

Whenever there's a story about some collector paying a fortune - usually on auction, and mostly where people with bucket-loads of hard currency shop - the media picks up on it with a kind of tweezer-lipped disapproval which suggests that something as frivolous as wine should never fetch this kind of money. You could argue that the oil paint applied to a canvas by some long dead artist, or even a bowl produced by a Chinese potter 800 years ago, has no greater intrinsic value. Equally, the R200m paid in 2008 for Damien Hirst's "Golden Calf" - a cow preserved in formaldehyde - makes any auction price for a bottle of wine seem positively parsimonious.

There is, of course, no connection between what it costs to make a bottle of wine and what someone will pay for it. Just as sought-after collectables are produced for a fraction of what they sell for, so everyday drinking wines sometimes sell for a fraction of their true cost of production.

VinPro, the organisation which works with the country's grape and wine producers, estimates that at least 30% of growers are under-recovering on their actual production costs, and that a further 30% are not able to build a provision for vineyard replacement into their selling prices. On this basis, much of the cheap wine you find in supermarkets may have been produced at a loss - at least to the fruit grower. In case you think that this can't be true, because such a model is necessarily unsustainable, it's worth noting that, at the current average rate of attrition, the industry loses eight hectares of vineyard every day and three grape growers shut up shop every week.

Some trends are simply that, they indicate a direction rather than a destination. Just because we're losing 2500 hectares of vineyard every year does not mean that in 40 years there will be no vines in South Africa. At this stage, at least, Cape wine is not on the Kodak/Polaroid slippery slope - mainly because it's not being replaced by a new technology. Growers whose vineyards are poorly sited, who are under-capitalised, unfocused, unskilled - their demise is a personal tragedy, rather than necessarily an industry barometer.

Where other forces are at play however, a Darwinian shrug of the shoulders is not the appropriate response. When urban creep makes it impossible for a successful and dedicated producer operating in close proximity to Stellenbosch (for example) to resist the offer made by a developer, you have to ask if this is not the wine industry's equivalent of the Polaroid moment, that instant of being out of touch with the new reality. Most urban land in Stellenbosch or Paarl was once agricultural. This process of transformation, from farmland to township, has not been arrested. If May de Lencquesaing hadn't bought, restored and developed Glenelly, a derelict fruit farm whose low-lying pasture comes right onto the streets of the town, it would only have been a matter of a few years before this fabulous Ida's Valley estate succumbed to Stellenbosch's seemingly insatiable appetite for accommodation.

Quality wine might not cost as much to produce as the optimistic creators of would-be cult wines would have us believe, but it does need grapes from properly sited mature vineyards if it's not to be the cynical achievement of industrial technology. French commentator Jacques Puisais observed that what great wine revealed was "the face of its birthplace and the guts of the man who had made it." It's not difficult for astute winemakers working with the fruit grown along the banks of the Orange River to make a perfectly decent everyday drinking wine. We're not certain - despite long years of research - how exactly the world's great sites contribute nuance and detail to the wines produced from the fruit harvested off them. What we do know is that the hauntingly beautiful artefacts of the winemaker's art need more than just long sunny days, ample water, and large tracts of alluvial soil.