Michael Fridjhon in Business Day – 29 August 2014

I have just returned from judging the Six Nations Challenge in Sydney – a show which began life as the Tri-Nations Challenge in 2003 and has not only survived - against all odds - but actually flourished. In 2011 it added the wines of Chile and Argentina to those of South Africa, Australia and New Zealand, and from last year, those of the United States. It is now probably the most focused New World wine competition on the planet.

The full results will only be announced in October, though we already know that this year South Africa and New Zealand shared most of the category trophies as well as top honours for the 'best wines on show.' This has largely been the norm since the competition was extended beyond the original three countries, and a far cry from the early days when South Africa battled to take home any trophies at all.

Partly this is the result of a changed judging dynamic – where Antipodean judges (who are familiar with and prefer a particular style) are now in a minority. It is – more importantly - a reflection of the fact that our best wines are now clearly “world class.” This is not just a subjective view, nor is it the selective use of data from only one wine competition. Last week's subject line on Jancis Robinson's website mailer was “South Africa 1 California 0” and her note describes both the general under-performance of Californian Chardonnay as well as her opinion that South Africa makes “great, distinctive and under-priced white wines.”

In many ways, “under-priced” has become something of a burdensome cul-de-sac for our wine producers. In the early post-isolation days they were so pleased to have floods of international orders that they accepted price-points which only made sense because of currency weakness. Now they depend on an ever-falling Rand simply to break even on sales while the quality of what is going into bottle has improved dramatically. The price-points are set in granite, with trade buyers intent on resisting any national re-positioning: it's simply easier to sell wines which over-deliver on a massive scale.

This is an issue which demands the attention not only of the industry's self-funded generic wine export body, Wines of South Africa (WoSA), but also the Department of Trade and Industry (DTI). The current average price per bottle of South African wine in the UK is around £4-50. Of this amount, less than £1-00 comprises the actual income accruing to producers. The rest goes into transport, duty, VAT, distribution and promotional costs, as well as the traders' margins. Kiwi wine – which clearly enjoys a better image (a fact clearly unconnected to any quality advantage, as the Six Nations Challenge results make clear) – sells at a substantial premium, averaging £6-70 bottle. Until we make more of an effort to lift the bushel and reveal the talents, we have no one but ourselves to blame for a state of affairs which probably costs South Africa between R5b and R10b in foreign earnings.

Identifying the problem is easier than solving it (though, for a start, WoSA could do its members a great service by subsidising their entries to competitions where the published results would help international consumers to re-calibrate their assessment of Cape wine). The DTI could also use some of the funds it currently contributes to the few producers who qualify for the hand-outs reserved for the previously disadvantaged, to trumpet these successes in the international media. It could even justify this investment – in terms of its own arcane criteria: the stronger Brand SA becomes in the world of wine, the more wine will leave this country in bottle, rather than in bulk, thus saving thousands of jobs in our packaging industry. Oh, and there will of course be an enhanced tax take from producers – something which may make more palatable their spending money on what is essentially an industry still predominantly owned by whites.