Natural viticulture – what’s your motivation?

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There has been a recent surge in the uptake of ‘natural viticulture’, including organic and biodynamic systems. No longer is natural viticulture the domain of the small idealist or boutique producer. Increasingly, organic systems are being adopted by larger, more sophisticated and well-recognised businesses (the latest high-profile conversion is Bordeaux’s 81-hectare cru classé Pontet Canet). What are the possible motivations for adoption and how might Australian producers communicate their good work?

Australian viticulture is experiencing a shift toward embracing ‘natural’ farming systems. However, when seen in a worldwide context, the rate of adoption is behind that of Europe, which could have significant implications for market access into the future. Waldin (2010) estimates the Australian organic vineyard area to be around 1% compared with Italy (5%), Spain (5%), France (3.3%) and Germany (2.8%). What are the benefits that producers in all these countries see in organic systems and what might be motivating them to make this commitment?

The motivations for adoption from my viewpoint fall into a number of areas. The weight of any one motivator is different for each business and, as such, often defines not only the way practitioners farm, but also how they choose to present themselves in the marketplace.

MOTIVATORS

Quality
Most organic producers believe that healthy vineyard systems provide the potential for superior quality fruit. Almost all producers I have visited cite quality as the major motivator, with sustainability a close second. This is most obvious in Europe where I recently visited numerous ‘top tier’ producers in Burgundy, Bordeaux, Bandol, Languedoc, Provence and Chianti. Some of these producers are certified organic or biodynamic, some are practising but not certified and a few discount full-on organics as a system altogether. The common thread was that not one was herbiciding their vineyard. All of them had made a connection between healthy soils and the potential to maximise flavour in the fruit. It is for this reason that quality considerations, I maintain, remain the main motivators for adoption of organic or biodynamic practice.

Natural resource/environmental conservation
Almost without exception, the desire to build a healthy farm and contribute to reducing environmental effects drives adoption. However, the most successful are those that place product quality and business success on an equal footing. Organic systems can only be successful in the long term if they are profitable.

Ideology
Some producers view systems such as organic or biodynamic as part of a greater life choice. Typically, they are smaller producers who hold moderate business expectations within the context of a lifestyle choice.

Human health considerations
Some producers believe human health can be compromised by conventional production and are motivated by the desire to minimise exposure of their employees and customers to chemical inputs.

Business longevity
Environmental sustainability cannot stand alone, that is a business cannot exist within our society without also addressing profitability if it is to stand the test of time. A long-term strategy of maintaining both environmental and business health is critical. The truly sustainable producer is motivated to exploit the synergies generated between profitability and environment, environment and profitability.
Marketing/market access

I would like to spend some time exploring this commonly misrepresented motivator.

There rests a perception that marketing is a motivator for adoption of organics, though as discussed, the research as to the effect of organic claims on sales is often contradictory. Although more recent studies suggest a subtle shift in consumer behaviour (Remaud et al. 2008, Mueller and Remaud 2010) one must conclude that there is little concrete evidence that ‘sustainable’ claims improve wine sales. If there is no obvious ‘direct’ benefit in terms of labelling, where might the ‘indirect’ benefits be found?

I believe that market access will be one such benefit of demonstrating positive environmental credentials.

Professor Stephen Wratten, in his presentation about biodiversity at the 2010 Australian Wine Industry Technical Conference, included a photograph of a sign taken in Marks and Spencer, an English supermarket. It said:

\textit{Pesticides? No thanks! We’ve banned over 60 already (more than any other food retailer)}

For me, this was a clear example that large retailers are making choices for consumers when wielding their significant buying power, particularly for food products. The worldwide trend is clear: revenues from organic food and drink products doubled in value from US$25 billion in 2003 to US$50.9 billion in 2008 and the key markets of North America and Europe comprised 97% of these revenues (Willer and Kilcher 2010). Further, double-digit growth in revenues from organic products has been occurring in North America for more than a decade. Whilst it is accepted that demand for organic food is greater than that for organic wine, the global area of organic grapes still increased by 21 percent to 150,000 hectares between 2007 and 2008, mainly in Italy, Spain and France (FiBL 2010). I see no reason why this trend will not continue to expand its effect within the wine sector.

Australian wine producers would do well to consider what they would do if their buyers changed the rules overnight and made more pressing demands of them. Consider the three-year conversion to organic, plus up to two years of wine maturation if a supplier demanded organic status. What business could sustain five years out of the market, plus the learning curve required to instantly change their production system? The statistics tell us that organic producers in other countries could easily service the UK wine segment and, I believe, this is one of the reasons many businesses are starting to at least test organic systems. They don’t expect to gain market share or improve margin in the short term, but they do hope it will maintain their access to markets into the highly-competitive future.

Logo recognition or story telling or both?

It is unclear whether or not organic, biodynamic or eco-labelling in themselves generate sales. In fact, some
researchers such as Delmas (2010) suggest negative perceptions amongst American consumers with no previous exposure to organic or biodynamic wines. However, those with previous exposure and an understanding of ‘organic’ tended to have a more positive attitude. This highlights the intuition of many organic practitioners who believe that consumers are interested in how their food (and wine) is grown and whether it is having an impact on the environment...but, they are easily distracted and will only respond if they are told, in an engaging way, about the benefits of a winemaker’s commitment.

So, certification logos are helpful but what buyers and end consumers really need in the short to medium term is a combination of genuine improvements in sustainability and product quality, coupled with a producer who is able to explain his or her commitment in the marketplace. I think the message is clear: yes, there is some advantage in organic certification but a logo alone is not a guarantee of success. The quality of the product also needs to be superior and the story needs to be genuine and well told.

Getting the story straight

There is an uncomfortable truth when it comes to telling stories with an environmental theme: if you get it wrong, tell fibs or are perceived to be doing so, then the trade, regulators, media and consumers will hold you accountable. Even genuine errors are not spared the consequences.

Having said that, I am a firm believer that those who are genuinely making advances in the way they farm and operate their businesses should not be afraid to tell their good stories. Success stories are motivating for the industry as a whole and rapidly stimulate change. However, any communication that includes an environmental claim should be considered very carefully. This applies equally to regional or national representative and promotional bodies as it does to individual producers.

I consider the following points to be of great importance:

1. Make sure your story is real

It might seem obvious, but if your vineyard isn’t organic, don’t say it is. Not only does the Australian Competition and Consumer Commission take a dim view of green washing but also buyers, consumers and the media react badly to false claims. You don’t have to be certified organic or biodynamic to explain the good work you are doing, for example, with vineyard bio-diversity or native vegetation conservation. What matters is that the story is real and that if the trade or media come to have a look, they find what they expect to find. Consider, for example, that half an acre of revegetation on a 1000-acre vineyard might not live up to expectations.

Certification, for those who have done the work, adds a layer of independent credibility to any claims and strengthens an already legitimate story.

2. Don’t allow the story to ‘snowball’ down the distribution chain

Define what your legitimate story is and tell it clearly, but be aware that you are not the only one charged with telling it. Businesses need to ensure that their staff, distributors, buyers and retail staff are well briefed and are not getting the facts wrong or embellishing the story. Consider how you might document and explain your story, train your staff, brief your distributors or provide information to your buyers and consumers. Even a perceived question over your brand’s integrity anywhere along the distribution chain will damage your reputation.

3. Integrate the principles throughout the business

A strong commitment does not stop at the vineyard. You may genuinely feel that your energies are best focussed in the vineyard but I believe the entire business needs to consider sustainable practices if there is to be real integrity behind the transition. An organic vineyard is nice, but the effect is mitigated if, for example, issues such as winery waste water treatment or waste recycling are not addressed.

4. Explain all the benefits

Just hammering away about the environmental benefits of what you are doing can quickly seem self-righteous and boring. Product quality, financial viability, the changes in the attitudes of the people that work in the business are all real outcomes and are as important as environmental gains. The message should not hinge solely on ‘saving the planet’ mentality to the exclusion of all others – that’s not sustainable.

CONCLUSION

In my observation, the motivations for adopting sustainable practices are typically dominated by the desire to improve product quality. Environmental aims run a close second and pure marketing is an uncommon motivator. However, any genuine measure of sustainability must include business profitability. Thus, the truly sustainable producers need to communicate the positive benefits of their product in the marketplace.

Whilst the current data about consumer acceptance of organic wine is inconclusive, one would expect the trend to follow the substantial growth of organic products in other market segments. In my view, Australian wine businesses should begin to consider how they might respond to changing buyer expectations now, rather than wait until the last minute. A greater percentage of European producers have already read the signs and made the commitment.

Don’t expect a transition to equal more sales or better margins in the short term. What it might offer is better quality, continued access to market and a sustainable future for your business in both environmental and profitability terms.

Finally, if you are doing good things don’t be afraid to let people know about them. Good stories stimulate change for the better. But, above all, make sure any stories have genuine integrity and ensure those telling the story are telling it as you’d want to hear it told.

REFERENCES


Having recently returned from a temporary relocation to France, Toby Bekkers, former general manager and senior viticulturist at McLaren Vale’s Paxton Vineyards, now operates his own viticulture and wine business consultancy specialising in biodynamic and organic production.