

# The Wine Economist

How Globalization is Reshaping the World of Wine

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## Desert (Not Dessert) Wine

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### Erath in Arizona



I spent Friday in the Arizona wine country - southwest of Tucson near Sonoita - with my “research assistants” Michael, Nancy and Sue (Michael and Nancy took these photos). I thought that I would learn something from talking with winemakers here, and I did, but it wasn’t exactly what I expected. Here is my report.

I was drawn to explore Arizona wine by the news about [Dick Erath’s investment](#) there. [Erath](#) is one of the pioneers of the Oregon wine industry; his early wines helped establish the reputation of Pinot Noir in Oregon and he has been instrumental in the growth of the industry over the years. I think you can say that he is a legend in Oregon. Like many north-westerners, Erath likes to go south - to Tucson — during the winter months and he became acquainted with the nascent wine community there in the mid-1990s. He started buying vineyard property near Wilcox east of Tucson a few years ago and has planted vines there. He recently sold his Oregon brand to Ste Michelle Wine Estates (he still owns the vineyards) and is moving forward with the Arizona project.

Erath’s presence lends credibility to the region. People like me figure that Erath wouldn’t put his name, time and money here if he didn’t believe in the potential of [Arizona wine](#). Wines from unfamiliar places always raise questions and Arizona winemakers hope to change the questions from “Arizona? Are you kidding?” to “Is Arizona the next Napa Valley?” Establishing credibility is the critical second step for an emerging wine region (achieving quality is the first) and Erath’s investment is an enormous advantage in this regard.

### A Working Hypothesis

My hypothesis going into this research was that the wines themselves would be a bit problematic, as emerging region wines often are, and that the biggest challenge would be in the vineyard not the cellar — growing wine grapes in the high desert.

Our first two winery stops quickly made me change my mind about the

quality of Arizona wine. The wines at [Dos Cabezas WineWorks](#) were intense and flavorful, with a spicy complexity that surprised me. I am not a wine critic, so I will not bore you with amateur tasting notes and doubtful ratings, but we were very impressed with these wines and bought some to give as gifts to Arizona friends who did not know about Arizona wine. Todd Bostock, the winemaker, really knows how to draw flavor from Arizona (and some California) grapes. Todd is working with Dick Erath in addition to his own projects and I think this collaboration bodes well for Erath's Arizona wines, when they are ready, and for the region's reputation.

Our second stop was [Callaghan Vineyards](#). Kent Callaghan's wines were strikingly good. We noted the depth and distinctive character of these wines, particularly the Tempranillo- and Petit Verdot-based blends but also a Mourverdre, Syrah and Petite Sirah blend. These wines were different from Bostock's and gave us a hint of the potential range of Arizona wine styles. Kent let us taste some library wines and the question, can Arizona wines age well, was answered in the affirmative. We bought wine and had it shipped home, which is I suppose the highest praise a wine consumer can provide.

We visited one other winery, a new one that I won't name, that made the sort of wines that I originally expected to find - what I would describe as immature wines showing wood in the wrong places. They served to put Bostock's and Callaghan's achievements in context. It is possible to make very good wine in Arizona, but it's probably not easy.

### The Globe in Your Glass

Wines have started to appear from many regions not on the list of "usual suspects:" India, Thailand, Peru and Brazil, for example. Brazilian wines actually make a cameo appearance in the film *Mondovino*, but not in a way that makes them seem in any way part of the classic tradition of wine.

It is possible to grow wine grapes at unexpected latitudes, but special conditions are necessary. In Arizona it is the desert at an altitude of about 4500 feet, where summertime highs are only in the 90s and the temperature at night can drop by 35 degrees. Altitude compensates for latitude. This advantageous diurnal variation along with lots of sunshine and rocky red soil are a good recipe for wine if you can add the right amount of water - not too little or too much.



*Climate* is not the problem I thought it would be and I think some of the wines we tasted displayed that mystical *terroir* that is the holy grail of wine critics. But climate *change* is a problem and that's the unexpected story here. (I've written about climate change and wine in [Chateau Al Gore.](#))

- [Taste the Washington](#)

Kent Callaghan told me that the climate seemed to him to have changed significantly in the last 18 years. He reported recent crop yields of just a ton an acre for some varieties due to unfavorable weather. Some of the plantings of the classic varieties that showed promise earlier now seem misplaced so he has started slowly to change over to grape varieties that are able to produce consistent quality in the evolving environment.

This helps explain the use of California grapes for a few wines I tasted (to compensate for low Arizona yields) and the effective use of unexpected varieties (Tempranillo from Spain and Petit Verdot, a Bordeaux blending grape). Having learnt to make good wine in Arizona, winemakers like Callaghan have had to learn the process all over again with new varieties. In this regard I think they are perhaps ahead of the curve - winemakers all over the world will have to adjust to climate change in the decades ahead.

I understand that the Erath Arizona vineyard is being planted with many different varieties. It sounded to me like an experimental vineyard when I heard the list of plantings, but I think there is more than guesswork involved. I expect that Erath, Bostock and Callaghan and other talented winegrowers will figure out what Arizona's *terroir* is meant to produce. It will be interesting to track Arizona's progress and see how its wines fare in a world where the environmental givens are shifting and the market conditions becoming increasingly diverse and competitive.

### **Wine and Wine Tourism**

The wineries I visited are all relatively small with limited distribution, so don't expect to find these products at your local shop. Production is limited to a couple of thousand cases, even with the use of California grapes to fill in the gap left by low local yield, and sales are mostly cellar door. The winemakers I spoke with are beginning to develop wine clubs and internet sales facilities, but most of the product is sold face-to-face. Restaurant placements, if done well, can help build reputation, but there is not much money in it for a small winery. And output isn't usually big enough to fill a distributor's pipeline. All of this may change in the future, of course, but for the present it is a craft industry. The future of Arizona wine, at least in the short run, is local not global.

And that is not necessarily a bad thing because exploiting the local is an important strategy and it seems to me that Arizona has a good potential for wine tourism. The world will probably come to Arizona wine before the wine is produced in sufficient volume to venture out into global markets.

The country around Elgin and Sonoita is strikingly beautiful and closer

- [decanter](#)

to Tucson than Napa Valley is to San Francisco. It is already a desirable day-trip destination from Tucson because of its bicycling and horseback riding opportunities. All you need is wine (and food) to complete the deal. The wine is already there, as we learned, and the food, too, but the word hasn't leaked out. That, I think, is about to change.

Note: Thanks to Michael, Nancy and Sue for their help with this report and to Joyce at Dos Cabezas and Tom Bostock and Kent Callaghan for taking time to talk with us.

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