



Winery and Grape Grower Relations: how to make a working marriage work

In Europe, the grape grower and wine maker are usually the same person so if there is a conflict between the two it can be resolved between the left and right brain. In the U.S. the independent vineyard often grows the grapes and passes them on to the wine maker who produces the wine. Since grapes are the raw materials that will often determine the final quality of the wine, the two disciplines are inextricably linked to each other and both have a stake in the success of the other person.

It goes without saying that this crucial relationship is like a marriage. To be successful it depends on communication, patience, understanding, knowledge, commitment and many other inter-personal qualities that govern a working relationship. Among these, however, communication is probably the most important. If the wine maker and grape grower do not understand what the other expects and needs, then there is little hope for satisfaction for either person. If the crop is short or long, the wine maker needs to know so he or she can adjust winery equipment and supplies to match the amount of fruit expected. If there is a disease problem in the grapes, the grower must tell the winery so it can be prepared to sort or treat the grapes properly. The winery needs to tell the grower if it cannot meet a payment schedule, or makes any adjustment in grape quantity.

While many people in the wine industry are friends, they also conduct business among themselves. It is important to make a distinction between these relationships. Vineyards and wineries are labors of love to those who own and operate them, but they also should make money and the conduct of those who are involved should be professional and business-like. Grape contracts help to clarify and document the expectations for the winery and vineyard. During the chaos of harvest, the contract is the simple reminder of what was agreed upon during calmer times. A contract is not a violation of a friendship but rather a indication of trust and a sign of respect for a business relationship. A handshake may be satisfactory when everything goes smoothly between parties but if a sour note is struck, a contract is a useful instrument to have.

Wineries produce certain styles of wine at specific price points. It is up to the wine grower to deliver grapes to the winery that can help the wine maker to achieve those style and price goals. The wine maker needs to work with the grower to make sure the fruit being grown and cultivated to meet the winery's expectations. A grower should not fear the wine maker but consider him or her a full partner in the process of creating a wine. The wine maker should make the time and effort to understand a vineyard and meet regularly with the grower to make sure he or she understands the kind of grapes the winery needs. The wine maker, in close consultation with the grower, should decide when the grapes are harvested.

The winemaker-grower relationship is the most important in the wine industry. The better it is, the better the wines will be. Open and honest communication is the secret to a good relationship and a quality product. The grower needs to know what the winery expects from the grapes. Wine makers need to understand the challenges in the vineyard in general and any given vintage. We all want to grow great grapes but it's just not always possible. If there is a problem in the vineyard, the grower needs to tell the wine maker so he or she can be ready to deal with it. If the crop is short or long, it will affect the fermentation and storage logistics at the winery. It will also have a downstream affect on sales and marketing. We work in a very rigorous vertically integrated system and anything affects everything else. By communicating the situation status there will be better planning and reaction to changes. On the other side of the wine equation, the wine maker must be involved in the vineyard. He or she should be out in the field with the grower at crucial moments of the growing season to share in observations about the condition of the vineyard and quality of fruit. The grower's obligation is to grow the best possible quality of fruit to achieve the goals of the wine maker whether or not the grapes are destined for an estate or separate winery facility.

In the field the conversation must be a give and take between grower and wine maker balancing the needs of both businesses, the conditions of the vintage and the demand for quality.

Independent vineyards often seek maximum yields and for good reason. Ideally, the optimal yield is sought, balancing fruit quality and quantity. While most grape sales are transacted on a tonnage basis, those with the most favorable relationships often engage in acreage contracts. In an acreage arrangement, the winery pays the grower by the acre and participates more fully in the management of those grapes which, in a sense, become the property of the winery. This arrangement benefits both parties as the winery shares a bit more in the risk of growing grapes but is allowed to have greater control over yields and viticulture practices such as leaf removal and spray applications. It is suggested that only the most mature relationships enter into this kind of agreement since communication is the foundation of a successful acreage contract.

The contract itself can take many forms. It can be a simple one-pager or a complex document full of the legalese. It is possible to draft your own contract or retain the services of an attorney. Needless to say, having an expert create a legal document for you may be very helpful should it ever be contested. The contract should specify certain items and conditions, such as details about the type and amount of grapes, how they will be paid for, the care, condition and transportation of fruit from the vineyard to the winery, then even further statements about how fruit maturity is determined, who will decide when the grapes are picked, any bonus or dockage conditions, etc. A sample contract is offered with this abstract for your review and usage. Perhaps most importantly, a contract is a written reminder of what the grower and wine maker discussed many months before during the calm months before harvest about tonnage, prices, MOG, etc. During harvest, when chaos reigns and nerves are frayed, it is not a good time to be fussing over whether you agreed upon 5 tons of Chardonnay or eight. The contract sheds light on matters of great importance at this critical time of year, allowing grower and wine maker to focus on making great wine together.

Now is the time to be preparing for the upcoming vintage. It is not too early and the early birds usually get the worms, i.e. the best fruit. It is time to assess what happened last year in the vineyard and reflect on the quality of the grapes and the relationship with the wineries. Ideally,

sit down and taste wines now after they have had a few months in tank or barrel to rest. Think ahead to the upcoming season and what can be done better in the vineyard together and exactly what amount and type of grapes are needed. This should all be recorded in the contract. These discussions set the tone for the season and can even affect pruning decisions. Wineries and vineyards alike should seek out their counterparts whose goals and attitudes match their own and may lead to a long term relationship.

As in life, we have some relationships that flourish and others that wither. You can expect the same between growers and wine makers. You will find businesses and individuals whose goals and temperaments match your own. These are the qualities that can lead to a satisfying, enduring and mutually beneficial business relationship, perhaps even friendship.

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