A new dynamic model for quality grading

Doctor of Philosophy David Aylward writes that the only way up for the Australian wine industry is an improved grading system including an overhaul of our regions and quality rankings that award minimalist vineyard management.

For too long the Australian wine industry has been without formal grading systems for wineries, their environment and their products. Now, with the global wine-grape surplus entering its seventh year and showing little sign of re-balancing, the Australian wine industry is under increasing pressure to abandon its homogenised approach in favour of differentiated and clearly demarcated offerings.

If the Australian wine industry is to lift itself out of the featureless and financially deprived landscape that it currently occupies, then it must look to the success of its iconic producers and adopt a quality grading system that emulates their practices. The five components of such a ranking system are outlined below:

Regional elements and considerations

Clearly defined regions are integral to a legitimate wine ranking program. Such regions must also be geographically concentrated enough to provide focus and relevance for the winemakers. The ambiguous geographic indicators currently spanning the wine industry simply do not capture the local practices or ambitions that are essential to regional identity. Regional elements that would contribute positively to a wine’s ranking might include:

- A sustained winemaking history with a critical mass of wineries and associated stakeholders;
- The region’s wine value versus its wine volume (Anderson, Neigen, Valenzuela & Wittwer, 2009);
- A sustained regional focus on quality improvement;
- Vigorous regional winemaking and grapegrowing associations;
- Robust interaction between stakeholder groups;
- Access to national governance, education, and R&D providers;
- Appropriate grape selections that match climatic and soil conditions;
- Distinct boundaries and branding;
- A national and international reputation with committed clientele.

It should be noted that in a 2008 Future Strategies wine study (Aylward, 2008), 75% of respondents stated that regional identity and reputation were critical to their competitive and comparative advantage.

Terroir

The Australian wine industry has taken what has been called a “fruit salad” approach to planting grape varieties. Regardless of micro-climate, soil type, altitude, or winemaker expertise, grapes have been selected for regions based on fashion and perceived market value, rather than their suitability to the local terroir.

Yet, terroir, both the natural and human elements, remains a benchmark of quality rankings (Sommers, 2008; Maltman, 2008). This paper suggests that there needs to be formal recognition of Australian wine terroirs that refines the generic and somewhat misleading systems currently in place. It is also suggested that the nuances of unique terroirs can only be achieved by linking wineries’ adherence to terroir integrity, to the actual terroir itself. In other words there must be a ranking of the degree to which individual wineries recognise and respect the terroirs in which they operate. Such a system would allow for a level of sophistication in ranking that would provide the consumer with more knowledge and leverage when making a purchase, add a new level of accuracy to ranking, and provide a greater degree of flexibility for wineries attempting to move between quality levels.

Approach/philosophy/practices

This more nuanced approach would also underpin winemaking practices at both an individual and community level. Ranking of a winery’s approach/philosophy/practice would begin in the vineyard. A suggested template, keeping in mind the criteria set by adherence to a particular terroir, would be based on minimal intervention. Quality ranks, therefore might follow the elements listed below:

- Suitability of grape variety to terroir;
- Average age of the grape-producing vineyard;
- Organic material rather than chemical fertilisers, pesticides, herbicides;
- Hand harvesting rather than machine harvesting;
- Discriminant rather than indiscriminant harvesting;
- Estate grown grapes rather than purchased grapes (greater quality control);
- Low yields (less than 3 tonnes per acre).

The degree to which winemaking practices reflect and retain the integrity of vineyard management would also be central to a winery’s quality rank. Therefore, determination would be made upon care and attention with regard to the following:

- Type of fermentation [small open fermenters as a preference to large closed fermenters and hand plunging as a preference to machine plunging];
- Whether the terroir’s integrity is maintained through use of natural yeasts, or whether artificial yeasts are introduced;
- The degree to which the wine is filtered and fined;
- The length and type of oak maturation;
- Whether or not the wine has been bottle-aged in addition to oak maturation.

The ranking against each of the above quality criteria would also illuminate the dominant culture of the winery. Such ranking would provide clear indicators of the direction in which the winery was moving, whether it was intent upon adapting to the natural rhythms of its terroir and region, or whether it remained at odds with these rhythms. The ranking system would also allow for movement up and down the scale as practices changed for better or worse. So, for example, a winery might belong to a region that ranks as 1 (top) and a terroir that ranks as 1, but whose inability to harmonise effectively ranks the actual winery as 3 or 4. Over time, this winery would have the opportunity to adapt to its environment and lift its winery’s ranking to a 2 or a 1.

Sustaining price-points

A fourth and critical ranking category would be based on price-point sustainability. This category would also act as an arbiter of the other ranking criteria through its deferral to market demand. Wineries would be ranked on a capacity to sustain or increase their targeted price points over the previous one, two and three years. As an arbiter, the rank would also remove value judgments about the desirability, or not, of pursuing a low-intervention, harmonised regime. The case may be, for example, that a winemaker may well follow an appropriate course of action for the respective region and terroir, but still, due to a lack of skill, make poor quality wine. The price-point sustainability rank would allow the wider market to determine
The sustainability of these price-points was whether or not the wine was of sufficient quality to command a particular price and create a sustainable demand (Schamel & Anderson, 2003).

In fact, a similar paradigm was tested in a 2007 study on ‘differentiation and competitive advantage’ within the wine Australian industry (Aylward, 2007). The results were interesting and decisive. The data shows the financial impact of the current grape glut on individual wineries against the average price-points into which their wines are sold. Data from 100 small to medium sized wineries representing all major wine regions, demonstrates a very clear inverse association between price-points and financial viability. The wineries that are most susceptible to financial stress are those selling into the lowest price-points, while the ones selling into the highest price-points are least susceptible. The sustainability of these price-points was examined over a three year period and in the case of the wineries selling into the highest price-points, these levels had either remained the same or, in fact, had risen, despite an industry wide grape surplus and widespread discounting.

**A judging panel**

The final ranking category is one for which the implementation of objective criteria would be almost impossible. Wine tasting is necessarily a subjective exercise. Everyone’s palate is different and there are different appreciations for different styles, varieties, and regions. Independent wine tasting by experts can, however, find consensus on how well or not the wine is made - how well it is structured, balanced, aged, and whether it reflects its origins. It is proposed under this model, that as the fifth element of the scoring matrix, an independent team of wine experts (under the auspices of an organisation such as the Winemakers’ Federation of Australia) would be called upon to contribute to the quality ranking process. Tasting would not be blind, as the team would not be passing judgment on a tasting preference alone, but would also be focusing on quality and authenticity of the winemaking practice.

For each winery, therefore, the judging panel would be fully aware of the wine’s scores within the other four categories of the matrix and would pass judgment on the quality of the wine in this context. In conjunction with the other four quality categories, and representing a supplementary set of criteria, this fifth category would prove useful.

**The dynamic ranking matrix**

The table below provides scenario rankings for six different winery types. It is anticipated that within this matrix, there would be an individual score for each of the five categories, a cumulative score, and an average ranking. Lower scores would represent higher rankings. The best possible cumulative ranking would be 5, while the worst would be 25. An average score of less than 2 would place a winery and its environmental elements within the top echelon of Australian wineries, while an average score of more than 4 would place it among the lowest echelons.

**Conclusion**

It is hypothesised that these combined categories would act as a unique and dynamic matrix for determining not only the current quality status of a winery, but its relationship with its region, its terroir, and its market.

The innovativeness of such a matrix is twofold:

1. It provides a formal scoring system for the Australian wine industry that is built upon a number of objective and semi-subjective measures that intersect in unique ways to provide an over-arching ‘quality’ picture of a particular winery.

2. It is a constantly evolving, fluid model that allows for and encourages changes in behaviour and highlights particular areas of concern. Wineries will be aware of which areas need attention and will be able to work to rectify them. The effectiveness of their efforts will be reflected in subsequent rankings.

There are no preconceived notions of quality or in-built structural biases. There is, however, a ranking system that will provide the Australian wine industry with a basis from which to determine meaningful and recognisable measures of quality. It is also a system that will better inform international markets of Australia's distinctive regions, terroirs, and wineries, and the industry’s determination to provide clear indicators of wine quality at all price-points.

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**References**


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**Table 2: The ranking table. Note: Ranking 1 - 5, 1 being highest quality – Lowest scores equal highest quality ranking**

<table>
<thead>
<tr>
<th>Ranking Category</th>
<th>Tamar Valley Semillon producer</th>
<th>Margaret River Cabernet producer</th>
<th>Murray Darling Pinot/Shiraz/ Malvas producer</th>
<th>Langhorne Creek Chardonnay producer</th>
<th>Riverina Shiraz producer</th>
<th>Clare Valley Riesling producer</th>
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</thead>
<tbody>
<tr>
<td>Region</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>5</td>
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<td>1</td>
<td>2</td>
<td>1</td>
<td>5</td>
<td>1</td>
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<td>Winery approach</td>
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<td>1</td>
<td>2</td>
<td>5</td>
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<td>Price sustainability</td>
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<td>Taste test</td>
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<td>3</td>
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<td>2.6</td>
<td>1.8</td>
<td>4.6</td>
<td>1.4</td>
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