REGIONAL ANALYSIS NINGXIA

INSIDE NINGXIA

The Chinese government is backing efforts to expand the wine sector, explains Jim Boyce, seeing it as a partner in holding back the desert. This has allowed Ningxia to develop rapidly and dynamically.

The wine regions of Ningxia appear as a green flash in a brown swath on a relief map of northwest China. The best-known ones nestle between the Helan Mountains, which blocks harsh winds from the west, and the Yellow River, which provides crucial water from the east.

Even five years ago, most people would reply "huh?" if you mentioned Ningxia. Now a steady flow of winemakers, viticulturalists, consultants, and investors pour into the region. Wine grape coverage grew from just under 3,000 ha in 2005 to nearly 40,000 ha a decade later, according to a 2015 report by Hao Linhai, Li Xueming and Cao Kailong, the three officials most associated with the region's wine sector. Given the government's goal of reaching 66,000 ha by 2020, there is plenty to do. Cao says the number of established wineries now stands at 72, with 58 more in the queue, and there are plans to add more boutique operations.

A region emerges

Some 30 years ago, Ningxia's wine industry provided bulk to producers like Changyu and Great Wall in the eastern provinces of Shandong and Hebei. Then came the 1990s, when the government became interested both in reclaiming barren land and in making valueadded local brands. Efforts were boosted in 2001 when former government official Rong Jian founded the Ningxia Grape Industry



Association. But the biggest change came in 2012, in line with the government's twelfth Five Year Plan, which aims to further develop wine regions, particularly in northwest China, a mission with the added benefit of confronting desertification. As the World Bank wrote in 2012 when approving a \$80m loan to help fight encroaching sand in Ningxia, desertification affects nearly 3m ha, or 57%, of the region.

In 2012, Cao Kailong established the Bureau of Grape and Floriculture Industry, since renamed the Bureau of Grape Industry Development, to help drive change. The results came thick and fast, because Ningxia offered both good grape-growing conditions and better general labour and land costs than those of eastern wine-producing provinces. Investors attracted by the ability to lease large tracts of land and grow their own grapes, rather than having to rely on buying fruit of varying quality from farmers, moved into the region.

Ningxia also made great strides in connecting to the wider wine world: it became the first region or province in China to become an OIV observer (Yantai in coastal Shandong province had joined at a municipal level) and sent delegates to annual OIV meetings. Fact-finding groups checked best wine practices in countries such as New Zealand, Australia, France and the US. Ningxia also hosted wine conferences, festivals and trade fairs in Yinchuan, including Sitevintech – the international trade fair for fruit growing, including wine grapes – and

facilitated the import of vines and the establishment of a nursery. Other projects included creating a winery classification system and organising a series of twoyear projects called Ningxia Winemakers Challenge. The current challenge, with \$112,000 in cash prizes, pairs local producers with 48 international winemakers to facilitate cultural and viticultural changes.

It would be safe to say few wine

regions have seen so much activity in so little time. Arguably symbolising these efforts is the monumental Ningxia International Wine Trade and Expo Centre that opened last year. Federation president Hao Linhai said the centre was for "promoting cooperation with members of the OIV, providing a permanent wine museum, and popularising the wine of Helan Mountain's East Foothill."

Wine quality

Select Ningxia wines have won medals in local and international contests and received good reviews from critics such as Michel Bettane, Thierry Desseauve, Jeremy Oliver, Andrew Jefford and Karen MacNeil. When Jancis Robinson MW tasted 40 local wines in Ningxia in 2012, she rated five as excellent and only six as commercially unacceptable, with the main fault being oxidisation - something she noted is relatively easy to fix. A wine from Helan Qing Xue also made global headlines when it won a Decanter International Trophy in 2011. Although a common criticism is that Ningxia lacks diversity, with a default Bordeaux-inspired Cabernet-driven style, the region has at least established it can make good wine.

Ningxia's wine region is also special because it's compact, with key wineries sprinkled along the base of the Helan Mountain range, within an hour drive of the capital, Yinchuan. Compare this to Shanxi province, where Grace Vineyard, arguably the country's best winery, stands virtually alone. Or to vast Xinjiang in the distant northwest, where wineries are often hours apart.

"The closeness of the wineries allows for a lot of communication, whether on the winemaker, viticulturalist or management level, and this is important for a developing industry," says Ma Huiqin, a professor at China Agricultural University in Beijing, who accepted an official role with the bureau this year. Ma also cites "tourism efficiency" as a benefit. "People can visit three unique wineries in a half day, from a sparkling wine producer like Chandon to a place like Kanaan, which makes more German-style wines," she says.

Ningxia's wineries encompass a diverse range of business models. These include the local branches of massive wine producers: COFCO, maker of Great Wall, has a 1,500-ha operation called Yunmo, while Changyu has teamed with Austrian winemaker Lenz Moser on a Loire Valley-esque chateau and winery, complete with museum. Foreign-funded projects are led by drinks heavyweights like Pernod Ricard, with its Helan Mountain brand, and Moët Hennessy with its Chandon operation – which produced its first commercial sparkling wines last vintage – and lesser-known entities like Delong, by Daysun Investment in Thailand, with over 6,000 ha of vineyards.

There are operations, including Silver Heights, which anchor Ningxia on the world wine map with its first vintage in 2007, and Helan Qing Xue, the aforementioned Decanter award winner. Add dozens of other wineries – from veterans XiXia King and Guangxia to icewine-producing Sen Miao – and no other region in China can touch Ningxia for its diversity.

This diversity will only grow, given a focus on establishing more small operations, particularly those with production of 150,000 to 200,000 bottles, to explore the region's potential.

"It's like calligraphy," said Cao in a China Daily interview. "Everyone has his own style."

The challenges

Among the biggest challenges facing the region might be its quick success. Expectations are now higher and critics less forgiving than five years ago when the region first popped up. Critics may concede Ningxia can make good wines but question whether it can achieve greatness. French writers Bettane and Desseauve say the predominance of sandy matter and lack of clay, and especially deep soil, will result in supple fruity wines but perhaps not complex ones. And there is a not-altogetherfriendly green streak found in some of the wines, particularly in Cabernet Gernischt, the local name for Carménère. This may, however, be due to viticultural practices, in which case it's a problem that can be solved.

Li Demei, a professor at Beijing University of Agriculture and chief consultant at Helan Oing Xue, has long been saying Ningxia faces a long trek before it can approach the likes of Bordeaux. How long? His protege, winemaker Zhang Jing, measures that trip in decades. "We need to make wine without defects, not just one winery, but the whole region, for 30 to 50 years, and we can slowly refine something from terroir and say this is a Ningxia wine," she says.

Zhang responds to comments about the sandy terrain by noting there is a far wider range of soil to be explored. Putting this into practice is Silver Heights, arguably China's first "garage" winery. "After many years of making wine in Ningxia, my father and I picked a different area for our grapes," says winemaker Emma Gao about the family's new vineyards, set in a much more isolated and rockier area of the region.

One thing that has to be lived with, rather than solved, is the climate. Winters are not only cold and dry, but the region suffers sandstorms and dust storms as well, and vines must be buried in the autumn and uncovered in the spring. While the burying saves the vines in the short term, it comes at the price of killing some while also raising costs. Water scarcity is also an issue, particularly as the industry grows and competes with other crops; this year, the Ninxgia government announced the start of a \$76m drip irrigation project using Israeli technology, which will irrigate 9,200 ha of land from 80 wineries.

Labour is scarce, too, as young workers gravitate toward urban areas. Farmers have been relocated by the government from poorer mountainous areas of Ningxia to wine-producing ones, to help allevaite the labor shortage, states that 2015 report by officials Hao, Li and Cao. "[The farmers] are trained as wine grape growers, [and] the family living standard and income are significantly improved," they write, although the sustainability of that effort, and prospects for finding further labor, remain to be seen. Not surprisingly, newer operations are more likely to use mechanised viticulture.

And while it was once thought Ningxia would remain diseasefree due to its dry climate, better identification has revealed more problems with leaf roll virus and trunk disease than were previously thought. This became evident in 2012 when unusually wet weather led to widespread mildew and forced a deeper look at vineyard disease.

Finally, the prices of the wines tend to be prohibitively high by local standards - the bottles tasted by critics are often priced at \$50.00 or more. It's one thing to make reasonably good wines that international critics will rate as fault-free, it's another to sell them at a price point that can compete with the influx of good, inexpensive, imported options. Such prices might work if Ningxia can establish itself as a kind of Napa Valley of China. Given the focus on quality by the local authorities, including Hao Linhai, who has the added influence of a resume that includes stints as vice chairman of the People's Government of Ningxia and as mayor of the capital Yinchuan, there is little doubt this is the goal.

Despite all the challenges, hopes are high and the learning curve steep. Practices such as picking grapes too early or using new French oak by default have quickly shifted. "A few years ago, we were worried about getting enough sugar, but now that's easy," says winemaker Zhang. "Our focus now is acidity and fruit maturity." Some producers are also moving past Bordeaux blends, with more Rieslings, Pinot Noirs, Syrahs, Marselans and even a Pinot Blanc popping up. And there is research on which grapes work best, including varieties that do not require burial, as well as on everything from irrigation techniques to canopy management. But perhaps most inspiring about Ningxia is the cooperation between the many winemakers in the region. They regularly meet to taste each other's creations and talk about how to make the region's wines better as a whole, even as each contemplates how to win its next gold medal.

Jim Boyce has been visiting Ningxia since 2009 and has consulted with the government and the wine federation on projects that include tastings and the Ningxia Winemakers Challenge.

