

RECOGNITION OF TERROIR IN AMERICAN VITICULTURAL AREAS

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SUMMARY

Un' Area di Viticoltura Americana, detta AVA, è una regione vinicola delimitata ed è distinguibile da caratteristiche geografiche i cui confini sono stati definiti da regolamenti. Il sistema AVA rappresenta un'accettazione del concetto di terroir (terreno), come dimostrano gli studi che confermano il carattere regionale dei vini AVA e dallo sviluppo di sub-denominazioni più relazionate al terreno. Designazioni dell' AVA denotano l'origine, non la qualità, ma promuovono lo sviluppo di qualità mentre che produttori di vino che cercano differenziazione nel mercato adottano metodi viticulturali ed enologici che massimizzano la qualità dei vini dai loro terreni unici. Alcune AVA si sono fatte riconoscere per delle varietà particolari e alcune hanno realizzato dei livelli così alti attraverso una serie di varietà che i loro vini possono essere raccomandati in gran parte basati solo sulla denominazione.

INTRODUCTION

Since federal regulations first authorized the creation of American Viticultural Areas (AVAs) some 20 years ago, more than 130 areas in 27 states -- including 12 multi-state areas -- have been recognized. More than half of the AVAs are located in California alone, but smaller concentrations are found in New York, Ohio, Virginia, Texas and the Pacific Northwest. The size of viticultural areas varies considerably, ranging from California's tiny Cole Ranch, which measures one-quarter square mile, to the sprawling Ohio River Valley, which spans some 26,000 square miles over four states [Figure 1].

The establishment of viticultural areas and the subsequent use of viticultural area names as appellations of origin in wine labeling and advertising are intended to help consumers better identify the wines they purchase and to help winemakers distinguish their products from wines made in other areas. The regulations deter those who might label undeserving wines with the names of such famous viticultural areas as "Napa Valley" and "Finger Lakes" and secure the benefits of esteemed geographical designations to those entitled to their use. The development of AVAs has resulted in a growing appreciation of wines that express distinctive terroirs and to an improvement in wine quality.

BACKGROUND

Appellations of origin for American wines have been established under regulations¹ issued by the U.S. Treasury Department's Bureau of Alcohol, Tobacco and Firearms (ATF) pursuant to the Federal Alcohol Administration Act², which requires wines and other alcoholic beverages to be labeled so as to provide consumers with adequate information about the identity of the product and prevent them from being misled or deceived as to such identity.

Types of appellations of origin for American wines are: the United States; a state; two or no more than three states which are all contiguous; a county; two or no more than three counties in the same state; and a viticultural area (AVA). An AVA is a delimited grape-growing region distinguishable by geographical features, the boundaries of which have been recognized and defined in ATF regulations. While American Viticultural Areas are the most specific legally recognized appellations of origin, they are less specific than the relatively unregulated vineyard and vineyard block designations [Figure 2].

There is no general requirement that American wines be labeled with an appellation of origin. However, such appellations are required under various specific circumstances, such as where the wine bears a varietal or vintage designation or is designated as "estate bottled." An AVA designation is sufficient wherever an appellation is required and is mandatory for "estate bottled" wines, in which case the winery must be located within the named viticultural area, must have grown all the grapes used to make the wine on land owned or controlled by the winery within the boundaries of the viticultural area, and must have crushed the grapes, fermented the must, and finished, aged and bottled the wine in a continuous process within the confines of the winery. Especially in view of the fact that "estate bottled" wines can command premium pricing, the limitation of such designation to AVA wines helps to explain the high degree of interest in the creation of AVAs [Figure 3].

An American wine may be labeled with a viticultural area appellation if the appellation has been approved by the ATF, not less than 85 percent of the wine is derived from grapes grown within the boundaries of the viticultural area, and the wine has been fully finished (except for certain cellar treatments and blending) within the state, or one of the states, within which the labeled viticultural area is located.

Concerned solely with questions of origin, the regulations governing AVAs do not impose standards, such as exist under the appellation contrôlée system of France, on such additional matters as grape varieties, yields, sugar and alcohol levels, fermentation methods, aging periods and other viticultural and vinification practices.

There is no requirement that the name of an AVA, when used on a wine label, be qualified with the words "American Viticultural Area." Consequently, geographical terms used as brand, product or vineyard names sometimes can be confused with AVA designations, as where the term "Rutherford" on a label refers to a brand name rather than to the Rutherford viticultural area. The ATF regulations seek to minimize such confusion, but wine labels which do not appear to comply with labeling regulations occasionally are seen. Often, these are examples of "grandfathered" practices, of limited exceptions that have been negotiated between a winery and the ATF or of exemptions granted where the wine is not to be sold in interstate or foreign commerce.³

Such exceptions aside, if ATF regulations are violated, the ATF may deny a certificate of label approval, so that the wine may not be sold in interstate commerce; suspend, revoke or annul a winery's permit; or seek criminal prosecution, injunctive relief or a settlement through payment of money.⁴

VITICULTURAL DISTINCTIVENESS REQUIRED

Petitions for establishment of American Viticultural Areas must include evidence that the name of the viticultural area is locally and/or nationally known as referring to the area specified in the application, that the boundaries of the viticultural area are as specified in the application, and that the geographical features (climate, soil, elevation, physical features, etc.) of the area distinguish it viticulturally from surrounding areas. The key word is "viticulturally," since the geographical distinctiveness of the proposed area must relate to grape-growing conditions.

Applications to establish AVAs routinely recite evidence of viticultural distinctiveness from geographers, geologists, climatologists and other specialists, and corroboration of the distinctiveness of particular areas can be found in independent studies⁵.

While the ATF appears generally to accept as true the uncontroverted factual representations in the petitions and to construe liberally the requirement that an area's geographical features distinguish it viticulturally, it does not approve petitions uncritically. In a number of cases, the ATF -- acting on its own initiative or at the request of interested parties -- has adjusted proposed boundaries in order to better define a homogeneous area viticulturally different from neighboring areas. In other cases, the ATF has declined to extend proposed boundaries to encompass viticulturally different adjacent areas.

Thus, the ATF found that the proposed boundaries of the Finger Lakes viticultural area in New York State did not clearly depict a distinct grapegrowing area which contained geographical and climatic characteristics that would distinguish it viticulturally from surrounding areas. The proposed boundaries encompassed 8,400 square miles over 14 counties, with a 60-day difference in growing seasons. In approving the AVA designation, the ATF modified the boundaries to include fewer than 4,000 square miles with a relatively uniform growing season and with similar climatic conditions and geographical features associated with proximity to the lakes for which the area was named.⁶

Another controversial petition concerned boundaries of the Stags Leap District AVA in California. There, the ATF extended the proposed boundary several hundred yards to the north to include a few additional wineries and vineyards whose owners claimed that their grapes were the same as those grown within the proposed boundaries.

The original petitioners had claimed that the grapes grown to the north differed from grapes grown within the original boundary and that many growers to the north produced white wine, in contrast to the Cabernet Sauvignon for which the district was generally best known. The ATF regarded as decisive the fact that the soils in the northern extension were similar to the soils in the area originally proposed and were different from soils in other areas.⁷

The proposed boundaries of the Rutherford and Oakville viticultural areas in California were the subject of another celebrated dispute. After public hearings in 1992, the ATF adjusted the proposed boundaries to include additional areas similar in such features as soil, elevation, climate and hydrology, but excluded dissimilar areas. Separate petitions for "Rutherford Bench" and "Oakville Bench" viticultural areas (referring to a terrace formed by the Napa River between Oakville and Rutherford) drew strong opposition as to the proposed boundaries, as well as disagreement about the very existence of the "bench" as a geological feature, and were withdrawn by the petitioners.⁸

Later, the Rutherford boundary controversy carried over into the petition for the neighboring St. Helena viticultural area, where the ATF rejected the proposal that certain portions of

the area at its southern boundary most closely resembled the Rutherford area and should not be included in the new area. The ATF found that the proposed area could be distinguished topographically and geologically from Rutherford and other areas.⁹

TERROIR RECOGNIZED

The AVA appellation system represents a degree of acceptance of the Latin concept of terroir, the belief -- underlying the French and other appellation systems -- that (among other factors) differences in the characteristics of the soil and in the microclimate account for differences in the wines produced by different vineyards, an idea previously resisted by some American winemakers, who exalted climate but tended to discount the importance of soil.¹⁰

With the implementation of the AVA system, the concept of terroir has gained credibility, as demonstrated by studies on the sensory characteristics of wines from various viticultural areas and by the development of more site-specific sub-appellations.

Studies on Sensory Characteristics. Thus, a study of 20 Cabernet Sauvignon wines from Napa Valley vineyards of different soil types concluded that the soil environment strongly influences root, canopy and fruit development to produce wines with different flavors. Wines high in berry, spice and mint flavors and aromas were associated with well-drained older, deep, gravelly soils. Heavier soils with high clay content and high water-holding capacities were associated with wines higher in vegetative flavors and aromas such as bell pepper.¹¹

Another study -- designed to validate the status of the Carneros AVA and provide data to define the Carneros terroir -- concluded that the distinctive flavor characteristics of Carneros AVA Chardonnay wines may be the expression of the area's terroir. Sensory and chemical assessments determined that the Carneros terroir was distinguished by the citrus, muscat, fruity and green apples aroma of its Chardonnay wines and by the lack of honey and caramel/pumpkin/squash aromas, which distinguished Central Coast AVA wines.¹²

Earlier research had confirmed the unique regional identity of Carneros Pinot Noir wines as having high cherry, fresh berry, berry jam and spicy characteristics in contrast to the vegetal, leather and smoke/tar properties of the same varietal from other areas.¹³

Similarly, based upon recent vertical tastings, the wines of the Stags Leap District are said to display a distinct and definable regional character.¹⁴

Creation of Sub-appellations. Further evidence of the recognition of terroir is found in the development of numerous sub-appellations "nested" within the boundaries of existing AVAs. This development reflects a concern that the larger appellations, such as Napa Valley and Sonoma County, cover such a range of microclimates and soil types that they lack meaning.

Thus, at last count, there were 10 sub-appellations in Napa Valley. Eleven sub-appellations have been created within Sonoma County, including a number of sub-appellations nested within other sub-appellations (Russian River Valley within Northern Sonoma within Sonoma Coast, etc.). Elsewhere, a Cayuga Lake sub-appellation is nested within the Finger Lakes AVA in New York State, and two sub-appellations (Yakima Valley and Walla Walla Valley) are found within the boundaries of Washington State's Columbia Valley AVA. While some opponents worry that creating sub-appellations within the broader AVAs will dilute the reputation of the broader area's wines, others counter that viticultural areas should be small enough to express the terroir of a homogeneous grape-growing region.

This trend toward creation of sub-appellations follows the European experience, in which there is a correlation between the specificity of the place named on the wine label, the market's perception of the value of the wine, the price the winemaker can charge, and the valuation of the land on which the grapes are grown. Consequently, winemakers ordinarily are motivated to use the most specific placename to which their wine is entitled.

This drive to create evermore specific placenames also is manifested in the proliferation of vineyard designations, and even specific vineyard block designations, both of which are more site specific than AVAs. The use of a vineyard, orchard, farm or ranch name on a wine label requires that 95% of the wine be produced from grapes grown on the named vineyard, but otherwise is not highly regulated.

QUALITY FOSTERED

AVA designations denote origin, not quality, but foster the improvement of quality. The official view is that an appellation is a way of delineating a source in order to build a reputation, rather than a representation that the wine has a certain quality or characteristic *per se*. The ATF specifically states that it does not want to give the impression by approving a viticultural area designation that it is approving or endorsing the quality of the wine from the area. It states that it approves the area as being different from surrounding areas, not better than other areas. By approving the area designation, the ATF states, it will allow wine producers to claim a distinction on labels and advertisements as to origin of the grapes, but any commercial advantage gained only can come from consumer acceptance of the area's wines.

This distinction between "different" and "better" is supported by other commentators on American Viticultural Areas, who say that *terroir* can guarantee of style of wine that a consumer can learn to recognize and search out, but not necessarily a better wine¹⁵. Some AVAs, it is claimed, have achieved such an identifiable style, while others have not.¹⁶

Nevertheless, the AVA system is said to promote the development of quality in AVA wines. The restriction of the coveted "estate bottled" designation to AVA wines, together with the requirement that estate bottled wines be produced under combined growing and bottling conditions which minimize chances of spoilage and oxidation, is one way in which the AVA system fosters quality. Moreover, some say that the AVA system already is causing growers and winemakers to pay increased attention to such matters as the appropriateness of particular grape varieties to site and the relationship between crop yield and wine quality¹⁷. Indeed, one notable aspect of viticultural evolution in America is said to be the gradual matching of grape varieties with the local environmental conditions in which they are at their best¹⁸. Improved quality will follow, AVA supporters say, from the self interested efforts of producers to maximize product differentiation and gain commercial advantage¹⁹. An example of such marketplace initiatives is the work of the Carneros Quality Alliance, an organization of growers and wineries in the Carneros AVA. The activities of the organization include data gathering and sharing, research and environmental protection²⁰. Through these and other efforts, a number of AVAs have developed a reputation for quality wines. Eighty percent of a sample of the highest rated American wines during the period 1996-1998 were AVAs designated. More than 40 areas in five states produced at least one of the highest rated wines²¹. Various AVAs have become known for their success with particular varieties and some have achieved such high standards across a range of varieties and producers that their wines largely can be recommended based on appellation alone [Figure 4].

FUTURE OF AMERICAN APPELLATIONS

While only a minority of American wine consumers are said to select wines on the basis of appellation, such designations are growing in importance, as evidenced by the current trend of restaurant wine lists to identify each wine's AVA origin²².

A recent development which may increase interest in AVA appellations in the near term is the practice of some California winemakers to use foreign bulk wines or wines from less popular viticultural areas to compensate for a shortage of some grape varieties from esteemed areas. Consequently, consumers must pay more attention than ever to appellations to be sure about the origin of the wines they purchase. As the recent grape shortage gives way to the emerging oversupply, AVA designations may become an increasingly helpful way to differentiate among an abundance of wines from different regions.

Having created a worldwide awareness of varietal wines but without a monopoly on them, it has been suggested that American winemakers should now let appellation take precedence over varietal²³. Whether this happens or, as seems more likely, AVA designations become "merely" an increasingly important basis for selecting among wines made from the same varietal, their influence seems likely to continue to grow. As said by wine historian Hugh Johnson with respect to California winemaking, the future surely consists in discovering and establishing the terroir derived character of viticultural areas, moving along the line of increasingly specific appellations from a California Cabernet to a Napa Cabernet to an Oakville Cabernet and finally to one whose vineyard you can taste²⁴.

ENDNOTES

1. 27 C.F.R. Part 4.
2. 27 U.S.C. § 205.
3. G. Spivey, Multiple-Regulation of American Appellations of Origin for Wines, 15 IPL Newsl. (American Bar Association Section of Intellectual Property Law), Spring 1997, at 14; G. Spivey, An Update on American Viticultural Area Appellations, 29 Am. Wine Soc. J. 58 at 59 (1997).
4. R. Tobiassen, Appellation of Origin Controls for American Grape Wines Under Federal Law, Les Contrôles Viti-Vinicoles Systèmes et Pratiques (Presses Universitaires d'Aix-Marseille 1994) 217 at 218.
5. J. Newman, Vines, Wines and Regional Identity in the Finger Lakes Region, 76 Geographical Rev. 301 (1986). As to the criteria for defining viticultural distinctiveness, see also R. Pool, Overview of Geography and Viticulture in Winegrowing Regions of N.Y. (Is There Terroir in New York State?) at <http://www.nysaes.cornell.edu/fst/faculty/acree/fs430/lectures/rmp36terroir.html> (March 21, 1997); and G. Macdonald and D. Lemaire, American Viticultural Areas: A Problem in Regional Geography, J. of Geography 376 (Mar./Apr. 1995).
6. Finger Lakes Viticultural Area, T.D. ATF-113, 47 Fed. Reg. 38,516 (1982).
7. Stags Leap District Viticultural Area, T.D. ATF-281, 54 Fed. Reg. 4009 (1989).
8. Rutherford Viticultural Area, T.D. ATF-342, 58 Fed. Reg. 35,865 (1993); Oakville Viticultural Area, ATF-343, 58 Fed. Reg. 35,877 (1993).
9. St. Helena Viticultural Area, T.D. ATF-366, 60 Fed. Reg. 47,053 (1995).
10. R. Renner, Does the Secret Lie in the Soil? Relationship of Soil Characteristics with Wine Quality, New Scientist, December 22, 1990. For a definition of "terroir" which recognizes the primacy of both soil and climate, see J. Mesnier, Semantic Analysis and Draft Definition of the Word "Terroir," International Wine Law Association Information Bulletin, August 1997, at 4.
11. D. Elliott-Fisk and A. Noble, The Diversity of Soils and Environments in Napa Valley, California and their Influence on Cabernet Sauvignon Wine Flavors, in Viticulture in Geographic Perspective: Proceedings of the 1991 Miami AAG Symposium (H. deBlij, ed. 1992)

at 45.

12. L.P. McCloskey, S. P. Arrenhius and M. Sylvan, Towards Defining Terroir with the Carneros American Viticultural Area (1995) (Available through Enologix, P.O. Box 523, Sonoma, CA 95476).
13. J. Guinard and M. Cliff, Descriptive Analysis of Pinot Noir Wines from Carneros, Napa, and Sonoma, 38 Am. J. Enol. Vitic. 211 (1987).
14. N. Roby, Weighing Vintages and Appellations, The Wine News, Oct./Nov. 1997, at 16. Another writer notes that the Stags Leap District's terroir is a prime example why specific geographical areas deserve official status as American wine appellations. B. Galphin, U.S. Leap toward Appellation Pays Off, The Atlanta Journal and Constitution, Sept. 5, 1991, at W14.
15. D. Schmid, Appellation "Spring," Q. Rev. of Wines, Autumn 1995, 37, at 40.
16. T. Stevenson, The New Sotheby's Wine Encyclopedia 444 (1997).
17. J. Robinson (ed.), The Oxford Companion to Wine 81 (1994).
18. G. Peters, American Winescapes: The Cultural Landscapes of America's Wine Country 65 (1997).
19. Viticultural Areas Convey Quality, Wine Institute Home Page at http://www.wineinstitute.org/ava/tenthings/avas_quality.htm (Jan. 20, 1998).
20. The Carneros Quality Alliance is profiled at <http://munshi.sonoma.edu/wine/cqa/default.html>.
21. Based upon the author's analysis of 700 American wines rated highest in six wine publications.
22. K. Alexander, 50 Hot Wine Trends, Food & Wine, Oct. 1997, at 72.
23. Interview with wine essayist Gerald Asher in R. Wiegand, Across the Table, Appellation, Aug./Sept. 1997, 92 at 105.
24. H. Johnson, Tales of Terroir, Decanter, April 1998, at 13. The "single vineyard vision" is shared by grower Andy Beckstoffer, who says, "We want to express the terroir, to see the distinctiveness in single vineyards. That's the 21st century." D. Berger, The Napa Move That's Got Everybody Wondering, Wine Business Monthly, July 1996, 17 at 18.

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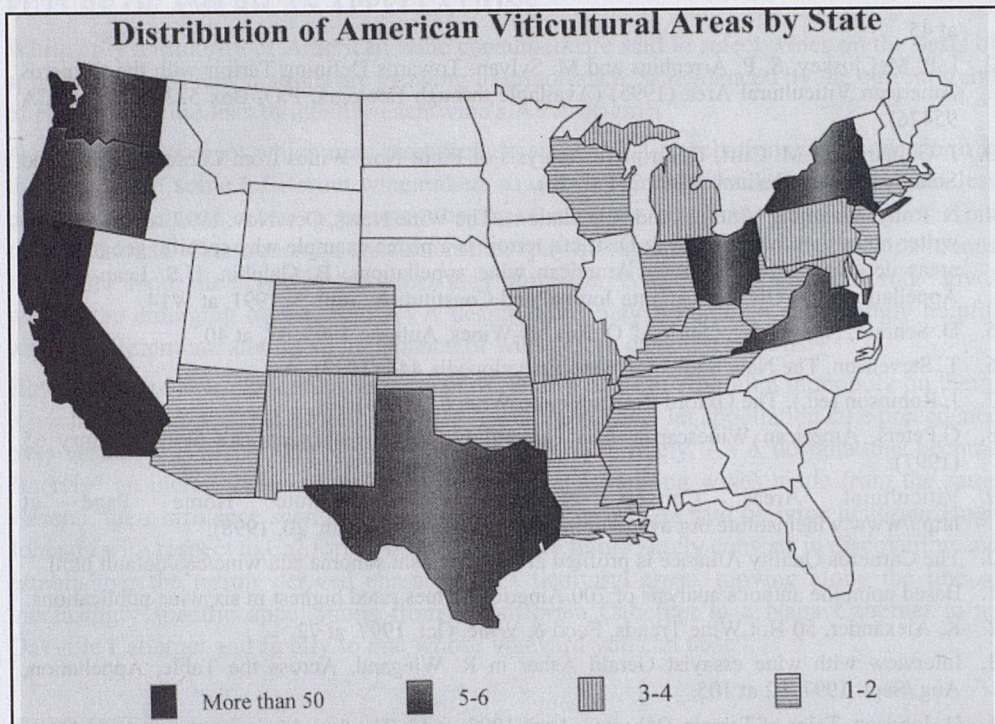


Figure 1. AVAs are found in most American grape-growing regions, with the exception of the southeastern states.

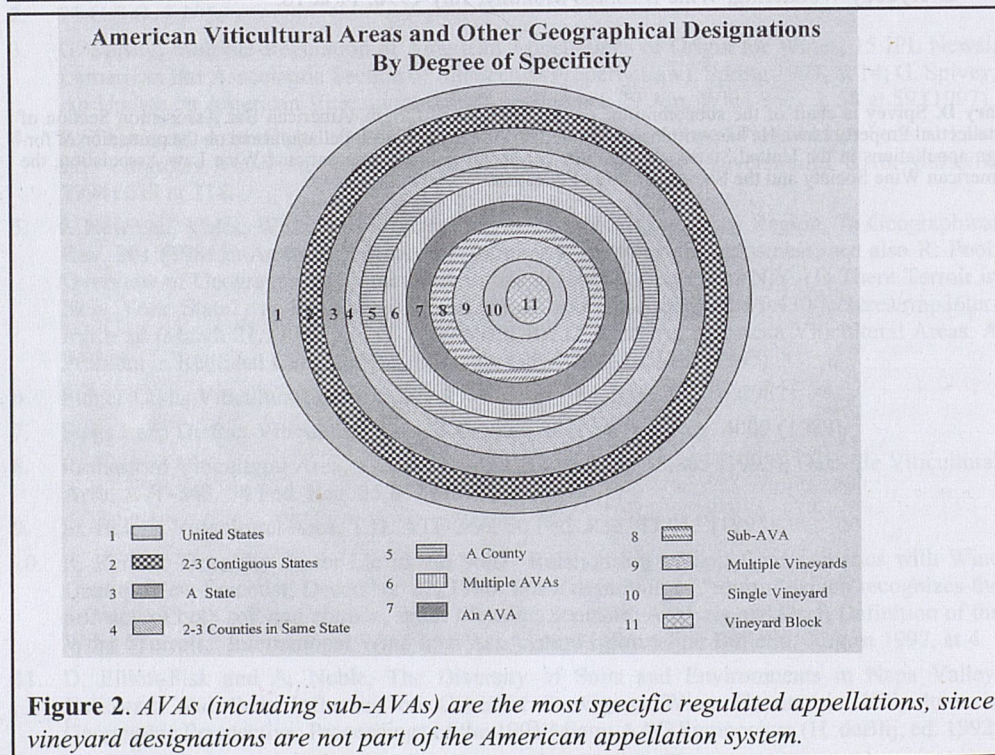


Figure 2. AVAs (including sub-AVAs) are the most specific regulated appellations, since vineyard designations are not part of the American appellation system.

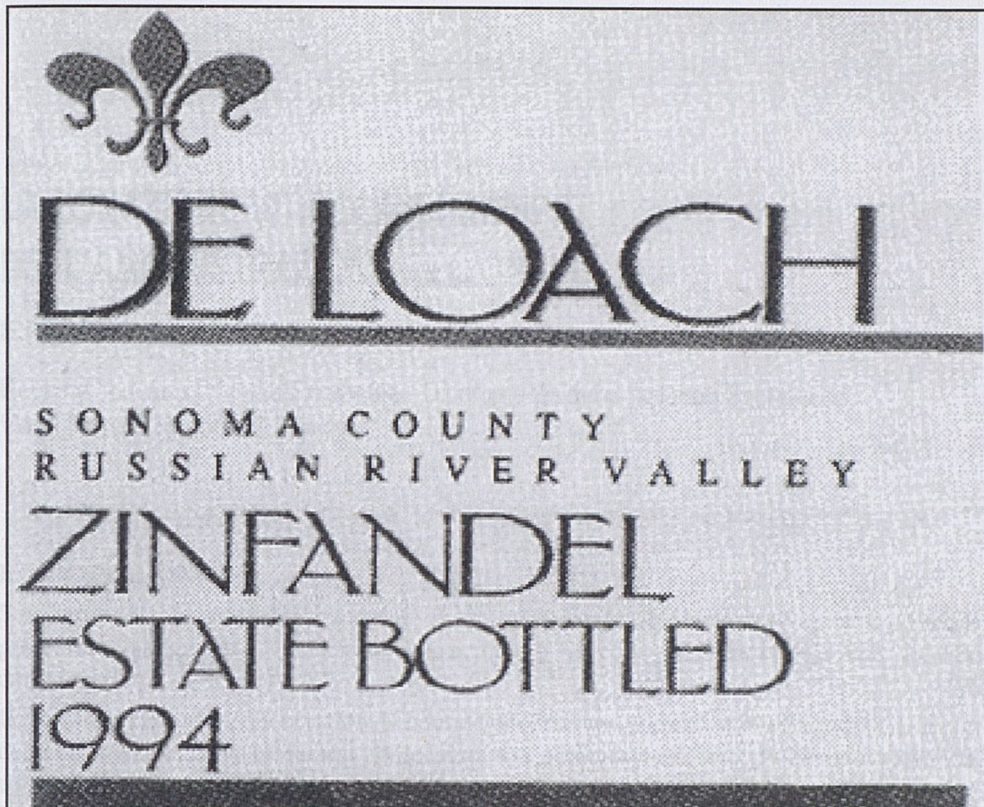


Figure 3. The valued "Estate Bottled" designation is restricted to AVA-designated wines. Here, the AVA is Russian River Valley, a sub-appellation within the Sonoma County (non-AVA) appellation.

AVA ORIGINS OF HIGHEST RATED AMERICAN WINES

| <i>Category</i> | <i>American Viticultural Area</i> |
|---------------------------|--|
| Overall | Napa Valley, Sonoma Valley, Russian River Valley, Carneros, Columbia Valley, Alexander Valley, Stags Leap District, Dry Creek Valley |
| Varietal: | |
| Cabernet Sauvignon | Napa Valley, Stags Leap District, Alexander Valley, Sonoma Valley, Columbia Valley, Santa Cruz Mountains, Howell Mountain |
| Chardonnay | Napa Valley, Carneros, Russian River Valley, Sonoma Valley, Alexander Valley, Monterey, Chalk Hill |
| Merlot | Napa Valley, Sonoma Valley, Columbia Valley, Howell Mountain |
| Pinot Noir | Russian River Valley, Carneros, Willamette Valley, Sonoma Coast |
| Riesling | Columbia Valley |
| Zinfandel | Sonoma Valley, Napa Valley, Russian River Valley, Mendocino, Dry Creek Valley, Alexander Valley |

Figure 4. AVAs listed in order of the number of highly rated wines they contributed for each category. Only multiple contributors shown. Based upon an analysis of 700 American wines rated highest in six wine publications during 1996-1998.