



How sweet (*and dry*) it is!

North Carolina's fast-growing wine industry is coming of age

By Ed Williams

With North Carolina's wine industry pumping a billion dollars annually into the state's economy and basking in attention from USA Today, The New York Times, Southern Living, and NBC, Tar Heel winemakers are now at a crossroad.

Quantity or quality?

"Over the past four years, the quality of each vintage has increased," says Margo Knight Metzgar, executive director of the N.C. Wine and Grape Council. "But until every producer in this state sees quality as their own Number One issue, then we've still got a lot of work to do. And not just quality, but consistency of quality."

Recent emphasis has been on quantity, with the spotlight on a staggering growth curve:

- 🍇 The number of North Carolina wineries more than tripled and vineyards more than doubled between 2001 and 2008. Today, North Carolina hosts more than 70 wineries and 400 vineyards. In the mid-1980s, North Carolina had only 4 commercial wineries. (Many of the vineyards are in regions served by Touchstone Energy cooperatives.)
- 🍇 North Carolina ranks 10th nationally for winemaking and boasts the widest variety of grapes and wine styles in the country.
- 🍇 North Carolina ranks #1 worldwide in Muscadine wine production. At the same time, its national reputation for such traditional grapes as Chardonnay, Cabernet Sauvignon, Merlot, Viognier, and Cabernet Franc is growing.
- 🍇 Nearly a million people visit North Carolina wineries each year. The industry generates about 6,000 jobs now.

"North Carolina: A State of Wine" is the catchphrase of the N.C. Wine Grower's Association—a coalition of grape growers and wineries joined in mutual support. At their recent meetings, quality assurance is emerging as North Carolina wine's next biggest challenge. One successful grape producer in Virginia warned his neighbors that North Carolina—gleaning more than three tons of grapes per acre on average—is over cropping and jeopardizing quality.

"Image perception is only as good as the weakest link," Sara Spayd, N.C. State University viticultural specialist, has told the association.

Mark Friszolowski, past president of that association, agrees: "We have to show more consistency. The crux of our business has to be doing the same thing, year after year, and doing it well. We do not want to show huge vintage variation."

North Carolina's wine industry faces challenges unlike those in monochromatic growing regions like California.

First, the growing and harvest conditions fluctuate wildly in North Carolina. There was the drought of 2002, the persistent rains of 2003, the near-miracle growing season of 2005, and the devastating Easter freeze of 2007. And every year, growers keep one eye on the vineyard and the other eye on The Weather Channel to gauge hurricane season that often coincides with harvest.

Second, North Carolina produces a rainbow range of wines: traditional European, Native American, Muscadine, French-American hybrids. There are also fruit wines, mead wines and port-like wines.

Here wines can be bone dry to unctuously sweet. Unofficially, North Carolina is divided east and west, with Muscadine grapes growing in eastern North Carolina and traditional European vinifera favoring western North Carolina, most notably in the Yadkin Valley region. Wineries range as far west as Asheville and Banner Elk and as far east as Ocean Isle.

Tastes in North Carolina seem divided. Many Southerners suckled on sweet tea prefer the sweeter-styled wines, Muscadine in particular. Serious enthusiasts—and recent arrivals to North Carolina—prefer drier style wines, notably Chardonnay and Cabernet. “Tweener” wines—hybrids like Chambourcin and native grapes like Niagara—find a niche market too.

“North Carolina has a split personality wine market,” says Max Lloyd, winemaker at Grove Winery near Gibsonville.

Some liken so much choice to an identity crisis in marketing North Carolina wines. And some wines here—produced from immature vines and novice winemakers—can be mediocre. How quantity versus quality plays out is a matter of hot debate within the industry.

Susan Lyons, a marketing consultant serving the wine industry through The Lyons Way firm, agrees with Metzgar: The challenge, she says, remains “consistent quality of wine, regionally and statewide. The pendulum of quality has a wide swing across this broad state. Producers need to take time with wine, not rush it to market. This is a very young industry and grapes live as long as humans. So that means most of the vineyards are in toddler-hood.”

Another challenge, says Lyons, is promotion: “I still hear people say, ‘I didn’t know we had wineries in North Carolina.’ Why don’t they know?

We’re not doing a good enough job marketing the industry.”

If there is one major complaint among wineries, it’s this: Why isn’t state government doing more to promote the industry? They ask why can’t the state at least lower the cost of highway directional signage, estimated at \$35,000.

While large, strongly financed wineries can afford that highway signage—notably Duplin, Childress, Shelton, Biltmore, and Westbend—most small wineries don’t have the budget for this most obvious marketing.

“One of the greatest assets the Yadkin Valley has is Interstate 77. Does the state do anything to turn these cars—out-of-state money you want to attract—off the road?” asks Mark Greene, winemaker at the tiny Elkin Creek Vineyards in Elkin. “I’m not grumbling about a sign for my place. But I would like to see a sign that says, ‘You are entering the only designated wine region in the state.’ When a car turns off I-77, the whole state benefits, but they (state government) don’t seem to get that.”

To the state’s credit, highway billboard signage is up promoting the industry as a whole. And the state supported opening a wine tasting room at Charlotte-Douglass Airport several years ago to promote Yadkin Valley wines. It’s done the same at the Raleigh-Durham International Airport. A second tasting room opens there this summer, featuring all North Carolina regions.

Wine’s financial impact is not lost on economists, a ripple effect that could one day trigger more government support—even in the Bible Belt. That’s because the ripple—some estimate it at \$1 billion annually now—goes beyond bottle sales and salaries for grape farmers and grape pickers. It includes the hotels, B&B’s, restaurants and artisan crafts that sink roots nearby. Right around the corner from Shelton Vineyards in Dobson has sprung a Hampton Inn & Suites anchoring a larger retail area. (Both operations are served by the Touchstone Energy cooperative Surry-Yadkin EMC.) Shelton Vineyards is bankrolling this to

create a destination spot. It’s the only Hampton Inn in the country with its own wine tasting bar.

Down the road from Childress Vineyards in Lexington is the Shoppes at Vineyards Crossing. Coming soon there is a Holiday Inn Express and high-end restaurant featuring a wine and martini bar.

Duplin Wine Cellars in Rose Hill has an equally expansive retail-entertainment complex nearby. Its strategy: Encourage tourists to spend more time and more money in the neighborhood.

Beyond this obvious “tourism” revenue, there is a significant tax base from a hidden infrastructure—Small businesses:

- 🍷 Produce the bottles, boxes, labels, and wrappers for wine;
- 🍷 Produce the farm equipment that plants vineyards;
- 🍷 Produce chemicals and other products that make vines grow;
- 🍷 Clean the linens, glassware and silverware used in tasting rooms;
- 🍷 Operate the touring bus, limousine, hot air balloon, cycling and river rafting excursions in wine country;
- 🍷 Produce artisan cheeses, meats, fruits, vegetables, and baked goods nearby.

With a half dozen new wineries set to open this year, the industry is poised for more growth. But the key is improving quality while continuing the experimentation, says Metzgar. “We’ve learned that we’re still learning.” 🗣️

Ed Williams—Brand Manager for the News & Record in Greensboro, N.C.—has written about the wine industry since 1990. His reporting and editing have received numerous state and national awards, most recently the 2007 Society of Professional Journalists President’s Award.

