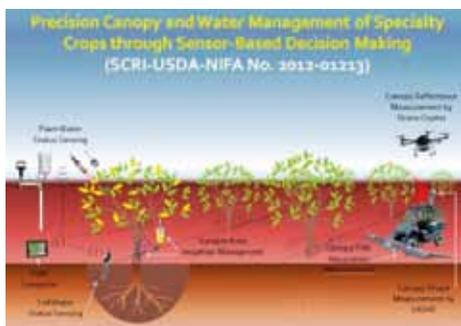
www.thepacker.com/fruit-vegetable-news/New-device-measures-grapes-brix-levels-in-field-172331401.html

Precision Sensors Monitor Winegrape Water

Researchers at the University of California, Davis, and other schools in the western states are more than halfway through a project to create and evaluate a system of inter-connected sensors that could be used to help monitor and control irrigation for winegrapes and other crops.

The three-year study of precision canopy and water management is being funded through a \$2.5 million grant by the U.S. Department of Agriculture.

The study is primarily focused on almonds and walnuts, but researchers are also exploring applications in the vineyard. The ultimate goal is to develop a system of sensors to help inform farmers about their plants' water



needs as well as create models and detailed computer-generated maps for crop and irrigation plans.

www.winesandvines.com/template.cfm?section=news&content=105752&htitle=Precision%20Sensors%20Monitor%20Winegrape%20Water&

Hand-picked grapes not necessarily better

The traditional view that hand picking of grapes is needed to produce the best wine is being challenged, with University of Auckland research showing that machine harvesting produces higher levels of the aromas characteristic of award-winning New Zealand Sauvignon blanc.

Machine harvesting is well-established both here and overseas, but it has generally been considered second-best in terms of grape quality and purity.

The research provides the first published comparison of wines produced by machine and hand harvesting, and shows that machine harvesting results in higher levels of the passion fruit and grassy aromas that are so desirable in New Zealand Sauvignon blanc.

But these aren't the only findings with the potential to revolutionise winemaking. Other work led by Dr Kilmartin has shown that add-

ing sulphur dioxide as soon as the grapes are harvested also results in higher levels of the characteristic aromas.

Sulphur dioxide is widely used by winemakers to prevent oxidation and the growth of microbes, and is added at different stages of the winemaking process.

The results are already benefiting New Zealand industry.

"Many have already started to re-examine their harvesting approaches in the light of this research. For instance one of the wineries we partner with has shifted to machine harvesting for their premium Sauvignon blanc, to maximise the tropical fruit aromas in their wines."

www.winetech.co.nz/News/NewsArchive/tabid/440/article-Type/ArticleView/articleId/3473/Handpicked-grapes-not-necessarily-better.aspx

Social environment

Life Styles

Red wine 'could help you lose weight

Drinking red wine could help you lose weight by suppressing your appetite and preventing you from overeating, a study suggests.

Researchers found that when bees were fed resveratrol, a compound found in red wine, they ate less food afterwards.

While bees normally gorge themselves on sugary foods when they are freely available, those which had been fed resveratrol chose to stop eating once they had taken on enough to meet their energy needs.

They also became uninterested in diluted sugar solutions, suggesting they had become less sensitive to it, the scientists reported in the *Aging* journal.

Previous studies have indicated that resveratrol could also combat obesity by mimicking the effects of a low-fat diet, and help prevent the onset of age-related disease.

www.telegraph.co.uk/health/healthnews/9566222/Red-wine-could-help-you-lose-weight.html



More wine drinkers are swinging to the sweet

There's a sweet-wine revolution going on, and it's happening in restaurants, in people's homes, and in wine shops.

More and more patrons are asking for riesling, moscato, ports, and sherries at local restaurants and bars, and sweet wine is being mixed in cocktails at sophisticated Center City spots.

Demand for dessert wines, such as Madeiras and ports, jumped to 210,000 cases in the last year, a 10 percent increase over the previous year, according to Matthew Schwenk, director of product selection for Pennsylvania Wine and Spirit stores.

The appeal of these sweet wines appears not to be limited to local palates. In fact, according to Catherine Manning, Philadelphia was likely a little late coming to the dessert wine scene. "The liquor control system just started coming to this. Five years ago, you would have never seen this [dessert] wine list".

www.philly.com/philly/food/20121004_More_wine_drinkers_are_swinging_to_the_sweet.html



Alcohol Abuse

Drinkers with access to plenty of cheap booze are likely to drink more, and more regularly

The overconsumption of alcohol is a major public health issue, and its low cost and ease of access are some of the key factors contributing to the size of the problems facing governments, health groups and communities today.

It has been known for more than 20 years that alcohol is carcinogenic and that its long-term chronic use can cause cancer.

When combined with its contribution to liver disease, heart disease, high blood pressure and stroke - not to mention risky behaviour and violence - the negative health impacts of alcohol are immense.

The Australian National Preventative Health Agency (ANPHA) reports that over the past 20 years alcohol has become more affordable in Australia. This is because while spirits and beer have become pricier, wine has become

substantially less expensive. Introducing a minimum retail floor price for alcohol is one measure the Cancer Council supports as a means of reducing alcohol consumption among at-risk groups and young people.

In recent years, we have seen taxation used as one of the Government's most effective weapons in the fight against tobacco consumption. This experience has shown us very clearly that an increase in excise does result in a decrease in overall consumption.

The time has come to apply these lessons to reducing the consumption of alcohol and reducing the unacceptable associated public health impacts.

www.adelaidenow.com.au/news/opinion/drinkers-with-access-to-plenty-of-cheap-booze-are-likely-to-drink-more-and-more-regularly/story-e6freai3-1226480434547

Health

Alcohol and Breast Cancer Link Challenged



A new study in an American Association for Cancer Research medical journal challenges the notion that alcohol consumption alone is a major risk factor for breast cancer in post-menopausal women. The risk grows substantially when women undertake hormone replacement therapy: The study found a 60 percent greater risk for women who drink while undergoing the therapy compared with women who drink alcohol responsibly and aren't on hormone replacement.

The subject of alcohol's role in the pathology of breast cancer is hotly contested in the medical industry.

www.winespectator.com/webfeature/show/id/47356

New wine warning, warning

As smokers go into retreat mode, the attention turns to wine drinkers.

The wine industry is adopting health warnings on labels, including the risks to pregnant women from drinking alcohol.

But that debate is hardly a new one so this latest move is seen by some as yet another move by the so-called "wowser" brigade.

blogs.abc.net.au/sa/2012/09/new-wine-warning-warning.html



Smoking, Heavy Drinking Linked to Earlier Onset of Pancreatic Cancer



The average age at which pancreatic cancer is found is 72, according to the American Cancer Society.

In the study published in the *American Journal of Gastroenterology*, heavy smokers with pancreatic cancer were diagnosed around age 62 and heavy drinkers at age 61 – almost a decade earlier.

Smoking is a strong risk factor for pancreatic cancer and alcohol has been shown to cause oxidative damage to the pancreas, and which sets the stage for the inflammatory pathways that can lead to cancer.

The findings only indicate these habits can lead to developing pancreatic cancer earlier in life.

The study of 811 pancreatic cancer patients from the multicenter, international database Pancreatic Cancer Collaborative Registry does not prove the habits caused cancer.

The study does make a step toward understanding at what age screening for pancreatic cancer should begin – once widespread screening is available.

Detecting pancreatic cancer early is difficult and contributes to the poor survival rates. By the time pancreatic cancer is diagnosed, it is frequently at an advanced stage and has spread to other organs. Currently there are no tests available to easily find it in people who do not have symptoms.

In the study heavy smokers were defined as those who had more than a pack per day, and heavy drinking was measured at more than 39 grams a day, or about three average drinks per day.

Beer drinkers presented with pancreatic cancer earlier than those who drank other types of alcohol, such as wine or hard liquor although when adjusted for the amount of alcohol consumed, the type of alcohol did not affect the age of presentation.

The good news is that the harmful effects of heavy drinking and smoking can be reversed. After 10 years, former smokers and drinkers who quit their habits faced no extra risk of earlier diagnosis.

www.sciencedaily.com/releases/2012/10/121001083208.htm

Natural environment

Pests and Pesticides

Grapevine fungal treatment



The war against grapevine fungal diseases has received a boost with the release of a new treatment last week.

A new formula can protect grapevines against fungal diseases.

Australian chemists spent five years developing a formula to help growers more effectively manage weather-driven diseases such as downy mildew.

The treatment contains both protectant (captan) and curative (metalaxyl) properties and can be used on wine, table and dried fruit grapes.

The broad-spectrum antifungal protects against the four big fungal diseases - downy mildew, black spot, phomopsis cane and leaf blight, and grey mould or botrytis.

According to Ms Mackay, one of the main benefits is that it has a short withholding period and will not damage beneficial insects, such as parasitic wasps and mites, while controlling exotic pests.

www.weeklytimesnow.com.au/article/2012/09/28/542524_horticulture.html

Bordeaux schoolchildren to learn about wine (France)

Bordeaux schoolchildren as young as six are to be encouraged to learn the rudiments of winemaking and viticulture.

www.winebiz.com.au/dwn/details.asp?ID=9465

Wine prices to rise after dry weather in Spain and Italy

Dry weather and drought has caused heat damage to vines in key European growing regions. Spain's grape harvest this year is forecast to be 40 per cent lower than last year as a result of drought. Meanwhile wine production in Italy is estimated to be eight per cent lower this year than last year.

<http://www.winebiz.com.au/dwn/details.asp?ID=9451>

"Africa is the new China"

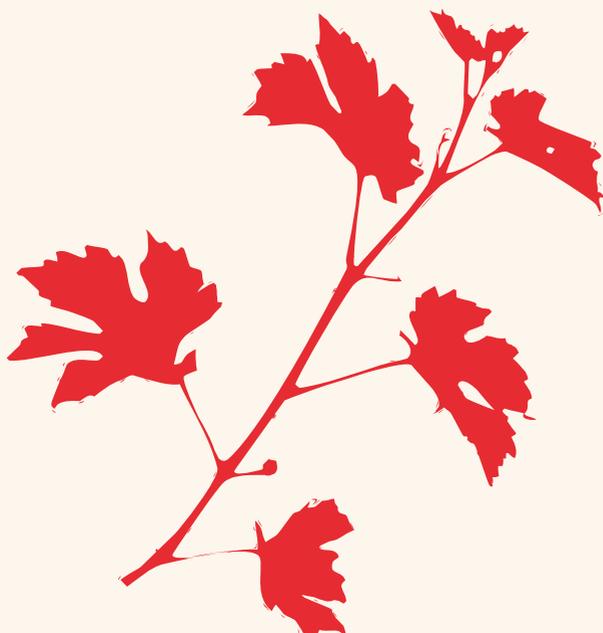
Troy Christensen, chief executive of Accolade Wines, believes Africa is going to be the next China in terms of emerging economies to watch. As China's economy continues to slow, Africa has a great opportunity to become one of the world's leading emerging economies and a sustainable driver of economic growth, he said.

<http://www.winebiz.com.au/dwn/details.asp?ID=9419>

South Africa at forefront of environmental winemaking (South Africa)

South Africa is on track to be the world's leading wine country for its environmental, sustainable and ethical practices, according to Su Birch, chief executive of Wines of South Africa.

<http://www.winebiz.com.au/dwn/details.asp?ID=9409>



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