

Penglai, China

An evolving wine region

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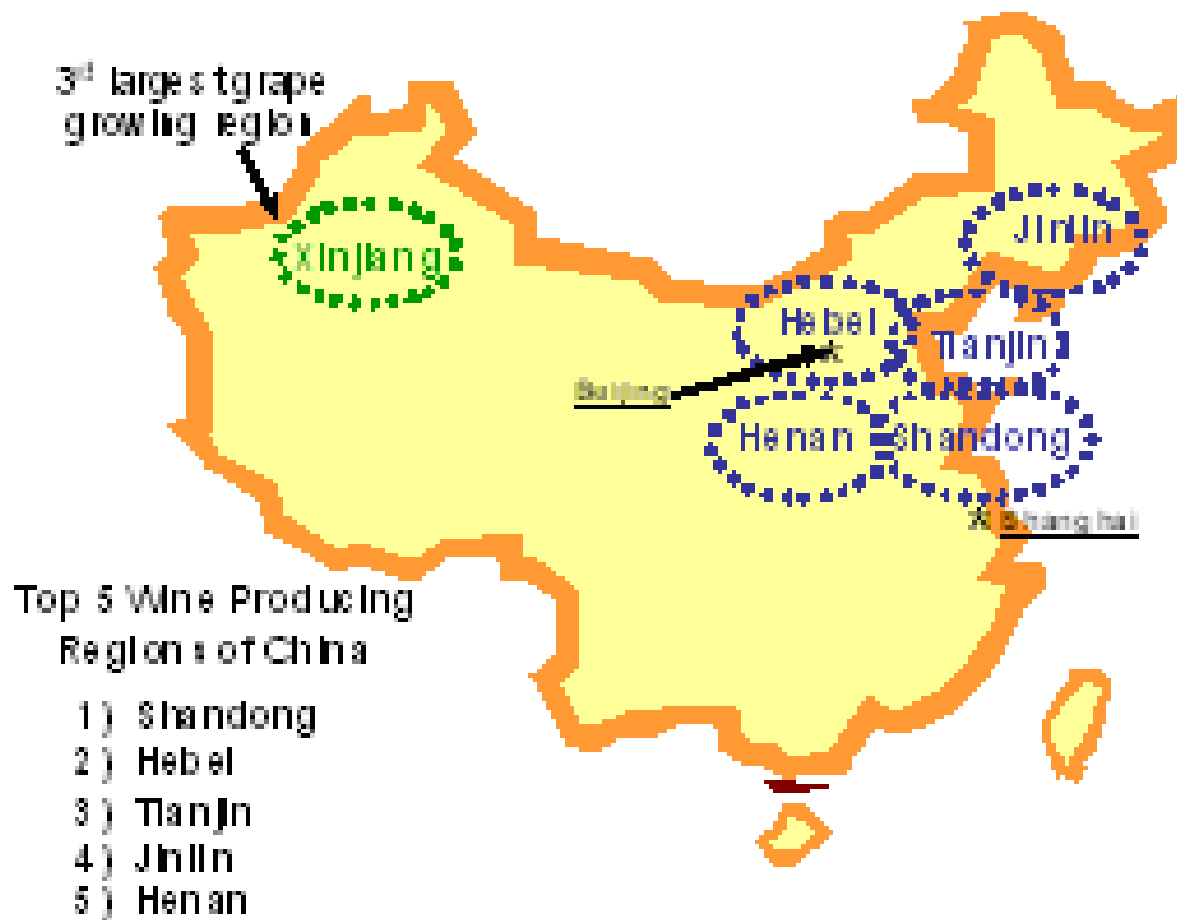
China and World Wine

- ④ # 4 in world grape production (includes wine and table grapes) (2005)
- ④ # 5 in wine production (domestic and blended wines) (2007)
- ④ #6 in world wine consumption (2005)
- ④ Has estimated an increase in wine consumption of 25% by 2013 (2009 estimate)

Chinese Major Wine Regions



Top 5 Major Wine Producing Regions in China









Penglai
Yantai

Shandong Province
Tourist Attractions:

Penglai Pavillion
Jinan Springs
Taishan Mountain
Qufu - Home of Confucious

Penglai area

- Gold mining is 3rd highest in China
- Apple production 20,000 ha
- Grapes - 5,333 ha (75,000 tonnes)
 - target is for 15,000 ha in next 5 to 10 years
- Vegetables 4,000 ha
- Penglai is marketing itself as one of the Seven World Grape Coasts (South Africa, France, US, Australia,

Topography

- 9 mountains in the region
- Parent materials are granite/limestone mix
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- Soil Textures
 - Light loam 50% of cultivated land area
 - Medium loam 15%
 - Coarse Sands 21 %
 - Very low Organic matter (most < 1%)
- Substantial Gravel base with excellent drainage
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Penglai area

- 590 mm precipitation annually
- 200 + frost free days
- Coldest temperatures -6 to 8 C
- Warmest temperatures 32 to 34 C

Cultivars grown

- ◉ Cabernet Sauvignon
- ◉ Cabernet Franc
- ◉ Pinot Noir
- ◉ Chardonnay
- ◉ Rielsing





Vineyard Designs

- ◉ VSP (Vertical Shoot position)
- ◉ Low Cordon with spur pruning
- ◉ Spacing 2.2 m by 1 to 1.2 m
- ◉ Terraced plantings
- ◉ Granite posts



















Wineries

● 45 wineries (2008)

- Great Wall (largest in China) - owned by COFCO
- Sino-French Dynasty
- Changyu Yantai
- Chateau Junding in “Nava Valley”
- Yantai Wine
- Treaty Port
- etc
- in 2010 –new planting development by Lafite













Chinese wines

- Majority of wines sold are in 20 to 35 RMB per bottle (1 Can \$ = 6.5 RMB)
- These are wines blended from wines from Chile, Australia, France, Italy, US, Eastern Europe and other bulk wine sources
- However some wines are extremely high price





¥1299.00

¥1079.00

¥799.00

¥719.00



¥1299.00



¥1079.00



¥1979⁰⁰



¥1779⁰⁰

冰葡萄酒 ICEWINE

*The light and fruity icewine is made
from grapes grown in Canada and brewed with
internal advanced techniques.*

*It is clear and has full-bodied
fruit-smell vinosity
and aftertaste.*



Quick Summary

- Rapidly expanding
- Seeing and establishing joint ventures with foreign companies
- Showing substantial increase in wine consumption in next 5 to 10 years (potential of 50% increase)
- Target market for upscale wines – Shanghai, Beijing, and other larger centers –
- Majority of wines consumed will be low priced and foreign blended)