Terra Vitae Vineyards June 2008

TAYLORS PASS, MARLBOROUGH

The 2008 vintage is complete and we are now back to a normal routine on the vineyard. The season has been a memorable one, with both positive and negative aspects.

We started off in early spring with a number of frost events causing damage to the Chardonnay and Pinot Noir varieties. We then enjoyed good weather through flowering in December, which resulted in full bunches. January and February were dry with many parts of the country under drought conditions. We were able to irrigate, so the vines were in excellent health going into the critical period of ripening. The weather pattern changed in March with conditions cooling and skies overcast, causing the grape ripening process to slow down.

Harvesting this year began on the 26th March and was finished on the 16th April (22 days). Last year we began on the 13th March and finished on the 26th April (45 days), so this years harvest was very compact and intense. The short harvest period was driven by the inclement weather conditions (84mm of rainfall mixed into that period) to the detriment of quality and condition in some varieties. Added to this was the fact that the vines were carrying very large crops, so further ripening was unlikely.

For the first time since I've been at Taylors Pass we began the harvest with Sauvignon Blanc, where as in the past we have started with a hand picked parcel of Riesling, then Pinot Noir and Chardonnay. This vintage, all varieties cropped well in excess of their budgeted yields with a total of 1049 tonnes harvested (budget 735 tonnes). Fortunately, we have our own Harvesters, plus good support from both Mark Allen, our viticultural consultant and the Villa Maria viticultural team led by Mike Croad. This meant that we were able to cope with a very high pressure vintage.

We are now fast heading into another winter. There is snow on the mountains and ground frosts have returned. Pruning is just around the corner and in spring the whole cycle begins again. I wish you all a warm and pleasant winter, with no power cuts and I will be in touch again in the next newsletter.

Duncan Campbell Vineyard Manager

SEDDON

Seddon Vineyard

Harvest is now over after what was a challenging time with weather. Seddon and Higgins Rd vineyards held up extremely well during the wet, which is testament to the input of staff during the season and an exceptional vineyard site - We experienced very little disease.

Tonnages across the district were up considerably in most cases, with Seddon cracking the 1000 tonne mark for the first time. It is great to see the yields increasing on the back of our extensive replanting program between 2003 and 2005, which should position Seddon very well going forward.

All of our staff operates machines to bring in the thousands of tonnes of fruit harvested each year, many working very long hours. Most have taken a well deserved break after 4 weeks of shift work, ready for the pruning season! The staff and their families deserve a big pat on the back for all their input during the season – thanks everyone!

Higgins Rd Development

Where do I start? There has been so much going on since our last update it's difficult to know where to begin. We officially took over ownership of the property on the 1st of February and since then we have been full steam ahead with stage 2.

We kicked off with the TVV shareholder Field day on the 8th of March with 160 people touring the block and having lunch on site. It was a great day and those who attended really enjoyed themselves.

We obtained consent to realign the creek on the 8th of April, which was later than expected due to the Christmas shut down of local council. Earthworks are now well underway in this area and this will enable us to maximise the producing area of the vineyard. Despite consent delays, approximately ½ of the stage 2 development (50ha) is ready for posting in the next 10 days.

Much of the preparation has taken place to get to this point with 208km of ripping at a speedy pace of 3km/hr, several cultivations, 300 tonnes of fertiliser (mostly Agricultural lime), rolling and cross marking. We have focussed on the areas not requiring earth works to date and will develop the balance of area once the creek work has been completed sometime in early July.

It has been very busy with materials arriving on site. To date we have received 55 truck and trailer loads of posts (61,000 posts including strainers and stays) and 3,000 stay blocks and 1,900 km of wire (not quite half).

We opted to hand plant stage 2 - approximately 240,000 vines - allowing us to complete the development by early October. This has put us in the best possible position to maximise the growing season and get on the road to production. We have also managed to avoid the rush and reduce competition for contractors, which in a year where Marlborough's development program is in excess of 4 million vines – is critical. I'm told we are first out of the blocks this year and if we had machine planted, most development work could not have started until spring!

Speaking of spring, a decision on frost protection has been made with 9 wind machines ordered for this season, which will cover approximately 50ha of the block. We opted for an American built Orchard-rite 3000 wind machine with a CAT engine. These machines push a lot of air with their 6.22m blade – 32,450 cm/m to be precise and are the largest on the market. With the CAT engine being Tier 3 (and capable of Tier 4) it should future proof us going forward as New Zealand pushes towards reducing carbon emissions. Like most things, these need resource consent which is lodged with council and awaiting a decision. Overall very busy times, but things are progressing well.

Cheers

Carl Jackson

Vineyard Manager

A selection of photos from the Higgins Road Development



One of 50 truck and trailer loads of posts arriving!



Spraying out paddocks



Contouring side slopes 'Marama Block'



Ripping 700mm deep. 'One down, 1598 to go!'



I hope the washing is in – Ag Lime spreading



Benching of terrace edges prior to back filling



Iron being recovered prior to dismantling sheds



Block Grid ready for posts



Post Laying, good on a cold morning I'm told



Higgins Pinot block intermediate posting completed 11/5/08



Before shot prior to stripping soil away



During topsoil removal 12/5/08

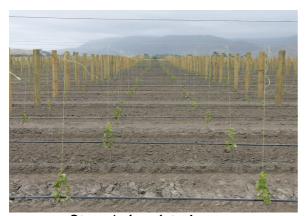




Old creek channels stripped of topsoil prior to drainage pipe being installed. Cabbage trees will be transplanted and then channel filled. Topsoil will be spread over fill.



Orchard-rite wind machines similar to the 9 going in at Higgins Rd



Stage 1 vines late January



Vines as of 12/5/08, still some variation and 2 budding required but overall not too bad.

TWYFORD GRAVELS, HAWKES BAY

This growing season started by successfully saving the crop from frost, and ended with us treading the fine line between diseases and achieving full flavour ripeness. Summer brought us a long period of dryness which we tend to expect.

With regular rain and humidity during harvest, ripening proceeded in an unpredictable manner with varieties coming ready in a different order to normal. Timing of Merlot was not unusual while Syrah was very late. Cabernet Sauvignon harvest was the earliest in the history of the vineyard.

Compost applied to the weak growing areas of Cabernet Franc at the beginning of the season has improved growth and helped in bringing a little more uniformity to the block.

So we are pleased that harvest is again over. With autumn leaf colours and snow on the ranges, staff are busy with the clean up, maintenance and preparation for pruning.

Regards

Phil Holden
Vineyard Manager

<u>KELTERN VINEYARD, HAWKES BAY</u>

After a good start to the season, with the frost protection system proving its value on 5 occasions in the spring, the 2008 grape harvest started at Keltern vineyard in mid-March with early Chardonnay and Pinot Noir blocks being picked. In line with the rest of the Hawkes Bay region, the Chardonnay yields were lighter than estimated. This was due to poor fruit set during the cool flowering period through November.

Following a generally warm summer with higher than average growing degree days, a moderate rain event during the first week of March, coupled with some heavy dews and high humidity caused bunch rot to start to infect the Chardonnay berries. This increased disease pressure, meant that some blocks were harvested prematurely to ensure that the condition of the fruit did not deteriorate further. All other varieties held out well through the wet weather and were harvested rot free. As in 2007, the top grafted Pinot Gris block performed well and received positive comments about the potential future of the block and target wine for the fruit.

Close consultation regarding picking decisions is held with the Board and Terra Vitae's independent vineyard consultant and Villa Maria Viticulturists to maximise the dollar yield for the crop. Keltern's entire crop was harvested by the end of March and we are now catching up on general maintenance and turning our focus towards the fast approaching winter pruning.

David Ward Vineyard Manager