

THE RISE OF THE TIN MEN

That a flourishing wine industry can add value to local tourism is well known. But the other companies it brings with it can create jobs and innovation, as Jim Clarke discovers.

It's hard to miss winemaking's contribution to the local economy when you drive through the Finger Lakes in upstate New York. There are the vineyards, of course, running down the slopes surrounding each lake, along with the wineries and tasting rooms. These days there are also restaurants and hotels. At first the hospitality industry was reluctant to put their trust in the local wine industry's redevelopment efforts, and wineries had to do it for themselves. The Inn at Glenora Wine Cellars was one of the first sizeable boutique places with accommodation, and David and Debra Whiting opened the Red Newt Bistro as part of the winery of the same name. Today, however, other facilities have sprung up like the Watkins Glen Harbor Hotel and numerous restaurants.

The hospitality industry and wine tourism is only the public face of a wine region; there are also places that don't entertain visitors, but play important roles in supporting and profiting from the success in the vineyards. In the Finger Lakes, Vance Metal Fabricators would be one example.

Industrial roots

Vance Metals' roots have little to do with wine. The company was founded in 1880 to build steam boilers in Geneva, New York, a town on the north end of Seneca Lake. Geneva is mostly an agricultural town, but is



Chief marketing officer Chris Jennings next to Vance tanks.

close enough to the Erie Canal and Lake Ontario to the north to access raw materials; the largest centres of American manufacturing stretch from Utica, Syracuse, and Rochester westward to Buffalo and beyond along the southern edge of the Great Lakes, so Vance Metals was originally part of this development. The stretch of industrial cities earned the nickname the Rust Belt in the 1980s as manufacturing struggled, facing conditions and challenges similar to those in Germany's Ruhrgebiet or perhaps England's Midlands.

The decline of manufacturing did not pass over Vance. After the company's patent for their boilers expired they had expanded into other areas, and for the middle part of the twentieth century they supplied metalworks for construction projects. Some examples would include fire escapes, catwalks, and the railings for the Carrier Dome, the football stadium at nearby Syracuse University. In the 1970s, in response to the challenges facing manufacturing generally and hoping to escape the cyclical, up-and-down nature of project work, CEO Joe Hennessy led the company toward product creation, providing original equipment manufacturing (OEM) metal pieces and units for companies like Kodak in Rochester. That transition laid the groundwork for their eventual connection to the wine business.

The state legislature passed the New York Farm Winery Act in 1976, making smaller, boutique wineries economically feasible and giving birth to a number of new wineries; this legislation gave birth to the Finger Lakes wine business as it exists today. Many winegrowers decided to start making their own wine instead of selling grapes, including Anthony Road Wine Co. As it happens, Vance Metals' Vice President of Sales and Marketing was an early investor in Anthony Road, and Anthony Road owner John Martini and then-winemaker Derek Wilber had visited Vance Metals and seen their work. In the early 90s the winery was expanding production, and looking for an alternative to buying tanks from Italy or California. They asked Chris Jennings, chief marketing officer, if Vance made tanks. "We don't, but we could," Jennings replied, and a new specialty was born.

The tin men

Vance built four tanks initially, all of which are still in use; Anthony Road has two, and Red Newt Cellars on the other side of Seneca Lake has the other two. "We call them the 'Tin Men' because of their resemblance to the character in The Wizard of Oz," says Martini. "The tanks were not necessarily beautiful wine tanks but they served our needs." These first tanks weren't jacketed - that is, they don't have the hollow belt around the outside of the tank that allows winemakers to control the tank's temperature by pumping glycol or water through them. For that reason Anthony Road uses their Tin Men for blending rather than fermentation these days. Vance has gone on to refine their design, adding jackets and other features. To-

day, their tanks are state of the art.

Vance makes about 100 tanks each year, and the wine market makes up almost 10% of their total business. The tanks range from 250-gallon to 10,000-gallon monsters, though Jennings says the company is most comfortable working with tanks 6,000 gallons and under. Typical sizes include 520 gallons, 850 gallons, 1,120 gallons, and 2,000 gallons.

Black Star Farms in Suttons Bay, Michigan, has about 25 Vance tanks, and head winemaker Lee Lutes says they've been buying from them ever since Vance started expanding beyond the New York market. He agrees that their location was one factor in choosing to work with Vance, both because of the proximity and desire to support an American supplier. Nonetheless, tanks represent a long-term capital investment for wineries, so Vance needs to compete in terms of quality. "We build a robust tank," says Jennings. "If your winery falls down, our tanks will still be there." For a start, they work with twelve-gauge metal, whereas a lot of European tanks are made with thinner, sixteen-gauge material.

Buying local doesn't necessarily represent a great savings for wineries; a 2,000-gallon Vance Metals tank might go for \$10,000 to \$10,800, a typical price for the industry. The company aims instead to win over buyers with the long-term view. Jennings claims that from a gallon-to-dollar point of view, their tanks are a good investment compared to competitors because they will last thirty vintages, compared to ten years for a less rugged product made from thinner metal.

The jacketed, white-wine fermentation tank is the core of Vance's wine-related products, but they also produce catwalks, custom bins, chutes, and sorting tables. For a while they tried selling crushers, destemmers and other equipment made by other producers in an attempt to diversify their wine-related offerings, but Jennings says they ultimately found it more worthwhile to focus on their own products.

At first, Vance's client base was confined to upstate New York. The Finger Lakes wine scene was expanding, and wineries like Fox Run, Fulkerson, and Red Newt were either growing or just getting started. Based on their initial positive feedback, Jennings decided to begin showing their products at trade shows catering to the East Coast wine industry, which has been growing rapidly. The goal was to build a brand, and today Vance has tanks in wineries in almost every state east of the Mississippi.

Michigan, home to almost 100 wineries, has been a particularly good market for the company. In addition to Black Star Farms, most of the tanks at Chateau Grand Traverse and Shady Lane Cellars, two other prominent Michigan producers, are also by Vance. Tennessee, where Gatlinburg's Sugarland Cellars is their most recent client, has also been a good market for them.

For now, Vance is content with serving the East Coast of the US. Jennings says that the difficulties of shipping west of the Rockies and the large amount of competition on the West Coast make California, Oregon and Washington difficult markets to service, especially since he's the sole salesperson for the company. "I do most of the sales. We don't have someone out there knocking on doors."

Add-on effects

Jim Trezise, President of the New York Wine and Grape Foundation, says stories like Vance's are common, and that the supply-side, behind-the-scenes effects of the wine industry often go unnoticed and unappreciated. The Foundation commissioned a study in 2008 to determine the total contribution of the wine industry on New York's economy, and to see how that contribution divided up into different sectors. The report, conducted by Stonebridge Research, found the total economic impact of the state's wine industry to total \$3.76m annually. Wine-related tourism expenditures - that is, apart from money spent directly on wine purchases and tastings - represented about 10% of that total.

The published data didn't break down the economic impact of wine production, but a 2006 report commissioned by several national wine organisations, and conducted by MFK Research, did calculate the impact of production for the entire US. Stainless steel tanks represented an impact of \$36m, generating \$14m in wages. Of course, tanks are only one part of the indirect and induced economic impact of the wine industry; there are also bottles, cases, closures (\$903m) and labels (\$147m). These materials aren't always supplied locally, but they still reflect the myriad ways a high value-added agricultural product like wine can create revenue and jobs for ancillary industries. Companies like Vance Metals may remain 'behind-the-scenes', but they represent an important part of the wine industry, with the potential to add jobs and revenue to the wider economy. ■