

# WINES & VINES

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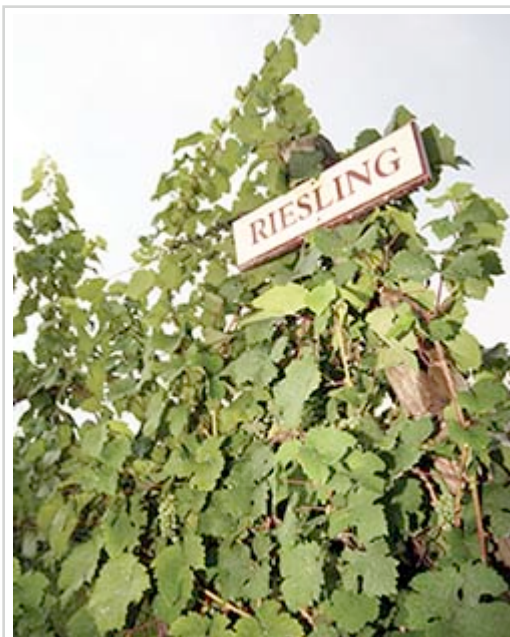
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Feature Article from the November 2010 Magazine Issue

## **A Numbers Game in the Finger Lakes**

Does blending Riesling from outside the region dilute a hard-won image?

by **Thomas Pellechia**



*Riesling grown in the Finger Lakes region can cost three times as much as Riesling grown in other parts of New York or in Washington.*

It took 40 years before the words Finger Lakes and Riesling strung together gained international recognition. At home, however, some say the region may be off-message. The issue is whether Finger Lakes Riesling should be 100% from the Finger Lakes, or if the current legal leeway of using up to 15% of grapes from outside the region is acceptable.

John Ingle was already a grapegrower when he began Keuka Lake's Heron Hill Vineyards winery in 1978. The large and now defunct Gold Seal winery prompted his decision to become a winemaker when it offered him \$100 per ton for grapes of any variety. (Disclosure: my wife works part-time in the summer at the Heron Hill tasting room.)

Doug and Suzy Miles planted vineyards on Seneca Lake in 1978. They, too, grew tired of the financial return from grapegrowing, and now the couple operates Miles Wine Cellars (MWC), along with their vineyards. At the outset, each winery focused on Riesling, and each faced resistance from the retail market. Ingle remembers the retailers' line, "Nobody asks for your wine."

With a lot of effort on the part of many wineries, and aided by the New York Wine and Grape Foundation, things got better. By the early 21st century, local winemakers clamored for more Riesling plantings, and grapegrowers obliged. "Why is it, then," asks Doug Miles, "in each of the past two years we have had to scramble for a market for Riesling grapes? I've had to dump 11 tons of Riesling (over two recent harvests), not because of demand but because some local

wineries refuse to pay what I need to survive. They can get Riesling elsewhere at one-third my price.”

### **Jeopardized by bulk Riesling**

Even though it's within the rules, Miles and Ingle are disturbed that after all the years of building the Finger Lakes Riesling brand, some local wineries would jeopardize its identity with 15% bulk Riesling juice from outside the region. The situation wasn't always as thorny as it is.

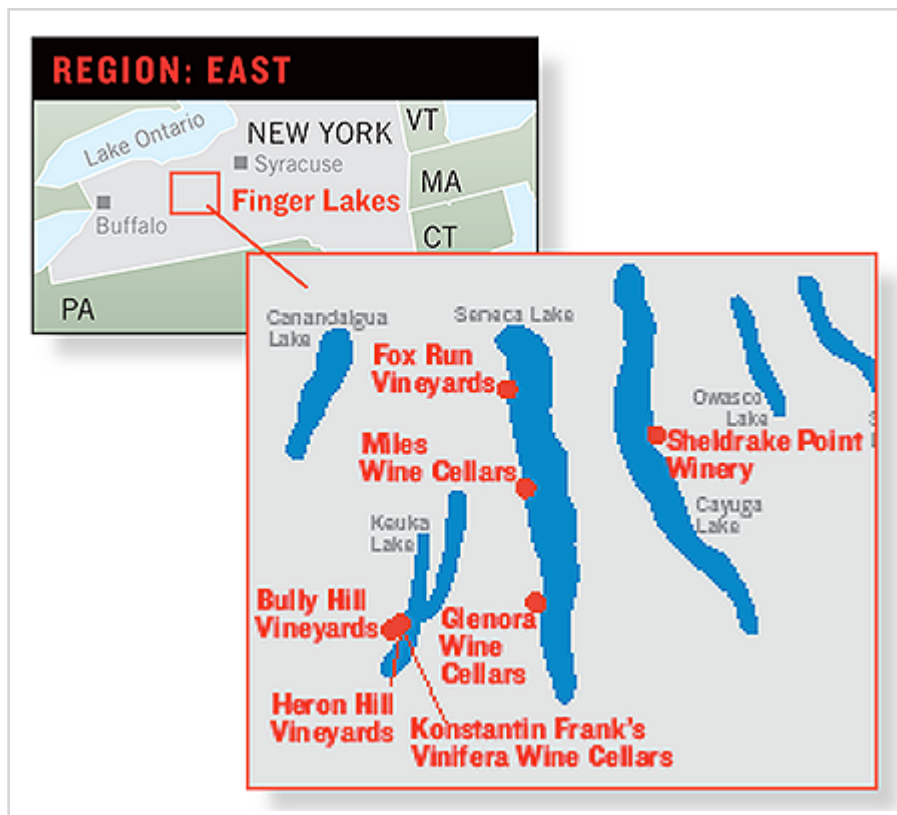
As part of the 1976 Farm Winery Act that relaxed rules for smaller wineries, the new farm wineries were not allowed to blend out-of-state product into their wines. But after back-to-back winter devastations (2004-05), the rules were changed so that farm wineries could bring in product from outside the state when disaster was declared. Unfortunately, disaster is declared after harvest, when it's too late to make choices. Not wanting to be in that position, many opted to change to a commercial license, and in the process, they discovered the monetary value of blending in outside wines that the already commercial local wineries practiced.

Ingle admits to outsourcing Riesling, mainly from other New York sources and occasionally from Washington state. He says that he applies the most generic designation allowed by law on his labels (either New York or American, never Finger Lakes), which is reserved for his Estate Bottled or Ingle Vineyard wines.

“I prefer to use the wider appellation on the label,” Ingle says, “Anything under 100% Finger Lakes grapes does not represent regional identity. Besides, I don't like to confuse customers.”

Customer confusion is the issue.

Bill Webb recently moved to the Finger Lakes from New Hampshire. He's not a wine geek, but he wants to support the local wine industry, and so when he came to dinner at this writer's home, he brought a wine to share, Salmon Run, a second label produced at Konstantin Frank's Vinifera Wine Cellars. It wasn't Riesling, but the wine came without an appellation designation on the label. When he learned that it was not a Finger Lakes wine, disappointment blanketed Webb's face.



### Lack of transparency

Evan Dawson is the author of the forthcoming book *Summer In A Glass: The Coming of Age of Winemaking in America's Finger Lakes*. He is also managing editor of the blog New York Cork Report (NYCR). He's definite about his feelings: "If you're cutting local wine with trucked-in bulk juice, you're obscuring the wine's regional identity....I find it insulting. But it's much more insulting when it's coupled with a lack of transparency."

By transparency, Dawson refers to rumors in the region and online concerning "creative" labeling. On the Internet, accusations can be viral, and when this subject first came up in 2007 on the Cork Report blog, Fred Frank, president of Vinifera Wine Cellars, didn't seem to help matters by referring only to the devastating winters and not addressing the overall practice of blending with out-of-state product.

Today, Frank says, "A few years ago, after the hard winters, we were in survival mode....We did buy from the West Coast. Now, there is an abundance of local Riesling...we are working hard to eliminate outside grape sources....We do not purchase Riesling from outside anymore....They (the wines) are all Finger Lakes."

Scott Osborn, of Seneca Lake's Fox Run Vineyards takes an extreme position: "We have no plans to grow beyond the capacity of our local grapegrowing sources. Our stock in trade is the special Finger Lakes identity, 100%."

That's all well and good, but Finger Lakes wines are distributed beyond New York's borders (Vinifera Wine Cellars sells wine in 30 states.) Wider distribution creates the need for

competitive pricing.

### **Switched to 100% Finger Lakes**

One of the oldest of the region's wineries, Glenora Wine Cellars, changed years ago from a farm to commercial winery license. Its president, Gene Pierce, says, "In the past, we used West Coast Riesling, which gave us the ability to move product at competitive prices. That gave us an entry into a market beyond New York."

At 20,000 cases of Riesling annually, Glenora has since switched to all Finger Lakes grapes, but it is not immune to pricing challenges.

"Like it or not," says Pierce, "wine is a commodity...The over-supply of Riesling puts downward pressure on crop value. Still, if anyone misrepresents what's in the bottle, that's unethical."

Pierce supports a 100% regional identity label guarantee.

**T. P.**

### **Wineries list offered prices**

The rules of the New York Department of Agriculture and Markets require wine producers to list by Aug. 15 each year the prices they offer for grapes. During the past half-dozen years, the average price for Riesling is around \$1,500 per ton for premium and \$1,000 per ton for lower quality. Miles admits that the high cost of grapegrowing in the Finger Lakes clashes with the need to maintain competitive retail prices in the overall market. "But," he says, "we have rules."

Miles claims that he has been pestered after the start of harvest to accept \$400 per ton, and when he says no, "they go elsewhere."

Further confusing the issue, quality Finger Lakes Riesling attracts wineries from other New York regions; wineries from Long Island and the Hudson Valley release their versions of Riesling with a Finger Lakes appellation. Miles says he's been approached by some of them looking to pay the lowest price, but he refused to provide names. (In fact, no one interviewed for this article would provide names of the accused on the record.)

Bully Hill Vineyards built its reputation mainly on hybrid and native wines sourced locally, but a few years ago, Riesling joined its line of wines distributed to more than 35 states. The winery's owner, Lillian Taylor, has heard rumors, too.

"When we started to produce Riesling," Taylor says, "I had to go outside for juice. Today, there's plenty of local Riesling available. Because of the price of local Riesling grapes, we enjoy a lower margin from our Growers Riesling than when we sourced the grapes from the West Coast. I accept that because I don't want to deceive customers, and I don't want to hurt the local grapegrowing industry either."

### **States allowed to be stricter**

To be clear, while some interviewed prefer a 100% varietal guarantee, that is not the issue. To stay on-message, the consensus of those interviewed is that the Finger Lakes appellation should guarantee 100% Finger Lakes grapes—they want no blending of 15% Riesling sourced outside the Finger Lakes, whether it is a New York source or an out-of-state source.

A couple of Finger Lakes wineries have been accused of sourcing from Ontario, Canada. The irony of the accusation is that member wineries in the successful guarantee system in Ontario, Vintner's Quality Alliance (VQA), recently pressed for tighter labeling rules concerning wines outside the VQA system produced primarily from outside sourced product.

One transplanted Canadian, Bob Madill, heads Sheldrake Point Winery on Cayuga Lake in the Finger Lakes and also chairs the Finger Lakes Wine Alliance. "The Alliance," says Madill, "consists of about 40 wineries that contribute a voluntary levy based on production volume. Its mission is to protect market and build the Finger Lakes brand, with special emphasis on Riesling."

The Finger Lakes Wine Alliance, however, talks mainly to the press; it provides no guarantee to consumers. Madill would love a VQA-like system in New York, but after working more than 20 years in the Finger Lakes, he holds out no immediate hope.

Jim Trezise, president of the state-sponsored promotional New York Wine and Grape Foundation, says that he isn't on top of this issue because, "I don't get involved in rumor or innuendo."

"Presumably," says Trezise, "what all wineries are trying to do is create the best possible wines for consumers, and blending has often been a part of this, so it's really an internal decision on their part as to what makes the best wine...as long as it is labeled properly and legally."

TTB rules allow states or regions to apply labeling regulations of their own under certain conditions (the California legislature recently proved that with a contentious Sonoma County rule), but Trezise sees petitioning the state legislature as a long and laborious process. He believes that the issue is up to the industry to decide: "There is currently no regulatory prohibition from putting '100% Finger Lakes' on either the front or back label. If enough (wineries) did, it would presumably put pressure on others, and perhaps make a difference in the market." Recognizing that agreement among winemakers is difficult, he adds, "A 'coalition of the willing' would certainly be the most viable way to proceed."

***Thomas Pellechia** is a 26-year wine industry veteran who produced wine in the Finger Lakes (1985-93) and owned a wine retail shop in Manhattan. He has written about wine and food for 20 years and is the author of three books. Contact him via [edit@winesandvines.com](mailto:edit@winesandvines.com).*

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