



Pyramid Schemes
Germany's VDP & Austria's Vinea Wachau explained

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Overview



- ▶ 1. "Ladder Branding" builds Pyramids
- ▶ 2. Backstories to VDP and Vinea Wachau
- ▶ 3. Climbing the Steps of the Pyramids
- ▶ 4. Pros and Cons
- ▶ 5. Some Tasting Recommendations

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1. Ladder Branding



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1. Working the Pyramid Scheme

- ▶ educate consumers about rungs of the ladder
- ▶ make each rung clearly distinct
- ▶ connect "accessible" wines to "aspirational" wines on top
- ▶ promote (and package) the aspirational wine consistently



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1. Pyramid Schemes



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1. VDP and Vinea Wachau Schemes



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2. Backstory to VDP & Vinea Wachau



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2. Before there was a VDP...

... there was a **VDNV = Verband Deutscher Naturweinsteigerer*** that met in the town of Trier on the Mosel in 1910 to improve German wine standards.



- 4 regional wine associations from the Rheingau, Mosel, Pfalz, Rheinhessen started to coordinate wine auctions for unchaptalized wines ("Naturwein")
- make it harder to sell "doctored" by-the-barrel wine
- promote instead "pure" estate-bottled wine

* Association of German Natural Wine Auctioneers

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2. VDNV Wine Auction, 1926 [VDP archives]



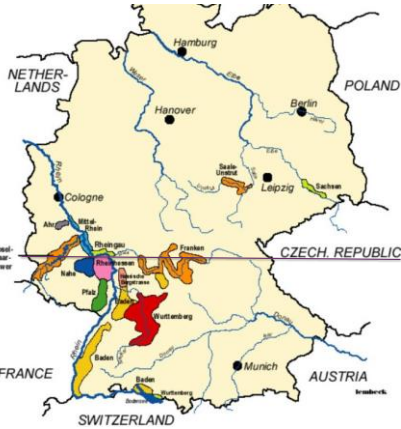
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2. Marketing "Naturrein", 1959

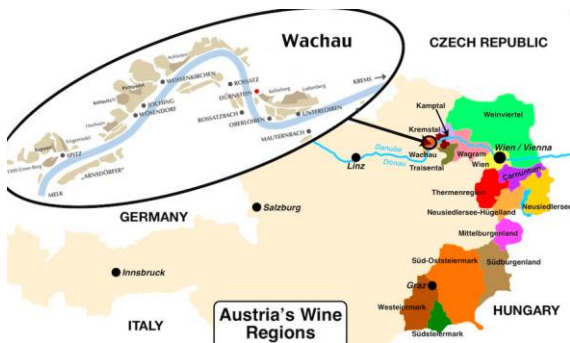


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- ▶ German and Austrian vineyards are among the world's coldest
- ▶ 50° N/48° N latitude
- ▶ chaptalizing a common practice



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2. What broke the camel's back?

1971 Federal Wine Law

- ▶ vineyards consolidated 30,000 → 2,500
- ▶ no vineyard ranking
- ▶ "Prädikatswein" replaced "Naturwein"
- ▶ system ranked wine by must weight (→ a finished Spätlese could be dry, medium-dry or sweet)

1985 Glycol Scandal

- ▶ Austrian growers and merchants "doctored" weak wines with diethylene glycol (antifreeze component)
- ▶ Austrian bulk wines made it into German bulk wines
- ▶ German labs found the substance in 1985

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2. Also in Germany in the 1980s...

- ▶ exports of Liebfraumilch reach 67% of total exports
- ▶ made with earlier-ripening, high-yielding Müller-Thurgau
- ▶ 90-100hl/ha
- ▶ giving German wine a bad reputation abroad



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2. Goal: to change National Wine Laws

Germany

- ▶ Qualitätswein
- ▶ Prädikatswein
 - ▶ Kabinett
 - ▶ Spätlese
 - ▶ Auslese
 - ▶ Beerenauslese
 - ▶ Eiswein
 - ▶ Trockenbeerenauslese

Austria

- ▶ Dry Qualitätswein: Kabinett
- ▶ Prädikatswein
 - ▶ Spätlese
 - ▶ Auslese
 - ▶ Beerenauslese BA
 - ▶ Strohwein
 - ▶ Eiswein
 - ▶ Ausbruch
 - ▶ Trockenbeerenauslese

All levels above are based on grape must weight at harvest.

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2. Agents of Change

1980's VDP

- ▶ discuss adopting wine classification system focused on terroir
- ▶ categorize wines into fewer levels-> simplify
- ▶ highlight high-quality dry German wine



VDP. Die Prädikatsweingüter

1980's Vinea Wachau

- ▶ *Vinea Wachau Nobilis Districtus* (1983) created to highlight Austrian terroir
- ▶ promoted unchaptalized dry Austrian wine



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2. Austria's Rebranding Efforts

- ▶ 2001 *Districtus Austriae Controllatus*
 - ▶ Similar to French AOC rules, DAC guarantees wines of a typical style and aroma profile for a given region
 - ▶ *Klassik* (lighter, medium bodied wines)
 - ▶ *Reserve* (full-bodied wines, min. 13% alc.)



- ▶ 1992 *Österreichische Traditionsweingüter*
 - ▶ started ranking Danube vineyards
 - ▶ 2020: 83 Erste Lagen identified



1^ÖWT

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2. Where are we today?

VDP

- ▶ Approx. 200 members, who
 - ▶ cultivate 5% of German vineyards
 - ▶ produce approx. 3% of German wine
- ▶ Average vineyard size: 25ha [60 acres]
- ▶ Average production: 13,000 cases

Vinea Wachau

- ▶ Approx. 200 members, who
 - ▶ farm 1,350ha (3,300acres)
 - ▶ which=3% of Austria's vineyards and production
- ▶ Average vineyard size: 3ha [5 acres]

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2. Vineyard and Cellar Practices

VDP Rules

- ▶ Committed to sustainable vineyard practices
- ▶ Focus on varieties deemed typical of the region
- ▶ No machine-harvest for the top two tiers
- ▶ Never exceed 75hl/ha
- ▶ Membership to VDP by invitation only

Vinea Wachau Rules*

- ▶ Must source all grapes from the Wachau area
- ▶ No machine-harvest
- ▶ No chaptalization
- ▶ No reverse osmosis, cyro-extraction or spinning cone technology (no must adjustments)
- ▶ No oak barrels, wood chips or powdered tannins

▶

*for dry, white wine only.

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2. Now let's all say it:

- ▶ Verband Deutscher Prädikatsweingüter

Fir-bant Doy-tsher Preh-dee-kahtz-wine-ghyy-tar

- ▶ Vinea Wachau Nobilis Districtus

Vee-nehya Wa-chau No-beelis Dis-trick-tes

▶

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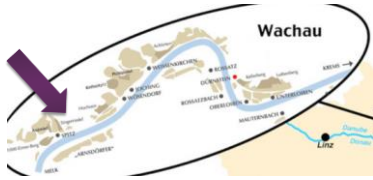
3. Climbing the Pyramid



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3. Emphasis on Terroir



Vinea Wachau Rieden (Vineyards) classified by their terroir

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Siegerriedel, near Spitz, Wachau



Siegerriedel, Wachau Valley/Photo by Robert Herbst/Vinea Wachau

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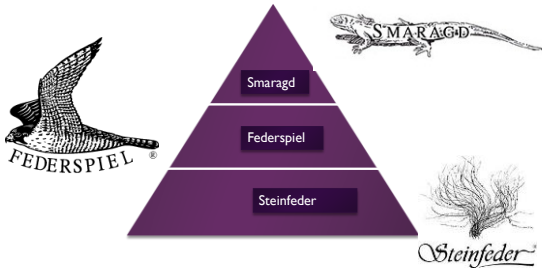
3. Vinea Wachau building blocks



- ▶ in order to link Wachau wines to the region in which they are grown, winemakers turned to local flora and fauna:
 - ▶ a species of grass, a bird, and a lizard
 - ▶ marking dry white wines of different "weight" (i.e. alcohol content) and with no noticeable oak influence

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3. Vinea Wachau Scheme

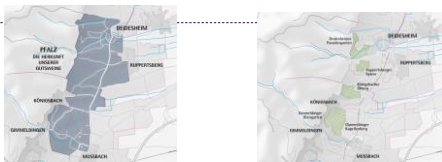


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3. But wait, there is more...



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Winery Christmann, Deidesheim, Pfalz



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3. VDP Pyramid



VDP.Grosse Lage: the very best terroir in a given region

VDP.Erste Lage: very good vineyard in a given region

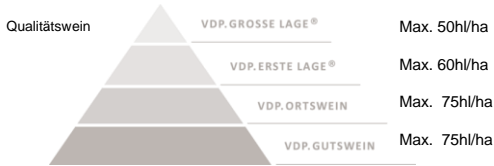
VDP.Ortswein: village wine

VDP.Gutswein: regional wine



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3. VDP Pyramid



VDP.Grosse Lage KIEDRICHER GRÄFENBERG Riesling GG

VDP.Erste Lage KIEDRICHER TURMBERG Riesling Trocken

VDP.Ortswein KIEDRICHER Riesling Trocken

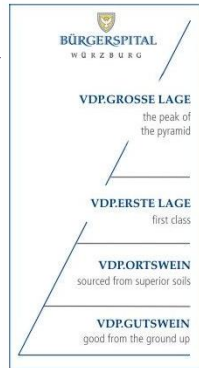
VDP.Gutswein RHEINGAU Riesling Trocken



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Steffen Christman

- ▶ Comparable with a Grand Cru, wines from the absolutely finest vineyards with discernible terroir qualities. Yields are extremely low (on average: 38 hl/ha).
- ▶ Classified sites are those special vineyards that reveal distinctive characteristics year after year.
- ▶ This is the category we use for our typically fruit-driven wines.
- ▶ This basic level of classification is modeled after the system practiced in Burgundy. It denotes wines produced from grapes grown in our vineyards.



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3. So it was going to be simple...



For each level, varieties, maximum yield, harvest method, and minimum must weight are set. Fruit from an Erste Lage vineyard can no longer be used for Ortswein or Gutswein.



GG cannot appear on bottle label.

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3. Reclassifying Prädikatswein

VDP defines the wines with natural RS as follows:

- ▶ Kabinett = no Botrytis
- ▶ Spätlese = no-some Botrytis
- ▶ Auslese = hint of Botrytis
- ▶ Beerenauslese (BA) = Botrytis
- ▶ Trockenbeerenauslese (TBA) = Botrytis (raisins)
- ▶ Eiswein = mostly healthy grapes frozen on the vine

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4. Pros and Cons



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4. Pros

- ▶ innovative, quality-conscious, motivated wine-makers
- ▶ traditional, sustainable methods
- ▶ lowering of yields
- ▶ emphasis on terroir

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4. ... and Cons

- ▶ creates unnecessary “us” vs. “them”
- ▶ why equate excellence with “dry”?
- ▶ is Burgundy’s example a good fit?
- ▶ restricting rules for winemakers
- ▶ more customer confusion, since it adds to already existing nomenclature

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4. What is ultimately at stake?

Terroir vs. Oechsle



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5. Tasting Recommendations



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5. Egon Müller, Wiltingen, Saar (Mosel)

- ▶ 100% Riesling
- ▶ 80,000 bottles
- ▶ VDP Founding Member



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5. Helmut & Cornelius Dönnhoff, Oberhausen, Nahe

- ▶ 80% Riesling, 20% Pinot Gris and Pinot Blanc
- ▶ 180,000 bottles
- ▶ Members since 1991



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5. Johannes Leitz, Rudesheim, Rheingau

- ▶ 99% Riesling
- ▶ 380,000 bottles
- ▶ Member since 1996



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5. Josef Jamek, Joching, Wachau

- ▶ Founding Member of Vinea Wachau
- ▶ Grüner Veltliner, Riesling, Pinot Blanc, Chardonnay
- ▶ early proponent of uncapitalized wine—back labels read: "Solely sugar from the grape = alcohol in this wine"
- ▶ he took center stage after the glycol scandal



Josef Jamek 1919-2011

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5. Domäne Wachau, Dürnstein, Wachau

- ▶ Co-op with membership of 250+ growers
- ▶ 1,000ha of Grüner Veltliner and Riesling
- ▶ very good value wines of excellent quality



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5. Franz Xaver Pichler, Dürnstein, Wachau

- ▶ 52% Grüner Veltliner, 47% Riesling, and 1% Sauvignon Blanc
- ▶ FX. Pichler, Riesling Unendlich Smaragd 2013



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Finally: Three Take Home Points

- ▶ Pyramids are Marketing Schemes, linking differently priced products to each other → Consumers are to “shop up”
- ▶ Burgundian Classification Pyramid is being adopted in various parts of the world
- ▶ Ramifications: Terroir Proponents vs. Terroir Critics



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VDP/Germany Sources:

- ▶ VDP website: <http://www.vdp.de/en/vdp/>
- ▶ German Wine Institute website: www.germanwines.de/
- ▶ German Wine Society of America: <http://www.germanwinesociety.org/>
- ▶ Caro Maurer, MW. Erste Lage in Germany: A classification in the course of development. MW Thesis, 2011
- ▶ Daniel Deckers. *Im Zeichen des Traubenadlers: Eine Geschichte des deutschen Weins*, 2010
- ▶ Tom Scott, "German Viticulture—The last 20 Years" <http://www.jancisrobinson.com/articles/german-viticulture-the-last-20-years>

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Vinea Wachau/Austria Sources:

- ▶ Wines of Austria, www.austrianwineusa.com
- ▶ The Wine Region Wachau, <https://www.vinea-wachau.at/en/servicecontact/photos-and-documents/publications-and-maps>
- ▶ Vinea Wachau main page: www.vinea-wachau.at
- ▶ Österreichische Traditionsweingüter, <https://www.traditionsweingueter.at/en/vineyard-classification/>
- ▶ Anne Krehbühl MW, <https://www.winemag.com/2019/12/03/five-best-vineyards-austria-wachau-valley/>
- ▶ New York Times (1985) "Scandal over Poisoned Wine..." <https://www.nytimes.com/1985/08/02/world/scandal-over-poisoned-wine-embitters-village-in-austria.html>
- ▶ Domäne Wachau, <http://www.domaene-wachau.at/region/vinea-wachau/>

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