



## **IN DEPTH: MADE IN CENTRAL TEXAS**

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### **Hill Country is largest viticultural area in U.S.**

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We've all heard money doesn't grow on trees. But it does grow in the millions on grapevines throughout the Texas Hill Country. Austin's scenic backyard to the west happens to be the heart of Texas wine country and the largest viticultural area in the nation, according to the Texas Wine Marketing Research Institute at Texas Tech University.

The 15,000-square-mile area that stretches across Travis, Williamson, Hays, Bastrop and Caldwell counties boasts 22 wineries -- that's nearly half of the approximately 55 wineries statewide. The research institute estimates that winemaking -- from the grape growers to the vineyard tourists -- injects approximately \$20 million into Central Texas' economy.

Texans love wine. Given the state's size and population, it's not too surprising that Texas ranks fourth on the list of the largest table-wine consuming states in the country. Texas also is the nation's fifth largest wine-producing state, behind California, Oregon, Washington and New York, respectively. The Lone Star State is home to 250 vineyards, which grow and supply grapes to wineries in Texas and neighboring states.

Statewide, the wine industry's affect on tax revenues, employment and paychecks has been overwhelmingly positive. The research institute at Texas Tech projects the overall economic impact of the Texas wine industry to be approximately \$133 million. This figure includes more than \$13.5 million in taxes. The wine industry also generates more than 1,800 jobs for Texans, according to the institute.

This appetizing economic ripple reaches beyond wine. It includes expenditures in hospitality and tourism. For instance, tourists visiting Texas wineries spent an estimated \$26 million, purchasing souvenirs, food, lodging and other items.

But it hasn't been easy getting here.

Grapes have grown wild along Texas' riverbanks for centuries, but wine as an industry didn't begin until Spanish missionaries created Texas' first vineyards near El Paso in 1662. Ironically, Texas' business relationship with wine started more than a century before the dawning of California's now world-renowned industry.

As immigrants settled in Central Texas, they brought vines from their homelands. Before too long, the Hill Country began to grow and prosper. By 1900, winemaking flourished statewide, with more than 25 active wineries. But due to plant diseases, pests and the forces of Prohibition, the grape-growing industry dried up by 1919.

Still, Central Texas and wine had a future that couldn't be denied. By the 1970s, the region's ideal grape-growing conditions attracted a new fleet of entrepreneurs to the verdant hills west of Austin.

Ed and Susan Auler, owners of Fall Creek Vineyards, saw the potential for producing wine in Texas during a cattle-buying trip to France in 1973.

Noting similarities between the soil, terrain and microclimate of France's wine country and their family ranch outside of Austin, the Aulers decided to start growing premium wine grapes.

provided an excellent microclimate for producing wine grapes. Fall Creek Vineyards, located 80 miles northwest of Austin, has an on-site winery.

"We made our first commercial wine with a borrowed wine press in a renovated garage," Susan says. "It wasn't exactly world-class wine back then. But we're on our way now."

As one of the largest wineries in the Hill Country, Fall Creek Vineyards produces primarily white wines, like Chenin Blanc, Chardonnay and Sauvignon Blanc, but it also makes Cabernet Sauvignon and Merlot.

Along with other large producers like Alamosa Wine Cellars, Fall Creek Vineyards is one of the leading vineyards now producing wine made from Mediterranean varietals, such as Sangiovese, Tempranillo, Syrah, Viognier, Mourvedre, and Grenache.

"Varietals like Syrah and Viognier grow well in Texas' hot climate," Susan says.

Today, Texas has approximately 2,900 acres of vineyards. The more than 55 wineries statewide produce more than 1 million gallons of wine, according to the Texas Wine Marketing Research Institute. Production statewide is expected to exceed 2 million gallons within the next five years.

Recent legislative actions have helped the Texas wine industry. As of Sept. 1, 2001, consumers visiting Texas wineries can ship wine purchases directly to their homes, as long as someone of legal drinking age accepts the delivery.

Additional legal changes allow a consumer not physically present at a winery to order wines through the Internet or by telephone, and then have it shipped to a local packaging/mailling store for pickup or home delivery.

Most liberating is the ability for wineries in dry counties to sell up to 25,000 gallons of wine per year to their visitors for off-premises consumption.

Fueled by an aggressive \$250,000 marketing campaign sponsored by the Texas Department of Agriculture, Texas wines increasingly are making a name for themselves through tastings, competitions, tradeshow and other high-profile events.

According to Jennifer Simpson Bryson, executive director of the Texas Wine and Grape Growers Association, President George W. Bush introduced Hill Country wines to Russian Federation President Vladimir Putin.

In 2001 while the two gentlemen were visiting Crawford ranch, President Bush served his guest a 2000 Chardonnay Reserve and a 1999 Reserve Cabernet Sauvignon from Becker Vineyards in Stonewall.

While many Hill Country wineries are small producers that concentrate on tourism for the majority of their sales, several of the larger wineries in Texas, including many in the Hill Country, are entering statewide, national and international markets.

According to Austin-based GrapeVine Market partners Steve Savina and Chuck Huffaker, wine shoppers ask for Texas wines more and more.

"We sell wines from all over the world, and Texas wines are gaining in reputation," Savina says. "They compare nicely to most California-grown Cabernets, Chardonnays and Merlots. Certain producers like Fall Creek, Alamosa and Becker are very popular with tourists, as well as our regular customers."

"Depending on the wine type, the price of a bottle of wine produced in Texas averages between \$10 and \$15," Huffaker says.

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