

THE WINSTON CHURCHILL MEMORIAL TRUST OF AUSTRALIA

Report by IAN HENDERSON

2006 Churchill Fellow (Vinegar Making)

To study vinegar manufacture from foods currently in over supply in Australia (apples, pears, citrus, sugar, wine grapes) as a means of finding alternative markets and uses for this produce - Austria, Italy, Spain, France

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Signed: Ian Henderson

Dated: 03 June 2007

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INTRODUCTION

I hold university qualifications in both Mathematics and Winemaking. A strange combination to most people. Mathematics got me into my first career in IT. One IT position introduced me to my wife Robyn. My wife Robyn lead me into a second career in her family wine business as a winemaker. My winemaking role evolved into a wine export marketing position, that introduced me to a US based food importer who eventually convinced me to make vinegar for the US market. Now, in my 3rd career as a vinegar maker I have harnessed all my previous knowledge of technology, marketing, manufacturing and winemaking to become one of Australia's largest, if not the largest, specialist wine vinegar makers.

I have been in the vinegar business for 3 years. Unlike every other major wine producing country, Australia has little vinegar production. Almost all of my vinegar making knowledge is either "self taught", that's is to say "Learned by error", or from the only vinegar making text book I could find in English – Everything About Vinegar by Andreas Fischerauer. The Churchill trust gave me the opportunity to travel to Europe and extend my learning methods by allowing me to immerse myself in the world vinegar industry and to study under the author of my text book.

My wife, co-driver, and apprentice vinegar maker, Robyn, accompanied my on our Churchill odyssey. We drove over 6000Km in 6 weeks seeking out the smallest and largest, the oldest and the youngest, the most commercial and the most esoteric vinegar makers we could find. We wanted to learn where we sit in the world of vinegar and what potential does vinegar have for Australia.

The result.... Well, I left Australia knowing "a little bit" about vinegar, and this was confirmed – I knew just a little bit.... But I know a whole lot more now, and as they say "watch this space" to see what becomes of vinegar manufacture in Australia.

If you are a travelling Churchill fellow you could do no better than to visit the Normandy coast of France. Whilst the welcome, the professional courtesy and hospitality were as good as anywhere, once I was introduced as a Winston Churchill fellow the doors swung very widely open and the sharing of knowledge was unparalleled. In Normandy, less than a generation ago, British, Canadian and American troops, under leadership of Sir Winston Churchill, landed in occupied France and began the liberation of Europe. In just a very small way, a little piece of that debt was repaid though me. It was an honour to be a Churchill fellow visiting Normandy.

My thanks also to my father-in-law Angelo Puglisi, who is my employer and a Churchill fellow himself. Angelo granted me the extended leave from work at a critical time of year to undertake the fellowship. He also tended my vineyard for me whilst I was away. My mother-in-law, Mary, adopted our 2 children for 6 weeks while we were away and our trip would not be possible without knowing they were safe and well with her.

Also to my mother, father, step father and mother, who all assisted in child care and maintained my vinegar facility while I was away – Thank you all.

EXECUTIVE SUMMARY

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There were a couple of themes that were reinforced almost daily during our fellowship:

- ***Vinegar is a very old product, yet the commercialisation of vinegar is very young.*** Of the 15 or more vinegar makers visited in 4 countries, some small, some big, some massive (literally), the oldest was established in 1986. Whilst people have been making vinegar for themselves for thousands of years, only very recently has any large scale, organised, marketed vinegar industry been established. This recent 'boom' in vinegar production has arisen from the published health benefits of vinegar in medical and lifestyle journals. From this, the celebrity chefs in the UK and the USA began using more vinegar in their cooking and a rapid increase in vinegar consumption resulted.
- ***You can make vinegar from anything, if you know how!*** I tasted vinegar made from Pineapples, sugar cane, tomatoes, roses, grapes, pears, apples, pumpkin, wood pulp, cellulose, peaches, figs and more. If there is a source of sugar, it can be made into vinegar. Australia is abundant in so many excess food sources, if a viable commercial vinegar conversion industry can be built there is a market for many of these vinegars. Just as other European products like coffee, olives, olive oil and wine, vinegar is soon to be widely accepted and enjoyed. And employing the best available technology to do this is imperative.
- ***Vinegar needs regulation and control.*** All foods in Europe have some sort of DOC or DOCG accreditation. Accredited products wear the logo of the accrediting body on the packaging guarantees the consumer the product is well made, safe, and is actually from the place of origin declared. I saw vinegar either accredited by a vinegar body or under the umbrella of the wine authority depending on the region. If Vinegar is to flourish in Australia we need to be sure that our consumers, many of whom will be overseas, get a guarantee of origin, quality and food safety. Vinegar is currently unregulated in Australia and has no peak body representing it. If my Churchill fellowship achieves nothing else, it will be to ensure that vinegar does not remain disorganised in Australia.

PROGRAMME

Austria

Andreas Fischerauer, Independent Vinegar consultant for the Austrian Chamber of Agriculture and author of the vinegar text “Everything about Vinegar”.

Andreas advises the fruit and vegetable growers of the Steinmark region of Austria how to add value to their produce through food processing technologies. Whilst vinegar conversion is only one of the processes he teaches, it is the most widely accepted and occupies most of his time.

The amount of technical knowledge I gathered in such a short time was overwhelming. It was obvious to Andreas in return that I had acquired a lot of self taught knowledge in the 3 years I had been teaching myself the vinegar art. Having a formal winemaking degree was an obvious advantage to the learning process and allowed us to cover advanced vinegar making topics as well. Whilst we covered all of the technical and biochemical knowledge required to make vinegar We spent a lot of time on the vinegar machinery industry and its stellar growth of recent years in line with the vinegar consumption.



***(Left to Right)
Andreas Fischerauer,
Robyn Henderson,
Ian Henderson
In Pischelsdorf Austria.***

ALOIS GÖLLES – Vinegar Maker, Near Graz, Austria

Andreas organised a private inspection with the owner of Golles vinegars. Golles was the best example of what could be achieved in Australia in terms of vinegar making. They have 1000+ barrels for aging vinegar in. The barrel storage building, like the other 8 or 10 building in the complex are all state of the art, modern in design, purpose built and no older than 20 years.

Golles exports vinegar to 23 countries, I estimate worth perhaps 20 million dollars per year and was established in 1991.

By their own admission, the secrets of their success were:

- Innovations – they saw the opportunities vinegar was going to be and invested early.
- Packaging quality
- Service, reliability and product quality.

None of these are earth shattering ideas, it just took someone to see the opportunities and invest in them.



Image: Ultra modern vinegar barrel storage at Golles (Austria). Over 1000 barrels are stored full of vinegar at Golles.

Italy

Emmanuelle Lipiana, Italian food exporter – Alimentalia, Trento ITALY

I met Emmanuelle at a food trade show in the USA a few months before my trip. We agreed to meet in his home town of Trento in Northern Italy. He is a food exporter and whilst he doesn't manufacture anything himself, he does export gourmet Italian foods, including vinegar, to over 30 countries. He is a specialist in Italian foods, he knows the niche that Italian foods sits in and uses it to its fullest to sell his range of products around the world. He suggested that Australia needs "its own style". He didn't really know the style that it should be, but new that we should not be trying to replicate Italian, French, Austrian or Spanish styles but rather one of our own. This was quite a landmark realisation for me. I had already spent weeks thinking about how to make the styles of vinegar I had already seen when in reality we need to do what Australian have always done well – simply be Australian.

Claudio Rosso, Vinegar Maker and President of the Barolo wine producers association, Barolo, ITALY

I knew that before I left on the trip, an Australian vinegar association was going to have to be started sooner than later. So we went looking for a model to base this association on. One association, the Barolo wine makers, have one of the strongest regulatory regimes in the world and are also one of the most sought after products in the world. Unlike the DOC's of most of Italy and France, Barolo (Champagne is the other most famous) is a DOCG. The "G" is a Guarantee. It means that not only do the products need to be from the region, and made within the legislated processes but it must be tasted by a panel of winemakers and be assessed as being of high enough quality to earn the "G" status.

Curiously, this is also exactly how wine is accredited in Australia by the Australian Wine and Brandy Corporation for wines that are to be exported. So, Australia already recognises the value of these accreditations, yet we don't apply them to other products and we don't loudly promote to the rest of the world the stringency by which the wine is assessed like the Italian DOCG's do.

Even more curious, Claudio makes vinegar from Barolo wine and markets it as "Barolo Vinegar", yet the wine he uses failed the guarantee inspection and could not be sold as Barolo wine. There is a loop-hole in the legislation of Barolo that allows this to happen, and admits that Vinegar and all Barolo regional produce should be accredited to protect the name of Barolo.

Alberto Ribezzo, Vinegar and food producer, Monforte Acerba, Monforte, ITALY

Alberto was the only producer that I met, other than the ultra traditional Modena balsamic makers, who ferments and ages in the same barrel. It is a very traditional process, but also slow and sometimes unreliable. He was in the midst of doubling his oak barrel numbers this year to cater for increased demand. Whilst this is a "low tech" solution it does give him his "niche" that he markets though the best packaging we saw of the whole trip. This philosophy just didn't strike me as "Australian", it seemed too old world and too traditional, yet it is a perfect solution for him.

Vinitaly, International wine and food convention, Verona, ITALY

The worlds largest wine show with over 4000 exhibitors. It was amazing just to be a part of it. The value of accreditation and regional identification was incredibly obvious here. Of all the hundred of regions represented, the crowds gathers at the highest accredited ones – Barolo, Amarone, Montipulciano, Champagne – The most respected regions with the highest levels of accreditation. However, The lone Australian exhibitor was also very busy as the Italians were thirsty to try something from the winemaking nation of Australia they all want to visit one day. The marketing power of Australia as a destination in order to sell products must surely be applicable to vinegar as well.

Marisa Barbieri Giuliani, Master Taster and accreditation panel chair, Aceto Balsamico Tradizionale Di Modena, Modena, ITALY

It was simply an honour to meet master taster Marisa Giuliani. The Consortium of Balsamic producers arranged a private meeting with their most senior master taster. Like all the DOCG's, authentic balsamic has some very strict production rules but also all vinegars must be tasted by a panel of master tasters before the accreditation seals are provided. Marisa was the 29th person elevated to master taster and also the first woman to gain that qualification. She has held that post since 1976. She speaks three languages, travels often and is 80 years old. She credits vinegar for keeping her young! She is a *medium* sized producer making only about 100 litres a year!

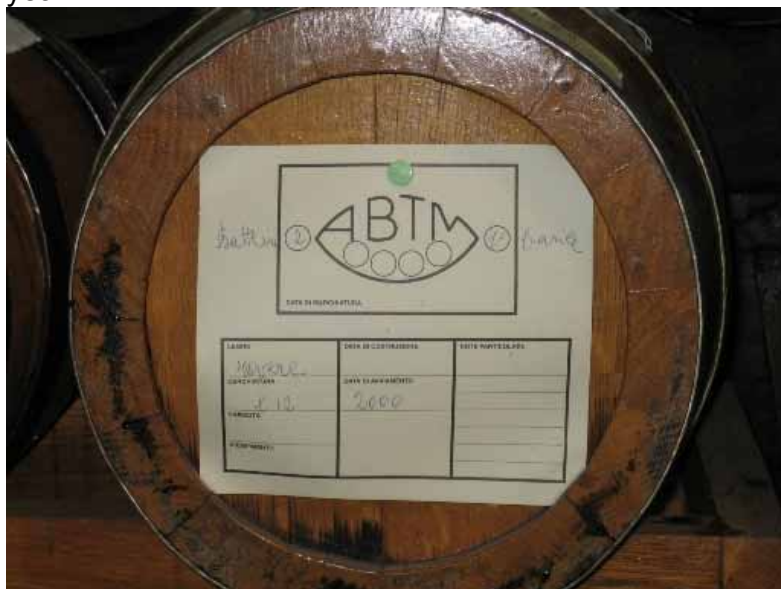


Image: Consortium certification of Traditional Balsamic barrels. This certificate must be attached to every traditional barrel.

I expected the balsamic producers to be secretive of their processes and recipes – In fact Marisa was incredibly open and even provided me with a book, in English, describing exactly the balsamic production processes. By her own admission, balsamic manufacture is not a difficult process, it just takes time. The subtleties of balsamic vinegar making take several lifetimes to learn, which is about as long as it takes to make the product itself.

The consortium is the key according to Marisa. The consortium is the history, the tradition and effectively the recipe. The consortium also inspects the producers regularly and tag every barrel so that the volumes don't mysteriously double overnight. This ensures that supply is regulated and controlled – much in the same way the oil cartels work. Again, not overly “Australian” but its clearly working for them.

I had the privilege of tasting some extraordinarily old vinegars (she has several 300 year old barrels) and having Marisa make us a vinegar based lunch in her home. We must have consumed several hundreds of dollars of old balsamic at that one lunch – It was truly an inspiration to meet her.

From this meeting I resolved to start some balsamic barrels in Australia. Perhaps my children may bottle them, but someone has to start a tradition.

Emma Gambetti Bisini, Production Manager, Monari Federzoni, Modena, ITALY

The “Dark Side” of balsamic making is the “Fast and Away” vinegar producers in Modena. By their own admission, they have built a healthy industry of quick turnover imitation balsamic vinegars using the reputation and name of the traditional balsamic makers.

Contrary to the traditional balsamic producers, Monari makes about 60,000 litres of balsamic vinegar every single day! They export to 25 countries, I estimate they employ 70 or more people and were established in 1991. In just 15 years they built this facility and their industry. They are only the 4th largest producer in Italy.

Emma, and all the Italian vinegar producers were very open with sharing information. They were also all extremely keen to taste my Australian Shiraz Vinegar. But balsamic is the Italian style of vinegar, if we can define an Australian style and market it well internationally, such industries are also possible in Australia I am sure.

Spain

Albert Rocca, Forum Vinegars, Tarragona, SPAIN

The Puig and Rocca families started making vinegar commercially only 15 years ago yet have 80 years of experience in making it for themselves. Production of their wine and vinegar is today in the hands of the next generation and they approach both products with a youthful eye and enthusiasm. Vinegar is now more than 50% of their operations. Their production is the very best of technology, yet their aging methodology of using Solero rotation of the barrels is very traditional. They yield magnificent products that sell very well all over the world – including Australia, as a result of technology and tradition. This is very much the sort of way Australian would approach vinegar making.

Cristina Asenjo Cebrian, General Manager, Exvina Vinegars, Jerez, SPAIN

Exvina was established only 10 years ago as a contract vinegar maker. They have some first class manufacturing equipment and they contract process vinegar for several dozen other Jerez vinegar makers. They also age and sell their own brand of course.

The most significant thing about this visit, was discovering that Sherry wine and Sherry Vinegar is regulated by the same authority. Also, wine producers here are not ashamed to make vinegar from their wine for sale under the same brand. The day that a large number of Australian wineries proudly boast that they make vinegar as well as wine will be the day I declare vinegar accepted in Australia.



***The old and the New....
Modern rapid vinegar fermentation technology and very old barrel aging in Spain (in the same facility).***



France

**Jerome Delile, Cidrerie Viard, Bayeux, FRANCE
AND
Cidrerie Sapiaiere, Bayeux FRANCE**

Cidrerie Sapiaere is a typical small scale producer of apple cider, Calvados (Apple brandy), and preserves apple products. Most of the production is still sold via the farm house cellar door, it is family owned and operated and produces a modest livelihood for its proprietors.

Cidrerie Viard is a very large scale, highly mechanised operation producing over 3 million bottles of cider each year. The major exports markets being Europe and Japan.

The major similarity between these two enterprises, and indeed all the other cider producers of Normandy, is that their market is contracting and the prices of products are decreasing. According to Jerome Delile, every year they face increasing pressure from wine that is taking cider drinkers away from them and the rise of ready to drink “trendy beverages”, or “Alco-Pops” as they are known in the UK. This is perhaps not all bad news as Australian Wine exports are doing much of the competing against cider in the European Market.

I believed their might be a market for Australia to make and produce Cider for export to countries such as Japan, but the Landed cost of a bottle of cider is under 2 Euro a bottle (\$3 AUD) and it is doubtful Australia could make, market and deliver apple cider at that price into Japan.

I have since learned that the only major Apple Cider producer in Australia recently ceased production due to market pressures.

However, I was able to learn a great deal about the fermentation technology of apple cider that I believe we can apply to producing unique and high quality apple cider vinegar here in Australia. The same technology is also applicable to pears, and most fruits.

MAIN BODY

It took 6 weeks, dozens of inspections and thousands of kilometres driven to learn the 3 most important lessons in vinegar making. These will shape my future in this industry and perhaps even shape the whole industry in Australia.

#1: Tradition is a beautiful thing, but technological application of tradition is the future

There is essentially two philosophies of vinegar making. First is to ferment and age in the same oak barrel. This is the highly traditional “Orleans” method. The second is to ferment in a specialised fermentation unit, and then age separately in oak barrels. It seems the world is now overwhelmingly using the second, more technological approach. The technological approach allows costs to be reduced, timeframes for production to be shortened from years to days if required and a more consistent product to be made. In general, a much more “Australian’ way of production.

#2: Vinegar is an old product, yet the industry is incredibly young.

There is such an opportunity to for Australia, a world force in wine production, to enjoy a significant presence in the world vinegar industry. If the market leader in each of the vinegar producing countries I visited is less than 18 years old then perhaps there is still time for Australia to compete.

BUT, we need to apply the unique Australian Style to our vinegar products. There is no point in trying to replicate Spanish, French or Italian vinegars but rather we need to explore what styles are possible and what we can make that is unique to Australia and then market that uniqueness to the world. I am sure that over time a style will naturally emerge, then the issue of collaboratively marketing it will be the great challenge. And to achieve collaborative development and marketing we will need, key point #3 – A collective regulatory body.

#3: Australian Vinegar needs a peak body

The obvious next step is to form a peak body for vinegar making and marketing in Australia. And whilst I have my own opinions about how it should be established and run it is a collective body and the establishment of that body needs to involve all stakeholders.

I suspect there is perhaps less than 20 vinegar makers in Australia today, perhaps less than 5 significant producers. I plan to write to as many as I know, and also to submit journal articles to industry publications that I suspect vinegar makers will read calling for those interested to meet and investigate forming a peak body.

It would also seem wise to invite some representation from the Federal Department of Primary Industries as this department is typically involved, often financially with most primary industry peak bodies (MLA, AWBC, AWB etc). Their knowledge on establishing such a peak body would be invaluable.

Possible structures for a peak body are:

- Self regulated, self accredited body
 - We create our own body, jointly set our own guidelines for production, labelling and marketing.
- Self accredited but regulated through government
 - Industry established guidelines for production, labelling and marketing but enforced by government.
- Government regulated and accredited.
 - As the name says, a specific act would need to be created or an act of law extended to include vinegar. The most likely candidate is the Australian Wine and Brandy Corporation (AWBC) that is funded through government and also from industry levies. The AWBC already has in place rules regarding labelling, varietal claims, regional claims, additives, organic standards and appropriate marketing terms. It would be easy to fit under this framework though perhaps the vinegar industry would be swamped under the very large activity of the wine industry.

CONCLUSION - FORMING A PEAK BODY

For all the knowledge I gained in the specifics of vinegar making, it would all be wasted if there is no structured, regulated and respected peak body for this potentially significant industry.

A strong industry body, with active interested members will naturally, in my opinion, allow a true "Australian Style" of vinegar to evolve. Collective marketing is a proven way to increase the awareness of an industry and we need look no further than the success of the MLA and AWBC in export markets to see how strong a united industry can be.

The world of vinegar is based on history and tradition – it is now time for Australia to start making its own style and traditions.