



bark to bottle

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STEAMING AHEAD IN SOUTH AFRICA

Amorim is reaping the benefits of its commitment to quality and service with strong sales growth in the burgeoning South African wine market.

Sales of Twin Top® doubled in 2003 and with a further 40 per cent growth this year, Amorim's technical cork has become the closure of choice for most of the high-volume international brands produced by South African wineries.

Amorim is also the leading supplier of natural cork stoppers in South Africa and has nearly 90 per cent of the sparkling wine market.

According to Amorim Cork South Africa's managing director, Joaquim Sá, this success is based on two factors — progress in the battle to defeat cork related quality problems such as TCA and a willingness to work in partnership with wineries to ensure their needs are met cost effectively.

Several leading South African producers have publicly supported Amorim's claim of a substantial reduction in the incidence of TCA since the deployment of the company's new production techniques and quality control regime.

"After using ROSA-treated corks we can validate Amorim's claim of a substantial reduction in the incidence of TCA," says Delana Green of Stellenbosch Vineyards.

The company's Versus range is sealed with Twin Top® and distributed throughout Britain, Netherlands and domestically.

Green says they have kept a close eye on cork performance over the past year and have not received a single customer complaint.

The point is echoed by Pierre Smit of African Terroir.

"The returns from millions of bottles we exported over the past year could be counted on one hand," he said.

"The extraordinary low return rate is an excellent record, but we're looking forward to no comebacks at all, once ROSA-treatment has been fully extended to all our corks."

Jaco Boonzaaier of Pernod Ricard (SA), which exports to 27 countries, said



→ Focus on quality — (from left) Amorim quality control team members Candice Fernandez and Marize Uys inspect a batch of corks with KVV quality inspector Karen van Vuuren.

advances in cork technology and "experiences" with suppliers of alternative stoppers have convinced his company to appoint Amorim as its sole closure supplier.

Amorim has had a similar response from smaller producers that specialise in premium wines.

Louis Strydom, winemaker for the internationally acclaimed Rust En Vrede Estate, said Amorim had proven to be consistent on quality and service.

"That is why Amorim is our preferred supplier," he said.

A prime example of the close partnerships Amorim forges with its clients is the relationship with South Africa's leading wine producer, KVV SA.

The company selected Amorim

as a preferred supplier in 2002 based on Amorim's capacity to meet the seven elements of KVV's Supplier Partnering Program. These relate to quality, materials handling, procurement, design, business system integration, communication and strategic integration.

"Our aim is to grow with our clients. The sustainable way is to develop solutions with them that match or exceed the expectations of our client's customers," said Sá.

"Amorim has done a great job in that regard — improving communication with the on and off-trade market and investing heavily in R&D.

"It's a constructive approach that has contributed greatly to Amorim's success in South Africa."



→ Amorim's Neutrocork® is winning strong global market acceptance.



NEUTROCORK®: THE NATURAL ALTERNATIVE

Neutrocork® is the latest addition to Amorim's portfolio of high quality cork closures.

A high-tech, competitively priced stopper, Neutrocork® is designed for early-drinking still wines, light sparkling wines and beer.

Since its launch in 2001, winemakers have embraced Neutrocork® as a natural cork alternative to synthetic stoppers. Global sales have risen significantly in the past 12 months and are expected to more than double over the next two to three years.

With a consistent diameter and regular shape, Neutrocork® creates an excellent seal and performs well on the bottling line and on the shelf. Its smooth good looks also make it attractive to consumers.

Because Neutrocork® is individually moulded from fine cork granules of uniform size, it shows very little variation in diameter. This increases production efficiency and so reduces the cost to winemakers — an essential characteristic for a stopper in the price-sensitive, high-turnover market sector.

All granules used in Neutrocork® are made from stopper-quality corkwood and treated with Amorim's proprietary ROSA process to minimise the risk of off-flavours.

Wines sealed under Neutrocork® retain significantly more sulfur dioxide after 15 months than those under leading plastic stoppers, according to shelf-life trials conducted by Amorim Cork Australia. Sulfur dioxide helps to protect a wine from developing undesirable 'oxidised' characters.

Neutrocork® is available in all wine-producing countries. France is the largest market with wineries in Burgundy, Bordeaux, Côtes de Rhône and Provence using millions of the corks in wines intended for local consumption and export.

The US is one of the top five markets for Neutrocork®, with other New World countries quickly adopting this innovative closure.

A SPARKLING RECORD

Sixty national wine show awards and 953 medals — 190 of them gold — make Ed Carr Australia's most decorated winemaker.

The awards include seven consecutive Amorim Cork trophies for Best Sparkling Wine at the prestigious Royal Melbourne Wine Show.

Group sparkling winemaker for Hardy Wines, Carr and his team have dominated the category in recent years and in the process led a revolution in sparkling wine quality in Australia.

Twenty-two sparkling wines make up the Hardy Wines portfolio, part of Constellation Brands. They include the award-winning Arras, Yarra Burn and Sir James classic sparkling wine styles, as well as Leasingham sparkling shiraz, a distinctively Australian style.

Carr became involved in winemaking while employed as a microbiologist at Seaview in the 1980s and joined Hardy Wines in 1994.

He attributes the improvement in wine quality in recent years to the quality of fruit used for premium wines. More and more of the classic varieties — chardonnay, pinot noir and pinot meunier — are sourced from cold climate vineyards.

While noting that some producers are experimenting with inert closures after disgorge, Carr believes that cork age is a very important factor in the development of sparkling wine. All Hardy premium sparkling wines have a minimum of six

months on cork before release.

"In my view there are two development stages in sparkling wine. One is when it's matured on yeast lees, straight after secondary fermentation, and that is under a crown seal," he said.

"But the second stage, and just as important, is the ageing under cork. I think that good quality cork actually has a positive effect on the development of the wine."

Carr welcomed efforts to improve cork quality so that Hardy Wines could maintain its policy of maturation of wine on cork with confidence.

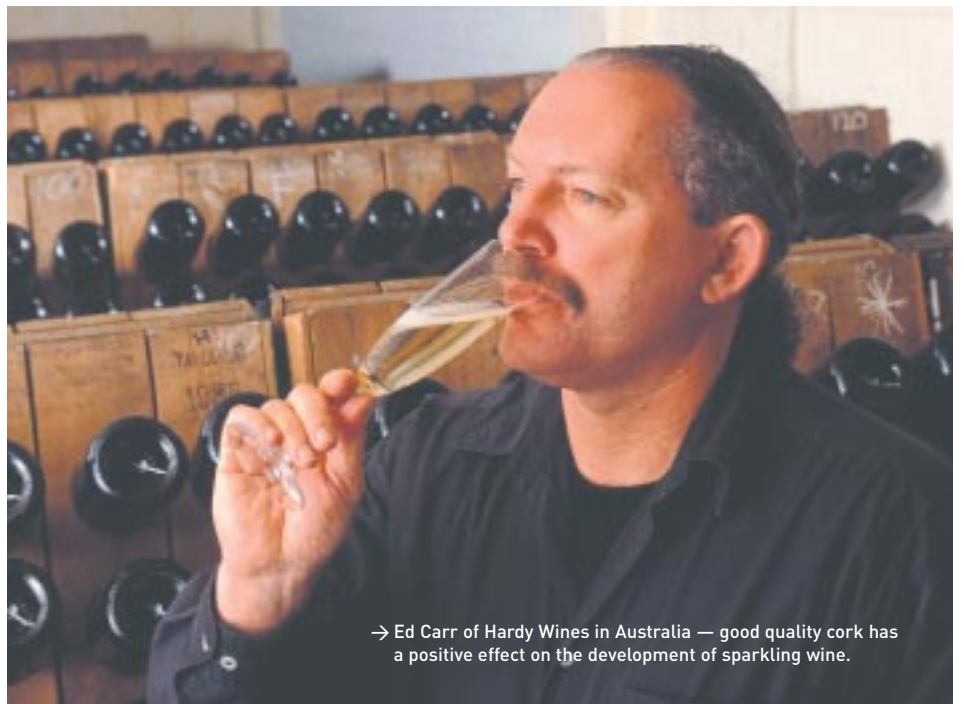
"I went to Portugal last year, which was the first time in a while, and I think the whole technology of cork manufacture has improved by quantum leaps in the last 10 years," he said.

"I believe the resultant quality of cork is improving quite rapidly.

"Going right back to the forest — forest selection, storage, selection of the bark, boiling and the additional processes to remove any TCA that might be there. All of those phases are important in ensuring the whole quality assurance trail.

"I'm very hopeful that the new technologies being introduced now will reduce the frequency of cork taint to negligible amounts.

"I don't know how long it will take for the full implementation of these new processes, but we're certainly seeing improvements now."



→ Ed Carr of Hardy Wines in Australia — good quality cork has a positive effect on the development of sparkling wine.



AWITC WORKSHOP TOLD OF REDUCED RISK

A concerted effort by major cork producers has significantly reduced TCA as a risk factor for the wine industry, according to Dr Miguel Cabral, director of research and development at Amorim & Irmãos.

"Cork is cleaner and more reliable today than ever before and we are making real progress in defeating TCA altogether as a source of wine taint," Dr Cabral told delegates attending a workshop at the recent Australian Wine Industry Technical Conference in Melbourne.

Chaired by Dr Mark Sefton of the Australian Wine Research Institute (AWRI), the workshop examined the latest developments in cork processing technology and included presentations by scientists from several cork producers.

Among the audience were senior representatives of some of the world's leading wine companies.

AWRI's manager industry services Peter Godden, who coordinated the conference's extensive workshop program, described the cork workshop as "a huge success".

"We have had very positive comments regarding the calibre of the presenters and the quality of the science presented," he said.

Dr Cabral said tens of millions of dollars invested by major cork producers had been driving change across the industry.

Industry-wide initiatives include a code of good practice and an accreditation system. Over 360 companies from major cork producing countries were accredited in 2003.

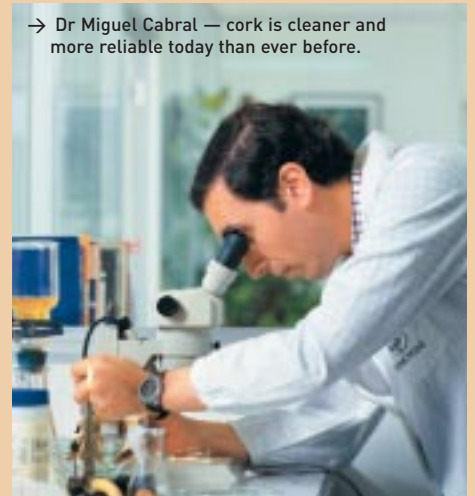
In quality control there has been a shift away from sensory analysis to standardised procedures using GC-MS (gas chromatography and mass spectrometry) analysis.

At the company level, new TCA extraction processes such as Amorim's ROSA treatment reduce releasable TCA in corks by 70 to 80 per cent.

New boiling processes, such as the Amorim CONVEX system, prevent cross-contamination during boiling and produce cleaner drier cork that is much less prone to TCA formation.

Dr Cabral said research attention was now turning to the origin of TCA in cork forests and cork's role as a wine seal.

→ Dr Miguel Cabral — cork is cleaner and more reliable today than ever before.



Transcripts of the Amorim presentations and panel discussion from the workshop are available at www.corkfacts.com/presentn.htm.

CORK TAINT MINIMAL: AUSTRALIAN WINE RESEARCH INSTITUTE TRIAL

Findings from a recent AWRI commercial closure trial support the cork industry's claim that it is winning the war against TCA.

The trial evaluated wines bottled in September 2002 under various closures and included two reference cork stoppers.

After 18 months, both the reference 2 and reference 3 corks were rated zero for TCA aroma on a scale of zero to nine.

"The overall incidence of TCA taint identified in wine sealed with (the cork-based) and the reference cork closures is considered to be very low up to eighteen months post bottling compared to that identified in the AWRI's previous closure trial which was bottled in May 1999," said the authors of a report in the August 2004 edition of the AWRI's *Technical Review*.

TESTING TIMES FOR TCA

Leading cork producers such as Amorim have introduced sophisticated quality control procedures to accurately identify contaminated batches of corks.

The cork sampling protocol, known as *acceptance sampling*, is based on a method first used by the US military to test bullets during World War II. Testing each bullet in advance was impractical as it would have left no bullets to use, but testing no bullets at all could have had disastrous consequences.

Similarly, testing every wine stopper would be logistically and economically impossible.

To deal with the issue, the Cork Quality Council and ETS Laboratories in California came up with a statistically valid and scientifically proven method based on testing 50 corks in 10,000.

Corks are typically delivered in large bags or bales of 10,000 corks of the same grade from the same wash. The corks in a bale show similar characteristics.

The testing method measures 'releasable TCA', which is the amount of TCA (2,4,6 trichloroanisole) that the corks release into a soak solution. Releasable TCA is a good predictor of TCA in bottled wine.

Each group of 50 corks is soaked for 24 hours in white wine with 10 per cent alcohol. The laboratory techniques used to chemically analyse the group soak solutions can reliably measure TCA at levels as low as one part in a trillion — well below sensory thresholds for almost all wine consumers.

Trials at ETS Laboratories found that the results from group soaks accurately reflect the average of results gained by soaking the same corks individually.

In cases where a few corks had very high TCA levels, the group results were higher than the average of the individual levels indicating that the group score is skewed in favour of detecting particularly bad corks.

Increasing the sample size to 100 corks would give a more detailed TCA picture, but it would not significantly improve the



→ Amorim uses a proven sampling protocol to identify contaminated batches of corks.

identification of unacceptable bales. ETS comparisons of 50-cork and 100-cork samples showed that the smaller sample accurately predicted the 'pass/fail' rate of the larger sample.



DROP US A LINE

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IN BRIEF

SA WORKERS VISIT PORTUGAL

Twenty cellar workers from South Africa visited Portugal on a week-long educational tour in September.

An initiative spearheaded by the Stellenbosch Agricultural Society in association with Amorim, the visit was designed to provide the workers with an insight into cork's journey from bark to bottle.

The South African Farm Workers Association identified cellar workers involved in the bottling process who would benefit from such an experience.

Highlights of the tour included visits to cork forests and manufacturing plants and a trip to the world-renowned Burmester Port estate in Portugal's spectacular Douro Valley. → 01

CHINESE DELEGATION HOSTED

Amorim hosted a high-level Chinese delegation led by Jia Qinglin, chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) on 8 September.

The visit included a tour of the world's largest wine cork-processing facility as well as Amorim's cork flooring plant.

It was part of a three-day official visit to promote bilateral cooperation between Portugal and China, particularly in the areas of economy and trade.

Interest is growing in China as an emerging wine market and also a potential wine producer.

With a centuries-old "passion for eating and drinking" more and more Chinese are switching to wine, according to Ch'ng Poh Tiong, publisher of the Singapore-based *Wine Review*.

ETHICAL TRADE ACCREDITATION

Amorim Cork South Africa has achieved accreditation by the Wine Industry Ethical Trade Association (WIETA).

WIETA — modelled on the British retail sector's Ethical Trade Initiative — was established in 2002 to improve the working conditions of employees in the South African wine industry.

The association enjoys strong support from key British retailers such as Tesco, Waitrose, Sainsbury, Marks & Spencer and Somerfield.

WIETA chief executive, Nicky Taylor, said the accreditation was of "enormous significance, as Amorim was the first of the key suppliers to the South African wine industry to comply with its code of social responsibility and ethical labour practices."

The accreditation followed a comprehensive audit by a multi-disciplinary team that proved Amorim adhered to detailed criteria relating to ethical conduct and health and safety in the workplace.

BOOST FOR US MARKET

Amorim Cork America is enjoying strong market growth with sales expected to increase by 20 per cent in 2004.

A major factor in the sales boost has been Amorim's new quality control regime and its close working relationship with ETS Laboratories.

Amorim Cork America recently secured 50 per cent of Beringer Blass North America's annual closure requirements for the 2004-2005 fiscal year.

SPIRITED SUPPORT FROM RARO

Amorim's bar top cork unit, Raro, sponsored two important events for the whisky and bourbon industries in September — Whisky Live Glasgow and the Kentucky Bourbon Festival.

Over 1500 people enjoyed sampling more than 50 different Scotch whiskies at Whisky Live Glasgow. Amorim sponsored the exhibitors' and media lounges at the event from 10-11 September.

Damian Riley-Smith of event organiser, *Whisky Magazine*, said: "I thank Amorim

for all its support and participation in the first Whisky Live Glasgow. We are already thinking of new ways of working together. After all, cork and whisky have been together since the beginning of time!"

At the 13th Annual Kentucky Bourbon Festival more than 30,000 people attended 35 events from 15-19 September.

Amorim supported the organisers of the event and presented each of the Kentucky Bourbon Master Distillers with an engraved crystal decanter. → 02

CORK PREFERRED: US SURVEYS

The annual closure survey by leading US publication *Wine Business Monthly* showed natural cork the clear favourite in the over \$10/bottle category in a summary of the survey findings released in June.

Personnel from more than 150 American wineries completed the survey with respondents also suggesting natural cork was the strong leader in terms of consumer acceptance.

A US consumer survey conducted by British-based Wine Intelligence supports the view.

Published in June, the survey report titled *Closures: The US Consumer View* explores how closures are perceived by different demographic and behavioural segments in the US.

The report said that: "US consumer attitudes towards bottle closures do not generally support wine trade enthusiasm for alternatives. Traditional cork remains by far the most favoured closure for a clear majority of American consumers."

Wine Intelligence concluded that a migration to screw-cap at this point in time was a high risk strategy in the US market.

In a summary of the report findings, Wine Intelligence said: "It is clear from the data that, all things being equal, a typical American wine consumer would prefer to wind a corkscrew into a traditional cork stopper." → 03



→ 01 Yolanda Stuurman of Breerivier Bottling with her tickets for Portugal.



→ 02 Amorim's bar top cork division supports the whisky and bourbon industries.



→ 03 Market research shows that a clear majority of US consumers prefer their wine to be sealed with natural cork.