

# INSIDE THE MAIPO VALLEY

Chile's most significant wine region is working hard to raise the image of Chilean wines. Marcela Burgos reports.

Tarapaca Rosario Estate,  
Maipo Valley

When a group of European journalists made a recent trip to Chile, they were stunned by their visit to the Maipo Valley. “Were you not expecting this viticultural paradise?” asked Héctor Rojas, the vineyard manager at Tabalí. After 12 years in his job, he’s used to watching visitors be amazed by the beauty of the region.

Yet when many consumers think of Chile, they’re not thinking about the magnificent Andes towering over a bucolic landscape – they’re thinking about supermarket wine. The image of the Chilean wine category has been determined by the good prices it’s achieved as a result of its competitive advantages, such as low disease pressure, water availability and the historically low cost of labour. With exports accounting for more than 90 percent of total production, the undesired “best value” tag is prejudicial even to Chile’s most prestigious valley. With very few exceptions, the majority of Maipo wines struggle to overcome the entry-level price segment.

## Maipo’s diversity

The alluvial soils of the Maipo Valley are the birthplace of Chile’s wine industry and vines have grown there for the past 150 years. The valley extends eastwards from the city of Santiago to the Andes Mountains and west to the Pacific coast. “Despite stretching south toward suburban residential zones, the planted surface has managed to double in the last 20 years,” says Cristián Aliaga, who is in charge of the William Fèvre winemaking operation in the Andean foothills.

The valley currently includes 13,000 ha of mechanised vineyards, accounting for almost 10 percent of Chile’s total *Vitis vinifera* planted vineyard area. Of these, more than 6,700 ha are

planted with Cabernet Sauvignon, the variety that built the valley’s reputation. On the other hand, Carménère, the Chilean flagship variety, has demonstrated that it is capable of being made in a more elegant style than its renowned counterpart Colchagua valley – its plantings have more than doubled in the last 16 years.

Since 1994, Chile’s wine regions have been legally defined; the Maipo Valley belongs to the Central Valley region. The mesoclimatic significance of Chile’s three key geographic features – Andes mountain range, Coastal mountain range and Pacific Ocean – led in 2012 to a complementary and optional geographical indication that classifies areas according to their distance from the coast, rather than their latitude.

Many of the famous producers are located in the Maipo Andes sub-region in the foothills of the mountains, an area whose great diurnal oscillation is recognised for giving elegance and structure to its wines, particularly the reds. Although the Entre Cordilleras – “between the mountains” – region was the first part of the Maipo Valley to be settled, its use as a labelling term has not proved popular because this is the warmest and driest of the sub-regions.

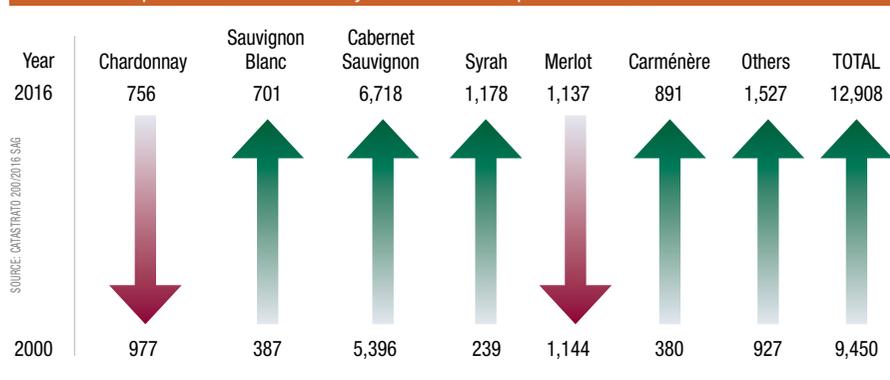
Coastal Maipo is the youngest wine-producing area in the Maipo Valley with vineyards sheltered from the cool breezes that blow in from the Pacific Ocean by smaller hills between the Andes and coastal mountain ranges. Being coastal implies a less jammy style for the reds, in line with current trends.

## The squeeze

Several of Chile’s biggest and most important wineries – at the forefront of technological and viticultural innovation – have a presence in the Maipo Valley, drawn there by what were its many advantages. However, just a few hours of conversation with people across the valley are enough to make it clear that what were once competitive advantages are now scarce viticultural resources.

Héctor Rojas studied agronomy at the Catholic University in Chile. After graduating, he worked in different wine projects until in 2006, businessman Guillermo Luksic asked him to be part of the Tabalí project in Limarí. In 2014, the project brought its successful formula to coastal Maipo when Dom Vineyard was acquired and Rojas was again appointed

Evolution of planted surface for key varieties in Maipo - in hectares



## MAJOR PRODUCERS

### William Fèvre

Famous Burgundian collaborated in 1992 with the Chilean Pino family and invested in the high lands of Pirque. Originally he focused on Chardonnay but currently the 76 ha – equivalent to annual production of 40,000 cases – also include plantings of Cabernet Sauvignon, Cabernet Franc, Merlot, Carménère, Malbec, Syrah, Tempranillo and Carignan. Today the tag “mountain-grown wines” is well received as a differentiator worldwide.

### Tarapacá

Part of the large VSPT group, Tarapacá is able to leverage its distribution muscle and sell 1.3m cases in more 40 countries, with significant market share in the domestic market, Czech Republic, Finland, Mexico and Brazil. Over 600 ha planted, with a 1927 Tuscan-style guesthouse and 10 ha park with the concept of “a natural clos” for the Rosario Estate in Isla de Maipo.

### De Martino

Family-owned business producing 125,000 cases per year. The vineyards are located in the deep gravel of the third and fourth river terraces in Isla de Maipo where Cab-

ernet Sauvignon, Carménère, Merlot and Petit Verdot thrive. One of the few Chilean producers with a focus on the on-trade, its Alto de Piedras Carménère and Las Águilas Cabernet Sauvignon single-vineyard wines have been very successful with critics and trade worldwide.

### Casa Bauzá

Premium pisco producer ventured into the wine business in 2011 and today focuses on the production of 2,500 cases of an organic red blend of Carménère (55 percent), Syrah (35 percent) and Cabernet Sauvignon (10 percent) from its own vineyards in the semi-arid Til-Til district at the northern limit of the Maipo valley. They are part of the Independent Vintners Movement (MOVI).

### Tabalí

Pioneers in the Limarí Valley in northern Chile with a 100,000-case business, in 2014 the Luksic family purchased a south-facing slope with a cooling influence in coastal Maipo planted with Cabernet Sauvignon and Merlot. There are only two products from DO Maipo: Pedregoso and Talud, whose names refer to the colluvial soil where the vines are grown.

to take charge. “Prior to 2002, plantings were all ungrafted, massal-selected material, which propagated across the valley without the care to ensure they were healthy,” he says. “These vines are now presenting low yields and quality problems associated with viruses, particularly leafroll, and trunk diseases.”

While massal selection with healthy vines should produce between nine and 11 tons per hectare, affected Cabernet Sauvignon selections have diminishing yields of five to seven tons per ha and are only of sufficient quality for a reserve-level wine. “In order to solve the production problem, these vines are being replanted with clones grafted on to foreign rootstocks, but there is the shameful consequence of high-potential genetic material being lost. One real solution would be to clean the massal material we have and propagate it under control,” Rojas suggests.

Scientists predict that with climate change, annual rainfall in the next 20 years will diminish from today’s 250mm to a level insufficient to water the vines. This problem is exacerbated by industrial activity that contaminates the water

reserves of the Maipo River. “Salinisation is even a bigger issue in dry years when it poses problems to the vines in terms of reduced photosynthetic potential and the need to change rootstocks to others with less sodium sensitivity,” adds Rojas.

Lastly, the historically low cost of labour is not a reality any more. Largely due to the proximity to the Santiago job market, it is increasingly difficult and expensive to find qualified vineyard labour. In many cases, the working teams now include Haitian immigrants without any formal training or knowledge of the Spanish language.

Then there is the competition for land. “Clearly, walnuts are better business than wine,” says Aliaga from William Fèvre. He explains that vines are competing not only with property development, but also with other agricultural crops, such as walnuts, avocados and plums. He outlines the problem: in Pirque there are 1,562 ha of walnuts and 981 ha of grapes, compared with 1,100 ha and 1,039 ha in 2014.

Managing this new reality will necessarily imply higher costs in the vineyards, so Maipo

producers will have to look into new strategic opportunities for the category to grow and remain profitable.

## Opportunities

Carlos López, global export manager at Viña Tarapacá, part of the giant VSPT group, believes that success is a matter of targeting the right price segment and market. “Maipo has good results in the mid-priced segment and up, which is exactly where Chile has found it difficult to gain recognition,” he says. “So the focus should be capitalising on Maipo’s recognition as an origin for premium reds in markets such as China, Japan, Brazil and Canada, where those price segments do grow.”

Furthermore, sustainable viticulture is a latent opportunity for most producers given the fact that in Chile there is no intrinsic need to apply chemical products in the vineyards. While lower costs in the vineyard have historically defined low retail prices, prestigious Maipo has the potential to stand out in the organic category with a premium price strategy instead.

Rojas from Tabalí believes it’s important that the Maipo broaden its offerings. He personally travels to at least one new wine destination each year, and asks his foreign visitors to bring him bottles of wine when they come. “When Cabernet Sauvignon, the most complicated of the Bordeaux varieties, is managed correctly in Maipo, it really thrives,” he says. “There’s no reason why other Bordeaux varieties, such as Malbec, Petit Verdot and Cabernet Franc shouldn’t thrive also.”

Although its proximity to Santiago has helped keep the valley in the spotlight over time, Maipo has more than earned its distinction as the most prestigious place of origin in Chile, exhibiting good presence in specialist stores and the on-trade and performing the role of opening doors for the rest of the Chilean portfolio.

Inevitably, there will always be consumers who look at Maipo only for best-value wines. The key challenge for producers is to adapt to the new reality in the vineyards and to leverage business opportunities for collaboratively positioning Maipo among the world’s most prestigious red wine regions.

“We have lacked ambition in that sense. Maipo should be a quality stamp,” Rojas concludes as he leads his visitors back to the bus. ■