Penglai, China
An evolving wine region

Kevin W. Ker, PhD, P.Ag.
Research Associate and
CCOVI Professional Affiliate
And
President/Senior Consultant
KCMS Applied Research and Consulting (KCMS Inc)
China and World Wine

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

- Tonghua, Jilin Province
- Shahe, Changli, Hebei Province
- Yantai, Penglai, Shandong Province
- Taigu, Shanxi Province
- Helanshan, Ningxia Province
- Wuwei, Gansu Province
- Tulufan, Shihezi, Xinjiang Province
- Mile, Yunnan Province
Top 5 Major Wine Producing Regions in China

3rd largest grape growing region

Top 5 Wine Producing Regions of China:
1) Shandong
2) Hebei
3) Tianjin
4) Jinlin
5) Henan
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
- 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
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
- Riesling
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
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 crispness 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)