Rethinking Conventional Agriculture: The Politics and Practices of 'Environmentally-Friendly' Production in the South African Wine Industry

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Summary

When the South African wine industry re-entered the global wine markets in the early 1990's, it faced a number of profound challenges. The most significant of these has been to gain a foothold in the international markets where both New and Old World wine producers fiercely compete for the consumer's purse. In the effort to bolster its competitiveness and in response to a growing global trend towards 'environmentally-friendly' food production the industry launched the *Integrated Production of Wine* (IPW) scheme in 1998. This voluntary regulatory system provides guidelines for best agricultural practices and a producer must pass either the audit or the annual self-evaluation questionnaire in order to comply. A new *Integrity & Sustainability* seal has been introduced which advertises this compliance on each bottle of wine. This home-grown regulatory scheme is the first and only of its kind in the world and is now accepted by markets globally.

The *Biodiversity & Wine Initiative* (BWI) is a collaboration between the wine industry and conservationists which aims to protect endangered species of the Cape Floral Kingdom, promote sustainable practices and rehabilitate indigenous flora and fauna on wine farms. *Wines of South Africa* (WOSA) is a marketing organisation which promotes the interests of South African wines in international markets. WOSA's marketing slogan, 'Variety is in Our Nature' seeks to create a 'common language' which promotes the environmental aspects of South African wine production and a platform from which producers can establish their own marketing strategies.

On the surface it would appear that the industry stands united behind this innovative initiative. But is this really the case? This thesis explores the views and attitudes of key industry informants as well as the responses of 14 different cellars from across the Western Cape. Each respondent was questioned on his/her notion of 'environmentally-friendly', the cellar's environmental practices, as well as their views IPW, BWI and WOSA's efforts of promoting the South African wine industry's new environmental identity. This study has found that the 'greening' of the South African wine industry enjoys broad support and compliance at both industry and cellar level. However, the results also show that there is serious criticism against the three-pronged 'project' which, if not addressed, could damage the integrity and credibility of industry's new 'image' and undo its innovative edge.

At the theoretical level, the study challenges aspects of both Global Value Chain Theory and Conventionalisation Theory. Regarding the former, the 'home-grown' way in which the industry has created its own 'environmentally-friendly' regulating scheme challenges the role *lead firms* take in international value chains. Regarding the latter, because IPW works within conventional agricultural practices and is far more cost effective than international 'environmentally-friendly' regulations, both large and small farmers can implement IPW regulations with the same effectiveness.

Opsomming

Toe die Suid-Afrikaanse wynbedryf in die vroeë 1990s her-toegetree het tot die globale wynmark, het dit 'n aantal ernstige uitdagings in die gesig gestaar. Die belangrikste hiervan was om'n vastrapplek te bekom in die internasionale markte, waar Nuwe, sowel as Ou Wêreld wynprodusente fel met mekaar kompeteer vir die verbruiker se beursie. In 'n poging om die bedryf se mededingendheid te verbeter en in respons tot 'n groeiende tendens na 'omgewingsvriendelike' voedselproduksie, het die bedryf in 1998 die sogenoemde *Integrated Production of Wine* (IPW) skema van stapel gestuur. Hierdie vrywillige regulasie-sisteem verskaf riglyne vir optimale landboukundige praktyke en die produsent moet òf die oudit slaag, òf aan die vereistes van 'n jaarlikse self-evaluering voldoen. 'n Nuwe *Integrity & Sustainability* seël is in gebruik geneem wat die nakoming van die IPW reëls op elke bottel wyn adverteer. Hierdie tuis-ontwikkelde reguleringskema is die eerste en enigste van sy soort in die wêreld.

Die *Biodiversity & Wine Initiative* (BWI) is 'n samewerkingsooreenkoms tussen die wynbedryf en omgewingsbewaarders wat ten doel het om die bedreigde spesies van die Kaapse Blommeryk te beskerm, volhoubare praktyke te bevorder en inheemse flora en fauna op wynplase te rehabiliteer. *Wines of South Africa* (WOSA) is 'n bemarkingsorganisasie wat die belange van Suid-Afrikaanse wyne op die internasionale markte bevorder. WOSA se bemarkingsleuse, 'Variety is in our Nature', het ten doel om 'n 'gemeenskaplike taal' te skep wat die omgewingsaspekte van die Suid-Afrikaanse wynproduksie bevorder en 'n platvorm daarstel waarop produsente hulle eie bemarkingstrategieë kan lanseer.

Op die oog af wil dit voorkom asof die bedryf verenig staan agter hierdie vernuwende inisiatief. Maar is dit werklik so? Hierdie tesis ondersoek die perspektiewe en houdings van sleutel mense in die bedryf, asook die response van 14 verskillende kelders van dwarsoor die Wes-Kaap. Elke respondent is gepols oor sy/haar opvatting oor wat 'omgewingsvriendelik' behels, die kelder se omgewingsvriendelike praktyke, hulle siening van IPW en BWI, sowel as WOSA se poging om die Suid-Afrikaanse wynbedryf se nuwe omgewingsidentiteit te bevorder. Die studie het bevind dat die 'vergroening' van die Suid-Afrikaanse wynbedryf breë steun geniet en die geïnstitusionaliseerde regulasies grootliks nagekom word. Die resultate wys egter ook dat daar ernstige kritiek is teen die bedryf se driedubbele 'projek' – soveel so dat as hierdie kritiek nie aangespreek word nie, dit die integriteit en geloofbarigheid van die bedryf se nuwe 'beeld' kan beskadig, en daarmee saam sy innoverende voorsprong ongedaan kan maak.

Op 'n teoretiese vlak bevraagteken die studie aspekte van beide Globale Waardeketting Teorie en Konvensionaliseringsteorie. Wat eg. betref bevraagteken die 'tuisgemaakte' manier waarop die bedryf sy eie 'omgewingsvriendelike' reguleringssisteem geskep het, die rol wat 'leiersfirmas' in internasionale waardekettings speel. M.b.t laasgenoemde: omdat IPW funksioneer binne die raamwerk van konvensionele landboupraktyke en baie meer koste-effektief is as internasionale 'omgewingsvriendelike' regulasies, kan klein sowel as groot produsente IPW regulasies met ewe veel effektiwiteit implementeer.

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"Have you learned the lessons only of those who admired you, and were tender with you, and stood aside for you? Have you not learned great lessons from those who braced themselves against you, and disputed passage with you?" - Walt Whitman

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List of Acronyms

AOC Appellation d'Origine Contrôlée

ARC Agricultural Research Council

BEE Black Economic Empowerment

BRC British Retail Consortium

BWI Biodiversity & Wine Initiative

CDC Centres for Disease Control and Prevention

CFK Cape Floral Kingdom

EIA Environmental Impact Assessment

ETI Ethical Trading Initiative

European standards for Good Agricultural Practices

GLOBALGAP Global standards for Good Agricultural Practices

GVC Global Value Chain

HACCP Hazard Analysis & Critical Control Points

IFOAM International Federation of Organic Agriculture Movements

IPW Integrated Production of Wine

ISO International Organisation of Standardisation

KWV Koöperatieve Wijnbouwers Vereniging

LEAF Linking Environment and Farming

NOP National Organic Program

OIV International Organisation of Vine and Wine

RDI Regulated Deficit Initiative

SALBA South African Liquor Brand-Owner's Association

SASEV South African Society for Enology and Viticulture

SAWIS South African Wine Industry Information & Systems

SEDEX Supplier Ethical Data Exchange

SGS Société Générale de Surveillance

SWB Wine and Spirits Board

USDA United States Department of Agriculture

WIDA Wine Industry Development Association

Stellenbosch University http://scholar.sun.ac.za

WOSA Wines of South Africa

WCSA Wine Cellars South Africa

WKSA WynKelders Suid-Afrika

WINETECH Wine Industry Network of Expertise and Technology

WWF World Wildlife Fund

CHAPTER 1

Introduction

1.1 Introduction

The South African wine industry is primarily located in the Western Cape and varies significantly in terms of climate and *terroir*. From cool, breezy and wet costal regions (such as Constantia) to hot and dry regions (for example, Robertson), the South African wine industry includes some of the most perfectly situated vineyards in the world. These vineyards lie on the slopes of valleys and foothills of mountains that make up the Western Cape Mountain ranges (such as Du Toits Kloof) and on the flat plains of the Western Cape (such as the Swartland). Traditional Cape Dutch homesteads and chic, modern boutique cellars lie nestled in lush vineyards, and larger, industrial-type cellars are present too. The winelands of the Western Cape are situated in one of the most diverse and unique floral kingdoms of the world, the Cape Floral Kingdom, which is also home to many species of rare animals and birds.

However, we must keep in mind that appearances are deceptive, and the 'environment' should not be presented without being problematised. We should not forget that these gabled homesteads are built on centuries of slave-labour, paternalism and exploitation, and that the production of vines in the Western Cape is a constant threat to the indigenous fauna and flora. Furthermore, it is only in the last 12 years or so that any formalised rules have been made regarding which chemicals may be sprayed and in which amounts, what happens to waste water from the cellars, or regarding limiting the degradation of soil, the pollution of rivers and so forth.

The South African wine industry is a comparatively recent entrant into the world's wine markets. With the formal deregulation of the industry only occurring in the late 1990s, South African wine producers face many challenges in a declining domestic market and an increasingly competitive international market. Producers not only have to contend with a variety of demands from their main markets, but also with the complexities of their

environment and the legacies of the paternalistic labour regime. Producers are pushed evermore towards producing better 'quality' wines, which is intrinsically connected with a better understanding and utilisation of *terroir* and capturing more lucrative price-brackets. Producers also face the demands of retailers and wholesalers with regard to standards and regulations and require an increasing amount of certifications and assurances of quality, environmentally-sustainable practices, labour-friendly management, food safety and so forth.

It is in this complex environment that this thesis locates itself. It will focus on the policy which informs environmentally-sustainable practices in the South African wine industry (i.e. *Integrated Production of Wines* - IPW), the ways in which producers either adopt it, maintain it or go above-and-beyond it and the complex interplay between policy, conservation, economics, marketing and research that takes place from farm and cellar level to industry, policy and international certifying levels.

'Environmentally-friendly' viticulture and wine making is a new, largely unexplored terrain in the South African wine industry. Because IPW and other initiatives such as the *Biodiversity & Wine Initiative* (BWI) are so 'young', studies that have been done so far have typically focussed on one of these initiatives alone, and have been approached by means of surveys. This thesis attempts to gain a better understanding of how these different schemes are working in conjunction with other facets of the industry, and how this collective industry focus impacts on producers in the South African wine industry.

I gained increasingly easy access to other industry actors during the first phase of my study, and received more and more recommendations of who would be important actors and producers to interview as this phase progressed. When drawing up the interview schedule for the fieldwork part of the study, I placed much emphasis on asking a broad range of questions. These ranged from philosophical questions of how respondents define certain concepts (i.e. 'nature', 'environment', 'environmentally-friendly' and 'sustainable agriculture'), to which environmentally-sustainable practices are most important and why, to how respondents view, experience and critique IPW, organic certification (where

applicable), BWI, domestic and international markets, marketing initiatives (such as Wines of South Africa - WOSA) and the training of workers in terms of environmentally-sustainable practices and so forth. This holistic approach, which focuses on industry actors and producers and their response to a whole range of different initiatives, policies and practices, appears to be largely absent from the current body of knowledge in the terrain of 'environmentally-friendly' viticulture and wine making in the South African wine industry. This thesis therefore contends that such a study has the potential for a valuable input into the current body of knowledge.

Some of the main theoretical perspectives that this study has drawn on are: 1) Stefano Ponte's discussion of 'quality conventions' in food, 2) Global Value Chain Theory, and 3) Conventionalisation Theory, which explains the conventionalising of organic agriculture as discussed by Julie Guthman (1997; 2002; 2004), Laura Raynolds (2004) and others. Some important questions these perspectives ask are: where do 'environmentally-friendly' regulations and initiatives fit into customers' demands and the demands of retailers? Where do environmental regulations have power or where does power inform 'environmentally-friendly' regulations? Are 'environmentally-friendly' regulations and initiatives merely becoming synonymous with conventional agricultural practices?

1. 2 Objectives

This thesis will study the way in which concerns for the 'environment' have impacted production in the South African wine industry. It is based on the assumption, first and foremost, that 'environmentally-friendly' is a socially constructed concept. It assumes that what society understands as being 'nature' or the 'environment' are not just a physical set of phenomena defined by science, but are socially, politically and economically structured terms that human beings inhabit and negotiate each day. Based on this assumption, this thesis will investigate what are the criteria generally accepted by producers, policy-makers, academics and other actors to define 'environmentally-friendly' agri-food production. It also attempts to investigate the different ways in which

these concepts and definitions are translated into practice in the South African wine industry.

Integrated Production of Wines is currently a voluntary South African inspection organisation that codifies, standardises and monitors the production of wine at South African wine firms (therefore in vineyards and in the cellar). This certification is becoming increasingly enforced in the South African wine industry, and many of the key industry informants interviewed now predict that this certification will be as necessary as complying with the South African Wine & Spirits Board's (SWB) regulations (law) in the next two or three years. Other initiatives that focus on 'nature' in the South African wine industry in a regulating capacity are the *Biodiversity & Wine Initiative* guidelines and the Wine of Origin scheme. Contributing to this environmental drive are marketing bodies such as Wines of South Africa (WOSA); research and technology transfer bodies such as WINETECH, the Agricultural Research Council (at Nietvoorbij) and VinPro; and representative bodies such as South African Liquor Brand Owners Association (SALBA who, amongst other clients, also represents Distell) and Wine Cellars South Africa. The National Department of Agriculture also lists environmental concerns under its main objectives and promotes research and some enforcement of environmental legislation. IPW regulations are based on the South African government's laws for 'environmentallyfriendly' production, but the standards of IPW regulations are much stricter than the government currently stipulates.

I became interested in this question by way of research I have been doing for the last three years in the South African wine industry. In 2007, I carried out preliminary research on a popular conservation initiative in the South African wine industry, the *Biodiversity & Wine Initiative* (BWI). This is a conservation group that focuses on conservation of indigenous flora (specifically *fynbos*) on wine farms in South Africa. One issue that emerged here was that motives for becoming a member of the BWI are not always wholly altruistic on the part of the wine producer. For instance, one respondent wryly argued that he believed many wine producers became members to gain a competitive

¹ As defined in the Liquor Products Act (Act No. 60 of 1989)

edge in global markets where being viewed as 'environmentally aware' is a growing benefit.

In the next year (2008), I conducted research on organic wine production in the South African wine industry. This study found that the two main motivations for South African producers to produce organic wine were 1) a response to global concerns for the environment and health/food safety issues and 2) organic wine producers told me that they could address these issues while gaining the advantage of having a highly specialised niche product which is increasingly sought after in international markets. Organic wine producers argue that organic grape production is a far more sustainable method of agri-food production.

What was of particular interest here is that few of the organic wine producers that were interviewed had a favourable reaction to the *Biodiversity & Wine Initiative*. The general impression managers, wine makers and viticulturalists gave at different cellars was that the interests of the initiative are too limited and that being a member was more about maintaining a certain "image" than actually doing anything good for the environment. This discrepancy was of immediate interest. Surely nature conservationists and organic farmers would have the same interests at heart? However, I have been told by many other experts that they believe the organic production of wine is not truly sustainable because of the huge risks and costs involved with certification. I have also been told that sometimes there are conflicts between organic certification and IPW codes.

This variety of conflicting views over what exactly 'environmentally-friendly' means in practice led me to develop and clarify my main research questions for this thesis:

 to investigate different discourses, as well as practices involved in 'environmentally-friendly' viticulture and wine making to be found in the South African wine industry,

- to investigate whether some of these definitions are more dominant than others and why. How are they established and enforced and why?
- to investigate whether this enforcement is strict, or whether there is room for manoeuvre on the part of producers regarding 'environmentally-friendly' practices.

More specifically, this thesis will attempt to:

- find out how producers feel about the policies and standards set by IPW,
 initiatives like BWI and marketing campaigns such as WOSA's "Variety is in Our Nature"- whether these are 'good' environmental initiatives or not, and why?
- find out why some producers decide to go beyond IPW, what they are doing and why.
- find out, regardless of what producers are doing on their farms and in their cellars, how that relates to their ideas about 'nature' and the 'environment'.

The thesis is structured as follows:

The second chapter reviews the history and the 'greening' of the South African wine industry. It will discuss when, how and why environmental policies emerged from a history of 'industrial' mass production and why the 'environment' is so important today.

Chapter three will review the most important theoretical perspectives on Agri-Food networks, different perspectives on the emergence of alternative methods of production, the rise of third party standards and private regulations and the growing consumer demand for 'traceability' of the products they consume.

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Chapters four and five will present and respectively analyse the data from the fieldwork. The analysis will try to answer the research questions formulated above.

Chapter six interprets the data and asks the question whether the data support or challenge the theoretical perspectives identified in chapter three. Has the South African wine industry become 'green' because of the reasons suggested by theory, or because of reasons unique to the South African wine industry? In other words, as Gavin Williams (2002) might provoke us to ask, is it a "wine industry of a special type"? The chapter will conclude by teasing out questions for future research which emerged in the course of the study.

Chapter 2

From mass production to IPW - the 'greening' of the South African wine industry

2.1 Introduction

During the last 17 years or so, profound changes have taken place in the South African wine industry. Following decades of extensive mass production and regulation, South African wine producers came to face enormous challenges as they fought to gain entry into international markets. As one of the world's "New World" wine producers, South Africa has sought to brand itself a competitive image in the global wine markets. The emergence of environmentally-friendly or 'green' practices and 'green' ways of thinking in the South African wine industry is, this thesis argues, one such significant step in gaining global recognition and stature.

In this chapter, the context in which these new practices have is emerged based on the argument that it is important to understand producers and their practices within a broader context than only an economic one. It is argued that there are historical, cultural, political and social factors that constitute the world in which these producers live and 'perform'. By understanding this context, we will gain a better insight into the complex ways in which producers and other actors in the South African wine industry are constructing environmentally sustainable practices, establishing norms and minimum standards regarding these practices, and going 'above-and-beyond' these norms. Going further than these institutionalised practices raises environmental standards as a whole, as producers compete against each other. This creates a new type of environment in the South African wine industry, and in turn in the global wine industry, as other wine producing countries are already responding in kind to the South African environmentally sustainable practices and initiatives.

In this chapter a brief outline of the history of the South African wine industry is given, discussing conditions and factors that have influenced producers and industry members in the past and which continue to be challenges or successes that influence the industry as a

whole today. The pre-regulation, regulation and post-regulation eras are discussed followed by a description of the wine industry as it exists today and how this profile shapes producers' practices and marketing strategies. Throughout this section, the steps taken towards 'green' thinking and production will be emphasised.

2.2 A brief history of the South African wine industry

The history of the South African wine industry can be divided into three broad periods: 1) pre-regulation: 1659-1918, 2) regulation: 1918-1997, and 3) deregulation: 1997 until today.

2.2.1 Pre-regulation: 1659-1918

From the time of their arrival at the Cape Colony in 1652, vines and wine have been a colonial cultural "commodity". Not only are vines an economic commodity, but they are also a commodity that was a marker of European status and culture. We must recognise that vines, in every right, are an alien species to South Africa. Nonetheless, as William Beinart argues in works like *Environment and Empire* (2007), vines (like other crops and livestock brought to colonies) have become a domesticated part of the South African landscape and cannot therefore be dismissed too easily. The fact that vines and wine have been an integral part of the South African economic, social and political landscape heightens, for example, the tension that arises between nature conservationists and farmers both in the past, and more visibly, in the present.

It is critical, in a sense, to begin with these comments, because we must remember, that vine growing and wine making stand on a precarious edge of a sharp blade. On the one hand, vineyards and cellars can be sites of pure economic and conventionalised industrial production that is harmful to the environment. This has definitely been the case in the history of many producers in the South African wine industry (and of agricultural producers the world over). Not only have harmful chemicals been used in the past, but indigenous fauna and flora (particularly *fynbos* in the Western Cape) are threatened by

the encroachment of the vines and the people who live and work on the farms and in the cellars. On the other hand, vineyards and cellars are sites which can benefit greatly by utilising the natural and man-made environment around them, not only in production, but in marketing, branding, and overall "vertical integration". For instance, later in the thesis, Global Value Chain Theory will be discussed and it will be argued that being at the forefront of environmental policy innovation helps place South Africa in higher positions in value chains. Additionally, as all of my respondents have described in a variety of ways, we are moving into a future where the most environmentally-sustainable practices may well also be the most financially-sustainable practices.

Furthermore, it is worthwhile to make a broader sociological comment here as to the influence the wine industry had on the history of South Africa. It is important to understand what wine has come to mean as a commodity in South Africa, and how it influenced the social construction of South Africa at the same time. The wine industry subjugated indigenous peoples, exploited slaves and effectively segregated those who could make and enjoy high quality wine from those who were relegated to basic unskilled labour in the vineyards and cellars (i.e. the slaves) and who were 'fed' large quantities of poor quality, mostly surplus wine. This is well illustrated by the dop^2 system and created a clear division socially, economically, politically and culturally as to who was 'fit' to regulate the industry, own farms, 'manage' labourers, control the more specialised sites of production (wine making rather than suckering or harvesting) and use wine as an indicator of high status, wealth, education and cultural sophistication. Again, these are still challenges that face the South African wine industry today and are an integral part of what constitutes the 'environment' in which wine producers and other actors find themselves.

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² Also known as the "tot" system whereby a part of labourers' wages were paid with surplus, poor quality wine. This effectively resulted in large-scale alcoholism and made labourers dependent on farms where a system of paternalistic management was the norm. Social problems amongst 'Coloured' peoples in the Western Cape, such as alcoholism and much researched Foetal Alcohol Syndrome are still a visible part of this legacy (Williams, 2010)

What is historically significant to note is that throughout the 19th century, Cape wine producers' lives were characterised by instability. Historical changes in the relationship between the Dutch East India Company and the British, and between the British and the French influenced the fortunes of Cape wine farmers significantly. In *The World's Wine Markets* Vink, Williams and Kirsten describe this period as follows (2004: 229):

The industry first reached maturity as a slave economy during and after the Napoleonic Wars, although the first vines had been planted and the first wine was made in the midseventeenth century. The number of vines planted increased from 15 million in 1808-10 to 32 million in 1823-25...Between 1810 and the 1820s wine was the most important export commodity from the Cape, responsible for some 90 per cent of the Colony's exports. Under imperial preference policies, the duties payable on Cape wines were one-third of those levied on Iberian wines, their main competitor, and Britain became the largest market for the industry (Keegan, 1996).

When imperial preference was abolished in 1825, exports to Britain fell by 75 per cent, and the industry plunged into depression. Despite continued complaints about the quality of the wine, however, the industry revived sufficiently to export wine to the value of more than £120 000 annually to Britain in the late 1850s (Van Zyl, 1993). Then the industry had to face a new series of challenges during the second half of the nineteenth century. The 1860 trade treaty between Britain and France meant that by 1861 South Africa's wine exports to Britain had dropped to £8000. Then followed odium and other diseases, and from 1885 the spread of phylloxera (Perold, 1936). Recovery from the ravages of the phylloxera was slow, but local consumption did not rise to meet the expanding supply.

During this time, two features of the wine industry at the Cape Colony resonate strongly with challenges the South African wine industry faces today. Firstly, that the over-production of surplus³ wine is a recurring feature of the South African wine industry. Secondly, South Africa is still very much dependent on Britain (or the United Kingdom today) for its exports.

³ "Surplus wine refers to that part of the annual wine crop that could not be sold in the local market at the statutory minimum prices" (Spies, 2001: 31).

In response to instability, especially after the industry began to recover from the phylloxera outbreak in the late 19th century, surplus once again became a feature of the industry and farmers began lobbying for protection. Farmers pressed the colonial administration and government (after Union in 1910) for regulations to protect them at various times before 1918. Initially, government refused their demands. Finally, however, the Prime Minister of the day, Jan Smuts, gave in to these demands and the KWV (*Koöperative Wijnbouers Vereniging*) was officially established in 1918, ushering in seven decades of regulation (Vink *et al* 2004: 230-231). We will now see how the challenges created and cemented by the era of regulation are being addressed in the South African wine industry today.

2.2.2 Regulation: 1918-1997

During this era, the South African wine industry was to change in a number of significant ways, most notably as a result of the elaboration of the regulatory 'machinery' built by the KWV to confirm their monopoly over the industry, and the growing opposition from wine estates (who were not members of the KWV) who experienced these regulations as a severe constraint on their urge for innovation and expansion. However, it is important to note that environmental awareness, food safety concerns ('traceability') and private regulations were practically absent throughout this era. The only notable regulations pertaining to the 'environment' was the KWV's control of rootstock imports, trying to make sure that these were virus-free. The environmental regulations we know today (i.e. IPW) are a recent phenomenon that has developed in the context of growing environmental awareness and consumer and retailer demands for products which meet high standards of environmental and health standards.

As mentioned previously, in 1918 South African wine growers formed the KWV in an attempt to create security for themselves in the way that their wine was priced amidst a market saturated by surplus wine (Knox, 1976: 16). In *The World's Wine Markets* (2004) Vink *et al* describe how this surplus wine was used for distilling to make brandy and how brandy later became the mainstay product of the KWV's exports (2004: 230-233). The

demand for (export) brandy was so high that prices for distilling wine outstripped those for "good wine" (2004: 232). "[As a result] [m]ost producers had little incentive to improve the quality of their wines and every reason to irrigate land, increase yields and stay with their tried and tested varietals. Production of quality table wines remained confined largely to Constantia, Stellenbosch and Paarl (2004: 232) [where many farmers rejected membership of the KWV]."

Regulations set by consecutive South African governments over decades, ensured that the KWV had a monopoly over wine exports "north of the equator" (Knox, 1976: 16). Wine producers who were not members of KWV could only sell their wine in the domestic market. At the same time, KWV agreed not to sell their products locally, which became a point of perpetual strife between the KWV and the producing wholesalers. Regulations increased over the years ensuring more stability for the KWV and its members. In 1924, a minimum price was fixed for "the sale of any wine for distilling, and fixed so that sales could only be made 'through or with the consent of the KWV'..." (Vink *et al.*, 2004: 231). After WWII, planting quotas were put in place. In the words of Ponte and Ewert: "KWV controlled sales and stabilised prices, and later on managed a quota system regulating new plantings, varietal choices and vine material imports" (2007: 7).

This monopolisation would have negative implications for the industry for years to come and even reverberates today. Besides the bad habit of low-quality grape production, it also meant that when deregulation came about, the KWV were the only ones with experience in exporting (which in itself was very limited) and with the capacity to produce the volumes to satisfy international retailers. However, they did not have the product to meet international standards of 'quality'. Those farmers and cellars that did meet these standards of 'quality' were inexperienced in international marketing and sales.

Whilst almost every aspect of the industry was strictly regulated, one that was not was the environment. The other notable lack of regulation was that of labour. Except for the

⁴ "Good wine" is used in the South African wine industry as a synonym for natural wine, therefore meaning wine that is not fortified or distilled.

KWV's control of the import of rootstock, farmers could do practically what they liked within the framework of existing national legislation⁵. This meant for instance, that farmers, in conjunction with the *gifsmouse*⁶ could decide freely which pesticides, insecticides, herbicides and fungicides were sprayed and in what amounts.

It is important to note, that, for all innovations introduced (such as the *Wine of Origin'* scheme in 1973), plus all the regulations set by the KWV; none effectually made farmer's practices any 'greener'. Harmful chemicals were being used in unsafe ways (both by estates and cooperatives); waste water from cellars was polluting rivers and the water table, and so forth. However, it is argued here that the *Wine of Origin* scheme and the bureaucratic infrastructure put in place to administer it proved pivotal to the efforts of the IPW scheme which would be introduced almost 30 years later.

It is worth remembering that just as the building of the regulatory 'machinery' was a process, so too was the dismantling of those regulations. Whilst most cooperative farmers supported regulation, one constituency that was never quite comfortable with KWV control was the wine estates. To a greater or lesser extent, these producers experienced regulation as a constraint on their desire and urge to innovate and to produce better wine. Unlike the average cooperative grower who was guaranteed a fixed price for his product, they had entrepreneurial ambitions. Whatever innovations were introduced during those seven decades of regulation were mostly driven by the estates. For instance, the Krone family of Twee Jonge Gezellen in Tulbagh introduced cold fermentation of white wine into South Africa in the late 1950s, and the owners of three estates in the Stellenbosch region (Spier, Simonsig and Delheim) were responsible for the launching of the first wine route in Stellenbosch in 1971. In order to ensure the quality, accountability/authenticity and traceability⁷ of estate wines, and to therefore directly highlight the questionable

⁵ This national legislation included "the Soil Conservation Act of 1969, the Conservation of Agricultural Resources Act of 1983 and the Environment Conservation Act of 1989 provided the basis for legal control of soil erosion... Mountain Catchment Areas Act (Act No. 63 of 1970)... 1956 Water Act..." (Vink, 2002: 27, 29, 44).

⁶ "Poison Hawkers"- the salesmen of fertilisers, pesticides, herbicides, fungicides and other chemicals.

⁷ Traceability in agri-food networks means that a retailer, inspector or consumer is given exhaustive information regarding the conditions of production of a given product.

quality of cooperative wines, the estates pressed for the establishment of *Wine of Origin* in the early 1970s. Knox (1976: 18-19) explains as follows:

The 'Wines of Origin' laws have the broad purpose of separating wines into areas of origin, and keeping them there until they are finished wines and ready for bottling...The registration of wine Estates has been a legal requirement of the Wine and Spirit Board since 1973. Only those properties formally registered may use the term "Estate' on their labelling and in promotional publicity for their wine.

The illegal smuggling of Chardonnay cuttings into South Africa during the 1980s was another innovative move on the part of certain estate farmers, the benefit of which the industry reaps today (Joubert, 2009).

The other force that was building up against regulation was a change in economic ideology in South Africa. Starting in the early 1980s, the PW Botha regime increasingly bought into neo-liberalism which had reached South African shores from Europe and the USA. This had the practical consequence that some sectors of South African agriculture had become deregulated by the mid-1980s. These changes in economic thinking eventually also reached the wine industry, which started to deregulate, step-by-step, in the early 1990s. For all practical purposes, the minimum price was abolished in the late 1980s, quickly followed by the lifting of the planting quotas. By 1997, this process of deregulation was complete. Deregulation may also have been a strategic move on the part of the wine industry, as they now had a new political regime to contend with (Vink *et al.*, 2004: 236-239).

Whatever the reasons, while regulation remained firmly in place in the 'Old World' wine producing countries (such as the Appellation d'Origine Contrôlée (AOC) system in France) – subsidies and all - the South African wine industry went the market driven route. Together with the opening of international markets, it would unleash a number of forces which were to change the industry almost beyond recognition.

As we shall see, the most significant of these was to be *private regulation*. While South Africa had been isolated from the rest of the world, mainly because of a domestic orientation and a brief period of sanctions, private regulations had gathered momentum in the international trade of foodstuffs (Du Toit, 2001). Standards such as HACCP and others had gradually found their way into the dealings between retailers and suppliers - standards to which South African producers had to adapt if they wanted to conduct business in international markets. These included new ideas about 'environmentally-friendly' production, as opposed to the industrial-type of production so characteristic of post-war agriculture in Europe and the USA. However, as we shall see, this new awareness had not yet been translated into an environmental standard demanded by the retailers and other buyers of wine. This fact provided the institutional bodies and producers of the South African wine industry with an opportunity to play a pioneering role and potentially turn this into a competitive advantage.

In the second half of the 1990s, each and every cellar had to deal with private codes and regulations on their own and as best they could. Simultaneously, leading figures of the industry 'quietly' started to discuss an environmental standard for the whole industry. As we shall see below, following shortly on the heels of the conversion of the KWV to a limited liability company in 1997, IPW was launched in 1998. Not only had the industry picked up on the growing environmental awareness in the outside world, but there would also have been the realisation that this could be turned into commercial advantage.

2.3 Deregulation: early 1990s until today

Deregulation is one aspect of the "triple transition" (Ewert & du Toit, 2005) that the wine industry went through in the 1990s⁸. In the chapter on South Africa in Kym Anderson's *The World's Wine Markets*, Nick Vink, Gavin Williams and Johan Kirsten (2004: 228) highlight the challenges that faced the South African wine industry in the wake of deregulation and the opening of international markets:

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⁸ The others being the opening of international markets and the extension of labour rights to workers in agriculture.

Historically South Africa produced large quantities of cheap wine for the domestic markets...This pattern of demand and supply constrains the capacity to adapt to a more differentiated international demand. South African producers thus face a considerable challenge in the wake of changes in global market conditions and in the South African policy environment if the country is to become and remain a force in global wine markets.

In the wake of deregulation, the South African wine industry has undergone a series of profound changes over the last 15 years or so. For instance, the number of plantings have increased significantly from 84 000ha in 1995 (SAWIS, 2005) to 101 259ha in 2009 (SAWIS 2010).

Table 1.1 Changes in the Structure of Production

	1997	2000	2005	2008	2009
Coops	69	69	65	58	57
Private cellars	218	277	495	504	524
Producing wholesalers	8	9	21	23	23
Bulk wine buyers	56	80	118	118	102

Source: SAWIS 2010

Overall, there has been a huge increase in the number of cellars in the last 19 years, from a total of 212 in 1991 to 604 in 2009. Of these, 57 are producer cellars⁹, 524 are private wine cellars and 23 producing wholesalers (SAWIS, 25 June 2010). Thus, while the number of wine cellars has almost tripled during this period (WOSA 2010), the number of primary producers has decreased steadily in the last 19 years, from 4786 in 1991 to 3667 in 2009 (WOSA 2010). The number of private cellars and producing wholesalers have increased the most in the last 10 years, while the number of 'producer cellars' have dropped from 70 in 1991 to 57 in 2009 (WOSA 2010). The most significant growth shown by Table 1.1 is the growth of private cellars from 218 in 1997 to 524 in 2009. The

⁹ These were formerly known as cooperative cellars. The legal structure of the business changes when a cooperative converts to a company.

enormous growth in the number of private cellars is directly related to the 'flexibility' that private cellars possess - something that producer cellars and estates do not.¹⁰

Table 1.2 Number of Wine Cellars per Production Category

(CATEGO	RIES	NUMBER OF WINE CELLARS					
(TONS OF GRAPES CRUSHED - 2009)			TOTAL PRIVATE WINE PRODUCER CELLARS CELLARS		PRODUCING WHOLESALERS			
	1	- 100	281	273	S-20	8		
>	100	- 500	149	143		6		
>	500	- 1000	55	53	1	1		
>	1000	- 5000	64	51	10	3		
>	5000	- 10000	13	3	7	3		
>	10000	(Y	42	1	39	2		
	Total		604	524	57	23		

Source: SAWIS 2010

Table 1.2 illustrates the structure of the South African wine industry according to the volume of grapes crushed per production site in 2009. This table shows that of 604 wine cellars, 430 crush less than 500 tons per year. 416 of these were private wine cellars and 14 were producing wholesalers. Of the total 604 wine cellars, 132 produced between 500 and 10 000 tons of crushed grapes, the majority of which (107) are private wine cellars. Significantly however, of the 42 wine cellars which crushed more than 10 000 tons of grapes in 2009, only 1 was a private wine cellar, 2 were producing wholesalers and the other 39 wine cellars were all producer cellars. This figure points to the cooperative cellars' continuing problem of surplus production.

What the figures in Table 1.2 also indicate is that less than 10% of the cellars are still crushing over 75% of grapes. Furthermore, as Ponte & Ewert discuss in *An Industry in Ferment* (2007), the majority of this wine still falls into the "basic quality" category. This poses a major challenge for the South African wine industry as far as the future is concerned, because as Kym Anderson points out, the global trend is for "premium" quality wines rather than "basic" ones (2004: 4).

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¹⁰ Private and producer cellars as legal entities may source grapes from anywhere. Producer cellars, on the other hand, may only crush the grapes of their members. Estates are only allowed to vinify the grapes grown on the estate or more than one farm, but farmed as a unit.

While the large percentage of 'basic' wine remains a challenge, the industry has tried to adapt to the world's wine markets by increasing the share of 'noble', cultivars (Table 1.3) and red varieties.

Table 1.3 Wine Grape Varieties as % of Total Area

VARIETY	2002	2003	2004	2005	2006	2007	2008	2009
Chenin blanc	20.6	19.6	19.1	18.8	18.7	18.8	18.6	18.4
Colombar	11.4	11.2	11.2	11.3	11.4	11.6	11.7	11.8
Sauvignon blanc	6.7	6.9	6.9	7.5	8.2	8.7	9.0	9.3
Chardonnay	6.4	6.8	7.3	7.8	8.0	8.1	8.2	8.3
Muscat d'Alexandrie *	3.4	3.1	2.8	2.6	2.5	2.4	2.3	2.2
Sémillon	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.2
Crouchen (Cape Riesling)	1.6	1.4	1.2	1.1	1.0	1.0	0.9	0.7
Weisser Riesling	0.4	0.3	0.3	0.3	0.2	0.2	0.2	0.2
Other white varieties	4.7	4.3	4.1	3.9	3.9	3.9	4.0	4.1
Total white varieties	56.2	54.6	54.0	54.3	55.1	55.8	56.1	56.2
Cabernet Sauvignon	12.4	13.0	13.5	13.4	13.1	12.8	12.5	12.3
Shiraz	8.4	8.6	9.4	9.6	9.6	9.7	9.8	9.9
Merlot	6.6	6.7	7.0	6.8	6.7	6.6	6.5	6.5
Pinotage	7.2	6.8	6.7	6.4	6.2	6.0	6.0	6.0
Ruby Cabernet	2.5	2.5	2.6	2.6	2.5	2.4	2.4	2.3
Cinsaut	3.3	3.1	3.0	2.8	2.5	2.4	2.2	2.1
Cabernet Franc	0.8	0.9	0.9	1.0	1.0	1.0	1.0	1.0
Pinot noir	0.6	0.5	0.5	0.5	0.6	0.6	0.7	0.8
Other red varieties	2.0	3.2	2.4	2.6	2.7	2.7	2.8	2.9
Total red varieties	43.7	45.3	46.0	45.7	44.9	44.2	43.9	43.8
Total white and red	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total hectares	96 233	98 605	100 207	101 607	102 146	101 957	101 325	101 259

Source: SAWIS 2010

In 1998 'noble' varieties made up only 29% of the total area (SAWIS 2006 in Ponte & Ewert 2007: 20). In 2009 this had increased to 53.1% (SAWIS 2010) (Table 1.3).

Most of the 'noble' varieties are to be found in Stellenbosch and Paarl (Vink et al 2004:241) (Table 1.4). Since most estates and private cellars are situated in these two regions, it is safe to assume that the largest percentage of 'noble' varieties are to be found at these cellars, not on the farms of cooperative and company members. By all accounts, it is also in these areas that the focus is on producing 'premium' or 'high quality' wine.

¹¹ Which Vink et al. identify as Cabernet Sauvignon, Pinotage, Shiraz, Merlot, Pinot Noir, Chardonnay and Sauvignon Blanc (2004).

Table 1.4 Geographical distribution of the share of Noble Varieties (%)

	1990	1995	2000	2005	2010
Orange	0.38	0.97	1.91	4.61	4.57
River					
Little Karoo	1.33	2.21	6.13	18.36	20.69
Olifants	1.56	3.43	15.60	36.69	36.14
River					
Worcester	1.82	5.23	17.35	35.77	41.40
Robertson	6.34	9.25	22.96	45.12	51.36
Malmesbury	10.87	16.22	34.26	62.39	67.64
Paarl	19.63	25.20	41.63	64.52	68.19
Stellenbosch	30.06	40.21	59.19	82.28	83.43
Total	11.68	16.45	29.76	50.97	54.58

Source: SAWIS 2010

The same trend is noticeable for red wine production. Although it increased in all wine grape growing districts between 1999 and 2009, it is only in Stellenbosch that it constitutes more than 50% of total production. While the shift to red wine continued almost uninterruptedly since the late 1990s, it reached its peak five years ago (38.9% of total production), falling to 35.2% in 2009 (Table 1.5).

Table 1.5 Distribution of Production between Red and White

YEAR	WINE GRAPES UTILISED FOR TOTAL WINE MAKING PURPOSES		WINE PRODUCED		
	% Red	% White	% Red	% White	
1999	13.4	86.6	16.3	83.7	
2000	15.0	85.0	21.0	79.0	
2001	21.1	78.9	25.2	74.8	
2002	22.7	77.3	27.9	72.1	
2003	28.1	71.9	32.1	67.9	
2004	29.9	70.1	36.2	63.8	
2005	33.5	66.5	38.9	61.1	
2006	33.4	66.6	36.5	63.5	
2007	34.4	65.6	36.1	63.9	
2008	33.9	66.1	37.6	62.4	
2009	33.1	66.9	35.2	64.8	

Source: SAWIS 2010

Like the shift to 'noble' varieties, the shift from white to red grapes is a response to signals coming from international markets. Anderson, Norman and Wittwer illustrate this shift by reference to the German market: "[G]rowers will be rewarded for upgrading their quality in the form of effective demand growth...We also assume that there is a preference swing in Germany towards imported wines, due to growing domestic preferences for premium red wine (not produced in Germany) over premium white wine" (2004: 37).

On the export front, South Africa has been performing exceptionally well. As Table 1.6 shows, the percentage of wine being exported has gone up from "22 million litres in 1992" (Brown-Luthango, 2007) to 395 630 776 litres (49.1% of total wine production) in 2009. In a working paper called *Terroir, Climate Change and the Future of the South African Wine Industry*, Vink, Deloire, Bonnardot and Ewert point out that: "Wine exports have also become the largest single agricultural export from South Africa, doubling its share from around 7% of total agricultural exports in 1996 to some 15% in 2007" (2010: 3).

Table 1.6 Total Quantity of Wine Exported

YEAR	NATURAL WINE	FORTIFIED WINE	SPARKLING WINE	TOTAL LITRES	TREND	EXPORT AS % OF WINE PRODUCTION
1998	115 782 195	1 116 766	524 676	117 423 637	106.7	21.6
1999	126 263 186	695 535	809 619	127 768 340	108.8	21.4
2000	139 800 022	471 513	685 237	140 956 772	110.3	26.1
2001	175 978 105	548 388	779 299	177 305 792	125.8	33.4
2002	215 511 730	520 936	1 360 842	217 393 508	122.6	38.3
2003	236 374 105	525 789	1 564 707	238 464 601	109.7	33.5
2004	265 761 884	413 393	1 552 885	267 728 162	112.3	38.4
2005	279 128 314	406 982	1 537 824	281 073 120	105.0	44.7
2006	269 166 506	486 547	2 018 235	271 671 288	96.7	38.3
2007	309 354 585	405 696	2 779 364	312 539 645	115.0	42.8
2008	407 319 613	423 207	3 952 009	411 694 829	131.7	53.9
2009	389 141 149	282 636	6 206 991	395 630 776	96.1	49.1

Source: SAWIS 2010

The United Kingdom remains South Africa's largest export market, followed by Germany and Sweden (Table 1.7).

Table 1.7 Total Exports by Country in 2009 (Bulk plus Bottled)

	2009
	%
UK	32
Germany	18
Netherlands	7
Sweden	10
Belgium	3
Denmark	4
Africa	3
Canada	3
USA	4
All Other	17

Source: WOSA 2010

However, exports to other parts of the world are increasing. According to a recent report by WOSA: "Positive trends for bottled exports into new markets are helping diversify risk for South African wine exporters. According to SAWIS figures for the 12 months YTD August, Shipments to Japan (up 43%) Korea (up 1,2%) China (up 87%) Nigeria (up 27%) Kenya (up 39%) UAE (up 60%) Russia (up 20%) are growing from a small base but are encouraging for the future" (WOSA, October 2010).

Despite the growth of the wine markets in the Americas and Asia, the largest markets are still located in Europe (OIV, 2007). And, as we shall see, it is the retailers and 'lead firms' in these markets that dictate price, standards and demands (including 'environmental' standards) that suppliers from 'New World' wine producers have to meet.

2.4 Private regulation, environmental concerns and industry response: the birth of IPW

When we think about change in the South African wine industry since the early 1990s, it is important to bear in mind that deregulation did not mean that all regulation disappeared. For instance, under the Liquor Products Act, 60 of 1989 the sale of all liquor is regulated and all liquor has to be licensed before it is sold. Also, the Wine & Spirits Board (WSB) certifies all wine and wines have to pass the chemical audits before they can be exported (WOSA website). The Department of Agriculture, for its part, strictly regulates food safety issues.

What is new in the South African wine industry is that producers have to contend with the private regulations set by international retailers and other buyers. The international agri-food system began to see a rise in global third-party standards and regulations in the 1990s (Du Toit, 2000). As a direct response to health and safety hazards experienced in incidents like the outbreak of *Bovine Spongiform Encephalopathy* in the United Kingdom in 1993 (Centres of Disease Control and Prevention, 26 August 2010) or the more recent outbreak of E. Coli in the United States in 2006 (CDC website, October 2006), international food safety standards began taking the forefront in what retailers and consumers demanded of their agricultural products. HACCP, for example, while already developed in the 1960's and formalised in the 1970's, "provides critical control points" (HACCP Academy website) of production that carry significant weight with Northern retailers.

The British Retail Consortium's (BRC) Food Technical Standard was introduced globally in 1998 (the same year incidentally, that IPW was introduced into the South African wine industry). The previous year, 1997, saw the introduction of EurepGAP (GLOBALG.A.P since 2007) into the European and international markets. Subsequently, ISO (International Organisation for Standardisation) 9000 Quality Management was introduced in 2000, ISO 14 000 (Environmental Management) in 2004 and ISO 22 000 (Food Safety Management) in 2005 (ISO website).

The late 1990s also saw the introduction of the first 'labour code' into the South African wine industry (i.e. Ethical Trading Initiative or ETI)¹². During their initial visits and pilot studies, the ETI made it clear to South African wine producers that they would have to comply with its 'base code' or minimum labour standards if they wanted to sell their wine to the big retailer chains (Du Toit 2000).

In the wake of deregulation, each cellar had to learn to live with 'private regulation' as best they could. In the general post-regulation climate of the time, it was more or less a question of everyone for himself.

The launch of IPW however, was a rare industry initiative, launched amidst the institutional 'vacuum' left by the KWV. After the conversion of the latter in 1997 into a limited liability company (Vink *et al.*, 2004: 238), key industry actors, together with leading estate farmers, came together and developed what has become the institutionalised environmental standard of the industry today. The IPW website explains the scheme in the following way:

Compliance with the scheme provides buyers with a guarantee that grape production was undertaken with due consideration of the environment, and that the wine was produced in an environmentally responsible manner and is safe for the consumer.

IPW consists of a set of guidelines specifying good agricultural practices related to grape production (farm component), as well as a set of guidelines specifying good manufacturing practices related to wine production (winery component) and packaging activities (bottling activities). Compliance with IPW can be related to the different activities (farm, winery and bottling) separately or in combination.

Compliance with the IPW guidelines is assessed on an annual basis through the completion of a self evaluation questionnaire and is independently audited on a spot check basis.

¹² "A forum of retailers, NGOs trade unions and other bodies formed in the UK in October 1998 with the purpose of setting up a framework for ensuring that companies adopt appropriate codes of conduct setting out minimum labour standards for their overseas suppliers" (Du Toit, 2001:4).

Certification of compliance falls under the jurisdiction of the Wine and Spirit Board (WSB), with a dedicated IPW office responsible for administering the scheme since its promulgation in 1998 under the Liquor Products Act, 1989.

IPW complies with international wine industry environmental sustainability criteria, including the "Global Wine Sector Environmental Sustainability Principles" as published by the International Federation of Wine and Spirits (FIVS) and the "OIV Guidelines for sustainable viti-viniculture: Production, processing and packaging of products" as published by the International Organisation of Vine and Wine (OIV).

While IPW is a voluntary scheme, it is based on legislation that sets a bare minimum for these regulations and can report transgressors to the Department of Agriculture. It is then up to the Department to prosecute or not. IPW itself, however, does not have the power to prosecute any wrongdoing or breaking of the law. The only power it does have is to refuse to accredit farms and cellars as IPW compliant. According to various critical respondents, this undermines the credibility of IPW.

Despite its flaws, what makes IPW unique is that it is the first environmental standard to be institutionalised in any wine industry on the globe, and one that was generated in South Africa, rather than in the main Northern markets (UK and Europe).

What also makes it different from other international environmental regulations is that it regulates and sets out guidelines for environmentally sustainable production at every point of production. In that sense it is 'holistic'. On both the vineyard and the cellar side, IPW sets guidelines and minimum standards for a long list of practices. On the viticultural side for instance, IPW regulates the amount and type of chemicals (pesticides, etc.) that may be used (going under the rubric of 'Integrated Pest Management'). It also lays down strict regulations on how chemicals should be stored, and what safety precautions have to be taken by those who use them.

¹³ The following information on IPW is all from personal communications with respondents from IPW interviewed 26 November 2009, 9 March 2010 and 28 April 2010.

In addition, it covers a variety of different climates and production styles. Therefore a producer in a hot, dry region can comply equally well with the guidelines as a producer in cooler, wetter regions. Similarly, this flexibility of the IPW regulations means that producer cellars, private cellars and estates are all equally capable of implementing IPW.

The gradual diffusion and adoption of IPW over the last 12 years, has culminated in the introduction of the new '*Integrity & Sustainability*' seal in 2010. On their website, *Wines of South Africa* (2010) explains the seal as follows:

To qualify for the new seal: **every link** in the supply chain has to be IPW accredited – the farm, the winery and the bottling plant. Note the new seal is linked all the way back to the SAWIS authority to press grapes (BG1).If grapes are bought from many growers, or wine is blended from several tanks, **each and every** production unit has to be IPW accredited. To be IPW producers/wineries/bottlers all have to be registered members of the IPW scheme, have completed and submitted their self-evaluation forms for 2009, and passed. If a farm/cellar/bottler is not a member, they can join the scheme and complete the assessment, but they will need an audit before they qualify as IPW accredited.

Figure 1: The new Integrity & Sustainability seal



Producers currently have to pass self-evaluation questionnaires and audits by a minimum of 65% to be able to receive IPW accreditation. This means that producers have to keep records of every site of production from the vineyard to the cellar and have to be able to produce that 'paper trail' for accreditation.

As previously mentioned, IPW does not have the authority to prosecute those who fail to comply. However, sanctions are in place for those who fail to meet the standards. In the case where there is any uncertainty over the transgression, an independent auditor is appointed to assess the situation. From there, depending on the level of transgression and the impact it has on the environment, IPW accreditation can be suspended and the transgressor has 30 days to report what steps will be put in place to rectify the transgression and the exact amount of time that will be needed to rehabilitate and take corrective action. The transgressor has 1 year to rectify the problem. In addition, where the transgressor is a member of BWI (*Biodiversity & Wine Initiative* – see below), the BWI extension officers must be notified of the situation, and if applicable to the 'nature' of the transgression, must be part of the corrective action (IPW, 2007).

The inability to prosecute aside, the other point of criticism against IPW is that the paperwork and record keeping are either too much and too strict (according to some producers), or not enough and too relaxed (according to others). For example, during the fieldwork many respondents and actors complained that regulations regarding the amount of chemicals that may be sprayed are too relaxed. Other respondents complain that there are too few extension officers to do the audits, or do them more frequently. There are also those that are frustrated, because the new *Integrity & Sustainability* does not differentiate between degrees of compliance. This means that a producer who just passes the IPW audit can benefit just as much from the visual marketing advantage of the seal, as a producer who passes the IPW with a very high percentage.

Imperfect as it is, it would appear that IPW has become widely diffused over the last twelve years, and is being implemented by almost everyone in the industry. According to one IPW spokesperson, approximately 85%¹⁴ of the industry is currently compliant (according to *Robert* at IPW). It is expected that compliance will become compulsory (legislatively) within the next 2 years.

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¹⁴ IPW gets this measurement of compliance from taking the total number of SWB registered producers in the industry and counting how many producers pass the self evaluation questionnaires with 65% and over.

The industry's environmental 'thrust' does not stop at IPW. There are at least two other initiatives. One of them is the *Biodiversity & Wine Initiative* (BWI), launched in 2004. BWI was introduced in an effort to "minimise the further loss of threatened natural habitat, and to contribute to sustainable wine production, through the adoption of biodiversity guidelines by the South African wine industry" (BWI website). The main aim of the BWI is to conserve the indigenous *fynbos* of the Cape Floral Kingdom, as well as to protect indigenous and endangered species of fauna.

A producer has to be IPW accredited to be able to gain BWI membership. Even more significantly, a member has to pass IPW accreditation with more than 85% to gain 'Champion' status. There are currently "15 champions, 12 producer cellar members and 143 members" (BWI website). The BWI was previously funded "by wine industry, international donor organisations, the private sector and local conservation organisations and members of the wine industry" (Wynboer Website, 25 November 2004), but is now funded by *Wines of South Africa* (WOSA), The Green Trust (WWF), Botanical Society of South Africa, Mazda Wildlife, Table Mountain Fund and Rand Merchant Bank (BWI website).

The other initiative is WOSA's "Variety is in Our Nature" marketing slogan. WOSA utilises the BWI to market South African wine by drawing strongly on the biodiversity of the Western Cape. "Variety is in Our Nature" has become the generic marketing image for the South African wine industry in overseas markets.

A major and recurring critique of BWI amongst some actors in the industry and producers is that "we are here to sell wine, not flowers". Critics of the BWI and its utilisation by WOSA for a generic marketing campaign contend that too much is made of the conservation of fauna and flora and not enough attention is given to other features that help to define the complex and unique character of the industry. For instance, producers further away from the Cape (e.g. the Klein Karoo) complain that BWI and particularly WOSA pay too much attention to *fynbos* and too little to unique species of plants that grow in their area and which they make an effort to protect.

Critics of WOSA, for their part, have pointed out two facts that do not sit comfortably with the claim of 'diversity'. Firstly, the fact that *vitis vinifera* is an exotic species, and that, in a sense, every hectare of vineyard means one hectare less fynbos; and secondly, that the ownership of the industry is glaringly racially non-diverse (Ponte & Ewert, 2007).

The critique notwithstanding, 'green' and 'environmentally-friendly' has become the new identity of the South African wine industry – an identity which it uses to 'position' itself in the global wine market and which it uses in innovative and multi-faceted ways. These include various conservation projects that range from specific areas to specific species of plants, animals, birdlife, reptiles or insects, the establishment of a "Green Mountain Eco Route" which maps out 'green' wineries etc., or the introduction of the "Nedbank Green Wine Awards". Perhaps there are few things that symbolise the metamorphosis and the new identity of the South African wine industry better than the recent publication of the latest John Platter wine guide, which this year is – green.

2.5 Concluding Remarks

The re-entry of the South African wine industry into the world markets has been fairly recent. Even more recent has been the emergence of environmental awareness and environmentally-sustainable policy and practices. While it is important to recognise that these initiatives are unique¹⁵ in the world of wine producers, we must also keep in mind that there is much critique of both IPW and of BWI – something which, as we shall see, results in a diversity of responses amongst producers. We must also recognise that while these initiatives are home-grown, they are also a response to signals coming from international markets. As such they are informed by power structures and power relations in the global agro-food system. How producers are responding to both local initiatives and to global forces is the central focus of this study.

¹⁵ 'Unique' both in terms of their theme and holistic style of implementation.

CHAPTER 3

Theory and Literature Review

3.1 Introduction

It now becomes pertinent to ask what possible explanations could be drawn from theory and other relevant literature on the 'greening' of the South African wine industry. What perspectives could shed light on the move towards 'environmentally-friendly' thinking, practice and implementation in South Africa? In this chapter, I the different explanations that are discussed by various scholars in an attempt to think about wine and its place within agri-food networks and how producers have responded on a local and global scale to the move towards 'green', 'environmentally-friendly', 'sustainable' agriculture will be explored.

In John Barry's book *Rethinking Green Politics* (1999); the author discusses the various ideologies, theories and ethical imperatives that have driven the 'Green' Movement over much of the last 40 years. Barry states, "The aim of the book is to rethink green politics by focusing more on green political *theory* than on green political *ideology*" (1999: 1). This thesis takes this fundamental hypothesis as its base assumption; i.e. that the knowledge constructed regarding nature, sustainability, 'green' thoughts and practices, etc. cannot be understood purely as biophysical truth. They must also be understood in their human context. They must be understood in the way that they shape, and in turn are shaped by, social, political and economic forces. It is through the investigation of this premise that this thesis will investigate the transition from theory and ideology into practice. Then, this practice will be placed into the economic context in which practice becomes the most tangible site of which understandings of nature, sustainability, 'green' thoughts and practices have become dominant; and which understandings have been sacrificed or limited through this process.

Two main theoretical perspectives drive this line of inquiry, namely Global Value Chain Theory and Conventionalisation Theory. The point of departure these theories provide is 1) that what is considered to be 'the environment' or 'environmentally-friendly' is constructed in the field of agri-food networks, and 2) that the practices which arise from those definitions are developed and adopted, not as a pure response to 'nature' or the 'environment', but through a set of power relationships made concrete by various local and global standards and regulations. In other words, this thesis ultimately argues that the emergence and growth of environmental awareness or ethos can never be divorced from market-driven considerations (either from large retailers, smaller buyers, or ordinary consumers).

3.2 A Note on the Formation of Knowledge and Discourse

In Michel Foucault's "Nietzsche, Genealogy, History" (1977), the human quest for the origin of things is interrogated. More specifically, Nietzsche and Foucault compel us to think about how truth, knowledge, history and so forth come into being; not as innocent, axiomatic phenomena but as the result of fractured, chaotic processes structured through power. This notion will be discussed later as it is taken up later by scholars such as John Barry (1999), Tim Forsyth (2001), Arturo Escobar (1999), Jacklyn Cock (2007) and several others to show that ecology and the knowledge pertaining to it are also produced under social, political and economic conditions and that this knowledge cannot be innocent.

In a discussion on "deep ecology" John Barry quotes Andrew Dobson: "Its [deep ecology's] second turn is a movement away from axiology to ontology" (Barry, 1999: 13). Therefore, rather than ecological perspectives being presented as *self-contained truths*; ecological perspectives, and the 'environment' are now presented as truths which must be questioned. Barry argues that, "...in its second turn, deep ecology not only reaffirmed and deepened its critique of anthropocentrism, but also broke with those environmental philosophers attempting to develop an environmental ethics based on the intrinsic value of nature" (1999: 14). This thesis aligns itself with Barry's understanding of the aims of deep ecology; namely that a more critical, more holistic study of people's experience of 'the environment' needs to be undertaken, and that in such a study, it can

not be assumed that there is something like one solid, reified 'environment' against the background of which peoples' behaviour ('environmentally-friendly' thinking, practices and implementations thereof) can be understood.

Foucault contends that "Truth is undoubtedly the sort of error that cannot be refuted because it was hardened into an unalterable form in the long baking process of history" (1977: 144). Foucault and Nietzsche argue that the claim to knowledge or truth tells us nothing about the process that has manifested these truths or knowledge in society. Foucault describes the process of which the search for truth, knowledge, history, genealogy, heritage, and so forth, is ultimately a process of loss: "The origin lies at a place of inevitable loss, the point where the truth of things corresponded to a truthful discourse, the site of a fleeting articulation that discourse has obscured and finally lost" (Foucault, 1977: 143). Therefore, the loss is not necessarily conscious in the knowledge, truth, history, genealogy, and so forth, itself, but in the misrecognition of the *process* that these discourses (and their material consequences) undergo in their existence. In Braden Allenby's book *Reconstructing Earth* (2005), he adds: "Thus...the writings of Michel Foucault and Jean-François Lyotard (and over all the shadow of Nietzsche), suggest that there are no absolute answers and that no set of beliefs can be imposed on others without (using Lyotard's term) a "terroristic" silencing of the other" (2005: 164).

This notion will become highly relevant later in the thesis when IPW is discussed more thoroughly. Specifically, an issue that emerged from cellar respondents was one concerning the IPW scorecard. Several respondents expressed feelings of unfairness and bias on the part of the IPW point-awarding system. One respondent explained that IPW awards points for very specific practices and initiatives pertaining to the farm and the cellar. However, no points are awarded under the IPW grading system for other kinds of 'environmentally-friendly' practices or initiatives. Therefore, Cellar X can be highly invested in many different types of 'environmentally-friendly' practices or initiatives, but only obtain an average score under the IPW self-evaluation system or during an audit. On the other hand, Cellar Y might score a very high mark under IPW because they have only focused on perfecting the practices IPW has identified as the most important. Cellar Y

does not go "above and beyond" IPW, yet they will score higher marks than Cellar X who may be far more 'environmentally-friendly' if analised more holistically.

We can also never forget what both Global Value Chain Theory and Conventionalisation Theory do well to explain, viz. that the practices which IPW has identified as most important have also been influenced by international buyers, retailers, regulating bodies, and (to an indirect extent) consumers over time as IPW became accepted as the norm for South African exports. However, when IPW was first introduced, it was the first regulation of its kind in the world which set a comprehensive standard of 'environmentally-friendly' practices for both the cellar and farm components of wine firms. Therefore even though the global 'climate' may have influenced the creation and introduction of IPW (like the introduction of EurepGAP in 1997), the specific construction of the regulations as a whole was a home-grown initiative for the South African wine industry. This provides an interesting counter-argument to the model that Global Value Chain Theory sets out. What it means is that regulations can first be defined and laid down by actors in the 'periphery', although Northern retailers can later take them on board and insist that suppliers comply.

This analysis of the misrecognition of negation (which this thesis will argue is fundamentally at stake) does relate very closely to the Green Movement. It relates to the types of questions that can be asked of wine producers in South Africa on the kinds of 'environmentally-friendly' practices that are being implemented. It is as important to understand what the respondent discounts or excludes from their understanding of 'nature', the 'environment' and 'environmentally-friendly' practices as it is to know what their understanding of these things are. Why does he/she discount certain definitions and how does this translate into viticultural, oenological or business practices that are deemed to be 'environmentally-friendly'? In later discussion of Conventions and Conventionalisation, this question will become pertinent, for example, in understanding how the International Federation of Organic Agriculture Movements (IFOAM), regulates the production and trade of organic agri-foods. This perspective will also be relevant to understanding the possible disjunctions in understandings of nature, the environment,

alien plant species and so forth that may arise between different parties (such as conservationists and organic wine producers).

3.2.1 Thinking through *Political Ecology*

In "Landscapes of the imagination" (2007), William Wolmer reflects more existentially on the constructed nature of landscape and how we think about it as a society. He argues that nature and landscape are a reflection of the disjunctions of our own lives and the reflection of how we differentiate ourselves from each other, rather than the mere physical aspects of land, fauna and flora that constitute it. Wolmer argues that landscape is a physical manifestation (like the female body is in feminist theory), onto which the norms, values, politics, economics, and so forth, of life are read (Wolmer, 2007:11):

As Gandy [Professor in the Department of Geography at UCL] says: 'If we disentangle ontological and epistemological questions we can show that the world exists separately from us but our knowledge of it can only ever be partial and is mediated through social practice' (1996: 35)...Thus landscape is not simply *tabula rasa* where only human actions matter - and upon which we merely impose our gaze and interpretations - but is also an historical actor, existing independently of human perceptions of it.

Therefore, the physical land shapes history, but we as human beings also shape the land as we socially, politically, economically and culturally construct it. When heavy and consistent rainfall in South Africa flooded much of the vineyards in the Upington area at the beginning of 2011, land became a historical actor. However, if we relate this understanding to land that is a site of economic activity - specifically, for instance, a vineyard - Wolmer's meaning takes on significance. Is a vineyard simply a place where grapes are grown and harvested? Is a cellar simply a place where scientific methods are used to produce wine? Is the domestic or global market simply a space in which wine is bought and sold? The resounding answer to all of these questions is surely "no". The vineyard and land are spaces that are racialised (in South Africa) and gendered; they are historically, culturally and economically shaped. Cellars are sites of economic activity (or activity with economic goals) and must respond to the needs and demands of people

(whether they are regulators, retailers, buyers or consumers). Markets are networks of actors, value-chains, consumers and innovation; of disjunctions between North and South. And when 'green' thoughts and practices are incorporated into this site of economic, social and political activity, this thesis argues, they should be interrogated accordingly.

If this supposition should be contradicted, then we are to assume that the land, fruit, wine, and trade stand in isolation from human demand, and this would be a grandiose claim indeed. It is important, this thesis contends, to think about why the social construction of 'nature', 'environment', 'sustainable', and 'environmentally-friendly' would be refuted. Jacklyn Cock offers a possible answer (2007: 200-201):

The experience is suggestive of how relations to nature depend on a specific social and historical context. It illustrates the fusion of 'nature' and 'culture' and in a way represents the central argument of this book: that nature is not a place apart, something external to human-beings. We are all embedded in nature, all intricately connected in the matrix of soil, water, plants, wildlife and humans that Rachel Carson calls 'the web of life''. However, we are not always aware of the connections...*Man's power over Nature turns out to be a power exercised by some men over other men with Nature as its instrument* [my emphasis].

'Nature' (the homogenised, reified definition) is therefore posed as a tool that one group of people uses to subjugate another group of people. To extend this analysis, 'Nature' is the claim to an identity that a dominant group in society makes which *others*¹⁶ people or makes environmental villains of those people who do not subscribe to that definition of 'Nature'. For example, when the white supremacist government introduced the likes of the 1913 Natives Land Act No. 27 and the 1936 Native Trust and Land Act No. 18, as well as the 1976 National Parks Act No. 57, they based this type of legislation on a very particular idea of exactly what 'Nature' was, what 'Nature' was meant for, and who had the right to this 'Nature'. This particular construction of 'Nature' made it possible to remove thousands of people from lands they had lived on, farmed on and hunted on for

¹⁶ As Edward Said argues the West does to the 'Orient' by excluding or marginalising those who are 'other' to or from themselves (Said, 1978).

many generations. This perfectly illustrates one of Cock's points; were we to believe the pre-1994 South African government's claims of what 'Nature' is, we would believe that protecting the environment was all that these Acts were aimed at doing. Of course, it does not mean that conservation was not an important aim of some of this legislation. What this legislation did ensure, however, was that only certain South Africans could access this land, this 'wilderness'; and that the areas where, and the means by which 'Black', 'Coloured' and 'Indian' South Africans could live was highly controlled by the government.

Tim Forsyth applies this notion by critically thinking through popular scientific claims of environmental degradation and climate change (2001:146):

The aim of the critical realist research on environmental degradation is to highlight how scientific explanations of environmental change provide only partial insights into complex biophysical processes, and that existing models of explanation reflect the agendas of societies that created them. Such explanations are problematic as they may only address certain aspects of biophysical change. Moreover, they may not represent the interests of social groups not included in the science process, particularly in developing countries.

This thesis draws links between these re-considerations of 'Nature', land, climate change and environmental degradation and rethinking sustainable agriculture in the context of the South African wine industry. Therefore, it will be as significant to understand the context in which decisions are made as those decisions themselves. The respondents will have to be questioned on what has contributed to and shaped their understandings of 'sustainable' and 'environmentally-friendly'. In short, respondents should be questioned regarding the basic assumptions which inform the decisions they put into practice in the vineyard, cellar and their business.

3.3 Convention and Conventionalisation Theory

In Governing through Quality: Conventions and Supply Relations in the Value Chain for South African Wine, Stefano Ponte explains the notion of 'convention' in the context of food (2009: 239):

Conventions are generally described as a broad group of mutual expectations that include - but are not limited to – institutions. For convention theory, rules are not decided prior to action, but emerge *in the process* of actions aimed at solving problems of co-ordination. At the same time, action may be tested and thus needs to be justified by drawing on a variety of criteria of justice that are broadly accepted at a particular time. In other words, convention theory links situated action to widely accepted normative models... Conventions are not fixed in time and space: they include mechanisms of clarification that are themselves open to challenge. They are both guides for action and collective systems to legitimise those actions that can be submitted to testing and discussion, leading to compromises and possibly defeat...

In this study, Ponte shows how a number of factors influence the social construction of 'quality' wine between South African producers and retailers in the UK. More importantly, he shows that these conventions manifest themselves economically in the way that wines adhering to these quality conventions are categorised and the prices they fetch accordingly. Through the discussion of the quality conventions, Ponte discusses the various ways in which actors in the South African wine industry are negotiating their positions in value chains in more than mere technological ways. In doing this, he illustrates what suppliers need to do in order to improve their standing in the global value chains for wine.

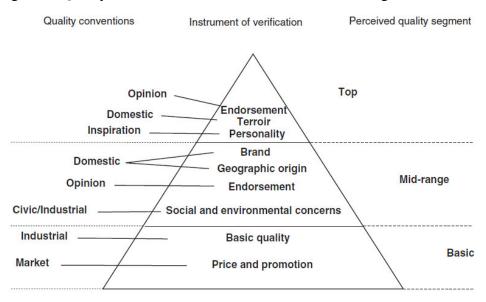


Figure 2. Quality conventions in the wine value chain ending in the UK

Source: Ponte, 2009: 242

Figure 2 shows the different kinds of conventions that Ponte has identified and where he has ranked them in terms of significance in so far as quality determination is concerned. In the top quality range, three quality conventions play a major role: endorsement, terroir and personality. Endorsement (an opinion-based convention) refers to the public recognition a notable wine critic like Robert Parker or Jancis Robinson can bring to a wine. Terroir is a domestic convention in which grapes are grown and wine is made from those grapes which best utilise and suit the whole of the physical environment in which the wine is made. Sauvignon Blancs which are produced close to the sea, for example, typically are perceived to be of a higher 'quality', than those which are produced in hotter, drier areas. The possibilities of producing a lower alcohol, better 'tasting' Sauvignon Blanc are better in moist, cool areas where little tampering is needed to manipulate the grapes or wine. Personality is an *inspiration* based convention where the drive and charisma of an individual estate owner, wine maker, or marketing strategy impact on people's perceptions of that wine. For instance, a tongue-in-cheek label like "Bored Doe" or "Goats do Roam" may get even the most discerning of wine connoisseurs interested and willing to pay more for such a bottle of wine. It goes to show

that a personality such as Charles Back from Fairview can add much to a wine's reputation and price-tag (Ponte, 2009: 243-244).

Coming closer to our focus, we see that in the *mid-range* category, environmental concerns are listed as *civic/industrial* conventions. Ponte explains as follows (2009: 239):

An increasingly important element at play in the evaluation of mid-range wines is their civic content – as attested by the success of organic wines, and now also fair trade wines in UK, USA and Scandinavian markets (South Africa was the first and still is the largest exporter of such wine). The quality of wine in this case is related to the impact of its production on society or the environment. At the same time, many labels and certifications related to environmental management (ISO 14000, organic, biodynamic¹⁷, biodiversity) and social impacts (Fair Trade and the Wine Industry Ethical Trade Association) have tended to codify and formalise these concerns in ways that resemble industrial convention procedures (see also du Toit 2002). Auditing and certification provide instruments to objectify civic concerns that tend to obfuscate the civic content and frame it in the realm of fairly standardised technical devices such as inspection, form filling and documentary flow control. For this reason, in Figure 2 this convention is labelled *civic/industrial* rather than just civic.

While Ponte's analysis of environmental concerns may apply to 'environmentally-friendly' regulations set by international private regulators, it does not sufficiently capture the different nature that the home-grown regulation scheme, IPW, has in the South African wine industry. This thesis argues that IPW is a far more interactive, adaptable and flexible regulating scheme for South African wine producers than foreign standards such as BRC, HACCP or ISO 22 000, for example. To explain, IPW is a scheme developed and administrated by the industry. While foreign regulations are typically developed by policy makers and enforced through endorsement by Northern retailers, IPW regulations are developed and administered through the collaboration of many different industry bodies such as IPW, WINETECH which facilitate research projects regarding different 'environmentally-friendly' practices, VinPro which mediates

¹⁷ Biodynamic production refers to a method of agricultural production which is more holistic than organic farming developed by Rudolf Steiner in the 1920s (Biodynamic Farming and Gardening Association website).

between industry bodies (such as IPW) and producers, WOSA which markets 'environmentally-friendly' as the wine industry's generic identity, and so forth. This close collaboration means that producers also have an input into regulations. Specific regulations are adapted so that they can apply equally well to small farmers as well as big farmers, to producers in different climates and to producers making different 'qualities' of wine.

While Ponte's analysis of value chains does much to emphasise the importance perception plays in determining the 'quality' of a wine and the price a wine may expect to fetch accordingly, it also provides the space for this thesis to re-evaluate the more central role 'environmentally-friendly' thinking and practices are taking in the South African wine industry. In contrast to Ponte who confines environmental concerns to the *mid-range* quality segment only, this study found that it is operative at all three broad quality levels, including 'basic' wines.

3.3.1 Private regulations and control

Conventions get translated into regulation in the agri-food system. The conventions which are the most influential (and therefore the most powerful) are those formed in Northern markets and endorsed by Northern lead firms. In the Post-Fordist era private regulation and standard setting exercise no less control over producers than previous government regulations did.

In Foucault's *History of Sexuality* (1976) and *Discipline and Punish* (1975) an interesting idea is put forth. Basically, Foucault argues that just because times are more 'modern', perspectives on sexuality are more 'liberal' and forms of discipline and punishment are more humane, it does not mean that we (as society) are controlled less (or control each other less) than in previous centuries. Social theorists like Hegel (1807), Max Weber (1922), Michel Foucault (1975; 1976; 1977), Pierre Bourdieu (1977), Georg Lukacs (1923), Walter Benjamin (*circa*. 1938) and Louis Althusser (1971) have questioned man's propensity to organise or to bureaucratise and have illustrated the dangers of this

false illusion of modernity or 'civilised-ness". Lukacs specifically argues that "...capitalism has created a form for the state and a system of law corresponding to its needs harmonizing with its own structure" (1923: 95). This idea also applies to the power private regulating bodies have in structuring the global agri-food network.

Respondents throughout the course of this study have commented on the way in which government standards, private regulations and Third-Party certification or inspections are unwilling to relinquish any kind of power, but as the study later shows, these comments were articulated in many different ways during the interviews. IPW, many respondents argued, has a more democratic system of management which gives local producers the opportunity to make inputs into how the regulations are adapted over time (often to aid implementation of these regulations). Maintaining the higher standard IPW sets seem to be accepted as a marker of IPW's credibility. Furthermore, complying with IPW seems to serve South African wine producers better than adhering to rigid, expensive international standards.

This investigation of power relations creates the space for the kinds of questions that do need to be asked about 'environmentally-friendly' production, but that seldom seem to be addressed. Is what is being practiced as 'environmentally-friendly' agriculture and wine-making actually good for the environment? Are these 'environmentally-friendly' practices and products actually 'good' for human-beings, or are they only good for some human-beings? The general argument that Forsyth (2001), Raynolds (2004), Chiffoleau (2009), Guthman (1997; 2002; 2004), and so forth pose is the following: that private regulations and standards seem to nullify the need for these kinds of questions to be asked because they appear to be scientific and rigorous and 'safe'. Thinking through perspectives of critical social theorists and Political Ecology allows us to recognise that these regulations and standards are not formed, implemented and endorsed in a vacuum and need to be questioned in regards to who is doing the constructing, why is it being done and who benefits?

3.3.2 Understanding conventions in the global context

Like singling out the date of the Brundtland Commission (i.e. 1987), it is not an unmediated act to cite Rachel Carson's ground-breaking book *Silent Spring* (1962) which is "widely credited as a catalyst of the environmental movement" (Cock, 2008: 200). But again, the significance attached to this date is not without criticism. In *The War Against Ourselves*, Jacklyn Cock problematises Carson's work (2008: 201):

Carson argued that the methods employed for insect control will 'destroy us as well'. Despite her warnings, world pesticide production has increased dramatically. We need to ask why. The answer has to do with the issues Carson neglected - issues that may seem remote from a concern with nature, issues such as justice and power, issues that are central to the global pattern of increasing social inequality, globalisation and war.

The argument that Cock is setting up will become exceptionally relevant as this thesis unfolds. The regulation, certification and mere use of chemicals such as fertilisers, pesticides, herbicides, insecticides and so forth is an issue which many of the respondents have articulated heatedly and with frustration and often also with anger. It is here more than anywhere else that the power division between the North and South becomes evident. The lines between who is doing the global standard setting and how close their relationship is to companies manufacturing those chemicals or markets setting those standards becomes increasingly blurred. In *People and Environment*, Piers Blaikie states (1995: 6):

...the environment has become since the early1970's the subject of global discourse, culminating in the first international conference on the theme (the United Nations Conference on the Human Environment in Stockholm in 1972). As has been noted by Ensenberger (1974), it is only when environmental change affects adversely the politically powerful North that the issue becomes "global". Otherwise, for those affected people who do not have the power to pack a powerful knowledge claim in the international arena, the issue remains local, and outside the global discourse altogether.

In the sector of sustainable or alternate agricultural production, few have been as highly regulated by third parties as those of the Organic Agro-food network. Laura Raynolds' most pressing argument in The Globalisation of Organic Agro-Food Networks (2004) is that the globalisation of the network leads to the conventionalisation of an alternative mode of food production and sacrifices the original motivations for 'going organic'. This version of 'conventionalisation' is dealt with by a number of other scholars such as Julie Guthman (2004), Stewart Lockie & Darren Halpin (2005) and Alan Hall & Veronika Mogyorody (2001). In the case of organics, Raynolds argues most convincingly that the power structure explained by Global Value Chain Theory is structurally controlled by the International Federation of Organic Agriculture Movements (IFOAM). In short, "Organic consumption and distribution trends in major Northern markets are clearly shaping the rise, configuration, and future trajectory of global organic networks" (2004:732). In the case of non-organic wine, the OIV¹⁸, the USDA¹⁹, EU²⁰ and so forth play a significant role both in legitimising and monitoring a regulatory scheme like IPW.

3.3.3 Controlling Conventions

Regulation Theory argues that the post-Fordist era of agriculture and food production led to the privatisation of regulations and standard setting. A spin-off of this privatisation is a tighter setting of standards of 'quality' and the economic competition that comes with meeting large retailers' requirements for food products. In the case of organics, for example, Raynolds argues that IFOAM ensures that power remains in the Northern producing countries by 1) codifying generalised rules of practice that take little consideration of socio-economic specificities of local holistic or civic concerns above inputs, 2) upholding third-party monitoring which "enforces uniform practices across organic networks" and again, fails to recognise local contexts or knowledge, and 3) enforces the authenticity of these conventional certifications and regulations by promoting their superiority over other organically grown products (Raynolds, 2004: 730).

¹⁸ International Organisation of Vine and Wine

¹⁹ United States Department of Agriculture ²⁰ European Union

Organic products aside, Northern retailers like Tesco are sourcing a whole variety of food stuffs from Southern suppliers. In this regard, 'environmentally-friendly' concerns are becoming ever more prominent. In a speech given by Sir Terry Leahy, the CEO of Tesco, (2007), the retailer's commitment to environmental concerns is discussed in terms of how these ideals may conflict with the abilities of producers in the developing world:

We are not willing to avoid the hard fact that there is a conflict between the issue of carbon emissions and the needs of some of the poorest people on earth whose lives are improved by the ability to sell in our markets products which are brought here by air...to try to resolve that conflict, we will seek to reduce our reliance on air transport overall by restricting it to less than 1 per cent of our products, with a bias to the poor countries.

In the rest of the speech, Leahy goes on to say that producers in the "poor countries" can enhance their chances of retaining (or securing) Tesco as a buyer, by making their products as "green" as possible. While this is not a guarantee that Southern producers will automatically sell their products, it does increase their chances of doing so. This was confirmed by the fieldwork. Almost without exception respondents who are selling to retailers like Tesco and Sainsbury's all reported that IPW accreditation is an absolute must-have.

While the implementation of a regulatory scheme like IPW may add to a firm's costs, a producer has little choice if he/she wishes to remain competitive in the global markets. While membership of IPW is voluntary and not enforced by the Wine and Spirits Board, it is a requirement laid down by most European buyers and retailers. It that sense, it is an 'entry ticket' to the market. Without it, it is very difficult to take part in the 'game'.

3.4 Global Value Chain Theory

Historically, Global Value Chain Theory was developed as a counter-argument to Dependency Theory. The orthodox version of the theory argued that as long as poor countries remain dependent on the export of raw materials or 'commodities', they are unlikely to 'develop' and escape the 'periphery'. However, by the early 1990s, and with

the benefit of hindsight, Global Value Chain (GVC) Theory argued exactly the opposite. In the view of Gereffi (1994) and others, certain features of the world economy presented developing countries with opportunities that if taken, would make it possible to escape the 'periphery' indeed, and move up into the 'league' of developed nations. The 'East Asian Miracle' was held up as best proof of the argument.

The basic argument of GVC theory (Gereffi, 1994) is this: "The capacity to produce and export manufactured goods is being dispersed to an ever expanding network of peripheral and core nations alike" (1994: 1). Manufacturers, suppliers, retailers, marketers etc. spread all over the globe, are interconnected via global value chains. These are "sets of inter-organisational networks clustered around one commodity or product, linking households, enterprises, and states to one another within the world economy..." (1994: 2). Furthermore, networks are "a set of units (or nodes) of some kind and the relations of specific types that occur among them" and it is along these nodes where 'value' can be added. The more 'value' (i.e. the amount and type of inputs) one can add to a product, the higher the margins one will earn for the product and 'move up' the value chain (Gereffi, 1994: 7).

Global value chains, Gereffi argues, can be divided into two categories: 1) Producerdriven commodity²¹ chains, and 2) Buyer-driven²² commodity chains (1994:7):

Producer-driven commodity chains are those in which large, usually transnational corporations play the central role in coordinating production networks...This is most characteristic of capital- and technology-intensive commodities such as automobiles, aircraft, semiconductors, and electrical machinery.

Buyer-driven commodity chains on the other hand, are those in which large retailers, brand-named merchandisers, and trading companies play the central role in shaping decentralised production networks in a variety of exporting countries, frequently located in the periphery. This pattern of industrialisation is typical relatively to labour-intensive consumer goods such as garments, foot-wear, toys and house-wares. The main function

²² Wine is an example of a 'buyer-driven' chain.

²¹ In the literature, 'value' chains and 'commodity' chains are terms often used interchangeably.

of the core enterprises in these networks are to undertake the high-value activities, such as design and marketing, and to coordinate the other relationships, thus assuring that all the network transactions mesh smoothly. *An important trend in global manufacturing appears to be a movement from producer-driven to buyer-driven value chains* [my emphasis].

Global value chains include actors that are involved at every stage of production, distribution and consumption, from designers, producers, marketers, retailers, lead firms and so forth. Gereffi argues that value chains are 'governed' by a set of power relations. In the case of 'buyer-driven' chains, power is centred where the largest markets reside, viz. the North (Europe, North America and Asia). Northern lead firms emerge to take control of global value chains because they have the market power, brand ownership, the logistical system, specialised technology and the capacity to perform 'high-value' adding activities (e.g. marketing). It is this power that puts 'lead firms' in a position to 'coordinate' and control (i.e. 'govern') the chain by, *inter alia*, laying down the regulations for each and everyone participating in the chain.

However, while the relationship between 'lead firm' and supplier may initially be unequal, the latter is not condemned to remain a 'bottom feeder' for ever. A supplier firm may improve its position and acquire a bigger share of the 'cake', by embarking on a trajectory of 'upgrading'. In this competitive endeavour of 'upgrading' the ultimate prize is to do 'own manufacturing', establish the product as a 'brand' and control the marketing²³.

Also, matching food safety, technical or environmental standards may indeed lead to products with 'better intrinsic qualities', but these are not necessarily of higher value to the producer ('product upgrading' as defined above). More often than not, matching standards is a condition of market entry (or a re-configuration of market entry) rather than a trigger for higher prices paid for a 'better' product, especially in buyer-driven value

market share of Western firms. The same process is being repeated in China today.

²³ A good example would be South Korean products like 'Samsung' or 'Daewoo'. After doing assembly for European and American firms, and learning in the process, Korean firms started to manufacture and market their own products, and through a conscious price and quality policy started to make inroads into the

chains dominated by retailers.

These points of critique of orthodox GVC Theory are important to keep in mind when trying to understand how South African cellars engage with international value chains.

3.4.1 'Upgrading' in global value chains

In Ponte and Ewert's Which Way is 'Up' in Upgrading? Trajectories of Change in the Value Chain for South African Wine (2008), the authors discuss the different types of upgrading that can be done by producers. These are product upgrading, process upgrading, functional upgrading, and inter-sectoral (or inter-chain) upgrading (Ponte & Ewert, 2008: 5):

- 1) product upgrading: moving into more sophisticated products with increased unit value;
- 2) *process* upgrading: achieving a more efficient transformation of inputs into outputs through the reorganisation or productive activities;
- 3) *functional* upgrading: acquiring new functions (or abandoning old ones) that increase the skill content of activities; and
- 4) *inter-sectoral* (or inter-chain) upgrading: applying competences acquired in one function of a chain and using them in a different sector/chain.

Although helpful as a starting point, critics (Ponte & Gibbon, 2005; Ponte & Ewert, 2009) have pointed out that the 4-type classification of upgrading does not always capture the full complexity of value chains and their workings. For instance, it is sometimes difficult to distinguish between product and process upgrading, especially in agro-food products, where the introduction of new processes generates new categories of products (e.g. organics, 'sustainable' products).

In the case of wine the more value one can add to the product through bottling, labelling, and own marketing, the higher the margins. More concretely, this would mean that one would do all this, and attempt to produce wine in the 'top' and 'mid-range' price categories, where the margins are the biggest.

However, 'adding value' in wine does not only involve own bottling, labelling, and branding. One can also add value by doing things differently in the vineyard and in the cellar; for instance, by growing and making wine in an 'environmentally-friendly' way. Contrary to what Ponte suggests however, one can do this for wine in all price categories, not only 'mid-range' wines. Thus the 'environmentally-friendly' or 'sustainable' production of wine is one form of 'upgrading', one form of 'moving up' the value chain. That at least is the theory. In practice however, the process is more difficult, as producers in New World wine countries come up against some formidable obstacles.

For instance, producers in the EU and the USA benefit from government subsidies. In the EU for instance, growers receive subsidies for uprooting certain varieties, more subsidies for planting varieties for which there is a market, and subsidies for renewing technology at the cellar level. A generous subsidy scheme like this one makes it easier for producers to 'upgrade' and adapt their operations to shifting market demands (Ponte & Ewert, 2009). In the South African context, subsidies do not exist and producers have to rely on their own resources. Given the enormous transaction costs, 'upgrading' is easier said than done.

What makes it even more difficult, are the requirements laid down by Northern lead firms. Complying with standards like BRC, HCAPP and ISO is expensive and adds to the costs of the producer. So does IPW (although it is less expensive than applying for international certification), the difference being that it was not imposed by the 'North', but introduced pre-emptively as it were, before anything like it had been established in the 'Old World' wine countries, and embraced by the retailers doing business in that part of the world.

3.5 Conclusion

This chapter does not argue that one cannot scientifically measure or judge which grower or wine cellar is more 'environmentally-friendly' than others, in the sense of carbon emissions, for instance. It does suggest, however, that one cannot fully understand what

farmers and cellars are doing in the way of 'environmentally friendly' practices by looking at scientific data alone. What is selected, introduced and institutionalised as the environmental standard also depends on extra-scientific factors such as consumer pressure, protectionist measures by Northern competitors, costs involved in its implementation and management, personal environmental ethos, and so forth.

Both Conventionalisation and GVC theory suggest that those who wield the market power (i.e. Northern retailers or 'lead firms') set the rules. However, IPW challenges this conventional wisdom.

Without a doubt, IPW was introduced as a response to emerging trends in overseas markets. But it was neither conceived, nor imposed by Northern supermarkets. If by now it has become institutionalised, and is embraced by overseas buyers, it points to a kind of 'environmental consensus' between local suppliers and overseas lead firms. However, while adding environmental value to the product guarantees market access, it is an open question whether it provides any kind of market advantage.

What the history of IPW also suggests is that market considerations influence decisions regarding 'environmentally-friendly' practices; they don't seem to depend on the personal ethos of the grower or cellar alone. Whether the market is a large retailer, a speciality wine shop or an acclaimed restaurant, it would appear that a producer will seldom engage in 'environmentally-friendly' production simply because he or she 'believes' in it. Neither, however, can market forces alone dictate the types of 'environmentally-friendly' practices and initiatives a grower or cellar decides to implement. But exactly how 'actors' in the South African wine industry engage with the market and how that relates to their personal views regarding 'nature', 'environment' and 'environmentally-friendly', is analysed in the chapters to follow.

CHAPTER 4

Research Methodology

4.1 Introduction

In the following chapter, I begin by restating my research questions and then describe the ways in which I have thought about, approached and conducted the fieldwork for this study. The research questions I formulated are as follows:

- To investigate what 'environmentally-friendly' means in the South African wine industry today;
- to investigate what kind of 'environmentally-friendly' practices are being implemented and why?; and
- to investigate whether enforcement is strict, or whether there is room for manoeuvre on the part of producers regarding 'environmentally-friendly' practices.

More specifically, this thesis will attempt to:

- discover how producers feel about the policies and requirements set by IPW.
 Furthermore, to explore how producers feel about initiatives such as BWI and marketing campaigns such as WOSA's "Variety is in Our Nature" whether these are 'good' environmental initiatives or not, and why?;
- discover why some producers decide to go beyond IPW, what they are doing and why?; and
- discover how the specific 'environmentally-friendly' practices producers employ relate to their ideas about 'nature' and the 'environment'.

In an attempt to answer these questions, this study has focussed on many different actors in the South African wine industry. To obtain a broad portfolio of wine producers focusing on different types of 'environmentally-friendly' wine production, a sample of wine producers of all types within the primary site of the wine industry, the Western Cape, was drawn. Respondents were selected from estates, private cellars, co-operatives and former co-operatives, now companies. By doing so, 'case studies' of each of the types of production sites (estates, private cellars, cooperatives and companies) in the South African wine industry are presented, and in so doing, an attempt is made to understand the different ways in which actors in different settings within the wine industry are experiencing and performing 'environmentally-friendly' thinking, policies and initiatives.

Key informants have also been identified in other sites related to practices of 'environmentally-friendly' wine production in the South African wine industry. This includes policy makers/managers at IPW and BWI, managers/coordinators at IPW and BWI and the executives of each of the leading industry bodies, as well as at the Department of Agriculture in the Western Cape.

In this chapter, I account for the way in which I approached this study and how I went about selecting these key actors and cellars. In doing this, I wish to recognise my place, as a student, and as a researcher, in the 'environment' that these respondents are situated in. As discussed in the introductory chapter, I have previously conducted research in the South African wine industry. The first thing that became apparent to me during this time is that students wanting to do research are a permanent feature of key industry actors and producers' lives. This reality is cemented by the fact that the 'hub' of the South African wine industry (Stellenbosch) is also one of the oldest university towns in the country and has a long tradition of training and supplying wine makers, viticulturalists, plant pathologists, agricultural economists, lawyers, accountants, academics, policy makers

each of the industry bodies (or institutions) and cellars I have selected.

²⁴ Here, I employ the 'case study' method in the modern qualitative way described in Babbie & Mouton (2001: 280-283). In Chapter 2, I have thoroughly described the global and South African context in which these 'cases' or sites appear. Simultaneously, I continue in this chapter to give a thorough description of

²⁵ Companies are former cooperatives which have changed their legal status.

and so forth to the South African wine industry. As a sociologist studying and having lived in Stellenbosch for most of my life, there are few more visible sites of power and influence than the wine industry or the University of Stellenbosch. With this comment, I mean to emphasise that selecting the wine industry as a site of research is a reflection of my place in the *habitus* of the South African wine industry as much as it is of the producers and industry bodies I am interested in.

It is apt then, to carefully consider the space, as well as the time in which this study was completed. As discussed in the previous chapter, 'environmentally-friendly' production and the prominence of sustainable agriculture have been at the forefront in both domestic and international agri-food policy in the last 20 years or so. The aim of this study has been to understand how the South African wine industry has responded to these changes all the way through from the broader industry level to the farmers and producers working in the vineyards and cellars.

As shown in the previous chapter, farmers and wine makers themselves (especially those estate owners who brought about early innovations) are not without influence and charisma, therefore we can never assume that change in environmental thinking has solely been imposed from a 'higher position of power' (i.e. regulating bodies or government for instance). It is with this consideration in mind that I approached my study. I began by approaching key industry informants to get "the big picture" of what has been happening in the South African wine industry regarding 'environmentally-friendly' production and regulations since the early 1990s. I then selected a number of estates, private cellars and producer cellars²⁶ to interview and asked people in 'decision-making' positions which practices they employ and how, their opinions of and experience with IPW, international private regulations (such as HACCP and ISO) and other homegrown environmental initiatives (such as BWI and WOSA).

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²⁶ Some of which are still traditional cooperatives. A cooperative, as previously mentioned, is legally obliged to buy all grapes (regardless of the class of those grapes) of their members.

4.2 Description of methodology and motivation for this approach

Firstly, a mixture of *basic individual* and *depth individual* interviews²⁷ were conducted face-to-face with a range of actors in the South African wine industry. I chose a qualitative approach for this study and I take my motivation for this approach directly from Babbie & Mouton's *The Practice of Social Research* (2001). In their description of qualitative research, the authors contend that the benefit of this approach is that it "takes as its departure point the insider perspective on social action [otherwise known to anthropologists as the 'emic' perspective]" (2001: 270).

The most important motivation for my use of the qualitative approach is that it not only seeks to understand what people do (social action), but it also seeks to understand the meaning that people attach to these actions. This point of departure is vital to my general research question as I am interested in the respondents' own immediate, on-going and long-term experiences of environmental thinking, policy and implementation. Rather than exploring these environmental policies and practices in isolation, I attempt to understand them through the people that shape, are shaped by, and perform them. In other words, I attempt to understand the whole range of motivations these producers utilise²⁸ to make decisions regarding the environment in their businesses.

Another important motivation for the qualitative approach is to be found in the authors' discussion of *naturalism*. The authors argue that "Qualitative research is especially appropriate to the study of those attitudes and behaviours best understood within their natural setting as opposed to the somewhat artificial settings of experiments or surveys" (Babbie & Mouton, 2001: 270-271). In this study, I have gone a step further and this is a step, I believe, that I could only have taken with a qualitative approach as my starting point. Not only do I want to study people within their natural setting, I also dispel the notion that there is such a thing as one 'natural' setting for these respondents (or

²⁸ Both temporally and spatially.

²⁷ Babbie & Mouton use these categories to differentiate styles of interviewing which focus on *what* (the content) answers the respondent gives versus the *way in which* he/she has utilised norms, values, stereotypes, and so forth to respond to questions (2001: 289-291). I have been interested in both the content and the context of that content in the way I constructed my interview schedules.

ontologically, for anyone, for that matter). What I mean by this is that their (i.e. the respondents') setting is not constant or solidified, but risky, varied, changing and to which they constantly have to adapt. In other words, I argue that the respondents' settings are not only nature (the vineyard) or the physical space and physical things which are happening in these spaces. I argue that these spaces are structured by power relations; subject to economic, normative and cultural influences, and that these things (physical and social) cannot be understood in isolation from each other.

4. 3 Selection of key industry informants and interviews

The primary site of 'environmentally-friendly' or sustainable production is in the vineyard. On the farm and cellar side, it has therefore been very important to identify all actors which make important decisions in the vineyard and who have final responsibility over IPW implementation and paperwork and any other 'environmentally-friendly' regulations, initiatives or schemes employed at the firm. I established contact with selected farms and cellars via email (addresses were either obtained from their own websites or from key industry informants who had recommended them to me). At each initial point of contact with selected respondents, I was very careful to specify which criteria I was looking for in a potential respondent. My specifications were as follows: 1) someone who is closely tasked for IPW implementation and paperwork, and 2) someone who makes important decisions regarding IPW or other environmental policy, certification or initiatives. I then left it to the individual firms to identify the most appropriate respondent according to those criteria and to the information that I was interested in obtaining (in each email I initially sent, I gave a short description of my project and broad research questions). In some cases, one person was identified as the apt respondent, in other cases; more than one respondent was identified.

The aim of this study was to find out how producers decide what 'environmentally-friendly' practices to employ and how they do so. With this in mind, I note here that I did not include workers in my sample. The legacy of the regulation era still lingers in the way

labour is managed in vineyards and cellars, so much so that workers are still largely excluded from making any important decisions at farm or cellar level.

Again, it is important for me to note the complexities of each of these sites (or 'environments') even as it pertains to the people who work (and indeed *perform*) in these spaces. In some cases there may be a permanent viticulturalist employed at the estate or private cellar, or one that advises all the members at the cooperative/producer cellar. In other cases, a viticulturalist may only be used in a consulting capacity. In other cases (especially at smaller private cellars or estates), viticultural functions often overlap with other specialised fields of work. For instance, it is not uncommon to find that a wine maker is also the viticulturalist and or manager at a specific vineyard or cellar. It is important to make this distinction beforehand. It may be useless to interview only a consulting viticulturalist at a site if that respondent cannot answer the full range of questions that I have set due to his or her potential lack of knowledge of the site as a whole. As I have described, at some sites, it was necessary to speak to more than one respondent who works with IPW and other initiatives or certifications in different capacities (i.e. a code manager who works in an office might have very different insights than a viticulturalist working in the vineyards, but both will have relevant and necessary information that I will have to reflect in my selection).

Who is doing what may vary according to the type of wine firm. Who decides what are important 'environmentally-friendly' or sustainable practices in the vineyard? What private regulations or certification standards inform these decisions? There may be much variation in this aspect from farm to farm. For example, a grape-grower from a cooperative usually does not make these decisions alone. He/she will probably have guidelines from the management of the co-operative instructing him on the manner of production. Similarly, a private cellar or estate may be owned by people who do not live on site. Some of these owners will leave these decisions up to managers they entrust with running the farm, and some may have very specific standards of 'environmentally-friendly' practices that they instruct their managers to adhere to. Some of these decisions may be self-generated, and some may have been influenced by other actors in the wine

industry. It may also be that a certifying body or even a client (such as an international retailer like TESCO) are informing or imposing certain standards and/or specifications of practice on farms. The selection of vineyards and cellars has had to reflect these variations.

One semi-structured set of core questions (open-ended and closed) was developed for this study which was elaborated on and adapted depending on which industry body or cellar each respondent spoke for. Additional to the core questions and adaptations, I also included questions focusing on interesting information (obtained from websites or recommendations in preparation for the interviews) pertaining to each respondent's individual 'environmentally-friendly' reputation. The interviews were all captured with a digital voice recorder and used in conjunction with notes taken during the interview sessions to be analysed later. Data collected from relevant websites connected to wine firms, certifying bodies, research and technology transfer bodies, marketing bodies and conservation groups that were selected.

At the beginning of the research process, potentially any of the 3667 growers, 604 cellars, as well as other key actors influential in the South African wine industry could have been selected for this study. The majority of these industry bodies and wine cellars are situated in the Western Cape; therefore this has been my selected site of research. As the study progressed, however, I developed three broad criteria that I hypothesised would influence the range of response at cellar level. I hypothesised that these criteria would increase the variation of definitions respondents might give and the practices they might employ. Selecting cellars in areas with different climates has been one way in which this has been attempted. Different climates already imply a different range of relationships between wine production and the environment. Similarly, selecting a variation of 'sole-owned' cellars (estates and private cellars) and 'multi-owned' cellars (cooperatives and companies) would highlight the influence of legal structures on decision-making regarding 'environmentally-friendly' production at different types of cellars of varying size.

The method of sampling was a carefully considered purposive selection of each geographic location²⁹ or *terroir* and type of wine firm from the entire 'population' of the South African wine industry in the Western Cape, and was therefore purposive and directed sampling. As Babbie & Mouton explain (2001: 288):

Another point to consider is whether you wish to sample the entire population...or just a few members of the population. Should you decide to choose a smaller sample, you need to remember that sampling in the interpretive paradigm is often purposeful and directed at certain inclusive criteria, rather than random. In fact, sampling used in studies where qualitative methods are used, are almost always by means of purposeful sampling.

The three criteria which focused and narrowed the number of cellars I could potentially select from were as follows: 1) Cellars were selected by recommendations from key industry actors (which gave an indication of the *ethos* of the cellar regarding 'environmentally-friendly' practices), 2) cellars were selected because of the climate or *terroir* and 3) cellars were selected according to their type (estate, private cellar, cooperative or company).

Market orientation is also a criterion which I thought would be significant to the variation of response I would receive. However, this is not something one can know prior to selection. Once I had begun to select cellars according to these criteria, I was no longer including the entire population from the South African wine industry; I was instead purposefully selecting cellars that I hoped could help me to answer my research questions.

Thus, although I tried to 'cover' the whole range of cellars in terms of geographical location, type and environmental ethos, the eventual sample is not a 'representative' one in the strict statistical sense. Therefore, I do not claim that my results can be generalised to the whole of the South African wine industry.

²⁹ And the climate that is typical of that location. I use the terms climate, area, geographic location and *terroir* interchangeably throughout the thesis.

In the pages that follow, I will describe my own experience of the study as one that is indicative of the 'environment' in which the study takes place. This is a world of power relations and politics, of personal connections and individual relationships forged over many years of professional and personal interaction. I wish to show that conducting such a study is not merely a clinical, scholarly task, but a constant negotiation of time, different personalities and interests, and very often, access to respondents comes down to 'who you know' rather than how enthusiastic a researcher you are.

4.3.1 Selection of key industry informants³⁰

In light of this, I feel it is important to give recognition to two specific people who have been generous with their connections and experience of the South African wine industry. The first is my supervisor, a sociologist in the Department of Sociology and Social Anthropology at the University of Stellenbosch. The second is my father, an agricultural economist in the Department of Agricultural Economics at the University of Stellenbosch. Upon reflection (and reflecting with a theoretical gaze), these two people helped me gain access to respondents that other research students in the field might not have secured interviews with so easily, or at all.

Time is a commodity which is highly valued in the wine industry, and I feel it is valuable to describe my research experience in a way that reflects the difficult process of approaching, engaging with and securing interviews with respondents.

Key industry informants were selected purposefully. As I had done research previously in the wine industry, I had a good idea of the various industry bodies and their specific functions. I began, however, by contacting the leading regulating body, the Wine & Spirits Board, and asking which industry body was responsible for environmental regulation. I was informed that IPW was the best place for me to begin my research, and that their recommendations of other key informants would be vital to conducting my study. In each case, I initiated contact via email and described what information I

 $^{^{30}}$ See Addendum A for the structured interview schedule for key industry informants.

required from a potential respondent. In each case, I emailed the head of that organisation directly. In some cases, I was granted interviews with these people personally; in other cases, I was referred to a more suitable respondent within the industry body. I selected a key informant that was identified as the most appropriate respondent by the industry body. In each case, I was interested in selecting industry bodies that would comprise as broad a picture of the environmental 'movement' within the South African wine industry as possible. In most of these cases, I knew that the respondents had worked in the South African wine industry for many years (predating the deregulation era) and have a good knowledge and experience of the vast changes that have occurred on every level in the South African wine industry over the last two decades.

On the industry side, I interviewed a total of 12 people. Three of these respondents (therefore only a quarter) were women. All of the respondents are white. This is relevant when we reflect on the nature of social change in the sector and the rather low measure of involvement of coloured and black people in shaping 'environmentally-friendly' policy and production at industry, farm and cellar level.

4.3.1.1 Profile of key informants

1) I began the study by interviewing an academic at the University of Stellenbosch who has been involved in the South African wine industry for many years. I will call him *Francois.*³¹ He is an agricultural economist who has held posts at several universities in South Africa and he was the CEO of one of the leading industry bodies during the last decade. With this range of experience, *Francois* was an ideal respondent to provide me with a bird's eye of the recent trends in the industry. He also provided valuable insight into how many of the industry bodies operate, where funding for these schemes and initiatives comes from and who would be useful respondents to contact. I gained access to this respondent through personal connections. He has been a colleague of my father for many years. Notwithstanding this personal connection, it still took many arrangements to secure an interview. As described, *Francois* is connected with many different industry

³¹ Where names are in italic, pseudonyms have been used.

bodies and is still very much involved. My initial experience of difficulty in securing an interview was a feature that would remain constant throughout the length of the study. Dates and times for an interview were subject to his work schedule and other appointments that had to take priority. This was true of a number of other key respondents and wine firm respondents. I quickly realised that I would have to maintain a very flexible schedule in my approach to setting interviews and that I would have to adapt to the schedules of my informants, rather than them fitting into to my time-frame as a researcher.

- 2) The study then began gathering steam while investigating *Integrated Production of* Wine. The problems I encountered here were not so much in securing an interview, but in finding the most applicable respondent to interview. By the time that I conducted my first interview with one of their respondents, IPW had recently changed managers. I quickly realised that I would have to interview more than one person connected with the management of this scheme. To study the 'environmentally-friendly' practices of wine producers, I first needed to establish what is required by regulation. I interviewed three selected respondents from this institution. I interviewed the current manager (*Patrick*); the previous manager (*Robert*) and the first President (*Andrew*, now retired) of IPW. As previously mentioned, I also used IPW to help identify other respondents I needed to include in the study. This organisation/institution gave vital advice on which other industry bodies I had to include in the study and were useful in identifying estates, vineyards and cellars that are employing a range of interesting strategies regarding sustainable agricultural practices. Despite this invaluable assistance, I found that snowball sampling quickly began taking place as each new respondent I interviewed at each different institution suggested new respondents (from both industry bodies and at the wine firm level), some of which I included in my sample.
- 3) The study then turned to the CEO of the marketing initiative, *Wines of South Africa* (WOSA). The respondent I interviewed there described the challenges that face the South African wine industry, especially with regards to exporting and global competition. *Jane* emphasised the need for a generic marketing plan that sells the whole of the South

African wine industry. She promoted and emphasised the role that a generic marketing campaign around nature and diversity plays in international marketing for South Africa. I was able to get a very good idea from *Jane* of what overseas markets are looking for in potential suppliers of wine and how South African wine producers have to adapt to meet this demand. *Jane* shed some light on how particular overseas buyers/clients (like TESCO and markets such as Germany and the Scandinavian countries) have received IPW, and explained that many of these buyers/clients talk about IPW as a "must have versus a nice to have" However, here I must note that it was difficult to enter into conversation with this respondent. Whether time constraints were an issue, or whether it was merely the nature of my questions, I had to probe to get more than vague answers from *Jane*. I consequently found that preparing myself beforehand for such difficulties would prove important for the rest of the interviews I conducted in the study.

- 4) The fourth respondent I interviewed was identified purely by luck, but again, through personal connections. During a personal consultation, our family's long-time GP recommended me to the first president of IPW who happened to be a family friend of his. He has been retired for many years now, and I would not necessarily have identified him as a respondent otherwise. Securing this interview proved vital as this respondent, who I will call *Andrew*, was able to provide critical insight of IPW's initial establishment and introduction. *Andrew* was also the president of the OIV (International Organisation of Vine and Wine) between 2001 and 2004 and has been strongly involved in many other industry bodies. Additionally, *Andrew* also spent much time visiting vineyards in the early years of IPW and has much insight into how farmers and cellars responded to IPW when it was first introduced versus how they receive it today (what I refer to as "buy-in" in my questionnaire).
- 5) I then interviewed the Executive Manager of WINETECH (*Wine Industry Network of Expertise and Technology*), the major research facilitator of the South African wine industry. This research body's main objectives hold environmental concerns at a priority. WINETECH contends that 'environmentally-friendly' and sustainable practices and the

³² Personal communication, CEO of Wines of South Africa, 24 February 2010.

continuous technological development of these are central to international competition and strategic positions in international value chains. The research database works in conjunction (and is funded by) SALBA³³, VinPro and WCSA³⁴. I gained access to *John* through my father and work that they had previously conducted together. I found it an interesting experience to be personally questioned regarding the different approach I was taking as a sociology student where previous approaches have typically been economic or policy-driven approaches that my father and many other researchers in the agri-food system have focused on.

- 6) My next stop was the Chief Executive Officer of SALBA (*South African Liquor and Brand Owners' Association*). Again, *Richard* is an exceptionally involved and busy (not to mention influential) man and I doubt whether I would so easily or quickly have secured an interview with him if it were not for his connection with my father. This association represents the interests of wholesalers, including Distell, in the South African wine industry. Distell is South Africa's "leading producer and marketer of fine wines, spirits, ciders and ready-to-drinks (RTDs)" (Distell website) and the largest wholesaler of wines in the country. As a group that wields so much revenue and power in the South African wine industry, it was interesting to learn that it is now contractually required of every supplier to Distell to be IPW compliant. *Richard* is a lawyer by trade, and was able to give me very interesting insight into some of the more political operations of the industry.
- 7) I then went on to interview the Environmental Manager (an official title) at Distell. *Robert* was the previous manager of IPW, and therefore had invaluable information about the initiative and how it is being received by a large corporation such as Distell. He was also able to draw a concise picture of IPW and its evolution, adaptation and progression during the time that it had become more formalised and widely complied with in the industry. Getting an interview with *Robert* proved quite easy as I was able to tell him that both *Andrew* and *Patrick* had already granted me interviews and had both referred me to

³³ South African Liquor Brand Owners Association

³⁴ Wine Cellars South Africa

him. In general, I found that the more interviews I had completed, the more I could use referrals and names of these people to gain access to other key industry actors who may not have made time for me so easily otherwise. This once more points to the high level of networking that occurs in the South African wine industry.³⁵

- 8) "VinPro is a service organisation for South African wine producers, which represents them on all relevant forums, in government, related affairs and in producer associations" (VinPro website). The next interview I conducted was with a retired VinPro extension officer who had worked in the Stellenbosch district for many years. I was referred to *Kobus* by the head of VinPro (situated in Paarl) and he was able to provide me with thorough illustrations on how IPW and other sustainable practices were employed by producers at farm level. He described VinPro's role in consultation on all fronts. *Kobus* was able to afford valuable insight to where the shortcomings in IPW initially lay. He argued that producers were often unsure of how to implement IPW practices and how VinPro had acted as mediators to ensure that IPW regulations were adapted (and are still constantly adapting, for example, the development of easily comprehensible guidelines or the stricter regulation of how effluent water should be dealt with) to aid producers. *Kobus* also described the level of communication between WINETECH, the Agricultural Research Council, IPW and VinPro to ensure that new research, techniques and practices were being transferred successfully to producers.
- 9) My next stop was the chairman of Wine Cellars South Africa (WKSA) who represents South African producer cellars (commonly known as co-operative cellars) and who is also a board member of one of the largest producer cellars in the country. Here, I learnt how large producer cellars had to adapt to meet the new standards of IPW and international environmental regulations. *Dawid* described the problem of getting every supplying member at the cooperative or company on board with a new production approach (i.e. a more 'environmentally-friendly' approach) but also emphasised the necessity of doing so for the sake of international competitiveness and to secure buyers.

³⁵ This is not to say, however, that all industry bodies or even individual respondents are in agreement with each other. Tensions clearly exist, especially where funding and limited resources for research are concerned. This will be extended on later in the thesis.

He described the massive changes that have been made to the restructuring of these companies and how IPW compliance is now often a contractual requisite for a grower to attain any kind of price for his grapes at these cooperatives or companies (depending on the individual legal and product requirements of these firms).

10) After much struggle and waiting, I finally secured an interview with the head extension officer at the *Biodiversity & Wine Initiative* (BWI), *Linda*. I had previously been trying to schedule an interview with the co-ordinator of the project, but I found that this was a virtually impossible task. I was told that this potential respondent is bombarded by many students everyday and is also much more involved with the marketing of BWI than other potential respondents at the Initiative. It was only after redirecting my request for an interview to *Linda* that I successfully secured an interview. As previously mentioned, BWI works in conjunction with the South African wine industry to protect and conserve indigenous flora on South African wine farms. An additional area of research and conservation links with the conservation or rehabilitation of water on farms and at cellars. Linda described the resistance and tensions that the initiative had experienced in the past. She said that a common retort by unwilling producers was "I'm not here to sell flowers"; but described how, slowly, the initiative had caught on in the South African wine industry and how many members the initiative now has. Linda explained that the indigenous fynbos was a good marketing image for many wine producers and that it provided a good story for customers. She added that now, since IPW regulations have become so prominent in South Africa, BWI is also gaining a steady foothold in the industry. Linda was another excellent source for providing an understanding of what is happening at ground level where different types of sustainable/'environmentally-friendly' approaches and practices are employed.

11) My last planned interview was with the Director of Sustainable Management at Elsenburg (the offices of the Department of Agriculture in the Western Cape), *Jan.* Here, I learnt that there was one more industry body that I had to interview, the Agricultural Research Council (ARC). *Jan* explained to me that there is an unwritten agreement that research conducted on wine (viticulture, oenology, etc.) was done at Nietvoorbij (the

Western Cape ARC division). *Jan* was able to supply me with a good overview of the Western Cape's Department of Agriculture stand in relation to that of other provinces' Departments of Agriculture; and where it stands in relation to the performance of international agricultural departments. *Jan* explained that the involvement of the South African wine industry played a big role in the success of Western Cape agriculture in general. He explained how the industry's funding and own research (like WINETECH, VinPro, etc.), regulation bodies (like IPW) and marketing campaigns (WOSA) added to the administrative and practical success of Western Cape agriculture.

12) The final site of research among the industry bodies in my study was the Agricultural Research Council at Nietvoorbij. I spoke to a respondent here who is a plant pathologist and also the chairperson of the South African Society for Enology and Viticulture (SASEV). *Karien* provided very interesting insight into the politics of how government funding for research is granted to either Elsenburg or Nietvoorbij. While the Department of Agriculture is fully funded by the Province; the Agricultural Research Council has to generate funding for research projects from within the South African wine industry (employees at ARC get parliamentary salaries, but have to generate research funds from the industry). I was also given another valuable insight into how different industry bodies worked together to secure funding, identify research topics and transfer the findings to producers.

4.3.2 Selection of estates, private cellars, cooperatives and companies³⁶

The study finally turned to interviewing producers who implement 'environmentally-friendly' practices. Again, this sampling was done purposefully and made use of the snowball sampling technique. The study targeted cellar and farm managers/owners, viticulturalists, wine makers and so forth (people responsible and involved in environmental practices, paperwork and decision-making at each site). The study

³⁶ See Addendum B and C for structured interview schedules for estates & private cellars and companies and cooperatives.

focussed on wine producers who comply³⁷ with *Integrated Production of Wine*, wine producing members of the *Biodiversity & Wine Initiative*, producers of organic wine, and producers who adopt other sustainable/'environmentally-friendly' practices. As mentioned, producers from different climates, as well as different types of firms (estate, private cellar, cooperatives) were included in order to capture a variety of practices.

In what follows, I will provide a short description of each site. I will also describe why and how each of these sites and the respondents interviewed there were selected. I am confident that my selection has captured a good variation of practices and of different interactions with cultural, social, economic and political aspects of the 'environment' at each site. I am also confident that this selection has enabled me to answer the research questions I have set myself. I have not included cellars who are not IPW compliant. This is not because I necessarily set out with this goal in mind while making my selection. It emerged that identifying such respondents was virtually impossible.

I interviewed a total of 17 respondents at 14 sites. Of the 17 respondents, only one is a woman. All of the respondents are white. Of these 14 sites, seven are estates, one is a private cellar and two are traditional cooperatives and four are companies. Time is a valuable commodity for producers and in this phase of the research, considering time constraints was more important than when industry informants were selected. In the South African wine industry, it is only really possible to conduct research in the colder, wetter winter months between May and October (at the latest). The rest of the time, producers are exceptionally busy pruning, suckering, harvesting, and so forth. This is very important to note when approaching potential sites and securing interviews.

I began by emailing each potential site and establishing who would be the best person/people at that place to interview. Of all the 14 sites I selected, only one was not fully IPW compliant at the time. In this case, the farm had passed the IPW audit, but the

³⁷ IPW 'compliance' means that the cellar and farm (or the farms of the supplying members) have both passed the annual IPW self evaluation questionnaire by 65% and over. There are separate sets of forms for the cellar and farm (vineyard) and only when both are compliant, can the whole firm claim to be 'IPW compliant'. IPW "tries to inspect/audit each IPW member at least once in three years" (Manager of IPW, 7 February 2011).

cellar had failed to do so in their 2010 audit. This means that at every other site I selected, both the cellar and the farm (or the farms of the grape-growing members of cooperatives or companies) were IPW compliant.



Figure 3.Map of the wine regions covered by the study (cellars visited are indicated by *)

1) Cellar 1 (**Estate A**) - The first site I selected was an estate and the sunny afternoon I visited fully boasted the many benefits of its location. Overlooking Stellenbosch and much of False Bay, the respondent I talked to there is a viticulturalist and I shall call him *Oscar*. I was referred to Estate A by my supervisor who has done research there in the

past. I selected this estate because it is located in the Stellenbosch district, the area which is often credited as the producer of the highest quality wines and the best suited vineyards in the Western Cape. Estate A is located adjacent to the well-known Reyneke Wines, a biodynamic certified producer. Estate A is not certified organic, but they produce as closely to organic principles and practices as possible. In this case, it means that they do not want to be limited by the regulations of certification. Estate A's red wines have been highly rated in local and international wine magazines. This estate makes much use of and invests in scientific consultants (for soil, temperature and so forth) and is also invested in research at every level. Estate A is not a member of BWI.

2) Cellar 2 (Company B) - The respondent I talked to at this site is a viticulturalist and I shall call him *Danie*. As I arrived at the cellar on the morning I visited, I immediately noticed the railway adjacent to the rather isolated group of buildings the road signs directed me to. The topography looked fairly even (flat) and rich in flowers. I selected this site because of the area it is located in and because of the insight a different legal structure can provide. Company B is located in Darling district and has about 20 members. *Danie* described this area as "up and coming" and the establishment of cellars there as fairly new to the region. Darling is located in a warm climate, but member farms' locations range from Darling's hills to the West coast. Company B is highly focused on *terroir* based production. "Darling, less than an hour's drive from Cape Town, is the first wine producing district to be awarded membership status by the Biodiversity Wine Initiative (BWI) with all individual farms, including Cloof, Burghers Post, Groote Post, Ormonde, as well as Darling Cellars, achieving accreditation" (from BWI website). Company B is also BRC, ISO 9001 and ISO 2000 certified. Company B is a member of BWI.

3) Cellar 3 (**Estate C**) - I interviewed three respondents at this estate. Estate C is certified organic by SGS³⁸, EU Organic (European Union) and the USDA's NOP organic certificate (United States Department of Agriculture's National Organic Program). Estate C is located in the area between Tulbagh and Ceres, an area which has a warm to

³⁸ Société Générale de Surveillance

temperate climate. The vineyards are located between two rivers and are well irrigated. The vineyards are also elevated which gives the vines access to breezes and sunlight, two conditions optimal for the growth of organic grapes. I interviewed the environmental officer, *Jack*, the certificates manager, *Marisa* and the farm manager *Piet*. My experience of this cellar was intimate and I got the impression that the operation of the estate was like that of a family. *Jack*, *Marisa* and *Piet* all joked with me about one other and this set the tone for what proved to be three rich interviews. All three had interesting insights concerning their own areas of specialisation at the estate and how 'environmentally-friendly' production influenced their lives. Estate C is IPW compliant and passes audits and self evaluation questionnaires by over 85% (a requirement of being awarded BWI 'Champion' status). Estate C is HACPP certified and were the first and only organic BWI 'Champion'.

4) Cellar 4 (Estate D) - The more I began to travel for these interviews, the more I began to feel that each location seemed locked in its own space. I was conducting these interviews during the week, yet somehow, these 'businesses' (because I am essentially arguing that these places are more than mere businesses) seemed very much removed from any workplace I had ever known. The respondent I interviewed here is the owner, manager, viticulturalist and wine maker. Simon and his wife operate this small cellar with a few permanent workers and produce a highly rated, high quality wine which fetches a premium price per bottle. Less than 200m away from the cellar, Simon and his wife have also built their home. Commenting on typical conceptions of the workplace, Simon asked me; "People in general don't get to experience this, do they? Everyone is so quick to make that division real, home and work...but for some of us it doesn't happen that way. I don't feel like I am at work in my cellar or that I am not working in my home...but why should that make me unhappy? Maybe we have just found a better way to live". Estate D is located in Botrivier in the Elgin/Walker Bay district. This is also a newly developed region in the South African wine industry and is very well situated at the coast with cool breezes and moderate temperatures. While Estate D is not certified organic, they do produce as close to organic principles as possible without complying with any official organic certification body. Estate D is a member of BWI.

5) Cellar 5 (Estate E) - This estate is one of the most illustrious wineries in the country and produces some of the best quality wine. The respondent I interviewed here is the viticulturalist and I will call him Riaan. Estate E is located in the Stellenbosch district and was selected because of its award-winning, commercially successful status. It was also selected because my father has connections with the owners which helped to secure an interview. Nevertheless, it still took a long time as the owner (the original person I was to interview) travels regularly and was overseas on a number of occasions. In the end, however, *Riaan* was identified as the more appropriate respondent (because of his experience with IPW regulations). Estate E is not a member of BWI. I had a fantastic experience during this visit as *Riaan* offered to drive me through the vineyards in his 4X4 to show me the physical work they have been doing regarding their own conservation initiatives (not connected to BWI). Not only did this experience illustrate the very important infrastructure that has to be in place in a vineyard (like buffer zones, fire corridors, drainage to avoid erosion and so forth); it also highlighted the difference between the developed areas (where invasive species where removed to aid conservation) on Estate E and the neglected areas on the adjacent estate's vineyard. Riaan described the problems that this could cause: "That's why I don't know how the organic farmers do it. Like here, my patch is clean and in order...but I can't stop the pollen from that other man's place from coming here and ruining everything! If there is a fire on his place, it will affect me... that is part of our life here, part of the worries...of what we have to live with and consider and plan for every day. It frustrates me to no end, because there is no law telling my neighbour to clean his place, at least no one [government official enforcing the law] that is worth him listening to at the moment..."

6) Cellar 6 (**Company F**) - The sixth site I selected is a producer cellar that has converted into a company. The respondent I interviewed here is the viticulturalist and I will call him *Grant*. Producer Cellar F is located in the small town of Riebeek Kasteel in the Swartland district. This area is further inland and has a warm to moderate climate. Producer Cellar F was selected because *Grant* was recommended to me by more than one of the key industry informants I interviewed. They are in the final stages of gaining HACCP accreditation. Producer Cellar F is Fairtrade certified and is a member of BWI. All these

factors made Company F an important interview to secure and I was given a rich account of the way the different certifications and accreditations operate at the cellar.

- 7) Cellar 7 (**Private Cellar G**) The seventh site I selected is a private cellar and two interviews were conducted at this site. The two men I interviewed are the owners and winemakers *Braam* and *Etienne*. Private Cellar G is located in Calitzdorp in the Klein Karoo district. After more than a six-hour drive, I quickly began to realise the logistical challenges that may face a producer in such an area. Despite the fact that this visit took place in what is early spring in the Western Cape, it was already over 32° C when a friend and I arrived there late afternoon prior to the interview. I selected this cellar because it is in one of the more 'extreme' climates in the Western Cape. This is a very hot, very dry area and the cellar is well known for its good quality ports. Private Cellar G is the first cellar to use the new *Integrity & Sustainability* seal and is also a member of BWI.
- 8) Cellar 8 (**Estate H**) The respondent I interviewed here is the viticulturalist, *James*. This estate is located on one of the oldest family-owned farms in the district in Durbanville. This area is a cool, moderate region close to the sea which enjoys sea breezes. Estate H directs its export sales towards the Asian markets and has designed the winery according to the principles of 'Feng Shui', something that Chinese buyers in particular appreciate (according to *James*). This balance of space and pristine orderliness was evident in the beautifully cultivated lawns and flower-beds leading to the manor-house. Estate H is IPW compliant and passes audits and self evaluation questionnaires by over 85%. Estate H is 'Carbon Negative' certified. Estate H is a member of BWI and is currently applying for the 'Champion' member status.
- 9) Cellar 9 (**Estate I**) The respondent I interviewed here is the wine maker and the viticulturalist. I will call him *Alex*. This vineyard is located in Noordhoek in the Cape Peninsula district. It is perfectly located for the production of white wines (as the vineyards are elevated and right next to the sea) and garners much local and international acclaim for its Chardonnays and Sauvignon Blancs. Estate I was selected because of the area and because of the name they have built for themselves in terms of quality and

conservation projects they are involved in. Estate I is IPW compliant and passes audits and self evaluation questionnaires by over 85%. Estate I is a member of BWI and is currently applying for BWI 'Champion' member status.

- 10) Cellar 10 (**Estate J**) This estate is organic and biodynamic certified by the Control Union, *Bio-Nach EG-* Öko Verordnung, the British Soil Association and the USDA's organic certification. The respondent I interviewed here is the owner and viticulturalist. I will call him *Johan*. Estate J also complies with a self-created set biodynamic of principles. Estate J is located in the Paarl district, one of the three most highly recognised regions in the South African wine industry (along with Stellenbosch and Constantia). While this site was not one of my first choices, I made the selection because it was in a prime area and it is certified organic. Estate J is IPW compliant, but emphasises that IPW does not go nearly far enough in environmentally-sustainable regulations. Estate J is a member of BWI.
- 11) Cellar 11 (**Company K**) The eleventh site I selected is a producer cellar that has converted into a company. The respondent I interviewed here is the production manager. I will call him *Stuart*. It was very difficult identifying the 'correct' respondent at this site. Not only was *Stuart* constantly travelling due to work, but the producer cellar is a very large company, and identifying the most appropriate respondent proved time-consuming, challenging and required much persistence on my part. Company K is located in the Olifants River district over 300km from Cape Town. This is a hot region. This company was selected because of its climate and because it was recommended to me by one of the key industry respondents. Company K is not a member of BWI.
- 12) Cellar 12 (**Company L**) I had a difficult time establishing the legal status of this cellar and the information I eventually received from them in this regard was incorrect. The respondent I talked to at this cellar is one of the wine makers and is very involved in the vineyards. I will call him *William*. This cellar is located in the Slanghoek Valley between the Worcester and Ceres district. This inland region is known for its lack of quality and for the prevalence of fortified wine, and Company L was selected for this

reason to try to understand how a cellar, located in such an area, negotiates IPW. They are not a member of BWI.

13) Cellar 13 (**Cooperative M**) - The respondent I interviewed at this cellar is the viticulturalist. I will call him *Leon*. Cooperative M is located in the Paarl district. This cooperative cellar was selected because it retains its legal position as a traditional cooperative cellar. It was also selected on recommendation from my supervisor. Cooperative M is in a unique position amongst the sites I selected, as it is the only site whose IPW membership is not intact. Cooperative M's IPW accreditation regarding cellar facilities has currently been suspended, but all of its members have passed the farm/vineyard IPW inspections and audit for the year. Cooperative M is not a member of BWI.

14) Cellar 14 (**Cooperative N**) - The fourteenth and final site I visited was a cooperative cellar. The respondent I interviewed here is the viticulturalist. I will call him *Jeremy*. Cooperative N is broken up into three divisions. The production site (the cellar) is legally a traditional cooperative. Cooperative N was amongst one of the first cellars I approached for an interview. I gained access to the interview without much difficulty, but because of much activity at the cellar and the frequent travelling of the respondent, I was only able to get an interview 3 months after first speaking to the respondent. Cooperative N is located in the Robertson district. This is one of the hottest and driest areas in the Western Cape. I selected this cooperative for this reason and because *Jeremy* was highly recommended by three industry respondents. Cooperative N is HACCP, BRC and ISO 22 000 compliant. Cooperative N is not a member of BWI, but is in the process of applying for membership.

4.4 Analysis of Data

The data have been analysed so as to best answer the research questions stated in the introduction. The aim of the analysis is to investigate what kind of 'environmentally-friendly' practices producers implement, why they implement those specific practices and

what meaning these producers attach to their behaviour. In the analysis, I will also look for similarities between cellars and test whether there are discrepancies between what key industry informants say about the wine industry and how producers experience 'environmentally-friendly' practices, regulations and initiatives at farm and cellar level. I have utilised both *content analysis* (analysis of the actual response) and *discourse* analysis (analysis of the context in which this respondent answers the questions) to better understand the way in which these respondents experience the world around them; and to understand what forces possibly mediate this experience (Babbie & Mouton, 2001: 491-495).

4.5 Potential sources of error and limitations

The most significant potential source of error in this study is that I might fail to obtain the information needed to answer the research questions I developed. This may be due to two factors: 1) I have not set questions that elicit a rich response, and 2) respondents may give vague or shallow answers because they want to project the most favourable image of their business/firm. I provided for these potential sources of error in the following ways: With regard to 1), I first pilot-tested my interview schedule at both industry and cellar level. Additionally, I asked every respondent after every interview if I had "left anything out" or "neglected anything you [the respondent] may think is important". In this way, I quickly discovered which questions elicited the most elaborate response, or what wording was the most probing and comprehensive and which respondents most quickly reacted to. Regarding 2), I had one specific experience where I felt that a respondent was giving me exceptionally vague answers to specific questions. In other cases where respondents were slow to elaborate, I found that opinion-based questions (such as "What is your opinion of WOSA's Variety is in our Nature slogan?") or probing open-ended statements (for example, "Some producers tell me that generic marketing is not necessary. What is your opinion?") encouraged respondents to become more conversational and produce richer, more detailed answers.

The limitations of the study are mainly logistical ones. The time, money and distance required to select and visit a large number of respondents in the Western Cape made it very difficult to include more wine firms in the study. Another limitation lies in the rapid and large-scale conversion of traditional cooperative cellars into companies. This made it difficult to include more traditional cooperative cellars in the selection.

Although not experienced as a limitation to this particular study, I would like to note that I reflected that a different methodological approach may well have suited the type of questions I have attempted to answer in this study and would have enabled me to ask different or far more focused types of questions. However, practical circumstances (time and resources to travel) did not allow for a participant observation kind of approach where working 'inside' one or more of these industry bodies or cellars may have provided richer insight into the complex way in which actors perform in this particular nexus between environmental and economic concerns.

4.6 Ethical Considerations and Conclusion

This study has kept all names of respondents, as well as the cellars, confidential. The study has used the correct names of the *Biodiversity & Wine Initiative, Integrated Production of Wines* and other industry bodies, but has kept the names of the respondents at these various bodies anonymous.

I am confident that the methods I have used allowed me to best answer the questions I have set. Despite the limitations I have mentioned and experienced, I am confident that the qualitative approach is the most effective method to obtain a rich, detailed, complex idea of how the South African wine industry and a sample of its producers are responding to 'environmentally-friendly' ways of thinking, practices and initiatives.

CHAPTER 5

Building a 'green' South African wine industry: key industry informants

5.1 Introduction

When this study began, I realised that I would need to obtain a broad overview of the South African wine industry before I began to select cellars and before I could decide what kind of questions would evoke the richest responses. With this aim in mind, the first phase of this study targeted key informants from the most important industry bodies in the South African wine industry which are involved with 'environmentally-friendly' regulations, implementation, research, marketing, and so forth. The following chapter explores 'the bigger picture' of the implementation of 'environmentally-friendly' in the South African wine industry as explained by key respondents in positions of power. All these respondents have been able to provide valuable insight into how 'environmentally-friendly' regulations are taken up by various sectors of the industry.

Most of the respondents I talked with have been in the South African wine industry for many years and have held positions of influence during the years of regulation. Many of these respondents have previously worked in the wine or fruit industry or in other agricultural sectors; or they had a personal background that involved farming (in this case they mostly grew up on farms). Most of these respondents also studied at the University of Stellenbosch or are closely linked to it. All of these respondents were interviewed in Stellenbosch where all except one³⁹ of these institutions' main offices are located. I will begin discussion on the same philosophical note I began each of my interviews with: by reflecting on that respondent's definition of key concepts such as 'nature', the 'environment', 'environmentally-friendly' and 'sustainable agriculture'. I will then discuss each industry body's position on 'environmentally-friendly' production by referring to the data gathered during the interviews. I will use this chapter to begin to shed preliminary light on the research questions. I will end the chapter by highlighting the issues that emerged from the key industry informants' responses.

³⁹ The VinPro offices are located in Paarl, another prominent area within the South African wine industry.

5. 2 An academic perspective

The first person I interviewed is currently a professor at the University of Stellenbosch in the Department of Agricultural Economics. He was previously been appointed at the University of Fort Hare and at the University of Pretoria and worked at the Development Bank of Southern Africa. He has been the CEO of the South African Agribusiness Chamber and of two other important wine industry bodies. I selected this respondent because he clearly has a very good background in the South African agricultural sector and an excellent insight into the changes that have been taking place recently in the South African wine industry and the initiatives formed to meet those challenges. This respondent has worked with almost all of the other respondents I have interviewed in the industry and I will call this respondent *Francois*⁴⁰.

5.2.1 Defining Concepts

Francois made it very clear to me throughout this interview that there "is a fine line that is constantly being negotiated by all of us in society between economic and environmental modes of living". When asked about the origin of his definitions of concepts and his personal history with/experience of nature, Francois immediately began reflecting this duality:

"Well, as I have explained to you, much of what I believe in and the way I try to interact with the world around me comes from the Bible. I believe that God gave us this world to live in and protect...so the idea of responsibility... no, it's more than that, the notion of stewardship is very important to me...But I can't say I live a completely religious life in accordance with nature either. Much of my enjoyment of it is, I feel...yes, it's completely hedonistic! I mean, I am very active, my whole family...I put a lot of that love of the outdoors into my children too, we love to be outside and to be doing things outside and with nature, or, you can say, with our environment, with the world around us. I love kayaking and biking and I love to compete. I love the feeling of adventure and I love to

 $^{^{40}}$ For the purposes of anonymity, I will use pseudonyms throughout the thesis to refer to my respondents.

kid myself that when I am doing these things I am in a world apart. But you kayak and you see the pollution in the water...die gemors! [the rubbish]... and you take your bicycle and you ride, but you are riding on roads that should actually not be there and you see the electrical wires in the sky and the smog in the air and you know that you are a part of all of that too..."

He also reflected critically on the way that these terms are defined in society: "Academically, but also in life, as an economist, as a businessman, even as a consumer, you have to ask: who benefits? What I mean is, you have to ask yourself, when someone else has defined these things you are asking me, nature, the environment, sustainable, friendly...all these words that are floating around...who is influencing those definitions and how do they benefit from that power? The power to say what a thing is and to determine the way the world practices around that definition is a significant thing. And it's different for me too, you know, because different jargons come with the territory. I cannot use the same terms when I am talking to academics or people in the industry...it's even different between the farmers and the BWI or WINETECH people...or the marketing people...and when I am with business people again...you have to play their game. Yes, there are times and places where I have been in the position to determine that game, but that comes with power and time and the name you build for yourself and the name other people give you. But I think that those definitions should relate to people's experiences and their own values... the moment these things become something judgemental people switch off, they don't want to hear you. So you need to be looking always for a discourse that works for everyone. I think that is what some of these new industry bodies are trying to do. It has certainly been our aim [in the various initiatives he'd been involved with] and also our aim in working with people like WOSA, BWI (you know, I used to have my offices in the same building with those ladies there, so I know that initiative well now) and IPW and all of the others to do this for South Africa...for the wine industry here."

5.2.2 "Finding a way that works for South Africa"

Reflecting on the globalised world that South African wine producers find themselves in today, *François* highlighted some important points of discussion:

"Yes, well, remember, I have the benefit...with these questions you're asking... of having been involved in many sectors of South African agriculture for many, many years now. And it was another world then [before deregulation of the late 1980's and the democratic elections of 1994]...and people [inferring white people] were protected. But farming has always been a difficult thing...and of course, for the workers, the labourers, it was a bad time...but today, opening up the world to international trade, it brings the eyes of the world to [on] us and we need to adapt or we become *persona non grata*. It's a world when our macro-economic decisions are increasingly determined by the powersthat-be further North. And in this day-and-age, that means your certification needs to be in line... traceable that is. And in the wine industry, we have just been trying... not in all, in some areas like environmental stuff... the aim is to try to get ahead, to do some things first or better. That is what IPW has been all about. And BWI...we are so unique here in this part of the world...so blessed. And it is reality, practical, to use this to market ourselves to the rest of the world out there...those who have never thought to buy a wine from anywhere but France or Italy or Spain...we must give them a reason to pick our wine from a shelf of hundreds, thousands of labels."

During our discussion, it became apparent that *Francois* approaches the wine industry from many viewpoints. As an economist, *Francois* discussed the challenge of the costs involved, but as someone who has been involved with new initiatives in the wine industry, he also discussed the change of mind-set that was needed when producers are thinking about these costs: "Quality is absolutely the way we have to go these days and from the way things look, in the future too. But, for the most part, they [consumers] want good quality in ratio with a good cost. Now who is to say what a good cost is? To a *tannie* [lady] in England, she wants a wine that costs about £5...and you know how little the producer at the bottom of the chain will make from that...but today she wants more

from it. She wants decent quality. And she wants labels...labels that make her feel better about herself. Now this is not everyone, many people don't even look. But you see, wine is a product of aspiration [he emphasised]. So we must ask ourselves, can we set some of those aspirations by what we do? Can we make it fashionable to look after the environment, to conserve our natural vegetation... and for those tannies [ladies] to love us for it? It's about going back to the terroir and using what it gives you. It's about protecting Chameleons and Spotted Leopard Toads and making people aware of it. It's about developing and researching the latest technological innovations like this use of infra-red instead of sulphur...it's about establishing trend-setting standards like IPW and showing people that it is not only cost-effective, but the way of the future. That being the most sustainable can mean you will sell the best, ensure loyal customers, make a good name of integrity for you and your country."

Lastly, *Francois* emphasised again, the importance of integrity and of being able to confirm our (the South African wine industry's) claims of 'green' practices, good quality wine production and better labour practices: "All it takes is one bad egg, one person [producer] who does something they say they're not and it affects all of us... the whole integrity of the project. So the most important thing now is to make sure we cover ourselves. Rules, accreditation, must be stricter. But it needs to be implemented in a way that includes as many as possible. Yes, integrity is almost the most important thing..."

5. 3 Institutionalised standards: the Integrated Production of Wine (IPW) scheme

I interviewed three respondents from IPW; the current manager (who I will refer to as *Patrick*), the former president (who I will refer to as *Andrew*) and the previous manager who is now working at Distell (who I will refer to as *Robert* and whose response I will discuss further when I analyse Distell in its own section). *Andrew* argued, "You see, the way we [at IPW] understand it, 'sustainable agriculture' is an organised way of looking at each and every impact you make on the environment. [To have integrity and trust] This must be monitored and audited by auditors who are internationally acceptable or the

standards must be of such a 'nature' that they become recognised as a standard in their own right. This is basically what IPW has achieved at this point, I'm very proud to say."

"Actually, your questions about how I define 'nature', 'the environment' and so forth are at the very heart of what makes IPW so unique as a 'environmentally-friendly' regulation scheme... but let me go back a bit first... start at the very beginning, as Fraulein Maria would say ... you see, the environmental pressure has been there for a while now, even during Apartheid we heard the stories from other wine producing countries that this was becoming more important. Then, when deregulation was going on, we [key members of the South African wine industry and some prominent producers] knew that we would face international competition head-on. And we knew we had to do something to stand together as an industry. So it was a decision between what was becoming trendy and what had not been so formally established globally yet... to gain that innovative edge was important to us. And an 'environmentally-friendly' regulatory scheme fitted the bill as well as being close to our hearts."

From the discussion I had with *Andrew*, *Robert* and *Patrick*, it became clear that this feeling of 'standing together' is translated practically by how the industry as a whole has taken up 'environmentally-friendly' regulations. Robert explained: "Yes, it's not just IPW that does environmental regulations alone. The whole industry is geared towards it now. I think this is what makes it such an effective scheme... and it adds to that holistic image we are trying to sell our industry as in a way...it [IPW] is supported by different actors in the industry. The *gifsmouse* even whistle our tune now...chemical companies are coming on board. We regulate and train, BWI covers conservation, VinPro mediates between us and the farmers to say how things [implementation of IPW practices] must work or to show us where things don't, WINETECH does the research that backs up our regulations or shows where we need to adapt standards...even WOSA markets the image... there is not as much support from the government as we need, but eventually [as it becomes more normalised] the system exerts peer-pressure and it moves from a 'nice-to-have' to a 'must-have'."

Andrew, who had been the President of the OIV at one point, explained how IPW differs from other 'environmentally-friendly' regulations in the world: "You know, when the people overseas heard what we were doing here in South Africa they were shocked....Ja [yes], all those French and Italians and British, they couldn't believe we had developed and introduced a system that focuses on both the cellar and the vineyard... they also couldn't believe that so many producers were complying to it. You see, producer countries like New Zealand have a very good 'environmental' regulation system for farmers, but nothing that regulates what's happening in the cellars. And the Auzzies [Australians] have very good water boards and the Californians have quite a good system but it is not cohesive and the small farmers apparently struggle to comply with it. Not one other country has achieved what we have in terms of 'environmentally-friendly' regulations up until now. I boast, but when we were there at the OIV, it was the South Africans that they were listening to and, you know, much of the OIV's 'environmentally-friendly' regulations are based on IPW guidelines."

5.3.1 Establishing IPW and explaining the guidelines

Andrew and Robert both talked about the challenges and successes of IPW over the years.

Andrew explained how he initially had to visit farms and cellars all over the Cape winelands in an effort to promote and emphasise the importance of IPW regulations to producers. "The biggest thing that challenged us at every point is quite simple: farmers do not like to change! They find a way of doing things, usually like their fathers and grandfathers did it, or maybe it's the easiest and cheapest thing to do... I don't know... but they don't like to change the way they do things. And many of the old farmers, they especially don't like young laities [young men] or city-people [could be anyone from outside the community or anyone from a university or business] coming in and telling them what to do. And the thing they hate even more is paperwork! The farmers seem to resent any extra paperwork... but the world of wine and food and so forth is getting to a place now where you can't ignore paperwork. You can't afford to ignore it and you can't afford not to have any assurances for the overseas buyer and consumers that you are acting responsibly towards the environment and you are making a healthy product... one

that won't poison them... I think this is why IPW has worked so well. It's very costeffective and it's easy to implement (once you have attended the training courses we provide)."

Robert further commented: "Now if you ask me how broad the acceptance of IPW is amongst growers you can just consider the membership size. It's huge! 12 years and we have the majority of the industry as members. Yes, there are those who still don't join and there was initial resistance...and there will always be complaints...but look at how many things have radically changed... we used to have big problems with the storage of chemicals, and what chemicals were being used and how much. IPW has radically altered that. Waste water is still a problem, but there are effective solutions that can be implemented now with a bit of extra cost that will save money in the long run. You must begin to ask yourself, if someone doesn't do IPW, why not? There is no reason not to comply! It is very cost-effective, compared especially to BRC and HACCP etc. which are vrek duur [exceptionally expensive]. It's easy to follow, and when farmers struggle there is every opportunity for him to ask us (or come for training with us), to ask viticulturalists (who all know everything about IPW these days), to get their VinPro man to help them or the gifsmouse to explain it to them... ja [yes], even those guys must be on top of IPW regulations. And if they don't go for the new [Integrity & Sustainability] seal you must also ask yourself why? When a system is so broadly accepted, you stick out like a sore thumb if you are not meeting everyone else's standard. Either you must have other (and more than one) very good international regulations already covering you, or you must have a name like Johan Reyneke [who is certified 'biodynamic']. The Scandinavians and Germans and Canadians who are all our stickiest [strictest] customers when it comes to 'environmentally-friendly' regulations accept IPW. Yes, they will ask more questions, but they accept it as a basic standard...so what, I want to know, do those who don't have IPW do to ensure that trust? There are many producers who just have IPW and they sell their wine successfully overseas, so obviously it means something to overseas retailers and buyers..."

5.3.2 IPW today

The current manager, Patrick, discussed the current profile of IPW 'buy-in' amongst growers and cellars. In a recent interview, *Patrick* provided the following information: "Currently 544 of 604 cellars are [IPW] members; 83% of growers are members (out of a total of 3667 growers). This amounts to an 85% 'buy-in' overall. Members can expect to be audited once in 3 years. In 2010, 160 audits were done. 41 Every year some 50 cellars fail⁴² the test." *Patrick* further explained that "currently, 60% of all wines being tested (by the Wine & Spirits Board and the Department of Agriculture) request the new Integrity & Sustainability seal; the current aim is to push that up to 80%."

It is important here to interrupt the response and discuss the 'buy-in' to this new South African wine industry seal, because it does well to illustrate the significant impact IPW and 'environmentally-friendly' regulations have had on producers in the last few years. When I initially interviewed *Patrick* at the end of 2009, he had only recently been appointed as the new IPW manager. I asked *Patrick* during that interview why IPW was not advertised or labelled on wine bottles. At the time, he quickly replied, "It is coming! It's actually very much the reason I was appointed to the post. WOSA and Wine of Origin and IPW have gotten together and we hope to launch what we call the new *Integrity &* Sustainability seal just in time for the World Cup next year [the 2010 FIFA World Cup hosted in South Africa]."

In the selection of cellars, I interviewed the first cellar to use the new seal on one of their labels/brands. At the time, Braam and Etienne explained that they had applied for the new seal for a consignment of wine that was being exported to a German client just

⁴¹ Some of the highest scores were as follows: Hamilton Russel: 75%; La Motte: 75%; Strandveld Wyne: 79%; Tulbagh Coop: 76%; Vergelegen: 98% (the cellar failed to score 100%, because its bottle capsules only scored 3 out of 5 in terms of biodegradeability).

⁴² It is important to note here that 'failure' of IPW regulations can be measured in various ways. A cellar and/or vineyard which fails with either the IPW audit or the annual self-evaluation audit (whichever method of scoring applies to the producer that year) does not necessarily fail because of a total failure to comply with any kind of 'environmentally-friendly' standards. IPW guidelines stipulate (as described in previous chapters) that cellars that fail the IPW test have one year to rectify the problems which caused the failure. Therefore, the failure of 50 cellars every year must be understood within the context of IPW compliance.

before the World Cup. This means that from the initial formalisation of the seal at the end of 2009 to the current estimate of 60% of all wines being tested, the adoption of the new seal has made a rapid and significant impact on producers. Considering that a wine has to be *Wine of Origin* certified and has to pass IPW to receive the new seal, ⁴³ this rapid uptake of the new seal shows just how much support IPW has been able to generate in the South African wine industry.

Additionally, *Robert* articulated the opinion that "from everything I've seen while I was at IPW and even now where I work at Distell, it will be very difficult in the near future to pass BRC, ISO 22 000 or even HACCP regulations without IPW compliance...". IPW, it is clear, has become the established 'must-have' for South African producers.

5.3.3 Opinions on other 'environmentally-friendly' initiatives in the industry

When questioned on what they thought of other industry bodies involved with 'environmentally-friendly' schemes, *Andrew*, *Robert* and *Patrick* all had different opinions to share. *Andrew* said that "anything that boosts the new seal and the overall image of IPW and South African wine is excellent in my opinion! There was conflict initially between IPW and WOSA (with their slogan 'Variety is in Our Nature'), but I think it was initially over the uncertainty of which organisation was filling which specific role. I think WOSA would love IPW to do more marketing, but this is not the point of IPW and we don't have the resources to do it in the glossy way they do their advertising. But as soon both groups realised that they complemented each other, there seems to be healthy collaboration between us (as the new seal shows)... BWI has always been important to me because it gives voice to a perspective of 'environmentally-friendly' standards that IPW does not specifically regulate. The close working relationship between BWI and IPW has helped both initiatives 'up their game' over the last few years."

⁴³ To be eligible to apply for the new seal, a grape grower or wine producer must have passed the 2009 IPW test/audit by at least 60% and also has to be IPW compliant in 2010 and their data of this year's self-evaluation test/audit loaded onto the new IPW electronic data-base (IPW website).

Robert had a more critical view of both initiatives. He argued: "The big problem with BWI is that they can sometimes be pushy. They need to be clear on their place in the industry and recognise that first-and-foremost, IPW compliance is necessary while many of the BWI guidelines are not. This is important, because BWI needs to focus first on the things that will help ensure the farmer's compliance with IPW guidelines that overlap with BWI roles (like the clearing of alien-invasive species, the creation of buffer zones and fire corridors, etc.) before they can begin proper conservation. But all in all, I must say that BWI is a very good system...especially now since they are making provision for smaller farmers and farmers with less acreage to conserve. WOSA is also a tricky one. They need to get the balance right between selling South Africa as a tourist destination and actually selling South African wine. But it also adds to the 'recognisability' of our wine and what we are trying to achieve in terms of our environment."

Patrick was less specific with his answers: "Nou vang jy my vas! [Now you're cornering me!] I haven't really been in the wine industry long enough to give you a full opinion, but I see both BWI and WOSA as integral parts of IPW's overall mission. I've noticed some tension about BWI guidelines that did not include farms that didn't really have much to conserve, but they seem to be working that out now. There are new 'water-conservation' projects that BWI is awarding membership for now and those farmers seem to be jumping on board now. I think all of these other projects are just a testament to the way in which the wine industry is working together to create something new and special...our own kind of brand, if you will... and our interaction allows us to utilise each other's resources. If we couldn't use the WO administrative infrastructure and WOSA's funding and creative input we never would have launched the new Integrity & Sustainability seal. We can report back to each other where we are individually succeeding and where we are coming up short... it only makes for a better industry in the end. It's an exiting place for me to be in at the moment."

5.4 Wines of South Africa: "Variety is in Our Nature"

WOSA, *Jane*, the CEO explained to me, attempts to develop a "common language for all South African wine producers to use. We strive to reflect the variety of location, culture,

food, flowers (especially *fynbos*) and wildlife that South Africa brings to the table and from which South African wine farmers can draw marketing images for their wine. We try to pull all these aspects together to create a flexible space for all manner of marketing messages to be drawn together that adds to the image of South Africa as a whole." *Jane* referred to the WOSA website:

"Wines of South Africa (WOSA) is a fully inclusive body, representing all South African producers of wine who export their products. WOSA, which was established in its current form in 1999, has over 500 exporters on its database, comprising all the major South African wine exporters. It is constituted as a not-for-profit company (sec21) and is totally independent of any producer or wholesaling company. It is also independent of any government department, although it is recognised by government as an Export Council....WOSA's mandate is to promote the export of all South African wines in key international markets. Traditional markets include the United Kingdom, Germany Sweden and the Netherlands. More recently, WOSA has also been developing markets for South African wines in the United States, Canada, Russia, and Asia...WOSA is funded by a levy per litre raised on all bottled natural and sparkling wines exported."

When questioned about the difference between WOSA's marketing campaign and other marketing campaigns the world over, *Jane* replied: "Some other areas do have generic marketing campaigns... there is the "Think Red" campaign that the *Cotes du Rhone* area used...but there is no other generic marketing campaign for wine that I know of that is as comprehensive as South Africa's. We are trying to create a common vocabulary for our producers... that is to say; our aim is not to market WOSA as a brand, but rather to give South African wine makers the creative space to market their wines under the banner that projects like IPW and BWI have created for them. The new generation of customer is not so interested in old history and traditions. It doesn't seem to talk to these new, hip customers anymore... so producers (especially the ones who don't already have an established brand name like Meerlust or Alto) need to find interesting ways of telling their story to customers. These days, packaging, branding, digital/technological issues play a far more important role in marketing. Also, there is a rise in the demand for more complete and accurate labelling. WOSA's new campaign, we think, provides the platform for producers to do this."

In response to how WOSA's slogan "Variety is in Our Nature" has been received, *Jane* commented wryly: "At first, everyone was appalled by all the 'flower' banners we put up at our booths at international expos, but we wanted a clear image for international buyers to associate the South African wine industry with. But I think after we explained that marketing is sometimes about creating a commercial impact, producers began to 'come around'. Now, many producers have done very well off marketing 'environmentally-friendly' practices, initiatives, conservation schemes, and so forth. It gives producers and consumers a chance to look at marketing more holistically...when you have such strong schemes like IPW and BWI backing up your message, the international buyer really has an opportunity to see all these highlights. The slogan came about because we tested in the UK at smaller venues and it got a good reception, now it is for the individual producers to really take it up in their own interesting and creative ways."

"Without IPW we couldn't have done any of it. You see, the climate in South Africa is too variable to always go organic, but IPW provides the guidelines to still produce very sustainably without having to risk too much and without having to pay for expensive organic certification. We have tried to rename IPW 'Sustainable Wine South Africa", but rigorous, independent auditing required to really make that claim infallible is far too expensive. But other initiatives like BWI add to our clout as marketers considerably... even more than this, I find that the South African wine industry is collaborating in a way that few other wine producing countries in the world are doing today. Chile is suddenly trying 'environmentally-friendly' regulations, and New Zealand, Australia and California are also making moves in that direction, but none of them are doing it at the level that we have achieved here. Our biggest hindrance, one that California (for example) will not have if they get it together, is the overall lack of funding. We definitely need more support."

5.5 Promoting innovation: Wine Industry Network for Expertise and Technology

"Among WINETECH's main objectives, sustainable and 'environmentally-friendly' production is at the forefront of our research areas." *John* elaborated: "Our main aims are to facilitate research projects, to bring new research to producers, to mediate and coordinate between different actors in the industry regarding new research, to be involved with the training and support of new students in oenology, to bring experts and consultants in the industry together to provide a strategic competitive advantage for the whole industry. It is VinPro's job to get the message to producers, but we work with them, and we also have contracts on how the information should be delivered. We also publish results in the WineLand Magazine." WINETECH describes itself as follows (WINETECH website):

"The Wine Industry Network for Expertise and Technology (WINETECH) coordinates research, training and technology transfer in the wine industry. It encourages the production of quality wines and other grape-based products through the application of *environmentally friendly* [my emphasis] and best technologies. It supports training and education at all levels, including the development of resource poor and previously disadvantaged producers."

John commented on the way that my questions regarding his definitions of 'nature', the 'environment' and 'sustainable agriculture' were applicable to the work that is done at WINETECH. "It's interesting that you ask, because I have often reflected that these things are often defined differently by different people...and this is inherent in every project we facilitate... research is applicable to the areas in which the research is being done and what that environment dictates is necessary to be learnt. But everywhere I believe that our goal should be to always be as compatible with the environment as possible...to have as much balance as possible and to use the minimum amount of inputs. We have to make sure that no substance we use is harmful to our health and to the environment.

When asked about WINETECH's international role and how IPW compares to regulations in other wine producing countries, *John* replied: "I do have a personal contribution at the OIV, but it could always be stronger. Intergovernmental roles should be stronger, but I suppose that is the nature of competition for you. IPW really is the best. From everything I hear when I'm overseas it is the most advanced sustainable regulation scheme of its kind and it has the most effective enforcement. It is well organised in the sense that different bodies can focus on different areas and we all come together to make the system stronger. I think this is where we distinguish ourselves. The new seal is also a step to improve customer satisfaction that certain standards are being met... Germany, for instance, is very strict specifically on South African wine...I don't know why they have it in for us, but they are always the ones I hear that are complaining or asking questions...but as far as I can tell, IPW generally satisfies even the Germans. And from everything I hear and see, the buy-in amongst producers is huge now."

John had very specific opinions of WOSA and BWI. "... 'Variety is in our Nature' is good if people can understand it...but I don't even always... Wat probeer hulle nou eintlik vir 'n mens sê is wat ek altyd wonder? [What are they actually trying to tell us is what I always wonder]. I just worry that the concepts are too diverse and that 'biodiversity' is such a broad concept that people get lost in it all. I suppose it is good, but for me it leaves too many questions to be asked. And I think that the wine writers had to go and learn something new when WOSA came along and they didn't want to...explains some of the early tension for me. BWI is a very positive initiative but it is also a very difficult concept to deal with. I see it as another way of supporting WINETECH's main aims, so I am definitely for them. I just think that they should never try to regulate farmers, they must rather convince them through practical examples that their methods really will benefit the farmers in the long run...I believe they do, they must just show rather than tell."

5.6 Representing the big 'players': South African Liquor Brand-Owners Association

At SALBA, *Richard*, a lawyer by trade who has been involved with the wine industry for many years, is involved with many industry bodies. One of SALBA's clients is Distell, so I was able to get quite a broad picture of the operation of many of the firms. "We are a typical trade association. We represent manufacturers and distributors of liquor. We represent not only the wine industry, but Brandy and other Spirits too."

About Distell, *Richard* commented: "Distell absolutely intervenes in the grape growing process of its suppliers. This is also very important for them to do! They have viticulturalists and an Environmental Officer, much has changed for the better in this regard. It is contractual at Distell that all their suppliers are IPW compliant. The less IPW they do, the lower the grade of the grapes/wine will be and the less money that supplier will earn. Distell sets longterm standards and continues to increase them. They want good quality and IPW is one of the things they see as being a marker of good quality these days. I think that many producers immediately jumped on board because it gave them a chance to be competitive with each other on a different level."

When asked how important the issue of sustainability is for SALBA, *Richard* replied: "What the industry says is important is what we focus on. Sustainability is an absolute prerequisite these days, even from consumers. All the major retailers in the UK demand these standards, they are now required rather than a bonus. We don't have our own formal policy on sustainability, but it is a contractual prerequisite amongst all of our clients and we also support and push it. It appears increasingly on our monthly agenda and we are determined to keep up with what the rest of the industry is doing so as to better represent our clients."

On other industry bodies *Richard* commented, "I am not only neutral about IPW, I am proud of it. We are not ashamed to bring it to our clients, they applaud it and so do we. The administrative links it has with WO and how it has been tried and tested is very strong. I have also recently met the new manager and I am so impressed with him... I

think WOSA is doing quite a good job. The bottom line is that you have to look at what's going on in the world...in that regard I think WOSA is doing well. I think we need the generic marketing, despite all the arguments. Whether it is going to get you more money for each bottle of wine is almost irrelevant, you need to be in the race first and WOSA gets us that recognition. I am never quite sure how I feel about BWI. I think it's good, but I wonder where they fit in. And a lot of the WOSA funding goes to them. At least it does no harm, I suppose. But they do good work."

5.7 Distell

As previously mentioned, *Robert* was the former manager of IPW and is now currently appointed as the Environmental Manager at Distell. As I have already discussed much of *Robert's* involvement with IPW and his opinions of other industry bodies, I will focus on *Robert's* view to Distell's relationship with 'environmentally-friendly' regulations.

During our discussion, the following emerged: When asked if Distell intervenes in the grape growing process of its members, *Robert* replied: "What you have to understand is that while it [IPW compliance] only became a contractual necessity in 2007, Distell has been favouring IPW compliant buyers for many years now... yes, now Distell does not buy grapes from anyone who does not pass the self-evaluation questionnaire or the audit..." *Robert* further informed me that Distell does grade grapes differently. He commented that IPW was part of Distell's minimum grape standards, and that farmers who go further than IPW are often considered for higher grape quality classifications. "Different classes of grapes require different practices and I will definitely always tell and try to show the farmers that the 'environmentally-friendly' practices that IPW guidelines stipulate can be the difference between a Grade C or B and a Grade A grape."

Robert specified that beyond IPW compliance, Distell does internal [its own] auditing of grapes and wine, both for quality, and also checks if environmental regulations are truly complied with by their suppliers. ISO 14 000 and BRC (British Retail Consortium) are also requirements for all suppliers. I next asked *Robert* who is responsible for the primary

'sourcing' of grapes and what they check for? *Robert* replied that there is a division responsible for suppliers who specify the quality farmers can aim for and they give advice on how these different grades can be achieved. "A specific quality grade will be used for a specific label or product, so we [Distell] are not going to use Grade C grapes for our top labels. That is what the division responsible for the primary sourcing looks for. They look that all the accreditation is done. I do the environmental management for the winery...that is where I consult and for the rest, I advise the division on primary sourcing regarding the vineyard side, but they must also be fully clued up on IPW themselves... yes, I usually only advise them."

5.8 Transferring know-how to the farmers: VinPro

Kobus, a retired VinPro consultant was recommended to me by the Executive Director of VinPro, Jos le Roux. *Kobus* was the former extension officer for the Stellenbosch district. VinPro, *Kobus* explained, are the industry spokespeople for farmers in South Africa. VinPro consultants liaise between industry bodies that cover fields of research, union representation, BEE-advisories, Agro-Economic services and so forth. VinPro describes its role as follows (VinPro website):

"VinPro serves on more than 30 industry bodies and various government and industry task groups on behalf of the producers.

Decisions and initiatives regarding industry issues such as statutory levies, customs and excise tax, packaging formats for wine and new legislation are marked by regular VinPro participation...

VinPro and Wine Cellars South Africa (WCSA) collaborate closely to avoid duplication and ensure consensus concerning mutual industry issues for cost-effective benefits to both organisations and their communal interests...The SA Wine Industry Trust (SAWIT) and VinPro's agro-economist, soil scientist and viticultural consultants co-operate closely in evaluating business plans and in setting up feasibility studies for empowerment projects that are financially supported by SAWIT."

"So you see," said *Kobus*, "we play a significant role in many facets where farmers...wine farmers are concerned. Yes, you do pay for VinPro, but you [farmers/producers] either have a contract with them, or you do it on a case-by-case consultation basis. We focus on the use of chemicals...we try to make sure that it's used responsibly...and fertilisers also. We try to promote things [chemical products] that won't harm nature or the environment. For us, the winelands are a 'Heritage Site' and we are constantly aware that this space is a place we are intruding on, we need to make sure that we are not impeding on what nature would wish to do..."

When provocatively I suggested to *Kobus* that the vineyards themselves were already a threat to this space he replied: "Yes, I know what you are saying, but that's hardly realistic to how the land has already been changed in the last 150 years or more...no, what I mean is actually *aangeheg* [attached/follows on] to your questions about how I define nature and all of that...you see, our approach...something I've been telling farmers for years now... is that nature will usually sort itself out in time if you let it... Ja, ek weet meeste boere sal net onmiddelik die donder uit alles spuit [Yes, I know most farmers will immediately spray the hell out of everything]... but that is your problem in the first place. No...let me explain to you what I mean. You see, when I said that 'sustainable agriculture' and 'environmentally-friendly' were all about implementing the least inputs to the land during the farming process, I meant it for a much longer stretch of time than just the planting... you see, a farmer comes in and he plants vines, but often he will kill just about everything around him too that he thinks is going to be a bother to him...and when he kills those things, he sends away all the things that will prey on those things and then your whole cycle is in its glory! Ok, so the ladybug, clever farmers breed it specially and introduce it to the vineyards...because the ladybug is a natural predator to many of the bugs that infect and attack your vines... And clever farmers will have a full, healthy crop-cover, because they know it also attracts some of the bugs and because when it dies, it makes good fertilizer which helps to put important nitrogen back into the earth... you see what I mean? Yes, growing grapes is a man-made activity, but it doesn't need to be invasive at all! Nature already has all the answers there if you can just utilise them. Then you can spray healthy chemicals (or at least non-invasive ones) absolutely

only when there is a problem that cannot be fixed otherwise. But that's why research is so important! You know that over at the ARC and those places they are finding ways of engineering vines that don't get certain diseases so easily? And it's not even genetic modification we are talking about here... you see now why it is so important, what we do at VinPro? We tell the research people [for example] what the farmers need and then we properly carry the results back to the farmers... So we consult on a verbal, strongly face-to-face...on-site basis... the two-way flow of information is really what keeps the wine industry so strong...just like IPW and all the other industry people...it's what I think is quite a special...or unique feature of the South African wine industry."

On VinPro and his own experience of IPW, Kobus commented: "I think IPW has more teeth now that it's being marketed a bit. Before there was no visual indication on the bottle of IPW at all and this was so problematic. Stuff like HACCP and that...they market it, they make it important, IPW needs to do that. Like us [VinPro], IPW can't do any policing and we don't have the resources to do it...but it's frustrating that the people who can and should be doing it (National Department of Agriculture) are not doing the job. And breaking environmental laws in Agriculture is a serious thing...it would give us all a bit more to stand on if there were immediate, serious consequences for farmers who are really ignoring very important 'environmentally-friendly' standards, regulations, and in some cases, laws..." Kobus continued, "The most important link between VinPro and IPW is that our guys must have full knowledge of IPW and IPW must help to make sure that they know what our role is. We don't help the farmer to complete their records for IPW... that is typically the job for the chemical rep...you know, the gifsmouse... The buy-in to IPW...let me think... well, farmers still have to apply for harvesting permits and things like that which have nothing to do with IPW, so there is an amount of paperwork they have to do anyway...I see IPW as a type of 'policing' mechanism to ensure minimum standards are being met...except you don't have the official enforcement...but somewhere along the line it will hit you anyway and you will thank the gods you have IPW! I think IPW is very good! It holds us all accountable... it's very reasonable to implement...even before I took any training courses on it I could see that if a farmer or cellar is doing what they should be doing anyway they should not struggle

with IPW at all. The point system is logical and gives room and measures of what can be done if there is a very big problem only a strong chemical will fix...but usually this will only happen if a farmer has been doing the wrong thing before...using chemicals which have killed off the natural solutions...we are also very instrumental in ironing out the discrepancies between IPW stuff and what farmers say doesn't work or what could be better and so on... and another thing about IPW that is very important that we help with [on farms and in cellars] is health and safety standards for the workers. You know, for years that [rubbish] was being sprayed around them all the time and they didn't even have masks to wear...happy soil makes good grapes...now a happy worker will make, I swear to you, the difference between a good wine or not in the long run."

Regarding WOSA's "Variety is in Our Nature" slogan, *Kobus* commented: "What I want to know is how many people overseas will actually relate to this message...and of course then, buy the wine? I think you constantly need to be considering the man on the ground and what he wants from the product he's buying. I think it's a good concept, but a fuzzy marketing tool. I suppose it gives people an umbrella and they can do their own marketing thing underneath it, but I think it would be more effective if it could show people how much goes in to IPW or the WINETECH research, or explain the BEE stuff they're [the Wine Industry BEE Charter] trying to do and BWI... a more concrete message would give us some clout, I think."

On the other hand, *Kobus'* response to BWI was very enthusiastic: "It's high time that we have something like this! But the concept is not too familiar with everyone... you need to explain it to the masses more. Their label is fantastic though, makes it very visible at least. Because, you know, some people, they have no respect for nature outside of what matters to themselves. They say things like *terroir* without understanding what it really means, and I think BWI is actually an extension of the *terroir* notion... that everything around you is what you have to consider when you make your wine. You can market around the fynbos, the fynbos keeps the birds and insects and other natural predators you need, the fynbos helps with soil erosion, you are doing something good to counter your presence in the land... no, I am very happy with BWI."

5.9 The voice of the cooperatives: Wine Cellars South Africa

Dawid, the respondent I interviewed at WCSA one rainy morning, was able to answer some important questions I had concerning the way cooperatives had responded to IPW. Dawid serves on the executive board of a well-known cooperative and is employed at two other WCSA represented firms. On the role WCSA plays in the South African wine industry, Dawid immediately referred me to the website (WCSA website):

"Wine Cellars SA is in pursuit of an environment in which its members market outstandingly and produces market orientated wines in harmony with the environment and all resources- This umbrella body wishes to invite wine producers to become members of Wine Cellars SA, as we believe that our information sources and extensive contacts throughout various levels of the wine industry can help the producer to become an even more important player in the international and local wine industry. Wine Cellars SA is aware of the fact that the country and the agricultural industry will be far poorer without a dynamic and informed wine industry. It is our aim to enable the industry to turn challenges into opportunities and to create a climate in which every single player in the wine industry is able to fulfil his or her potential."

"I can't explain it any better than that." *Dawid* commented and continued: "But as you can see, environmental concerns are definitely one of our chief concerns. Here at WCSA, we represent and protect the interests of cooperatives and companies. We protect our roundabout 90 members' interests in a variety of matters. We have a say in most industry bodies (The SA Wine Industry Council, the Wine & Spirits Board, WOSA, WINETECH, WOSA, WIDA⁴⁴, Agricultural Business Chamber, Brandy Foundation and Wine Industry Pension Fund) and committees and we lobby for our clients also...as well as [he referred me directly to the website] 'work closely with SALBA (traders), VINPRO (producers), Labour, Civil Society and Upcoming Producers, as well as government departments, local authorities, retailing and distributors in campaigning for the best dispensation for the South African wine producer. (WCSA Website)'..." WCSA also provides services in the following fields: BEE, Labour law, technical and operational aspects, wine industry

⁴⁴ Wine Industry Development Association

retirement fund, cost accounting, Liquor legislation, accreditations [international], social and public programmes, training courses, other service providers and databases on unreliable clients (WCSA website).

Dawid had many insights into the way cooperatives (what he calls 'Producer Cellars') had to respond to deregulation and the challenges they have faced in the ensuing years: "After deregulation, all of us were exposed to national and international markets alike. It was a huge leap for all of us to take [the industry bodies and the producers]. But it was also lucky [fortunate] in the sense that we were now free to market and sell anywhere..." When asked whether he thought cooperatives faced bigger challenges than estates (for example), Dawid argued: "The thing is... cooperatives were shielded from mostly everything by the KWV, which also means that the coops had to do nothing for themselves... so coops had no experience of marketing whatsoever [until deregulation]. They had no support from the government and no advantage of any kind of generic marketing. While some of the estates had had to fend for themselves before, they were able to make a name for themselves, establish some kind of image. They can also capture small niche markets which can give them constant business. Large coops produce large volumes, and this means that they have to sell to big retailers in order to make profit from their wine. But with the huge costs for marketing, human resources, technology and skills...it is no wonder that so many producers sell wine in bulk to those retailers...yes, they have the volume to be able to compete on this level, but they cannot afford their own bottling and packaging...so someone else earns those high margins. At the end of the day, we need more brands..."

Dawid explained that WCSA does not play any role in regulating its member's grape-growing and or wine making process. However, WCSA plays a prescribing role where environmental regulations are concerned and their members have to abide. Dawid explained that WCSA first tries to convince its members in a "user-friendly" manner that abiding to IPW and other environmental regulations is better for their farming practices and better for the environment. WCSA does however, make a list of their 'unreliable members' available and not complying with IPW regulations is one of the criteria which

makes a member 'unreliable: "We try to let IPW's effectiveness speak for itself." *Dawid* argued that "you show or explain to the producer... what do you call it... the implications of non-compliance...and that counts for everything... *soos IPW waarsonder jy nie kan klaar kom nie*, *soos Wyn van Oorsprong waarsonder hy ook nie klaar kan kom nie* [like IPW which he [the producer member] can't do without and like *Wine of Origin* which he also can't do without]...so if they are difficult, they soon find...it's like a peer-pressure situation...they really can't do without it and for us to represent them effectively, we need to make sure they understand that long before they get into a situation where no one wants to buy their product because they don't comply."

I next questioned *Dawid* about his experience of IPW at a cooperative level and how it has been received over the years. He replied: "Let me put it to you this way; at first, there was a considerable movement against IPW... producers would ask 'what's in it for me... dit bring my nie geld in my sak nie [it doesn't put money in my pocket]...but the producers soon started to realise that not complying could take money out of their pockets! As the international climate started warming up, people realised that it had power and clout and it's now gone from a 'nice to have' to an absolute 'must-have'...but now the environment has changed that it is much more comfortable to be able to comply to IPW... there are so many other regulations out there that you have to comply with...but IPW covers more and if you've done your IPW then you quickly find that doing the BRC's or ISO's or HACCPS or Fairtrade or whatever are much, much easier to do...but now of course you have to remember that retailers set standards differently for different markets...I've found they tend to be much stricter on South Africa, because of the Apartheid legacy or maybe keeping us controlled as their competition...all I know is that with IPW, we sidestep a lot of that nonsense, because if Tesco or Germany or whoever gets tetchy then we can say 'look, we're IPW compliant' and IPW has such a strong name now that those people can almost not deny you anymore on environmental grounds."

When further questioned about IPW, *Dawid* stated: "It's an absolute prerequisite, in my opinion, to be able to trade in international markets. I find it to be exceptionally well

administrated and done with the utmost integrity... the trick is (and what I think they've managed quite well) to lift your standards regularly, but gradually. Give the producers a chance to adjust and again, they will see the merit of it for themselves... Yes, WCSA definitely has an input in IPW regulations at all levels...from policy development and setting to administration or management, if you will. I would guess that at the very least 75% of all growers and producers are compliant...it's probably more...and I think most of those are not only compliant, they mentally accept and believe in it... people are always sceptical, but you can't ignore something when all the people around you are using a system successfully...most importantly there has been a huge change in perception over the last 10 years, producers are more at ease with it now and they see how good, easy, cost-effective it is in relation to other international regulations.

Regarding the paperwork, I would say it's about half-and-half, some of it is fussy, but mostly it's straightforward. I would rather say that discipline is required. It becomes more complicated when farmers have diversified and there are many levels of paperwork that need to be kept track of."

"In the beginning, I thought WOSA's marketing... you know, that Diversity or Variety... is in Our Nature thing...I thought it was just a wild goose chase! But now I have seen when it can be a fantastic marketing tool, because so many producers can fall into that message, build a name using different aspects of that image...I think it's very useful and important...No, BWI is more, I absolutely think we can't do without it! And protecting nature, I think we even need to do more...but then that is something that each farmer decides for himself...but again...it's something we need to change gradually until more people see the merit in it. Because now it's not just about flowers...fynbos... it's about water conservation and the rehabilitation of rivers and protecting wildlife... all of that is going to make a big difference in the end...and I didn't always think so, I promise you that! I am also always so impressed... the industry has begun to take on Carbon Footprinting...or how do you say...measuring now as well...you see, we take a lot of effort as an industry now not only to keep up to date...but to set some examples of our own how an industry can work together."

5.10 "Protecting and conserving our natural heritage": Biodiversity & Wine Initiative

On the afternoon of the same day I interviewed *Dawid*, I also had an opportunity to interview *Linda* from BWI. I had been exceptionally keen to talk to her because it had been such a struggle to secure an interview with someone from this organisation. "That's the thing with us BWI people...you very rarely catch us in offices sitting still. Here at BWI, if you are not an extension officer like I am, running around on farms, then you are travelling, taking part in workshops and press conferences and training sessions and all sorts of other activities. And we are a small group working here, so everyone is always busy. We are probably one of the few industry bodies that spend the majority of our working time on farms. How can we consult about how to protect a farmer's piece of land if we don't see what he has to conserve or clear [alien invasive species] or rehabilitate, etc.? BWI sets out their mission as follows (BWI website):

"Our vision is to protect and conserve our unique natural heritage within the Cape Winelands – an outstanding place with iconic species whilst maintaining living, productive landscapes...

The BWI is a pioneering partnership between the South African wine industry and the conservation sector:

Nearly 95 % of the country's wine-growing takes place in the Cape Floral Kingdom (CFK), the richest and also the smallest plant kingdom on the planet. Recognised both as a global biodiversity hotspot and a World Heritage site, it has come under increasing threat from agriculture, urban development and invasive alien species...In 2004, faced with just 4% of the CFK's unique renosterveld remaining and much of its lowland fynbos ecosystems under threat, the wine industry developed a conservation partnership with the Botanical Society of South Africa, Conservation International and The Green Trust, which led to the establishment of the Biodiversity and Wine Initiative (BWI). Widely praised as a pioneering partnership between the country's wine industry and conservation sector, its mandate is not only confined to protecting natural habitat. It also encourages wine producers to farm sustainably and express the advantages of the Cape's abundant diversity in their wines."

As *Linda* explained, the primary goals of BWI are to "conserve the habitat we still have left by clearing invasive alien plant species and conserving what is on that land, to promote the sustainable production of wine, and to also focus on the conservation and rehabilitation of water on farms in the wine industry. Yes, a valid certificate is needed to gain BWI membership." *Linda* went on to explain that members did not pay for their membership, but that BWI was thinking of doing so in the future because the membership is expanding so rapidly. The only costs involved are those that the farmer takes on when becoming a member of BWI, he has to pay for clearing the land, for all the physical costs, but BWI does not charge for their consultations or for going out to the farms.

When questioned about what practices BWI focuses on and what she thinks are important practices in 'environmentally-friendly' production, (what Linda and others would emphasis as 'environmentally-sustainable') practises were *Linda* responded: "For me, it actually all begins with the water. Many people will argue for the soil first, but I think it is the water. Making sure that the water is balanced correctly will go a long way to ensuring that your soil is balanced correctly. It's about balancing the quantity of water with the quality of water you have on a farm. And you know, if a farmer can get this right, then a farm can become almost fully self-sustainable...if you filter the run-off water properly, have proper buffer-zones near your river or other water source, if you remove the foreign plants that take too much of your water away, you can use what you previously discarded. Just like Carbon Neutral, there is a Water Neutral measure too and this is, for me, the most important aspect to look at where sustainability is concerned... the place to begin with, I mean. We try to focus on simple and practical solutions...it's no point coming onto a farm and pointing out every little thing that's wrong and giving him a heart-attack about all the costs he will have to give out... you don't want to antagonise them right off, you know, you might need to later if something serious is wrong... so we do a sort of...what do hospitals call it... a sort of triage. We identify what is the most serious problem and we work our way from there. Whatever needs the most immediate attention is what we focus on first."

When asked about the degree of compliance with BWI regulations amongst its members, *Linda* answered: "I would estimate it to be between 60%-70% at this stage. All of our members have to be fully IPW compliant before we will grant them membership and we have had to kick members off because they did not maintain full compliance. With the champions, they have to consistently pass IPW tests and audits by 85% and over." According to the latest BWI figures, there are 167 members, 19 champions and 17 producer cellars. This accounts for 203 cellars in the industry and the total area conserved by BWI members is currently 127266 ha (BWI website). "We aim; however, to present farmers with realistic, dynamic and well-configured strategic plans to solve whatever problems they have. We give them a realistic time-frame in which to fix shortcomings and we are there whenever they need us for advice or consultation or if any points of the plan are not working...there is virtually no reason why farmers cannot comply with our recommendations...and if something becomes too expensive for a farmer, we work that scenario into a plan too... you know, what can be left till later...what needs to be done now."

Are all farmers accepting of all BWI requirements, I asked? "Some problems are too big to fix...but in those cases you will almost always find that someone is doing (or has been doing, or was doing on the farm before he got there) something illegal and also already in conflict with IPW guidelines. In those cases, we try to set a strategic scenario, but if the farmer is not interested, then we have to inform the Department of Agriculture... it's also very expensive to apply for plough permits, so in cases where a farmer is rehabilitating or applying to plough somewhere else in order to conserve other areas of the farm with *fynbos* on or water near-by or wildlife habitats there or whatever...it becomes too much red tape sometimes...it's an expensive and long process. For the rest, I would say the biggest site of resistance has been trying to include everyone. We have had big opposition for a long time now because there are farmers who really don't have enough hectares to be able to conserve anything or there is nothing really left to conserve. But adding this Water Neutral initiative...or measure has allowed us to include far more small farmers and we try to recognise other innovative things farmers are doing as well.

But we do have to maintain standards, and as I said, we are fair...but we will take memberships away when we have to."

"Paperwork!" *Linda* exclaimed when I asked her how much paperwork is involved for a farmer with BWI. "Half an hour if that! There is a three page application form. They need to provide us a detailed map of their farm (which they need for the Wine & Spirits Board and IPW anyway). They need to provide us with up-to-date IPW certificates and paperwork and they must supply us with a back-story to their farm (you know, what plants, wildlife there is on the farm, any involvement with conservation, any other notable information about what they are doing). And for the members, that's it! It is more complicated for the champions...we need a lot more detail and assurance from them...it's more important to cover ourselves too that we can prove that anyone who is a champion deserves to be one. Their paperwork is more complicated, but they know that when they apply for champion status, so they don't mind. For the rest, the onsite evaluations we do are more important to maintain membership."

Linda discussed the response that BWI had gotten over the years: "Well, I explained the initial problems we had with small farmers...but besides that I can definitely say that there has been a huge turn-around in the response to BWI over the years. Initially we had a very hard time convincing farmers that this kind of thing was worth their while...or that it was even necessary at all. But you build relationships with people over the years and then you build a good name for your project and then farmers recommend each other to you...'Oh, you must go to my neighbour so-and-so because he has the most interesting veldblommetjie [veld flower] or turtle or, he's doing such an interesting thing with his irrigation and you must go see what that's about...don't worry, I'll call him before and tell him you're coming, he'll show you...'... I can't tell you how important networking is in our project. Because we are there, on the ground and we are going all over the Western Cape... and now a woman from the 'fancy' Stellenbosch wants to come and tell us how to run our farms...there was a lot of resistance initially."

Linda continued, "there is no one else in the world (at least in wine industries) doing what we do at the moment, so we are definitely leading in that regard. Chile is trying to do something similar, but they are far behind us and they don't seem to be attempting any proper kind of conservation. That is why integrity is so important to us. But for the industry as a whole, with IPW and everything, we have to maintain that integrity for ourselves and for the outside world...and the international perceptions of BWI is gaining more and more interest. Some of the big retailers are already catching on and we have an exclusive big deal with Woolworths...all the wines they stock are BWI members or champions. The Scandinavians love our conservation slant...but this drive comes mostly from the environmentalists, not the consumers themselves...but with the system they have there, you know, where the government decides which wines will be sold in that country, it helps a lot because their governments are much more environmentally-aware. In terms of the BWI standards...we add to and adapt them every two years. We try always to give better and more advice to our members, to constantly keep ourselves in training programmes and workshops when we are not in the field to keep up with all the newest research and so forth...I just wish we had time to assimilate this new research. More funding and more extension officers will definitely up the effectiveness and integrity of the project."

Regarding her opinion of IPW and WOSA, *Linda* commented?: "Well... WOSA's marketing campaign is really what you make of it...I mean, it's not effective if a farmer or wine-maker or individual place doesn't take up the challenge and do something with it himself. For me, the industry is about the integrity of what we are trying to do in terms of the environment and the WOSA slogan does not always capture that fully...but they are necessary. My opinion of IPW, however, has changed drastically over the years. It is so good! There are still some loopholes and problems, but it is going very well. They need more extension workers and they need to do more auditing. But the point is, that they are not too proud, when there is a problem, to say that it might just be the regulations, not the farmers and they adapt and evolve. Producers feel more involved and more responsible on this level too. I'm very proud of IPW!"

5. 11 Two 'government' perspectives: the *Agricultural Research Council* at *Nietvoorbij* and the *Department of Agriculture* (Western Cape)

When I initially contacted the Department of Agriculture, Western Cape (Elsenburg) for an interview regarding the government's direct involvement with the wine industry, I didn't realise that there is an unwritten agreement between Elsenburg and the Agricultural Research Council at Nietvoorbij. This agreement entails that the ARC at Nietvoorbij does the technical research for the wine industry while Elsenberg focuses on research pertaining other sectors of agriculture in the Western Cape. I quickly realised I would have to arrange an additional interview with someone at the ARC. The following is a discussion of the interviews I conducted at Elsenburg and at the ARC at Nietvoorbij.

I asked *Jan* at Elsenburg to explain the Department's official position on environmental initiatives and regulations in the South African wine industry. *Jan* replied: "We promote the conservation of natural resources and to see that all resources that are used are optimally used. There is a big difference between the resources [funds, in this case] that gets allocated to the National Department of Agriculture and that which gets allocated to the different Provincial departments... some Departments get more than others. And they tend to give us not as much as they give others (if I can say it that way), I think, because Western Cape Agriculture does so well...and one can never deny that a large reason for that is thanks to the success and isolation (probably mostly self-imposed) of the wine industry."

Karien at the ARC at Nietvoorbij answered the same question as follows: "Our official role and position on environmental issues in the wine industry is research, research, research! We promote a technology transfer to keep the industry productive and we develop that technology... We focus on chemical control. We have very close connections with VinPro and WINETECH. Our staff's salaries are all paid by the government, but our research is a competition between us and Elsenburg...otherwise we have to do [get] the funding ourselves. We institutionally support all sectors of the industry."

The ARC sets out its objectives as follows (ARC website):

"The Act sets out the objectives of the ARC as "conducting of research, development & technology transfer in order to:

- Promote agriculture & industry;
- Contribute to better quality of life;
- Facilitate/ensure natural resource conservation"

This function is carried out through 11 research institutes whose activities are grouped under five divisions: Field Crops (Grain and Industrial Crops), Horticulture, Animal Production and Health, Natural Resources and Engineering as well as Technology Transfer. The ARC is also responsible for maintaining national assets and undertaking programmes or rendering services that are required from time to time by the department and other stakeholders."

I next asked both respondents what their personal opinions of environmental initiatives and regulations are? *Jan* stated: "Oh, I'll concede that they are necessary, but I think they are currently going overboard. First, I think you need EIA (Environmental Impact Assessment) to be able to clear a piece of land. And we at the Department are not allowed to budget for natural disasters. So there is a lot of our money going to the wine industry for 'everyday' research, but the funding is so limited from the government. We get frustrated sometimes. Some [mainly the expensive international standards like organic certification] of the environmental controls, I think, are just too strict!" Whereas *Karien* at the ARC replied: "They are such a good thing. We just have one earth and if it's gone, it's gone! The simple reality is that we have a responsibility to align our work with what is happening globally in terms of environmental concerns."

Karien and *Jan* both named the conservation of - and prevention of water pollution as an important practice in 'environmentally-friendly' viticulture and wine-making. *Karien* listed the following: "The conservation of water, especially in the cellar, it uses a lot of water and produces waste which needs to be filtered; the biological control of insects and pests; and more 'environmentally-friendly' disease control." *Jan* added: "Preventing

pollution of water resources; using efficient methods of making water renewable; the utilisation of soils and preventing the loss of soil moisture; keeping the soil temperature down; developing the notion of 'conservation farming; minimal tillage; keeping a healthy cover-crop and mulch; proper crop-rotation'."

Then, I asked: To what extent were farming methods and wine production harmful to the environment in the past? Both *Jan* and *Karien* immediately sited the irresponsible use of chemicals. *Jan* went on to explain: "They weren't good. Firstly, chemicals were used whichever way farmers wanted. This killed their soil, caused soil erosion. Nothing was done about waste water from the cellars." *Karien* continued: "There was far too much spraying of harmful chemicals and no safety for labourers in contact with those chemicals. The *dopstelsel* was also horribly destructive to the environment; it left workers with no reason to care for the nature around them. Water conservation was virtually non-existent. Irrigation was not optimal and the run-off water was not dealt with properly at all."

Jan admitted that he did not have much experience of IPW but that he thought it was 'good'. Karien explained that there was much resistance: "In the beginning, IPW was not easy. Convincing people of the good of it was difficult...farmers generally really hate anything new and they hate paperwork! But now it is the norm and I think the world is much much better for it!" Karien explained that IPW is a world leader in the field of environmental regulations and Jan also said that IPW was good in the way that it updated itself regularly to meet important demands. He did argue however, that some of the models didn't consider all South African producers' realities and that implementation may be more difficult for some farmers. Both Jan and Karien articulated that there are international implications for not complying with health and environmental standards. Karien said that funding for IPW and so forth was always an issue and Jan briefly described how the National Department of Agriculture's lack of proper enforcement of environmental laws at the Provincial level leaves many institutions with their hands tied when farmers do break the law.

Regarding WOSA and BWI, *Karien* said of WOSA: "Sometimes it's just a good story to have. It's good for marketing and it's already commonsense for a lot of people." *Jan* was less enthusiastic: "Ag, it's a good slogan...but we need to focus on more important things." On BWI, *Karien* responded: "We're not so involved with them...on the research side they are not so involved with us and we don't have that much of an effect on them. I don't know, politics are sometimes so superfluous...you need to get down to what actually has to be done sometimes...you know?" *Jan* argued: "We have always had very good contact and working relations with BWI... I think agricultural tourism is very important and this initiative does it in such an effective way as well as doing all the good work they are doing. *Rooibos* [an indigenous herbal tea] and potato production now also have similar initiatives and we work with Cape Nature too...all these links are very important and it's exciting to see all of the places the wine industry is going to."

5.12 Conclusion

The one thing that became abundantly clear in this part of the study is that the South African wine industry is shaping itself around environmental concerns. In all facets of the industry - regulation, standard and policy setting, technological development and research, marketing, conservation, representation and so forth - 'environmentally-friendly' and 'sustainable' practices are emphasised. In the next chapter we will see how a variety of producers at the cellar level, operating in a variety of different environments respond to this new emerging environmental identity.

It is clear from the different voices in this chapter that there is a consensus that IPW is the dominant and accepted standard of 'environmentally-friendly' practices in the South African wine industry. Despite questions over some aspects of IPW, all of the key industry informants said that IPW is a 'must have' regulation. They generally agree that IPW is well administrated (although there is a desire for more auditing to take place) and has dovetailed well with the *Wine of Origin* and other institutional structures in the industry. It is also largely agreed amongst these respondents that IPW's strengths are in its participatory structure and its ability to be implemented in a variety of *terroirs*.

However, it is also clear that there was much less consensus among the respondents regarding their views on BWI and WOSA. Some respondents questioned the limited accessibility to BWI membership, while others argued that it was a necessary initiative which captured an important part of the 'environmentally-friendly' identity in the South African wine industry. As far as WOSA is concerned, many of the respondents argued that the marketing campaign and slogan 'Variety is in Our Nature' is not always very effective. Respondents pointed to what they believed is important in order to gain a competitive edge and often argued that WOSA's campaign was too broad to meet these goals. Some of these responses included producing 'good' quality wine at affordable prices, capturing higher price premiums, developing a strong brand name, ensuring health and environmental safety standards are met and so forth.

We begin therefore, to see several themes emerging from the key industry informants' responses that will be interesting to analyse at the cellar level.

Firstly, it is clear that 'environmentally-friendly' practices or sustainable agriculture is at the forefront of nearly every industry body's 'mission'. From this information, we are led to believe that there is considerable agreement and cohesion among industry bodies. It will be particularly important to see how producers experience this 'cohesion', what they articulate as problems (if any) and how they think the industry should respond to these problems. A central issue in this regard is the integrity of various initiatives and regulations like IPW, for instance.

Secondly, the problem of enforcement has been articulated by many of the key respondents. Spokespeople of IPW, BWI, VinPro and WCSA all said that their role is not to 'police' producers who are breaking environmental legislation, and that they do not have the authority to do so. Confusion exists over who exactly should be monitoring farmers and cellars if the National Department of Agriculture⁴⁵ is not doing so? Also, the question of what constitutes appropriate and effective punishment for breaking

⁴⁵ The National Department of Agriculture are currently the only body with the power to punish transgressors.

environmental laws leaves much room for discussion. How do producers feel about this current lack of enforcement? Do they regard it as a threat to their business?

Thirdly, key informants all voiced views on international markets and generic marketing campaigns. Some praise the work of WOSA, while others question it. How do producers respond to the slogan and how relevant is this marketing campaign to their business? How do producers respond to generic marketing when they are 'going above and beyond' IPW?

The next chapter will explore all of these themes, in particular cellars' response to IPW BWI and WOSA's 'Variety is in Our Nature' marketing campaign, and whether their response is in any way related to the type of cellar, their location in the market, their *terroir*, or their more general environmental 'philosophy'.

CHAPTER 6

The conceptual view: cellars and their conceptions of 'nature' and 'environmentally-friendly' practices

6.1 Introduction

The second phase of my study explored the views and opinions of viticulturists, wine makers and managers at the cellar level. In this chapter, I discuss how these respondents define concepts such as 'nature', the 'environment', 'environmentally-friendly' and 'sustainable agriculture'. I'm going to do this by discussing the cellars one by one, with the organisational context serving as the backdrop to individuals' responses. In the next chapter I'm going to ask whether the cellars' environmental practices are in any way related to their structure, *terroir*, markets, environmental ethos, or a combination of these factors.

6.2 "How do you define 'nature', the 'environment', 'environmentally-friendly' and 'sustainable agriculture'?" and "What does your cellar do that IPW does not provide for? (i.e. that goes 'above' IPW regulations?)"

This chapter will begin by briefly profiling each cellar's environmental 'philosophy' their 'environmentally-friendly' practices and the various environmental initiatives and projects they are currently employing.

6.2.1 Estate A: "Study nature, not books, for solutions."

When asked how he would define 'nature', *Oscar* presented the following argument: "Well, you've started off on the right foot with me, because I think that how we here at Estate A think about nature is exactly the way we approach every process we implement. We see...and we have experienced it and seen it for our own eyes... nature as quite a self-sustaining thing. If rain or erosion has depleted the minerals from the soil (without man's help) then nature will regenerate those minerals by herself. Nature is one complete

food web and each problem has its own solution in nature...and if there is no solution, nature will develop one and a whole new eco-system will emerge...but nature indiscriminately reproduces itself. Now what we at Estate A try to do is to tap into that regenerative process of nature. My own philosophy of what nature is? Nature is as God gave it to us...so we should be studying that nature, not looking to books to see how we can manipulate nature to our own means. Everything is already there in nature...it's up to us to optimise nature to our best ability in order to produce the best and most sustainable product. Grape growing and wine production does absolutely not have to be a destructive process. Vines are not indigenous, but they are not harmful either and there is more than enough a farmer can do to make sure he is not taking away from the world around him. Nature will adapt. A volcano erupts and it is sudden and violent and destructive. Man is like that too. But the volcano will erupt and then nature gets the chance (however long it may take) to create a new eco-system where the destruction took place. As humans, we should take nature's example. But we carry on like we are a volcano which never stops erupting and giving nature a chance to regenerate itself.

You [as a farmer and producer] can save yourself an incredible amount of money and time in the long run if you invest in really knowing the environment around you and put every effort into optimising what you have, rather than trying to enforce something on the land which is not natural to it. If Sauvignon Blanc grapes don't grow well in warm, dry climates, don't manipulate the soil and water to produce it there! You could be making a fantastic Shiraz and establishing a good name for yourself if only farmers would take heed of what their *terroir* is telling them. This is what I believe 'environmentally-friendly' practices and 'sustainable agriculture' are... recycling everything in the vineyard and cellar to be used again...I bring as little extra onto the farm...especially things that come in plastic... as I possibly can [chemicals, fertilizers, and so forth]. But the 'environment' has that added human element to it that problematises my work here. There are too many external factors playing a big role here. Problems of air and water pollution, the artificial tunnels some neighbouring farmers use are harmful to the environment and we need to somehow reintroduce fynbos...but that is another story."

Estate A, Oscar explained, goes 'above and beyond' IPW regulations and implements practices IPW does not award points for almost at every level of production. Estate A, Oscar informed me, employs many outside experts to optimise every facet of the estate's production process. The estate uses the Albrecht System⁴⁶, complies with BemLab⁴⁷ accreditation to better utilise their terroir and consults experts on water usage, drainage management and irrigation scheduling. The estate does Macro and Micro climate analysis, as well as Infrared Aerial Imaging to help group clusters of similar grapes within blocs. Estate A leaves natural barriers for insects, leaves ants as they are the natural predators of many of the pests that attack the vines, uses 'natural' bio-sprays to control, not kill off other insects and they regularly inoculate their cover crop and schedule irrigation per meter, rather than by time-scheduling. "That way, irrigation is more accurate and more effective. By being more hands on in the vineyard at every step of the process you can see problems coming long before the time and handle them sustainably, rather than having to do damage control after the fact and having to use much more invasive techniques or chemical solutions. But most importantly, we are actively involved with offsetting our carbon emissions and are striving towards full Carbon Neutral measurement on our site and in all facets of our production."

Estate A is currently IPW compliant with 70%. *Oscar* explained that at the time of their audit, one of the estate's effluent water processes was under construction. "It is frustrating, because we got marked down significantly for this in the audit. We usually pass with flying colours and now just because something is still in the active process of being fixed we are penalised. We probably have one of the best water management systems in the area. There are some problems with IPW that don't sit well with me..."

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⁴⁶ A system developed by Professor William Albrecht at the University of Missouri which analyses what constitutes soil fertility in any given area. (Online Soil and Health Library website).

⁴⁷ Which analyses the chemical balance of soil, leaf, fruit and water (South African National Accreditation System Accredited Laboratory website).

6.2.2 Company B: "Bloc competitions keep our growers on their toes."

At Company B, Danie discussed the complex mix of approaches that comprise 'environmentally-friendly' practices amongst the firm's grape suppliers. "Well, firstly, we still call our suppliers members...we have formally changed to a company, but we still keep much of the old relationships intact where we can with the growers. Now, you see, I can tell you in my opinion what I think 'nature' and the 'environment' and 'sustainable agriculture' and all these things mean, but we try to think about these things more generally here at Company B because it gives each member a space to interpret his own farm in his own way. Now don't misunderstand me! Everyone has to comply with IPW and we are also BRC and ISO 9001:2000 (Quality Management) certified. On this level we intervene strictly in the grape growing process of our members. We also push growers to keep their yields down and guide them to do so when they struggle with implementation. In terms of the broad definitions, I think most growers at this cellar will tell you the same thing. For me, 'nature' is a living organism where everything is linked. The 'environment' to me, is a more focused inspection of these linkages and the human element is brought into the equation too. Being 'environmentally-friendly' or practicing 'sustainable agriculture' is to implement actions that will have the least input to disturb those linkages. These actions must be understood in terms of their long-term impact on the environment. We can't just take out, we need to keep things in nature or put in...even put back what you have taken out. This is the philosophy we guide our growers to farm with. But as a whole, we have been farming sustainably before IPW was introduced. We live in an area which is very well known for its diverse flowers and wildlife and I can honestly say that farmers around here have started thinking about the environment long before markets and governments became so interested in paperwork to prove it. But you see, because we are...we have a cooperative structure, where farmers are only producing the basic grapes, each farmer usually has to diversify in order to make money to sustain himself. So many of our growers farm with grain and sheep and cattle and this influences the way they think about 'nature' and the 'environment' and what they do on each of their farms according to their own values and beliefs. Some of our farmers are very interested in conservation of fynbos, flowers, wildlife, etc. Others focus more strongly on whatever aspect of IPW according to their micro-climates. There is a whole range of attitudes that we have had to change. For instance, one of our growers also farms with sheep. Now BWI and other conservation people say that we must protect wildlife. Now that is fine, but this farmer has had a huge problem with *rooikatte* [red lynxes] killing sheep on his farm. Now what must this man do? For the environmentalists, he cannot cull the cats, but he loses a massive amount of revenue every year from this damage. That is money he could have been putting into other conservation or 'environmentally-friendly' practices! But nobody can yet give him guidance over what to do about this situation."

Danie informed me that there were many environmental projects being carried out by Company B's members that IPW didn't directly award points for. "Some of our farmers lean much more strongly to the organic side. We have some members who have owl sanctuaries and protection projects. Some of our farmers are more involved with BWI than others. We focus on the whole system. For us, environmental concerns are in the cellar too. But the new IPW effluent water management has been a challenge to adapt."

6.2.3 Estate C: "Organic certification is all about power, but we play the game."

"Of course we go further than IPW...we are certified organic!" remarked *Piet*. "But I can tell you now," *Piet* continued, "on the whole, IPW regulations are much more straight forward and more...can I say 'implementable' than many of your organic certifications. Because IPW is implemented here at home [in South Africa] and is accepted overseas, there aren't so many discrepancies over which products you are or are not allowed to use. Organic certification is very difficult in that way. Someone in France tells us exactly what products we are and are not allowed to use and how much...but then the EU or the USA will come in and say 'we prefer you to use this' or 'we don't care if the organic certification approves of this chemical or preservative, we don't allow it' and so on. So the confusion over the products we can use is endless. But that is why we just try to use as little man-made products as possible here at Estate C." *Piet* said that to him "nature is anything and anything not disturbed by man; animals and plants alike. For me the 'environment' is everything on earth...big and small...what happens around me and what

I cause to happen around me...it's both. 'Environmentally-friendly' is what we do that doesn't work against nature. We still disturb it to build things, but we can become a non-invasive...or destructive... part of the environment if we practice carefully. 'Sustainable agriculture' is minimal inputs to get the maximum outputs. It starts with the soil. We try to buy less and less from outside to make ourselves self-sustainable."

"We have to be going beyond IPW if we are BWI champions, have organic certification and have the dedication to bio-diversity that we have at Estate C. You have to be over 85% IPW compliant to get BWI champion status, so we must be making them [the industry people] happy." Jack stated. "But I don't always think that organic practices are equal to 'best' [most 'environmentally-friendly'] sustainable practices. I mean, let's be real with each other now. All this stuff we are trying to do, IPW, Organic certification, conservation, all of it, is just a speed bump to our eventually destroying the earth...we are just killing it slower...ja, die hele 'ongewingsvriendlike' ding is 'rubbish' vir my [yes, the whole 'environmentally-friendly' thing is rubbish to me]. I am Christian, but I am not a conventional one. Most Christians will tell you that God gave us the earth to live from and as a means to live by...and they have some feelings of guilty responsibility towards it, but that's as far as it goes. No, I think that there is a reason God made the earth first. Because let's face it, man will die out some or other time with or without God's help and the world will just keep on without us and still be there and probably be much better off once we are gone. I'm rambling, but it is the way we like to think here at Estate C. I am the grumpiest... wat se 'n mens...sinies [what does one say...cynical] in my opinions on the matter, but at least here I feel like we are trying to live in a way that would be able to continue long after those who make less effort are not able to suck the land dry for money anymore. So for me, nature is that which is endemic to a particular geographical location. The 'environment' is something which includes a broader spectrum of everything (yes, man too) living on that piece of land...you know what I think about 'environmentallyfriendly'... and 'sustainable agriculture' is at least an attempt to put back what you take away so you can just take more the next day."

Marisa argued that nature is "the earth as God made it...and everything else is the result of man-kind. 'Environmentally-friendly' is everything we try to do to help the environment...it's what we do to offset our [human] activities so that you can produce in the same way you are doing now 100 years from now...I suppose that is what 'sustainable agriculture' is as well. We try to even do carbon measuring as far as we can on the farm, at the cellar, in our own homes. So we are organically certified, we are BWI champions, we are extremely active in plant and animal conservation (we even keep a family of ducks to eat the snails), and we are very involved with our workers to train them and interact with them on every level to explain to them what organic and 'environmentally-friendly' is, why we do it, what the consequences are and why they need to do it."

6.2.4 Estate D: "Small vineyard, big heart!"

"For me, it's not necessarily going beyond IPW, but really taking to heart everything that it stands for and accepting those standards not as minimum, rather just as the jumping-board for a much more conscientious and very traditional approach to farming. So where do we at Estate D go above IPW? I would say that we take IPW to the max! We have an organic mindset and approach to production, but I would never apply for certification. It's shockingly expensive, it's inconsistent and because we are so small, some of the standards definitely side-line what we are able to, or what is even practical for us to implement. Oh, and we are a member of BWI and we are members of the *Green Mountain Eco Route*."

Simon defined terms in the following way: "Nature is the interaction of all natural forces...it's all about cause and effect and it's what I see every day. I see the variants of nature in the *terroir* and the interplay between production and our surroundings...and the 'environment' ties into this interplay...but for me, the environment is a more direct experience of that interplay. The 'environment' is more influenced by man's activities and interventions. 'Environmentally-friendly' is not being harmful. It is again, being conscientious and leaving as small a foot-print as possible. And I think 'environmentally-

friendly' is too broad actually...I think it's about having an overall 'nature-friendly' approach to production, life, trade, to the world you live in rather than just something we claim to do at the office, you know? We farm with pigs here too and there are olive trees. But these things are not exclusive. That is what 'sustainable' farming is to me... we don't try to change the conditions too much. At Estate D we don't irrigate because we are close to the sea and it's not needed. We farm with pigs but we will use their manure all over the farm. We feed the pigs the grape skins and this takes care of another lot of waste. There are Port Jackson's on a piece of the farm and we know if we don't take them out regularly (I don't know if you know how pestilent Port Jackson's are to our environment?) then the water supply is messed with and there is more of a fire hazard for us and our neighbours and more of our *fynbos* is encroached on...it's all about listening and being watchful and considerate to what your surroundings are telling you. And then of course there is also what the market is telling you...they don't have to be such separate things anymore though..."

6.2.5 Estate E: "Nature is risky, farming is risky, but top quality is worth the risk."

At Estate E, *Riaan* explained the role he had as the viticulturalist at one of South Africa's oldest and most renowned wine estates. "For me, nature is life, the environment is living together and 'environmentally-friendly' is to not work against that which lives but to try to live with it [nature and the environment]. To be sustainable...we try to our very best ability to always be as green and as sustainable as possible. We watch what other 'environmentally-friendly' farmers are doing, we take note of all the new techniques and we adapt to the times. It's always problematic in this country when it comes to labour, but for me that is part of being sustainable also. Farmers need to change their old ways, their mindsets. In the old days, if a worker kills a snake the farmer would say it is because he is Coloured and ignorant and superstitious. But when you live on the ground like that worker probably does, you will kill snakes because you see them as a danger to you. But if I take a worker through the fields and I explain to him that snakes kill mice which kill the good predators of the insects which eat our vines and grapes, then that worker has learned something new. He sees the consequences of killing that snake make more work

for him in the long run. So he will not immediately kill the snake the next time he sees it in the vineyards. If you give people understanding, you give them the chance to be an effective part of your work, not just an unskilled labourer."

"At Estate E, we do IPW. We are not BWI members but we do a lot of our own clearing and conservation. We are involved with projects that protect snakes, owls and hawks in the area. We are very involved in the community of our workers and our attitude here is that the workers are the estate...so their living conditions, level of safety measures, training...all those things need to reflect the quality we put into our wine. Our focus of quality extends to all areas of our living and working at the estate."

6.2.6: Company F: "People's entire mindset towards the environment needs to be changed."

"You have to approach 'environmentally-friendly' farming from the bottom and work your way up," began *Grant*. "You need to balance your soil. We use organic materials as far as possible to better the microbes in the soil, to spray plants, to fertilize...and all the rest. For me, it's an integrated, three-level approach that cannot be separated from each other. First, you need to empower workers, teach them life skills, keep them informed, and manage in an up-to-date way where you don't use the worker like a slave; you make him involved body and soul in the work. Second, we look after the whole environment, from energy-efficient light bulbs, to recycling in all of our homes and on the farm and cellar, to conserving plants and animals at the farms and around our homes. Third, we need to approach everything we do, regarding workers, farming grapes, making wine, trading locally and globally, in a sustainable manner that our children's, children's children can use in the same way 50, 150 years from now."

"I meant it when I said that 'nature' and the 'environment' is everything that is around you in every situation. Nature is in the city just like it's on a farm. That's how we live here at Company F. We are all IPW compliant to a high degree of passing and we are HACCP accredited. We are members of BWI and run many projects in connection with

conservation and rehabilitation. We pull out *Bloekombome* [Blue Gum/Eucalyptus trees] and plant indigenous trees. We protect the endangered Swartland Shale Renosterveld, as well as a number of other rare types of *fynbos* and plants. We are involved with a Kwagga rehabilitation program and with a nearby Eland preservation. Beyond all of that, we are extremely committed to Empowerment. We run several training and management courses, we are very involved in the community as a whole and we buy land for our workers' trust so that our people can actually start implementing all the training they get on returns they are going to eventually see directly. It's the only way you can really start to do effective empowerment."

6.2.7 Private Cellar G: "We were the first to use the new *Integrity & Sustainability* 'bus'sticker, and I must tell you, we think it's *nogal bakgat!* [quite fantastic!]"

"As a wine farmer in the South African wine industry, the attitude you have to have is 'adapt or die'," argued *Braam* at Private Cellar G. "Yes, especially when you are 350km outside of Cape Town like we are" added his brother, *Etienne*. "We are very invested in marketing," explained *Braam*, "and the value of visibility and traceability. That is why we were the first wine place to apply for the new seal and use it. We have been involved with nature conservation in the area for many years. We have been giving money to a conservation trust since the late 1980's...we're still very active in this field. The Karoo is rich with unique succulent species and they must be protected...there are also fish, zebra, honey badgers and types of *fynbos* that are close to our hearts. If it's part of our rich heritage, we love to make it visible to our consumer and we are responsible to be involved...and we protect the part of the river that runs through the farm...you know how dry the Little Karoo is? We have to deal with that too, good irrigation schemes are essential! We clear alien invasive species, keep good buffer zones and make sure that effluent water does not go into the river...it's all part of our philosophy, protect and preserve everything we have an impact on."

6.2.8 Estate H: "Using things like electrical golf carts to get us around the vineyards instead of tractors...that's how committed to the environment we are!"

At Estate H, *James* systematically described the many facets of the farm that are geared towards 'environmentally-friendly' production and living. Estate H also farms with sheep, Holstein stud cattle and grain. "It's all part of our holistic approach to our environment," explained *James*. "We are very proud, first and foremost of our Carbon Neutral status. The carbon used on the farm, in the cellar, in the dairy, the community houses around the farm, as well as the carbon emitted transporting our wine overseas, and sending our staff members for any trips has been measured and we can prove that we offset all of it here at the farm. Our cellar's layout, design and decoration use the principles of Feng Shui to create harmony and dramatic effect. This is not something we necessarily have philosophical attachments to; it is purely a marketing tool for our all-important Asian markets. They love it and I must say, I think we all feel very harmonious in our little world!" said *James* in a tongue-in-cheek manner.

"We have also found, protect...conserve at least four previously thought to be extinct, species of plants and other critically endangered species of *fynbos* on the farm. We have many animals on the farm, tortoises, *rooikat* [red lynx], *tarentaal* [Guinea Fowl], porcupines that we protect. If any workers set traps, we fire them. But from the beginning we educate the workers so that they understand why they must not kill the animals, and we try not to let the workers ever get into the position that they need to hunt for food. Nature is what makes me and my wife feel peaceful and free, but in our environment, people pollute...air pollution, animal pollution...treating animals badly...poverty has a disastrous impact on the environment."

6.2.9 Estate I: "You have to adapt year to year to what is happening in your environment, but you have to adapt sustainably."

"The reality is...that we actually conserve about two-thirds of the farm and go to a huge expense to keep it pristine. Much of the farm is on the mountain slope and there is much

indigenous forest that is endangered that must be kept alien free. Port Jackson is a serial killer that we are vigilant against...even more so because of the fire-risk it presents to the vineyards we do have," Alex enthusiastically stated. "I am not very religious... I believe you should enjoy what you experience, be a bit hedonistic about it! I love to surf...but if there is a shark in the water then I must know that I am its territory and I must have a great respect for it or it will attack me. Why can't we be like that with nature? We must respect it and be aware of everything we are doing. Vines don't belong; it's just a fact...but keeping an open mind about how your beliefs about being responsible can have a positive effect on you, your environment, the people who work with us (farm workers) and even our consumer. We don't spray any pesticides ever...and very little herbicides. In our area...there is a group of people (we are included) who call themselves the 'Toad Nuts'. We fanatically protect the local Western Leopard Toad. We have even got a range of wine called "Splattered Toad" of which a portion of the sale goes towards conservation of this noble beastie! We have built channels for the toads in the vineyards, we have built two dams on the farm which have become prime breeding grounds for the toads, we have sponsored and lobbied for road-signs warning motorists about the toads...this is the biggest way the toads die around here, crossing the road from the mountain to get to breeding grounds... on rainy nights the 'Toad Nuts' will actually gather, take huge torches and neon jackets and guide the toads across the main road...and yes, some of our staff are among those dedicated people. By caring, we try to make others care."

6.2.10 Estate J: "Anyone who says IPW is too hard is just 'green-washing'...they are just doing it for the certification, not because it's what their whole soul believes."

"Wow, were do you want me to start!" exclaimed *Johan* when I asked him what Estate J does that goes above IPW regulations. "I should make it clear from the get go that I don't set particularly much store in IPW regulations when it comes to our practices here. IPW is hopelessly too relaxed...we go to the extreme on every level of production...it's a complete way of being rather than individual practices we employ." In the next hour, *Johan* extensively described the enormous amount of "environmentally sustainable" practices and activities Estate J undertakes, and I paraphrase: Estate J is certified organic

by Control Union and "accredited according to two organic standards; the USDA NOP [National Organic Practices] for the United States and EU organic regulation for the European Union"; Estate J is a member of a non-profit organisation known as LEAF (Linking Environment and Farming) which is certified by SGS; Estate J is a member of another non-profit organisation called SEDEX (Supplier Ethical Data Exchange); Estate J is one of the first members of the BWI, they are IPW compliant and they are also compliant with EurepGAP standards. Estate J's approach to farming and production is strictly organic and where they can, they go further than organic certification. No artificial additives are used in the making of the wine. Estate J's approach to water focuses on an advanced technological irrigating system, water conservation and waste water system (which also filters water so that it can actually be used again). Estate J has identified 13 different soil types on the farm and uses the Albrecht system, as well as 'remineralising' the soil. They use about 10 different mixes of cover crops which encourages a rich eco-system on the farm. Estate J is exceptionally active where biodiversity is involved. They plant indigenous trees, clear invasive alien species and protect a vast number of fauna on the farm including: frogs and reptiles, Cape foxes, the common duiker, the steenbok, *rooikat* [Red Lynx], porcupine, stoned genet, black eagles, owls and dassie [Rock Hyrax]. Estate J erects poles beside the vineyards so that birds of prey can hunt mice and rats, release a type of wasp which preys on mealy bugs (which attack vines) and keep a gaggle of geese to patrol the vineyards and gardens for snails. Estate J makes use of much research. They measure moisture levels to best manage irrigation. They use a weather station to predict disease times so problems can be prevented naturally. They make use of plant sap reading technology which gives them vital information about the nutritional value of the fruit. Estate J only uses advanced, sustainable machinery which is designed to severely reduce a farmer's dependence on chemicals and saves energy. Estate J runs a full-time primary school for the community and workers receive training in many different areas of production.

6.2.11 Company K: "We used to have BRC, ISO and HACCP, but they were all too expensive...IPW covers everything and it doesn't make you feel like you're being robbed!"

"Nature," Stuart argued, "is something that Jesus gave us to protect. It's the stewardship for the future. We have to measure the levels of our damage and act accordingly. We used to have ISO accreditation (9001 & 14001) but we never saw the returns and the returns never went to sustainability. We are interested in doing Carbon Neutral foot printing, but the way it is currently measured is difficult for us to implement at such a large company. There is a lot of power wrapped up in those buitelandse [foreign] regulations. I often think it's a paper set-up...conspiracy that traps the growers...producers with red-tape and discrepancies and a lot of other headaches." Regarding IPW, Stuart passionately described Company K's approach: "As I have said, we are IPW all the way. We easily pass (yes, all our suppliers too) with 75% and up and IPW compliance is contractually required from our growers. The suppliers are managed in terms of IPW 100% as we see fit, so yes, we do intervene. We are very strict; we won't take grapes at all if the grower doesn't comply. We do a lot of social opheffing [upliftment], we fund the local soccer league, and we sponsor children to go through all their schooling and university, especially if they want to study anything to do with wine! We sponsor local festivals and get all the workers involved. We run a few different BEE projects aimed at the empowerment of our own workers. Many of our farmers are involved with conservation of plants and animals in a big way, but the company is not a member of BWI."

6.2.12 Company L: "It can be a hassle for all of our members to comply with IPW, but if they don't, we don't buy."

At Company L, *William* reflected on the changes the company's growers have had to make regarding their practices in the last 10 years and how they have "taken IPW on board? "Nature is a big resource that we have to safeguard for our children. Where we are, agriculture surrounds us completely and we have to see that there is something left

for the generations who follow. IPW and EurepGAP help us to be aware of the consequences of what we are doing and it sets us initiatives for what we must do. Ons gebruik nie net sommer enige gifte enige tyd nie [we don't just use any poisons (chemicals) just any time]... now all our members must be IPW compliant, we don't take their grapes otherwise...but we do try to help the farmers. We work closely with VinPro and they help us a lot to train the farmers. We all pass IPW...in the cellar we are having a bit of a problem with the run-off water, but we are starting to use a new system for this...I would say most of our farmers accept IPW now...it's always a headache to get them to do all the paperwork, but they are...how shall I say...obliged to do it. Many of our farmers here farm with fruit too, so they already have EurepGAP...it helps with doing the IPW records. Traceability is very important to anyone we sell to. Distell audits, SAWIS checks, everything has to be correct otherwise you are in trouble! We are dedicated to water saving, electricity saving, clearing plants that don't belong here, especially from the river, some of our farmers look after their fynbos and the animals and so on...but nothing formal...we don't have the money at the moment...and money is always the biggest issue."

6.2.13 Cooperative M: "Our cellar didn't pass the IPW audit this year for the first time...but all of our growers are definitely IPW compliant!"

Leon at Cooperative M talked frankly to me the morning I went to interview the viticulturalist. "We are quite proud of our position at the moment overall, that is to say, we are proud that we are still a traditional cooperative and every single one of our growers is IPW compliant. We are obviously not happy that our cellar failed the IPW audit this year...the management of effluent water has changed in the IPW regulations and we have not completed the up-grade of this system yet, so when IPW came to audit this year, we failed on that count...but it is a provisional failure that we will get right within the next month, hopefully. The only reason we are beginning to think of changing to a company now is because the decision-making process is quicker. Ja, daar is nog een of twee boere wat 'n surplus lae kwaliteit wyn produseer, maar dit is nie in die meeste gevalle die moeite werd vir 'n boer om net lae kwaliteit druiwe te produseer nie. [Yes,

there are still one or two farmers who producer a surplus of low quality wine, but in general, its not cost-efficient for a farmer to only produce low quality grapes.] We are proud, however, that we get every member to have IPW and pass it without it being legally necessary...it sounds cliché, but we are like a family, we grow together and we must adapt together. We guide and help each other to do IPW and some with EurepGAP. We motivate each other to do courses and the grading system gives some competition amongst the growers to up their quality. All of our buyers ask for IPW, so we might as well all comply. For me, sustaining nature and our environment is about sustaining and upping the quality of it where we can. We are very involved with our community and we are working towards becoming BWI members. We do some important BEE transactions...overall, we keep up until we can become prominent in some area ourselves...we do have about 10% of our production that is bottled under our own label and the Reserve range is doing quite well at the moment. And we run an organic farmer's market about once a month encouraging our members, as well as local farmers to bring their fresh produce and sell it."

6.2.14 Cooperative N: "For us, nature is coping with the extremes...but being forced to deal with the extreme dryness leads us to developing better technology and irrigation systems and schemes."

"We are way out here in Robertson, but that only encourages us to jump on the band-wagon even more vigorously and show those Stellenbosch farmers what we can do!" quipped *Jeremy* at Cooperative N. "We are the single biggest brand in South Africa, therefore our firm is divided into three parts...but the cellar is still legally a cooperative. Now legally, we have to take a producer's grapes if he doesn't comply with IPW, but our grape grading system is structured so that a farmer would practically be producing at a loss if he only produces low quality grapes. But we all work together and put a lot of money and resources into IPW. The cellar is also ISO 22 000: 2005 (Food Safety Management Systems) compliant (we are the first winery in the Southern hemisphere to be accredited with this standard), BRC compliant, has HACCP accreditation and our cellar and all of our members are IPW compliant...we are also in the works of becoming

members of BWI. Much money goes into the conservation and rehabilitation of the rivers around us...but more than anything, I believe that being 'environmentally-sustainable' means that a farmer...or a producer has to be able to be economically-sustainable also. It is not going to help a farmer if he is the most 'environmentally-friendly' guy in the world, if he can't make money then he can't develop further and there will be no more money for continuous environmental, as well as financial growth. As I said, we use a pooling/grading system. We do our own random audits and IPW spot-checks amongst our growers before IPW or HACCP/BRC/ISO/SAWIS people do any testing. We don't allow some chemicals to be used at all, even if all the regulations say it's fine to use. We also do informal carbon measuring ourselves and try to keep emissions down. We have Nature's Choice accreditation and one of our members even has a crèche on his farm for all the workers' and staff's children. We help each other, we train and educate our workers and send some of them to WINETECH and an Academy for training courses and to get certificates. We are involved in *The Colour Project* with Stellenbosch University that tries to scientifically categorise vineyard quality. We also use the Regulated Deficit Initiative (RDI) to measure when and how much water a vine needs to produce the best grapes."

6.3 Conclusion

When we analyse the responses given by these producers, no clear types of responses emerged. However, certain conclusions can be drawn from these responses. Firstly, there is no relationship between how producers define 'nature', the 'environment', 'environmentally-friendly' or 'sustainable agriculture' and the type of cellar they work at, the geographical location (*terroir*) of their cellar, or the cellar's market orientation. Respondents at cooperatives, for example, did not have very different views about the 'environment' than those at estates.

Neither was there a discernable difference in philosophical definitions between those selling their wine in bulk to the UK for example, and those selling premium labels to Japan.

Geographical location (or *terroir*) may have increased the variety of 'environmentally-friendly' practices a cellar performs. It may even alter the practices and technology cellars have to employ to adapt to their physical environment. For example, Cooperative N has developed special irrigation schemes and technology to deal with the dry climate they are situated in. However, I did not find that *terroir* alone determined producers' philosophical definitions. How respondents think about 'nature' is shaped by a combination of the *terroir* that surrounds them and their individual values and beliefs.

Secondly, not any of the variables hypothesised at the beginning of the study - type of cellar, geographical location, personal *ethos* or market orientation – on its own determines which 'environmentally-friendly' practices and projects a cellar adopts. Neither does any single variable determine which cellars 'go' for extra certification (like HACCP, ISO, Organic or BRC). This will become more clear in the next chapter.

CHAPTER 7

Implementing 'environmentally-friendly' practices: responses at cellar level

7.1 Introduction

Taking the responses of the key industry informants as the point of departure, I wanted to understand how producers in the Western Cape experience the variety of 'environmentally-friendly' regulations (mainly IPW, but also BRC, HACCP, ISO regulations, organic certification, etc.), initiatives and projects currently featuring in the South African wine industry. I wanted to see if the broad consensus regarding the success and importance of IPW amongst key industry informants is shared by the producers at the cellar level.

As discussed in Chapter 5, at the industry level there was less of a consensus regarding other 'environmentally-friendly' initiatives like BWI. I wanted to understand if any of the shortcomings identified by these industry respondents were shared by producers at the cellar level. Regardless of shortcomings, I wanted to understand how the selected producers adopt and interpret these initiatives, and what it is about BWI that encourages so many producers to apply for membership and even champion status.

There was even less of a consensus amongst key industry informants regarding the acceptance and effectiveness of WOSA's "Variety is in Our Nature" marketing slogan. Therefore I was interested in exactly how the respondents at cellar level expressed their opinion of WOSA's marketing campaign. Is the "Variety is in Our Nature" slogan really one which creates a 'common language' (as *Jane* from WOSA claimed)?

Each of the themes mentioned above will be discussed through the analysis of the responses I received during my fieldwork. As I show below, there is broad agreement amongst producers on certain issues and at a certain level of analysis, but also significant divergence - both with regard to views (on initiatives and regulations) and with regard to

environmental practices. Whether the diversity of responses is in any way related to type of cellar, *terroir*, markets or environmental ethos, will also be investigated.

7.2 Implementing IPW: producers' critical response

As mentioned in Chapter 4, all of the cellars, save Cooperative M are currently IPW compliant. Of the 14 cellars, four⁴⁸ estimate that they pass IPW by 85% and over. Five ⁴⁹ cellars estimate that on average, they pass IPW by between 75-80%. The other five⁵⁰ cellars reported that they pass IPW by between 65-74%.

Here, it is interesting to note that at the second and third 'levels' (that is, everyone who passes IPW by between 65-80%) of IPW compliance, some of the cellars who score towards the lower end are sites which actually employ a variety of 'environmentallyfriendly' practices, are accredited by standards like HACCP, ISO, BRC and organic certification, and are Carbon Neutral accredited. Cellars such as Estate A, Estate D, Estate J and Cooperative N have high standings in the wine industry regarding the 'environmentally-friendly' practices they employ. Estate D is as organic as a cellar can be without having official organic certification (in many cases, they go beyond organic standards). Estate J is not only certified organic, but practises biodynamic farming as well, and is clearly at the forefront of sustainable technology and 'environmentallyfriendly' practice implementation, not only in South Africa, but in the world. Thus even a preliminary analysis reveals that there is a discrepancy between IPW regulations and overall 'environmentally-friendly' practices. Just because a cellar obtained a lower IPW score doesn't necessarily signify that the particular cellar is implementing a fewer number of 'environmentally-friendly' practices than a cellar that passes IPW with a very high mark. However, a case like Estate C shows us that a cellar can do a great deal of other 'environmentally-friendly' activities and practices and get a very high IPW mark and be something like an BWI champion member at the same time.

⁴⁸ Estate C, Estate E, Estate H and Estate I.

⁴⁹ Estate D, Company F, Private Cellar G, Company K and Cooperative N.

⁵⁰ Estate A, Company B, Estate J, Company L and Cooperative M.

7.2.1 "What is your opinion of IPW and its regulations and guidelines?"

Of the 14 cellars that were selected, all 17 respondents were generally positive about IPW and said it is a 'good thing'. Of the 14 cellars, nine⁵¹ were very complimentary of IPW as a regulation standard but six⁵² respondents (from six⁵³ cellars) were less enthusiastic about IPW as a 'package'. All 14 cellars expressed criticism of specific IPW regulations, their implementation or administrative aspects.

Of the more positive voices, the following respondents commented: *Piet* said "I like it, it was a hassle in the beginning, but we have seen the long term benefits... being organic helps, but then having a high IPW pass rate helps us with the organic certification too." Simon also said that IPW was initially problematic but that "now it has adapted to make more sense. The people running it see that growth is important and that the system is always open to positive change and abuse from lazier farmers. But IPW allows you to look yourself in the mirror and feel relatively good about what you are doing." Riaan argued that "IPW is good thing, but it needs to become mandatory for everyone. Too many producers have too many other accreditations (HACCP, ISO, BRC, Organic) and it gets too prescriptive. We should rather put more resources into making IPW completely independent as a South African regulatory system that everyone adheres to." Grant stated that IPW is "Well set up..." but that "we need to get the standards higher and realise that it takes a few years to implement some of the regulations, so change must happen gradually but constantly." James said that IPW is a "very good management system," while Alex argued that it is "fantastic! It forces a producer to think about what we are doing, it holds people accountable and you can definitely see the benefits and the results." Stuart at Company K stated that "It is a very good attempt by our whole industry to be greener. The standards can always be stricter, but I wish they would differentiate between those who are passing IPW and those of us that are doing very well. It would make our success and dedication to the environment more visible. HACCP, BRC, ISO...they are

⁵¹ Estate A, Estate C, Estate D, Estate E, Company F, Estate H, Estate I, Company K and Cooperative M. ⁵² Company B, Estate C, Private Cellar G, Estate J, Company L and Cooperative N.

⁵³ 3 respondents were interviewed at Estate C. 2 of the respondents (*Marisa* and *Piet*) were complimentary about IPW. *Jack* was more critical towards the system.

all money-making schemes in my opinion! IPW is not about the money...at least not about the money going to the scheme. You pay for IPW; you are paying for improvements directly on your place and you directly benefit from that expense." *Leon* reflected, "It is a very good system [IPW]. It is a brilliant feature that sets our industry apart... it gives us a better image and people begin to connect the idea of better quality to that too. We need more auditing...that is one crucial thing!" The least 'positive' of these responses was *Oscar*'s: "Yes, IPW is good...often I think it focuses on the wrong angle...there are a few critical places I think it can improve. The traceability can be focused on more...but the new seal may be a big step towards that already. *Oscar* explained that at the time of their audit, one of the estate's effluent water processes was under construction. "It is frustrating...we usually pass with flying colours and now just because something is still in the active process of being fixed we are penalised. We probably have one of the best water management systems in the area. There are some problems with IPW that don't sit well with me..."

Of the more critical voices, the following shortcomings of IPW were voiced: *Danie* said that "Implementation [of IPW regulations] sometimes gives us problems...and the support from the system [IPW] is sometimes lacking. It's a good guideline overall, but often I think that we [the South African wine industry] are far too strict. We need to give room for 'natural' sustainable wine growing to take place." *Braam* and *Etienne* argued that "We have had some issues with IPW. Some of the paperwork is far too much...when you buy grapes in, like we do it, can be very complicated to check for IPW...this part of the system needs to be simplified. But IPW is needed and it is good...over regulation is never a good thing...producers can turn against it. And we [as an industry] need to be able to verify, the system needs to have integrity. *William* replied, "IPW is good, but a significant shortcoming is that there is not enough auditing done! Sometimes IPW is too easy...especially the self-auditing system. IPW needs to become legislation...we must be long-sighted over this, give IPW more money, get government and more businesses sponsoring it. Things need to be in place throughout the whole chain." *Jeremy* reflected,

"We have had some problems switching the system over to the internet⁵⁴...but it is important for awareness. We just found that many of our older farmers had big problems with computer-literacy! It is a flaw of IPW...but it is a needed change. They need to offer more training courses for the farmers regarding the online self-evaluation procedure. And IPW is unfortunately not fool-proof...the self-evaluation thing is too easy to 'gyppo' if no one is going to check the records...that is why we need to do our own auditing as well." Of the two most critical voices, *Johan* and *Jack* commented, "IPW is too short...but it is a good standard overall...I just really worry that IPW is portraying itself to be of a standard that it does not really reach at the moment...in my opinion." *Jack*'s opinion was short and sweet: "Oh, IPW is good...it's like a speed bump on the road to the destruction of the earth!"

From these responses, we already see a few points of critique against IPW emerging. As many of the key industry informants also suggested, farmers do not like paperwork! The respondents who argued that record-keeping for IPW is too exhaustive were mainly companies, cooperatives and the private cellar. They argued that it was difficult to get all of their growers to keep all the records that IPW requires. However, *Simon* at Estate D added insight to why an estate might find problems with some of the records required. "I employ five workers and our vineyards are only 5.5 hectares! So you can see that we are a small operation. Now let me give you an example...one of the IPW regulations says that you have to keep records of every litre of water that you use...now I can fully see how this makes sense that at a huge operation like Distell or a larger estate or a private cellar...you need to keep track of how much water is being conserved and used and recycled and so on and so forth...but there are times of the year that we use more water in the kettle than we do on the farm or in the cellar! The problem with some IPW regulations is that they are not flexible enough to suite each type of operation..."

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⁵⁴ IPW self-evaluation questionnaire is now filled out and submitted online. Producers still need all the physical records and paperwork to be in order.

7.2.2 "Is IPW easy to follow [implement]?" and "In your opinion, are IPW regulations too strict, or too relaxed?"

All 14 cellar answered that "Yes, IPW is easy to follow". However, there was also some discussion of what 'easy' entails for producers. Danie commented that "IPW forms are much easier to complete now that it is computerised...before filling out all that paperwork was a hassle!" William replied, "IPW is logical, so yes, it's easy enough. But you need guidance...support, you know? It doesn't take long to do if you keep constant records...it becomes part of your lifestyle and then it's not so foreign any more...business as usual." Jeremy argued that "while there is more paperwork for the vineyard, IPW regulations are actually more complicated in the cellar. In the vineyard, it is mostly about the chemicals you use and how much and when. Irrigation is also important and water conservation...but most of us know EurepGAP...well, now it's GLOBALGAP... even though IPW came first...there is about ten-times more paperwork for EurepGAP, so we are used to that. But the cellar is a different story. The management of effluent water is tricky, and knowing what you can put in your wine and how much...we need to focus on making good wine but doing it well too...your carbon footprint is generally higher in the cellar, so this is also something you constantly have to think about if you really care about the impact of what you are doing." Riaan added to the point that Danie made by saying, "The online system does make it [IPW] much easier now...but getting access to it is sometimes an issue. It generally depends on how much data they [IPW] want. It is different when you are hands-on in the farm...you build trust with your workers and your staff and you trust that the education you give them puts them in the best position to make good decisions. That is sometimes hard to record...your own style of management may work the best for you...IPW can try to be more boervriendelik! [farmer-friendly]...there is sometimes a big gap between regulations and implementation." Grant, Oscar and Jeremy all commented on how different industry actors work together to help each other with IPW regulations. Grant said that the VinPro officer in their region gives him a lot of advice regarding IPW. Oscar said that the "guy that sells me chemicals... ons noem hom mos nogsteeds die gifsmous [we still call him the poison-hawker]... helps me with IPW a great deal. They also go for IPW training, the

chemical sales-people, they need to know what they can sell us or not according to IPW and I suppose ISO and HACCP and whatever else..." *Jeremy* said that "some areas of IPW can be a bit grey...but you know, you phone the IPW people, the VinPro people, your neighbouring farm...people are willing to help each other. Because when we help each other with IPW, you don't lose anything, no competitive edge, you do what's best for the environment and what's best for the reputation of the industry as a whole and you feel good."

Out of the 14 cellars, four⁵⁵ thought that IPW regulations are too relaxed, four⁵⁶ thought that some aspects of IPW are too strict and six⁵⁷ thought that IPW regulations are on par, are fine, or are "50/50".

Of those who thought IPW regulations are too relaxed, the respondents commented as follows: Johan said that "The effluent...waste water management is very good. It's strict, but it is good that it is so strict, even though we get marked down here because we have our own system of re-filtration and recycling of the water that IPW can't really measure. But the chemical regulations are far too relaxed! I even think that our organic certification's regulations are too relaxed. People who say IPW is too strict either must have a good reason why one or two regulations are incompatible or they are not genuinely interested in protecting anything!" Alex said that "They are too relaxed, but it's good to see that they are getting stricter and stricter. IPW is giving farmers time to adjust...Lord knows, some of the older ones [producers] will resist change until the day they or their businesses die... but we are slowly starting to get a stricter mindset in the country. But the chemical rules can for sure be stricter." Leon again repeated the opinion that the chemical regulations of IPW are too relaxed: "There are some issues...but overall fair...the sprays can definitely be stricter. There should be more control over what products can be used and in what amounts and how regularly. IPW also needs more protection [safety] regulations and education about the handling of sprays for workers...especially when the workers are illiterate...some farmers don't spray

⁵⁵ Estate J, Estate I, Cooperative M and Company K.

⁵⁶ Estate D, Estate H, *Braam* and *Etienne* at Private Cellar G and Company F.

⁵⁷ Estate C, Estate A, Estate E, Cooperative N, Company L and Company B.

themselves or use trusted foremen like we do...they let any worker endanger himself by working with that spray." *Jeremy* said that "we must always be careful that IPW does not just become another paper exercise! The growers need to do it themselves...not just have some admin person on the farm or at the cellar filling out paperwork when they don't know if that is actually what the person has been working with the grapes and the wine is doing."

Where respondents thought that IPW regulations are fair, on par or "50/50" [thought that some of the regulations are too strict and others are too relaxed] the following elaborated: *Piet* said "It's always adapting, so you hope our voices [the producers'] will be listened to by IPW people...I must say, they generally are...or at least they get the gist." Marisa expanded on what *Piet* said, "It's fair [IPW regulations]...Organic certification is much stricter...but often the organic is too strict and they have too many rules. You begin to feel that organic is more about that certification person's control and power issues. IPW allows more people to access that knowledge or practice. IPW is integrated and holistic." Oscar replied, "For me it's not always whether it's too strict or too relaxed... IPW regulations just don't always focus on the right angle for me. There are places it can improve...for one, traceability can be focused on a lot more." Riaan argued, "It's 50/50 for me...there are certain issues. Dit hang af van wat hulle [IPW] wil hê. [It depends on what they (IPW) want]. We have major issues with the online system...it's not always accessible for our workers to fill in. Most of the workers don't know how to work a computer...some of the workers are not even literate...then what do we do? The IPW training for the workers is often too theoretical. IPW needs to train workers to know that they can feel confident to deal with situations as they arise...you can't always predict what issues will come up and you need to enable people to cope with that." William said, 'IPW takes effort and we have a responsibility to make it." Danie claimed that, "In some areas, IPW regulations are a bit impractical and costly when there could be a better way of doing things. If we can prove another way is just as healthy for people and the environment, IPW shouldn't mark us down for it."

The producers who argued that IPW regulations are too strict made the following arguments: Simon reiterated, "For us, the record keeping is sometimes too strict. We are a very small operation and much of the paperwork that IPW requires of us, especially in my very small cellar, is impractical for me to keep. IPW needs to adjust its expectations regarding the record-keeping of smaller farms accordingly...otherwise it becomes very time-consuming and begins to cost you. I am not a big business who can afford to keep an environmentalist on staff...I have to do it myself. Some of the clearing of alien species is too expensive to do all at once and again, we have fewer resources than others to do it. IPW needs more auditing basically so it can assess people individually and score people according to their context." James commented, "IPW is definitely not too relaxed! I suppose it's on par, but I find that sometimes some of the regulations on the farm side are too strict. We need someone else to come in and audit more often. But herbicides and pesticides can definitely be stricter...the use and type of those poisons...but sometimes you have your own way of dealing with a cover crop, or you do other things not to harm certain plants or animals in the vineyards and then it does not fit within IPW's framework, so they mark you down on it. Sometimes it's too strict." Both Braam and Etienne at Private Cellar G and Grant at Company F argued that IPW regulations can be too strict in ratio with the small amount of auditing that IPW does. They all commented that the paperwork can become overwhelming when buying in grapes and that IPW should take more of the responsibility to audit the growers before they try to sell their grapes to companies, private cellars and cooperatives so that these businesses didn't have to waste money and time doing it themselves. "I don't have time to check that a potential supplier is complying with the law, never mind IPW regulations! If the government is not going to do the enforcing, then they need to give IPW more support...money and people so that they can do it for the industry...it also takes away from some of IPW's clout," Grant explained.

7.2.3 "Do IPW regulations satisfy buyers in countries that your firm exports to?", "Are some countries more demanding regarding environmental regulations than others? Give examples?" and "Do you think that your firm could sell wine successfully without IPW compliance?"

When I began asking questions about IPW's international reception, *Jack* at Estate C immediately told me that he did not have enough insight into marketing issues to answer my questions. This section, therefore, deals with the insights of 16, rather than all 17 respondents. Of these 14 cellars, nine⁵⁸ said that IPW regulations do satisfy buyers in countries that their firm exports to. Five⁵⁹ cellars gave more ambiguous answers to this question.

Of those who responded 'yes', the following insights were shared: *Stuart* said "Tesco used to give us the most grief about regulations, even though they fully accept IPW...but since the economic crisis...they don't give a damn really about the environment anymore, even though they say they do. They just want to give us lower and lower prices for our wine...we are almost making a loss when we sell at the prices they ask us!" Other respondents made comments like 'we've never had any complaints', 'I've never heard otherwise' and 'the new seal helps'.

The more ambiguous respondents made the following arguments: *James* said, "IPW regulations unfortunately don't satisfy all buyers. USA is fussy, they have some of their own regulations they want you to comply with in addition to IPW. The Japanese definitely want more; they make the game very difficult for us sometimes. They want Fairtrade, but it's very expensive..." *Oscar* replied that "IPW is the cherry on top for us, but it's not the be-all and end-all. Our buyers give far more attention to Carbon footprinting." *Jeremy* said, "IPW's important, but it's not everything. Buyers ask us about ethical trade too...they expect we are doing it and we don't question that demand. IPW doesn't cover enough of that yet." *Danie* replied that, "IPW does interlink with some

⁵⁸ Company K, Cooperative M, Estate I, Company L, Estate E, Estate C, Company F, Private Cellar G and Estate D

⁵⁹ Estate J, Company B, Cooperative N, Estate A and Estate H.

regulations but it's not always required...health and safety issues are focused on a lot." *Johan* had the most decisive answer, "IPW means nothing to my clients overseas. The organic certification trumps IPW every time...but I suppose that's just part of each individual place's identity."

William at Company L told me that since they sell most of their wine to Distell, they did not have much knowledge of overseas markets' demands. Therefore, 15 respondents replied to the question 'are some countries more demanding regarding environmental regulations than others? Eight⁶⁰ cellars answered 'yes' to this question, five⁶¹ cellars answered ambiguously and one⁶² cellar answered 'no'.

Of those who replied 'yes', the following examples were given: *Stuart* said, "The UK used to be, but now all they care about is the price. They have no ethics whatsoever now! Germany and Switzerland analyse everything...they like to be 'consumer-friendly'." *Alex* exclaimed, "Oh yes! The UK is particularly finicky! But nothing has ever been rejected...they just ask a lot of questions." *Piet* and *Marissa* both said that the European Union is very strict, especially regarding organic certification. They also said that the USA is very strict on hygiene issues. *Grant* said, "The UK is very demanding. They come to look and audit...especially Tesco. They look at our practices and the impacts, at our environmental attitude and ethics approach. Our cellar is Fairtrade accredited as a result of this." *James* replied, "Yes. The USA is the most full of nonsense...to put it politely that is... and they are the most expensive. Each state has its own requirements... but it's an important risk to take and it's an important market to capture." *Oscar* argued that, "Labels are very important, you have to tell people what you have put into the wine. Canada is quite demanding with this. It's about traceability." *Jeremy* said that Scandinavian and German buyers ask many questions.

Where respondents replied more ambiguously, the following was explained: *Leon* said, "No matter who it is, we have to comply with what they want, otherwise you don't sell."

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⁶⁰ Company F, Estate C, Estate I, Company K, Company B, Cooperative N, Estate A and Estate H.

⁶¹ Private Cellar G, Estate E, Cooperative M and Estate D.

⁶² Estate J.

Riaan replied, "I don't know what other countries want, but IPW works and it is accepted world wide. We have no other accreditation and nobody asks us any questions. It is a good tool and for us it's a guarantee...but the trust in our good name and reputation also helps a lot, I suppose." Braam and Etienne agreed, "Not specifically... I suppose Germany is a bit more inquisitive than the others. In some countries there are more demands than others, but IPW covers that." Simon said that German clients sometimes asked more questions than others, but that IPW seems to be recognised the world over. Johan replied, "Not really...it's not so simple. It's more about what target market you are looking at. Yes, some are very stringent about certification, but it's a different ball-game when you are talking about organic certification. You have a niche product and you market it towards specific clients, I would say, rather than countries. We just make sure that we have certification that covers all the desires of the countries we are selling to in general...it's all about establishing and maintaining credibility."

As whether they thought that they could successfully sell wine without IPW compliance, the response was again, mixed. Sixteen of the 17 respondents answered this question⁶³. Seven⁶⁴ cellars replied 'no', three⁶⁵ cellars' answers were ambiguous and four⁶⁶ cellars replied 'yes'.

The seven cellars who replied 'no' had the following to say: Leon, Riaan and Grant all said that IPW was necessary, that it counts for a lot and that it is required. Riaan argued, "We don't have any other certifications, so I assume it must be necessary. It is the guarantee you give your clients." James considered the question for a minute and then replied, "Locally, I think we could sell without IPW, people [customers] don't actually know...but internationally...there is no way! And actually, locally Woolworths and Pick 'n Pay both require IPW...so let me just say a well-rounded no!" *Jeremy* said "You probably could sell without it in some places...but why take the chance. No, too many countries recognise IPW now. It makes the playing field a bit more equal [in international

 ⁶³ *Jack* from Estate C did not know)
 ⁶⁴ Company F, Estate C, Estate I, Cooperative N, Estate H, Estate E and Cooperative M.

⁶⁵ Company K, Company L and *Braam* and *Etienne* from Private Cellar G.

⁶⁶ Company B, Estate A, Estate D and Estate J.

trade], so why would you not want that advantage?" Alex answered very strongly, "To not do IPW would be stupid! They try to create a feeling of responsibility...we would never not want to do IPW regardless of whether we could sell or not. The question is how we are going to police it so that everyone has to eventually comply. It's about your life principles and that is important!" Piet and Marissa both said "No". Piet also said, "Other organic people will tell you otherwise, but I am not going to lie to myself. We could sell without organic certification...there is no chance we would be successful without IPW. The BWI champion status, the assurance IPW gives buyers...we would never give it up!"

Those who were more ambiguous replied: *Braam* and *Etienne* conferred with each other and then contributed to an answer, "We could sell without it...but it makes a huge difference. The problem is that it is not marketed. The new seal is working well for that...but there is no punchy, glossy marketing that would get more customers' attention. You must try to give producers an incentive to conform." *William* replied, "Yes...but it's difficult to know. ISO helps...but Distell (our main client) doesn't specifically ask for it...or at least they have never said no to us. But I think they do check first...if it came down to it, we probably couldn't sell to Distell without IPW." *Stuart* said, "We would love to say no, but the reality at the moment is that Tesco doesn't really care since the economic crisis...if compliance was more enforced it would be better."

The respondents who said that they would be able to successfully sell their wine without IPW compliance made the following arguments: *Johan* wryly responded, "IPW means nothing in my trading relationships, organic is what my clients care about. But we do it anyway...there is no reason not to belong...we support the South African wine industry and if our having IPW compliance adds some power or integrity to the system, then we will do that." *Simon* replied, "Yes, we could. We are so small and our relationships with our clients are so close that we have built trust and understanding...they know what we are about...but it's self-gratifying to have IPW...it gives some comfort." *Oscar* said, "Yes, we could. IPW is the cherry on top. It's a good control for your own practice. On the government side it is quite important to have. It is a competing indicator to show that you are above certain standards...but there are other ways of proving this." *Danie*

answered more tentatively, "Yes...but you still need to be able to show you are environmentally conscious in some way."

7.2.4 "What is your opinion of the new *Integrity & Sustainability* seal?"

Again, 16 out of the 17 respondents felt they knew enough about the new sustainability bus-sticker to answer this question. This time, it was *Marissa* from Estate C who did not answer. Of the 14 cellars, nine⁶⁷ were very positive about the new seal. Five⁶⁸ were more cautious in their response.

Those who were very positive had the following to add: *Braam* and *Etienne* said, "We are crazy about it! People need to be made aware and more curious." *William* said, "We use it on the Chenin Blanc...but people don't really realise...it will take time for the public to notice. It gives people an edge in competition, so that is a good incentive." *Simon* replied, "It's fantastic! But I think the man on the street doesn't care. Consumers are too mass focused...but I think the supermarkets care." *Leon* thought it is an "excellent idea! It's eye-catching, it shows we care...it covers so many things." *James* said that "we want some gold stickers too...to show the difference between those who are doing IPW and those who are doing IPW very, very well." *Alex* argued that "it gives the average producer a carrot to be better and to do IPW better...it's great!" Others said that visibility and legitimacy is improved by the new sticker.

Amongst the respondents who were more cautious in their praise for the new seal, *Stuart* argued, "The rules of who can have it and who can't are not strict enough. We have it because we work hard and we do very well with IPW. The seal must be something that distinguishes us." *Johan* said, "It is really good...but I just caution people to not overclaim what they are doing. As long as you have the accountability it's ok...but just one producer is found to be advertising standards they are not meeting, it will be very damaging to the industry. We are still deciding if we are going to use it or not." *Oscar*

⁶⁷ Estate C, Estate I, Cooperative N, Estate H, Company F, Cooperative M, Estate D, Company L, Private Cellar G

⁶⁸ Estate E, Company B, Estate A, Estate J, Company K.

cautioned, "It's good, but you need to have a proper audit before you get it. It can reflect disproportionate measuring and categorising and that worries me. You need to take the whole spectrum of what a producer is doing into consideration and I am worried that IPW and the new sticker will not reflect that." *Danie*'s answer echoed this opinion, "More auditing definitely needs to be done. It gives people more authority...but it can take power away if it's not done right." *Riaan* said, "It's good, but there needs to be more advertising done on it. We must all show people in the tasting rooms and give them the opportunity to check out the traceability. Many people buy without heart, so we need to know who actually cares or not...consumer studies would be great."

7.2.5 "To your knowledge, how broad is the acceptance of IPW regulations (the 'buy-in') amongst other growers and cellars"

Marisa again said that she didn't have enough knowledge to answer these questions. From the 14 cellars, there was an overwhelming response that the general producer 'buy-in' to IPW in the industry is very high. Many of the respondents argued that peer-pressure has a great part in influencing producers to comply. Others added that the competitive clout IPW gives one as a South African wine producer is too great to ignore. Many of the selected producers again commented that paperwork and record-keeping dissuade farmers who are resistant to change. The respondents included factors like older farmers don't like to change and producers don't like extra hassle and also that getting all the farmers to comply in cooperatives and companies is sometimes very challenging. Stuart explained this in a way that I thought brought together many of the farmers' opinions in a succinct and illustrative way. He said, "IPW is like your entry form to a race. Having that entry form does not ensure that you are going to win the race, or even place well in it...but without that entry form, and without the proof that you are fit to compete, have not been taking steroids to cheat and gain an unfair advantage, you are not ever going to even be able to get an audience to that race."

The same trend of answers applied to how producers accepted IPW when it was first introduced compared to how they accept it today. Similar to *Andrew*, *Linda* and other key

industry informants' response in the previous chapter, the selected producers all talked about a progression of some tension and inconsistencies of other producers' opinions and acceptance of IPW from the time it was introduced, to what it is now. The selected producers said that the trend was that there was much uncertainty and difference of opinion over IPW when it was first introduced in 1998. However, as many of the respondents have talked about already in this chapter, IPW has adapted and changed many of its focuses and standards over the years to accommodate more farmers, but also to make rules and regulations stricter and more 'environmentally-friendly'. The question of course now becomes what of the other 10-15 per cent of the industry that does not comply with IPW regulations? According to many of the key industry informants and the majority of the producers I interviewed, IPW can only continue to grow...and it is likely that it will become mandatory in the very near future. The danger if it does not become mandatory, of course, is that the integrity of the system can more easily be called into question by outsiders.

7.2.6 Analysing the response to IPW

At a glance, we see that there is a much more varied response to IPW amongst cellars than there are amongst key industry informants. We also see that the points of critique against IPW and its implementation are far more focused at cellar level (as one would expect to find from respondents who work more intimately with the actual application of IPW). However, closer analysis suggests that: 1) not one of the hypothesised variables, i.e. type of cellar, geographical location, personal *ethos* or market orientation alone determines a cellar's response, but 2) that it is rather a combination of these factors that shape policy and practices.

Firstly, the data show that all of the cellars in the sample are IPW compliant with one exception. This reflects how normalised IPW has become in the South African wine industry. It also shows that IPW standardises the dominant 'environmentally-friendly' practices that our respondents implement. It is clear that IPW has created a heightened environmental awareness amongst South African wine producers and that the high

incidence of compliance in the sample reflects this. The data has shown that the cellars that comply with IPW are from all over the Western Cape, sell to a variety of different markets, and range from estates, private cellars and companies to cooperatives. The broad compliance reflects not only a heightened environmental awareness and shared ethos, but also the realisation that most markets now require IPW compliance.

The data also show that some of the respondents implement additional 'environmentally-friendly' practices. These additional practices include complying with HACCP, ISO, BRC regulations. 'Doing more' than IPW also includes being a member of BWI and having organic or biodynamic certification. Producers 'do more' than IPW because they have a stronger personal environmental *ethos*. They 'do more' because they sell to markets that demand 'higher' 'environmentally-friendly' standards. Also, they do more because they have captured a niche market which demands, for instance, organic certification. This stronger environmental ethos is not limited to certain types of cellars or certain regions of the Cape winelands.

Secondly, I note that cellars located further away from the hub of the wine industry (Stellenbosch, Paarl and Cape Town) call for more guidance on how different aspects of IPW are implemented.

Thirdly, cellars that are located further away from the hub of the industry articulated the need for more IPW auditing to be done. As orthodox Cluster Theory would argue, it is possible that producers further away from the administrative and technological hub of the South African wine industry (i.e. Stellenbosch and Paarl) experience a delay in the latest transfer of the knowledge and training IPW and other industry bodies provide on 'environmentally-friendly' practices.

Lastly, the data show that the pressure exerted on producers to conform to IPW comes from local markets (for example, according to some of the respondents, Woolworths), as well as international markets. According to the response, in local markets, not complying with IPW will mean that a supplier will not be able to sell their grapes to Distell, for

instance. Similarly, in the case of my sample it means that a grower will not be able to sell their grapes to companies (former cooperatives). In international markets, respondents have argued that governments, retailers and buyers demand compliance with some form of 'environmentally-friendly' regulations. Therefore, if a producer does not comply with IPW, it is unlikely that they will be able to compete in international markets without complying with expensive regulations such as HACCP, ISO, and BRC or have organic or biodynamic certification.

7.3 Conservation in the South African wine industry: producers' responses to BWI

Of the 14 cellars that were selected, seven⁶⁹ cellars are members of BWI and one⁷⁰ cellar is a BWI Champion. Estate H and Estate I are currently in the process of applying for BWI Champion status and Cooperative N is in the process of applying to become a BWI member.

7.3.1 "What is your opinion of BWI?"

Of the 14 cellars, 10^{71} had a positive opinion of BWI, four respondents were more questioning of the initiative and one⁷³ cellar had a negative opinion of BWI. Of those who had a positive opinion of BWI, the following responses were provided: Danie said, "It's great! Our farmers link with each other more because of it...socially and business-wise, they [BWI] have a good management system and the support from their people is good." Piet said, "We accept it as a norm and something that we must do. It's good to give farmers who put a lot of effort in their due recognition [referring to the estate's BWI champion status]." Alex was once again, very enthusiastic, "It is a brilliant initiative! I think of IPW and BWI as going hand-in-hand with each other. It encourages more involvement and appreciation with the environment...everyone becomes more

⁶⁹ Company B, Estate D, Company F, Private Cellar G, Estate H, Estate I and Estate J.

⁷¹ Company B, Estate C, Estate I, Company F, Cooperative M, Estate H, Estate D, Company L, Estate E and Private Cellar G.

⁷² Estate J, Company K, Cooperative N and *Marisa* from Estate C. ⁷³ Estate A.

aware." *Grant* argued, "BWI has a place...it is a good sales point...it's good that it is focused on nature rather than on the commercial side, yet a producer can still market it himself...it's that added dimension to looking after the environment...it's needed, I'd say." *Leon* commented, "It's an excellent initiative! We already have farms doing things to protect *fynbos* we are hoping that the board will agree soon that we should apply for membership." *Johan* reflected, "It's actually good! The connections between IPW and actual nature are important ones to have. More clearance could be done...more marketing could be done..." *Simon* responded, "Awesome! Great concept! The question is, how can we convey it to the man on the street? Make the consumer care as much as the producer does!" Other respondents said that the BWI's aims are good because nature must be protected and despite the cost, those practices should be implemented by farmers anyway.

Those who were more ambiguous about BWI made comments like: "What is the effectiveness of it really with consumers? It's nice to be able to say we have it, but I am not sure... But it's good to create a peer-pressure effect to get more farmers to take that kind of environmental...nature-driven responsibility on board." (Marisa). Jeremy commented, "It's a good idea to formalise such practices...but I am not always sure how necessary it is. Sometimes it is each to his own where nature is concerned...or at least, where responsible behaviour towards nature is concerned. I get worried that a bit of environmental creativity can be lost in all these projects and standards. It's voluntary now, but we can see the market is beginning to demand it...same thing with the new seal." Stuart was more hesitant, "It's a measure that is now part of IPW that does not necessarily add much value to us as IPW does. We are so big...it's not the way to go for us...it's a 'nice-to-have'...but not being a member does not mean you are not involved with protecting nature...it's for each farmer to do by himself." Johan cautioned again, "BWI must careful to not misrepresent what they are doing...just like IPW must be careful. But BWI is very good for what it does."

Oscar at Estate A was the only respondent to have something purely negative to say about BWI. He argued, "You really want to know what I think about BWI...it's *stront!*

[rubbish!] It is a very disproportionate project. It works unfairly according to the size of your farm. We are not a big place and most of our farm is developed by vines. Now what can I do? I cannot pull up vines! I can protect what there is (and we do) but I can't conjure up *fynbos* that hasn't been here for 80 years at least anymore! BWI should make more effort to include more farmers."

7.3.2 "Are BWI guidelines/regulations easy to follow?"

From all 14 cellars, only six⁷⁴ felt they had enough experience/knowledge of BWI on the 'ground-level' to insightfully answer this question. Three⁷⁵ of these respondents answered positively and the other three⁷⁶ had points of critique.

The three cellars who answered 'yes' provided the following insights: *Braam* and *Etienne* said that "the regulations are fairly easy. Some of the points need more advice and support than others...but BWI is quite good with that." *Alex* said, "For the amount of conservation we have a responsibility to do on the farm with all the indigenous flora and fauna on the mountain slopes, BWI is very easy to follow...they help us so much." *Grant* explained, "BWI is excellent on the ground. The head extension officer (*Linda* that I interviewed in the previous chapter) understands the pressures and intricacies of farming. She's not just a radical 'greenie'... she knows what is the most important to do first...*Linda* doesn't give us ultimatums, only working solutions that she and BWI help us to implement."

The critical points that the other respondents raised were: *Jeremy* replied, "It's a bit of a schlep to fill in. I don't think those regulations should go into IPW... I actually think that sometimes an informal approach is the most effective...I suppose they are trying to make farmers aware." *James* said, "They are a little bit more difficult [BWI regulations]. You must be more determined to do the paperwork...and all the bookwork! It's good if you can employ people to do it...the whole team must work well together on it...not just the

⁷⁴ Estate I, Company F, Private Cellar G, Cooperative N, Estate H and Estate E.

⁷⁵ Estate I, Company F and Private Cellar G.

⁷⁶ Cooperative N, Estate H and Estate E.

farmer, but the wine-makers and managers and workers and marketers, etc. must all be involved." *Riaan* simply argued that the cost of BWI can be very high. "If I have a chance to do it myself, I will rather do it by myself."

7.3.3 Analysing the response to BWI

Firstly, we note that those who are members of BWI include all types of cellars located in different regions and selling to a variety of markets. They are members or champions of BWI because they typically have a stronger personal *ethos* than those who are not members of BWI. They gain BWI membership because it offers them some kind of marketing advantage and they are members of BWI because they find that BWI's guidelines and administration make conservation and rehabilitation easier to perform on their farms with BWI's support.

The responses of some cellars who are not members of BWI have been quite positive towards the initiative. However, they are not members of BWI for a number of reasons. They do not need the marketing advantage BWI provides. In my sample, we see that some cellars prefer to administer conservation and rehabilitation projects following their own schedules and administering their own 'environmentally-friendly' projects. The study also shows that cellars are not members of BWI because they find themselves marginalised by BWI's lack of practical guidelines for smaller farms (or at least farms with less uncultivated land that those who can implement BWI). Some companies and cooperatives in my study also indicated that BWI was too difficult for them to manage.

7.4 Marketing South African wine: "What is your opinion of WOSA's slogan 'Variety is in Our Nature'?"

This question again prompted a divided response from the selected producers. *Marisa* and *Jack* again didn't answer this question; therefore, 15 respondents gave their insight to the current official marketing body in the South African wine industry. From the 14

cellars, eight⁷⁷ were positive about the slogan, five⁷⁸ were more critical and one⁷⁹ was negative about the slogan.

Those who were positive discussed several issues. Riaan questioned, "I understand it, and I quite like it, maar hoeveel weet mense darvan? [but how much do people know about it?]" Grant said, "It's very good. It's a unique tribute of the South African wine industry...we must use it as a marketing tool to offer South Africa and South African wine to the world." Alex replied, "WOSA is doing a very difficult job with a crap budget and lots of criticism and pressure...let's support them! The problem is always going to be, how do you punt a whole industry effectively?" Simon wondered, "It's good and applicable, but how do you advertise that, who decides what to illustrate?" Leon said, "It's good, it's sharply done...a good punch-line...not to a joke...I mean it's effective." Stuart commented, "It's good...it's the truth. Good marketing tool, they are not just sprouting nonsense either...interesting message...as long as it doesn't cost me any money I am happy with it!"

The respondents who were more critical touched on some interesting points: Johan said, "It's integrated to what is happening in the South African wine industry at the moment, so it's good. Nice visually, but the message is not indicative of...it doesn't speak to quality of the wine at all, that's a problem. It's good to have a point of difference though but it needs to be pushed further. The bottom line of cost and price is not present in the campaign." Danie replied, "I don't know what to think about it...it's a selling point...but you know what? I don't really care what WOSA says!" William queried, "You do need someone who does it...but I wish they could give us guidelines of how we can also do it [marketing] ourselves." Braam and Etienne surmised, "In the beginning, we were positive about it...since then, our opinion of it has...dwindled a bit...it is a very applicable message now, but we rely on ourselves in the end." *Jeremy* almost vehemently answered, "It's applicable to fauna and flora... but we are selling wine here, not flowers!"

⁷⁷ Company K, Estate A, Estate C, Cooperative M, Estate D, Estate I, Company F and Estate E. ⁷⁸ Estate J, Company B, Company L, *Braam* and *Etienne* at Private Cellar G and Cooperative N.

⁷⁹ Estate H.

James at Estate H was not positive about the slogan at all: "Um...no! I'm not crazy about it at all! They aren't doing their job, it's not applicable to me and it is far too generalised! We need an image we can work with, not one we must constantly defend and explain..."

7.4.1 Analysing the response to WOSA's 'Variety is in Our Nature' marketing campaign

As in the case of the key industry informants, there were negative and positive responses to WOSA's slogan and marketing campaign at the cellar level. The response of the cellar level informants shows that there is a mixture of positive and negative opinions regarding WOSA's slogan even from those cellars with their own strong identities and brandnames. Again, we find there is no clear relationship between type of cellar, geographical location, market orientation or personal *ethos* and the positive or negative responses that cellars gave.

Respondents sometimes contradicted their own opinions of WOSA's role in marketing South African wine. Not one respondent from the selection actually said that WOSA's marketing campaign directly benefits their own cellar. However, in the same breath, these respondents stated that they still believe that the campaign is important for the marketing of the South African wine industry in general. Whether or not 'Variety is in Our Nature' actually increases the sales of individual cellars' wine is not clear; but as *Stuart* said, "the thing is to create awareness among overseas clients and consumers. Give them a picture to identify South African wine with at least so that we are on the map." This study clearly shows that charismatic cellars still rely on their own initiative and resources to market their own image, reputation and wines. To some degree, this shows that where these cellars gave positive opinions of WOSA, that they may trust WOSA's slogan to market the South African wine industry as a whole. However, they certainly will not trust generic marketing alone to promote their own businesses.

The negative responses to WOSA also reflect an apparent mistrust of 'Variety is in Our Nature' as an effective marketing campaign for South African wine. However, these negative opinions also point to the fact that some of these cellars have not taken

marketing their own businesses into their own hands. Personal tensions between respondents and WOSA's administration have also been perceived in relation to negative opinions about WOSA.

7.5 Conclusion

The one critique which remains consistent towards IPW, BWI and WOSA is the question of the 'integrity' of these three schemes. Some respondents argued that producers who are not focused on a holistic 'environmentally-friendly' approach to agriculture (i.e. producers who only comply with the minimum IPW standard and are not involved in any other kind of 'environmentally-friendly' projects) are not sincere in their actions and threaten the 'integrity' of the industry's environmental initiatives, 2) they argued that going 'beyond' the minimum standards bolstered integrity, and 3) some producers added that adhering to other 'environmentally-friendly' regulations such as ISO, HACCP (which reportedly has stricter rules regarding sprays) and BRC was needed to further cement South Africa's claims to a high standard of 'environmentally-friendly' practices. Many of the producers also argued that more frequent auditing of IPW is needed.

The data show that firstly, IPW has created a broad and deeper awareness of 'environmentally-friendly' practices amongst South African producers since its introduction in the late 1990s. Producers may feel guilty if they do not conform to 'environmentally-friendly' regulations when such a high percentage of the industry does comply with IPW.

Typically, those who 'do more' than IPW are members of BWI, they comply with international regulations such as HACCP, ISO and BRC or they produce organic or biodynamic wine. These producers 'do more' than IPW because they have a more pronounced personal environmental *ethos* and they have the money to adopt these 'extra' practices. They 'do more' than IPW because the markets to which they supply demand it. They do more because it is an integral part of the name and reputation they have created for themselves in local and foreign markets.

In my sample, eight of the cellars are members of BWI. Of these eight cellars, one is currently a champion member of BWI. One additional cellar is in the process of applying for BWI membership. Cellars are members of BWI because they believe that conservation and rehabilitation of indigenous fauna and flora are an important part of 'environmentally-friendly' practices. They are members of BWI because it offers them a marketing tool. Respondents have also said that they apply for BWI membership to support the efforts of the South African wine industry. The cellars in my sample who apply for champion memberships of BWI do so because 'environmentally-friendly' practices are an integral part of their identity and reputation. These champions have a strong and vibrant personal environmental *ethos* and are very involved with IPW and other 'environmentally-friendly' projects.

The five cellars that are not members of BWI have, in some cases, argued that they "sell wine, not flowers". Other respondents choose to remove alien invasive species, create fire corridors, rehabilitate and conserve indigenous fauna and flora, prevent soil erosion, rehabilitate water sources, and so forth on their own terms without the input and guidance of BWI. These producers have said that they prefer to implement these practices on their own terms and that they do not need the marketing advantage BWI may provide. Small farmers (or farmers with little uncultivated land left to conserve) are not members of BWI because BWI's guidelines and regulations are not sufficient for their circumstances.

The respondents' opinions of WOSA's 'Variety is in Our Nature' were often contradictory. While some respondents expressed positive opinions about WOSA, none of the producers actually thought that WOSA's marketing campaign offered any direct commercial benefit to their cellars. While those who were positive argued that generic marketing puts South African wine 'on the map', those who were negative did not offer any alternatives to WOSA's marketing campaign other than "WOSA should do a better job". As previously discussed, however, producers did show stronger support for WOSA regarding their involvement with the launching of the new *Integrity & Sustainability* seal. These juxtaposed opinions reflect the lack of communication between producers and some industry bodies such as WOSA.

Despite this complex activity, however, the critiques and shortcomings named against IPW, BWI and WOSA remain fairly consistent and it is the focus on these challenges, I believe, that will still face the South African wine industry if IPW is to become mandatory. Clearly, respondents feel that IPW, BWI and WOSA do well enough to continue in their efforts to create a uniquely 'environmentally-friendly' industry. The critique from these respondents is that the shortcomings of these regulations and initiatives may damage the integrity of all South African producers if they are not given due attention.

CHAPTER 8

Conclusion

8.1 Introduction

In this thesis, an attempt has been made to understand the recent 'greening' of the South African wine industry, not only from an economic perspective, but from a social, political and conceptual standpoint as well. In order to achieve this aim, key industry informants, as well as a sample of cellars from across the Western Cape were selected and questioned on how they make decisions regarding 'environmentally-friendly' production and implementation. In addition, respondents were asked a number of related questions on IPW, BWI, and WOSA. For instance, how they define concepts like 'nature', what they think of certain international regulations and certification, how they experience different markets and what they think of other types of 'environmentally-friendly' production, such as organic and biodynamic agriculture.

The purpose of this final chapter is to reflect on whether the data support or challenge the theoretical perspectives discussed earlier in the study, and whether the data satisfactorily answer the research questions posed at the beginning of the thesis.

8.2 Addressing the main research questions

At the beginning of the study these were the main research questions:

- What are the different conceptions and working definitions, as well as practices involved in 'environmentally-friendly' viticulture and wine making to be found in the South African wine industry,
- Are some of these definitions are more dominant than others and why? How are they established and enforced and why?

• Is enforcement is strict, or is there room for manoeuvre on the part of producers regarding 'environmentally-friendly' practices.

The results of the research show that IPW is the dominant definition of what is considered to be 'environmentally-friendly' in the South African wine industry. IPW's practices as well as the objectives of the BWI are considered to be the benchmark of 'environmentally-friendly' practices in the industry and are the minimum standards through which producers make 'environmentally-friendly' decisions regarding other projects and initiatives they employ. The data also show that producers are involved with other 'environmentally-friendly' practices and standards. Some South African wine producers are involved in organic and biodynamic wine making, while some also comply with other international regulations which standardise environmental practices, such as ISO 22 000 and GLOBALGAP.

IPW was introduced in 1998. Before that, the only environmental regulations producers had been exposed to was EurepGAP and, less directly, HACCP. Key actors in the industry launched IPW as a response to the growing international focus on the environment. They successfully used the existing Wine of Origin administrative system and today at least 85% of the industry complies with IPW guidelines. IPW provides 'best practices' which cover both the vineyard and cellar and a producer must pass either the annual self-evaluation questionnaire or an audit by 65% or more to comply. The data show that IPW has become institutionalised in the industry to the extent that international retailers generally accept it without asking for other 'environmentally-friendly' regulations. The respondents all said that most producers in the industry have 'bought into' IPW regardless of some initial resistance. Many of the respondents even commented that they were unaware of any producers who did not comply with IPW. The respondents explained that local producing wholesalers and retailers such as Distell, Woolworths and Pick 'n Pay all require IPW compliance from their wine suppliers. Simultaneously, the data showed that all of the key industry bodies include sustainable practices in their main objectives and that IPW is the scheme that articulates the industry's definition of 'sustainable agriculture'. Therefore, while there is no legal obligation for South African

wine producers to comply with IPW, there is peer pressure from other producers, from the industry and from local and international retailers which is cementing IPW's role as the dominant standard of 'environmentally-friendly' production.

However, the data also show that the enforcement of these practices is criticised and that the lack of such enforcement can bring the credibility and integrity of these regulations into question. Some producers argued that the lack of annual auditing (because IPW currently lacks the resources to do so) could undermine the credibility of IPW. Furthermore, the respondents argued that the government's lack of monitoring and inability or unwillingness to penalise dishonest producers for illegal practices diminishes IPW's capacity to become a mandatory regulating system.

At the same time, there is enough evidence to suggest that there is great scope for manoeuvring, adaptation and a dynamic application of these 'environmentally-friendly' practices on the part of individual producers. This does not mean that producers who do 'more' than IPW or choose a different kind of 'environmentally-friendly' approach such as organic wine making do not comply with, or are not in favour of IPW.

There is room for manoeuvre, because IPW only sets minimum standard for every site of production, whether it is the vineyard or the cellar. It is for individual producers to decide whether they want to go beyond these standards.

However, the data also show that IPW does not recognise these different, innovative practices by excluding them from the 'score card'. Therefore, they will not award points for doing something 'extra'. Respondents also complained that IPW does not 'advertise' or give special recognition to those who obtain higher than average or minimum scores in IPW audits or in the self-evaluation questionnaire.

The data have shown that the BWI significantly defines 'conservation' within the South African wine industry. Respondents typically argued that conservation is a very important dynamic of 'environmentally-friendly' production and that overall, the BWI is doing a

'good job' of providing workable solutions to producers at farm level. The data also show however, that there are producers who implement their own conservation and rehabilitation schemes who are not members of BWI. These producers are usually affiliated with other conservation bodies such as the WWF and Cape Nature who work closely with BWI. This shows that BWI membership is not the only way in which producers practice conservation in the South African wine industry.

The biggest critique against BWI is that it excludes smaller farmers or farmers with little 'extra' land that is not already under vines. In response to such critique, steps have been taken by BWI recently to give recognition to producers who are employing other conservation initiatives or who are focusing on practices such as water conservation and rehabilitation.

The study shows that WOSA's marketing slogan 'Variety is in Our Nature' garners a mixed response from the producers. Those who were negative about WOSA's slogan argued that it does not benefit their cellars. These respondents did say that generic marketing is important for the South African wine industry, but that they do not necessarily think that WOSA's slogan is doing so correctly. Those who were supportive did think that WOSA's campaign is doing a good job to put the South African wine industry in the minds of international consumers. These producers contradictorily argued however, that while WOSA did help to create a 'common identity' for the South African industry, WOSA's slogan does not do enough to promote individual South African wines, as the campaign reflects little about individual reputations, quality, price premiums and so forth. Contradicting themselves, these producers argued that WOSA provides little guidance to producers on how they can use the marketing slogan for their own wines. The data showed that most of the respondents still rely on their own marketing strategies. While respondents criticised WOSA's slogan, they were more positive on the work WOSA has done to launch the new Integrity & Sustainability seal and their funding of BWI. This may explain why respondents didn't argue that WOSA's marketing campaign should be discarded, despite their criticisms.

8.3 Reflections on Theory

To recapitulate the argument that is made in Chapter 3, Conventionalisation Theory explains how mass-standardisation of organic and alternative agriculture leads to the reconventionalisation of those alternative practices. The exponents argue that small farmers who cannot afford the expensive certification or the modernisation that is sometimes needed to comply with this certification, are marginalised and that it is usually the larger, more conventional farms and businesses that can make a profit from organic and other forms of alternative agriculture.

Global Value Chain Theory shows us how production chains are highly structured and how value is added at every point of production along the chain. This theory shows how power and value are disproportionately attributed throughout the chain between different actors. It also shows that most value and power usually lies with the *lead firm* and that historically (especially as relates to the global wine industry) these lead firms are situated in the 'North' (specifically in the UK and Europe). This theory explains that knowledge, like sustainable technology and 'environmentally-friendly' regulations, for instance, typically adds more value in commodity chains and that it is usually the business of the *lead* firms or actors higher up on the chain to regulate and standardise global practices. The theory explains that there is considerable power attached to the ability to perform these tasks and that the actors who have the market power are typically responsible for 'adding' technology as they have the power to dictate how those lower down the chain perform and what regulations these producers have to conform to.

These theories do not fully explain what happened in the South African wine industry regarding the development of 'environmentally-friendly' regulations. As a 'Southern' or in this context, a New World wine producing country, South Africa is typically at the low end of value chains as far as the power to regulate is concerned. Regardless of the fact that IPW was introduced in response to a growing environmental awareness in the North, IPW is a home-grown initiative that has yet to find its equal in Old World wine producing countries. The data therefore challenge Global Value Chain Theory, but do not

completely reject it. While it was not the *lead firms* who imposed 'environmentally-friendly' regulations, they are lending additional legitimacy to IPW by laying it down as a requirement. While being IPW compliant does not guarantee that a cellar's wine will be sold, or that it will secure higher margins for their wine, it does mean however, that it gives South African producers market access and puts them in a stronger bargaining position than producers from countries who have not yet institutionalised their own environmental standards and have to comply with regulations set in the UK or Europe. This is a case of pro-active 'up-grading' by Southern suppliers. It is precisely what Global Value Chain Theory suggests they should do in order to gain a 'better deal' in global value chains. The difference here is that the impetus did not come from the *lead firms*, but from "horizontal learning in a local cluster".

One could argue that, because *lead firms* give extra legitimacy to IPW, that IPW has become 'conventionalised'. However, it is argued here that 'conventionalisation' as used in Conventionalisation Theory does not explain the 'normalisation' of IPW over the last 12 years. The data clearly show that IPW is far less expensive to comply with than Northern regulations such as HACCP, BRC or ISO. The data also show that there is nothing about IPW regulations that benefits large producers more than small producers. Because of the relatively low cost involved in compliance, it is affordable by the average coop farmer and the estate owner alike.

Another aspect of Conventionalisation Theory which the data challenge is that while IPW does provide standards for a more 'environmentally-friendly' approach to agriculture, it does not set itself up as an *alternative* form of agriculture, like organic or biodynamic wine making, for instance. What this essentially means is that IPW operates within conventional parameters of agriculture and modifies them to better environmental practices. It is this critical point of difference that challenges Conventionalisation Theory. Rather than claiming to be a completely new form of agricultural practices that has to be standardised internationally, IPW works from existing standards and practices, but raises the bar.

We can therefore make the argument that in the case of 'environmentally-friendly' regulations, these were not introduced into the South African wine industry, because they were demanded by Northern *lead firms*. Rather, IPW and BWI are a case of pro-active 'upgrading' in order to obtain a better 'deal' in international value chains and to gain an edge over its competitors. IPW went against the 'normal' trend in creating a system that can be used with good effect not only by large and small producers alike, but also in a variety of climates (*terroirs*). It also went against the norm by creating an 'environmentally-friendly' system that provides guidelines for best practices not only with regard to certain aspects of production, but a comprehensive system that covers every facet of wine production, from the vineyard to the cellar.

The data therefore call for a far more nuanced understanding of the relationship between power, 'upgrading' and commercial success in global value chains – an important issue already raised in a recent paper by Ponte and Ewert (2009). Not every producer who complies with IPW will capture new clients or consumers. Also, there may be certain markets, clients or customers who require more certification than that offered by IPW. However, IPW has demonstrated that a 'Southern' or New World wine producing country can set its own standards, and in this way free its producers from the heavy costs, constraints and ideological hegemony that normally accompany 'Northern' codes.

8.4 Possible questions and recommendations for further research

Several areas for further research were identified during this study. Some were suggested by respondents and some are questions that emerged when I asked respondents if they thought that there were other questions I could have included in the study, but that I could not pursue (because of time and resource constraints).

Firstly, throughout this study I found that a different or additional methodological approach could have provided the opportunity for a deeper understanding of how individual firms approach 'environmentally-friendly' production. On reflection I tend to think that a few case studies, utilising an ethnographic and participatory research

approach, and carried out over the best part of a year, could give a researcher the opportunity to understand from the 'inside' how a cellar manages the practices and politics of 'environmentally-friendly' production.

Such an approach could provide valuable insights into how the organisational structure of a cellar, the geographical location and *terroir*, its environmental *ethos* and its marketing strategies all play a role in shaping its 'environmentally-friendly' practices. In addition, it could provide insight into how effectively (or not) different industry bodies cooperate with each other, and how effectively information and know-how is transferred to producers.

Secondly, many producers indicated that a study focused on consumers' perceptions of 'environmentally-friendly' practices could be beneficial to the decisions they make regarding environmental regulations, projects and initiatives. A number of respondents wondered how many consumers cared about IPW or ISO or GLOBALGAP? Also, producers were not sure if (as they saw it) the more effective promotion of compliance would prompt consumers to buy more environmentally friendly wine. They were not sure whether consumers are influenced by marketing campaigns and what it is about 'environmentally-friendly' production that consumers are interested in. This is part of producers' sceptical attitude towards WOSA.

Thirdly, producers said that a study of knowledge transfer from industry bodies to producers and from the latter to farm workers could be helpful. This, they argued, could provide insight into the degree of coherence between industry bodies (e.g. between BWI and VinPro) and the quality of technology transfer from industry bodies to farmers and cellars. Producers argued for instance, that they were not always given the tools to understand how to fill in IPW self-evaluation questionnaires online. Others argued that training programs for workers are expensive, but that inter-personal communications on their farms and cellars are very important. They wondered if IPW could not provide more practical rather than theoretical training programs for workers. This, some argued, would make the expense more worthwhile, as the training would better enable workers to deal

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with situations that actually occur in the vineyards and cellars 'on the spot' rather than having to wait for advice from managers.

Lastly and importantly, it became clear in the course of the research that more effective action needs to be taken regarding the enforcement of not only IPW regulations, but 'environmentally-friendly' legislation in general. Punitive power needs to be granted to the regulating body concerned (in this case, IPW) and more resources need to be allocated if the industry is to maintain and cement the credibility and integrity of IPW and with that, the South African wine industry as a whole.

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ADDENDUM A

Key Industry Informant Interview Schedule

1. What is	's role in the South African wine industry?
2. What is	's main aims/objectives?
3. What is	's official position on environmental regulations and initiatives
in the South African	wine industry?
4. What is your person	onal opinion of environmental regulations and initiatives?
5. How do you define	e 'environmentally-friendly'?
6. How do you define	e 'sustainable agriculture'?
7. What are importar	nt practices in sustainable/environmentally-friendly viticulture and
wine making?	
8. To what extent we	ere farming methods and wine production harmful to the environment
in the past?	
9. How and in which	specific parts of production?
10. What is your opin	nion of and experience with IPW?
11. How do IPW reg	ulations/South African legislation compare to regulations in other
(exporting) countries	s? What is your experience internationally?
12. Are some countri	ies more demanding regarding environmental regulations than
others? Give exampl	es?
13. How broad is the	acceptance of IPW regulations ('buy-in') amongst the growers and
the cellars?	
14. What is your opin	nion of the BWI?
15. What is your opin	nion of WOSA's 'Diversity is in our Nature' slogan?
16. In your view, wh	at is the most important thing that a South African wine producer
must do to be compe	titive locally and/or internationally?
17. What is your opin	nion of organic wine making?
18. What is your opin	nion of biodynamic wine making?

Additional questions for IPW/BWI:

1. How do these regulations work? Are members audited? Are there costs involved?

- 2. What level of compliance is there with IPW/BWI regulations?
- 3. Are farmers/producers accepting of all IPW/BWI requirements?
- 4. How much paper work is involved for an IPW/BWI member? Is it straight forward or is it complicated?
- 5. Please explain how IPW regulations work? Are they independent or are they part of South African Wine & Spirits board certification? [When the website says 'voluntary', how voluntary is compliance?]
- 6. Do IPW regulations satisfy buyers and customers in countries that South African producers export to?
- 7. Are some countries more demanding regarding environmental regulations than others? Give examples?
- 8. Are IPW/BWI standards 'settled' or are they still evolving? If the latter, why?

ADDENDUM B

Estate and Private Cellar Interview Schedule

1. How would you define 'nature'?
2. How would you define 'the environment'?
3. How do you define 'environmentally-friendly'?
4. What are important practices in sustainable/environmentally-friendly viticulture and
wine making? Ask about pest/disease control, water management, etc.
5. How do you define 'sustainable agriculture'?
6. Where do you get these definitions from? [PROBE]
7. Is IPW compliant?
8. Are the regulations too easy or too relaxed? Explain?
9. What is your opinion of IPW and its regulations and guidelines?
10. Is IPW easy to follow?
11. In your opinion, are IPW regulations too strict, or too relaxed?
12. How much % of wine does sell in the local market? And in the global
market?
13. Which countries/markets does export to? How do IPW regulations compare
to regulations in other (exporting) countries?
14. Do IPW regulations/organic certification satisfy buyers and customers in countries
that exports to?
15. Are some countries more demanding regarding environmental regulations/organic
certification than others? Give examples?
16. Do you think that could sell wine successfully without IPW compliance and
or organic certification?
17. What is your opinion of the new sustainability bust-sticker?
18. Was concerned with environmental practices before IPW was implemented?
19. How broad is the acceptance of IPW regulations ('buy-in') amongst the growers and
the cellars?
20. What was the feedback from farmers when IPW was introduced? What is it now (to
your knowledge?

21. In your opinion, what does a South African wine producer have to do to be locally		
and/internationally competitive?		
22. What is your opinion of BWI?		
23. Would ever consider going this route? Motivate answer?		
23. What is your opinion of WOSA's "Diversity is in our Nature" slogan?		
24. Do you think that it is important for the South African wine industry to have ageneric		
marketing campaign? Does it influence the success of your sales?		
25. What is's relationship with other industry bodies? Is this important?		
26. How does transfer knowledge about environmentally-friendly practices to		
workers? Is it important for workers to be informed?		
27. Does have training programs for workers?		
Additional questions for organic cellars:		
1. What organic certification does comply with?		
2. What is your opinion of the organic certification/in general?		
3. Is the organic certification easy to comply with?		

ADDENDUM C

Company and Cooperative Interview Schedule

1. How would you define 'nature'?		
2. How would you define 'the environment'?		
3. How do you define 'environmentally-friendly'?		
4. What are important practices in sustainable/environmentally-friendly viticulture and		
wine making? Ask about pest/disease control, water management, etc.		
5. How do you define 'sustainable agriculture'?		
6. Where do you get these definitions from? [PROBE]		
7. Is IPW compliant?		
8. Is still a traditional cooperative cellar? How many members?		
9. Does intervene in the growing process of its members? How?		
10. Is IPW compliant?		
11. Who does sell to? In bulk or own label?		
12. Is there pressure from retailers buying from you to be IPW compliant? Is it a		
prerequisite?		
13. Does this mean that all your members are IPW compliant?		
14. If yes, how do you enforce this with your members?		
15. Do your buyers do any kind of inspection or auditing before they buy the wine? If		
yes, what do they require?		
16. What is your opinion of IPW and its regulations and guidelines?		
17. Is IPW easy to follow?		
18. In your opinion, are IPW regulations too strict, or too relaxed?		
19. Does or any of your members do anything that IPW doesn't award points		
for? Specify?		
20. How much % of wine does sell in the local market? And in the global		
market?		
21. Which countries/markets does export to? How do IPW regulations compare		
to regulations in other (exporting) countries?		

22. Do IPW regulations satisfy buyers and customers in countries that exports
to?
23. Are some countries more demanding regarding environmental regulations than
others? Give examples?
24. Do you think that could sell wine successfully without IPW compliance?
25. What is your opinion of the new sustainability bust-sticker?
26. Wasconcerned with environmental practices before IPW was implemented?
27. Was it a challenge for to switch over to IPW? Explain where the challenges
were?
28. How broad is the acceptance of IPW regulations ('buy-in') amongst the growers and
the cellars?
29. What was the feedback from farmers when IPW was introduced? What is it now (to
your knowledge?
30. In your opinion, what does a South African wine producer have to do to be locally
and/internationally competitive?
31. What is your opinion of BWI?
32. Are BWI guidelines/regulations easy to follow?
33. What is your opinion of WOSA's "Diversity is in our Nature" slogan?
34. Do you think that it is important for the South African wine industry to have a generi
marketing campaign? Does it influence the success of your sales?
35. What is's relationship with other industry bodies? Is this important?
36. What is your opinion of organic wine/biodynamic wine?
37. Would ever consider going this route? Motivate answer?
38. How does transfer knowledge about environmentally-friendly practices to
workers? Is it important for workers to be informed?
39. Does have training programs for workers?

ADDENDUM D

IPW Guidelines and Regulations