

BERRY BROS & RUDD WINE & SPIRIT MERCHANTS www.bbr.com

# FINE WINE REPORT 2011

1943 Cheval Blanc

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Provide a global perspective on the world of wine, but firstly it is important to establish the credentials of the authors. Berry Bros. & Rudd (BBR) is the UK's oldest-established wine merchant, founded in 1698, and has, over the course of more than three centuries, developed a reputation not only for the quality of its wines but also for the authority and expertise of its key personnel in both Buying and Sales. The Company boasts five Masters of Wine, a remarkable number out of the global total of 290, four of whom have contributed to this Report.

The various sections of this Report have been compiled by the Buyers responsible for each viticultural area; Jasper Morris MW, author of the definitive book Inside Burgundy, has no peer in the depth of his knowledge of that region and has an equally wide understanding of and affection for the wines of New Zealand. Simon Field MW, covers a wide spectrum of regions in his remit including Southern France, the Rhône, Iberia, South America and Champagne. His extraordinary palate is matched only by his gift of being able to convey in words the taste sensations he experiences; not an easy task. David Berry Green, whose responsibilities embrace the Loire, Alsace, Germany, Austria, Hungary and Italy, adopts a totally uncompromising stance towards quality in wine, and champions with great fervour those producers who are unafraid to fly in the face of fashion and instead craft wines of integrity which perfectly reflect their origins. Wholesale Director Mark Pardoe MW, has also contributed valuable insights and observations and boasts the record of being the first Briton to be awarded the prestigious Madame Bollinger Medal for achieving the highest marks in the tasting section of the Master of Wine Examination. I myself have the enviable job of supervising this function as Buying Director, taking specific responsibility for Australia, South Africa and the USA.

The Report assumes a certain level of interest and knowledge among its readership so refrains from pointing out the obvious; instead, it seeks to identify trends within the global market, highlighting potential and existing problems as well as flagging up exciting signs of progress, particularly in the realm of improvements in the quality of wine. Vintage assessments are provided merely to assist with practical tips on what to drink now, or how long to keep bottles from recent vintages. They are of necessity subjective and are designed to be no more than generalisations, given the constraints of space. Where appropriate we have given more detailed information on vintages, such as with Bordeaux, where variation can be significant and can have a huge bearing on prices. Elsewhere we have been more general, highlighting only the most recent or the pick of the last few years.

The illustrations provided are taken from our shop and cellars in St James's Street, London, from where we have conducted business for over 300 years, and feature some of the historic bottles, artefacts and furniture found there.

We hope you find much to enthuse over in the pages which follow, and trust that the information and views expressed serve only to stimulate further your own interest in wine.

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Alun Griffiths MW Buying Director

### BORDEAUX

The most world-famous of all of France's wine-growing regions is also one of its largest, producing 675 million bottles in 2010. Bordeaux's apparent success in extending its fame into new markets, especially in Asia, masks the fact that much of the region is actually in crisis.

The region's production is spread across a wide spectrum of quality, covering every price point from very basic up to stratospheric. At the bottom end is an ocean of everyday wines, usually labelled simply as Appellation Bordeaux Contrôlée or Bordeaux Supérieur. Much of this wine finds its way into French supermarkets at rock-bottom prices. Stiff competition from New World wines made with the same grape varieties makes it very difficult for inexpensive Bordeaux to succeed in export markets, and many growers at this level are consequently making no money. Thousands of petits châteaux are for sale, but there is little interest from potential buyers while re-sale prices remain so low.

At the other end of the scale lie the prestigious *Grands Crus Classés*, the famous standard-bearers of the greatness of Bordeaux. Here we are talking about no more than about 150 estates, and the fame they have acquired over the recent past has elevated them almost to the status of brands, with the top 10 or 12 achieving luxury brand status. It is hardly surprising that the very top châteaux are looked upon in this way, since several lie in the same ownership as Gucci, Dior and Louis Vuitton, along with Krug Champagne and Hennessy Cognac.

In between these opposite ends of the spectrum lies a category of mid-priced wines, wines which retail at between US\$150-300 per dozen. Usually these are well-made, characterful examples of the class and character of Bordeaux, made to be drunk between 3-10 years after the harvest.

One thinks of Bordeaux as predominantly a red wine region, but it does, of course, produce a significant volume of fine, dry white wine, as well as one of the world's greatest dessert wines in Sauternes.

Bordeaux's markets for its wines are very diverse, but 68% by volume is sold in France, with only 32% going to export. In terms of value, however, the position is very different, with France accounting for only 55% of the total, showing that a sizeable volume of lower-priced wine goes through multiple retailers, while overseas countries are more interested in the higher-quality, more expensive bottles.

Of the major export markets, the following graph illustrates where most of the volumes go, with Germany the No.1 destination, followed by China, but when value is the determining factor then Hong Kong, the UK and China fill the top three places with Germany only 5th.



943 Ch. Cheval-Blanc 945 Ch. Margaux 945 Ch. Lafite - Rothschild 51 Ch. Latour 960 Ch. Monton-Rothschild 961 Ch. Batailley 985 Ch. Le Pin (Mag.)

At the other end of the scale lie the prestigious Grands Crus Classés, the famous standard-bearers of the greatness of Bordeaux

> 51 Ch. Latour 182 Ch. Latour

### BORDEAUX CONTINUED



Breakdown in volumes (in hectolitres) and weight within Bordeaux exports



Breakdown in value (in millions of Euros) and weight within Bordeaux exports

Digging deeper still to examine trends, a glance at the list of the leading six importing countries in Asia shows the impact that the continent is having on the market:

#### Growth in Imports of Bordeaux Wine 2010

China	+	67%
Japan	+	22%
Hong Kong	+	68%
South Korea		Static
Taiwan	+	6%
Singapore	+	10%

Growth in the key Western markets was either much more modest, non-existent or even negative:

United Kingdom	+	5%
Germany	+	5%
Belgium	-	5%
USA	+	6%
Canada	-	4%
Switzerland	+	5%
Holland	+	11%

Whilst the vast majority of Bordeaux wine is made to be drunk and enjoyed relatively young, the very top echelon of super-premium wines have the capacity to mature and to improve with age over an extended period of time, up to 60 years in some cases, and this latter category has recently become the focus of some extremely speculative buying. It is not difficult to see why; the volume of wine produced from the top estates is strictly defined by law, so there is no question of simply turning on the tap and increasing production. For decades the only markets for these top wines lay in Europe and North America, and prices remained relatively stable with the principal fluctuations caused by the varying qualities of each vintage. Recently, however while production remains unchanged, demand has risen sharply, with new entrants to the markets from Russia, Asia and South America. Under these circumstances prices for the best vintages have unsurprisingly soared, and châteaux proprietors, alive to the burgeoning interest in their wines, have not been slow to capitalise.

The top châteaux of Bordeaux, or, more accurately, of the Médoc, are conveniently grouped into a classification, laid down in 1855 but remarkably relevant and accurate even today. Five wines fall into the top division, the First Growths, namely Lafite, Latour, Mouton-Rothschild, Margaux and Haut-Brion. To these we can add three wines from the other side of Bordeaux, namely Pétrus, Cheval Blanc and Ausone, which together make up a group of the most soughtafter Bordeaux wines. Below this celebrated ensemble lie four further sub-divisions, featuring such famous names as Léoville-Las Cases (2nd Growth), Palmer (3rd) and Lynch Bages (5th), all of which are widely known to collectors around the world.

The ever-increasing demand for these top wines has created, over the past 30 years, an en-primeur market, in other words the chance to buy these wines as "futures", some 2 years before they are actually bottled. The world's merchants and journalists descend on Bordeaux in April each year to taste the previous year's wine, at this stage just 6 months old. The châteaux release their opening prices during May and June, often waiting for the pronouncement of the world's most influential wine writer, Robert Parker, before deciding where to pitch

their wine. In the past decade we have seen four exceptional vintages, each arguably better than the one before, in **2000**, **2005**, **2009** and **2010**. Release prices have risen to unprecedented levels, but this has failed to put a brake on demand thus far.

An illustration of just what level of financial appreciation has occurred amongst the top wines over the past few years is shown by the figures below:

	1 year	5 years
Liv-Ex Fine Wine 50	+ 50.8%	+278.50%
Liv-Ex Claret Chip	+ 44.10%	+249.60%

Liv-Ex is wine's equivalent of the Dow Jones or FTSE 100, and these two indices reflect the performances of the First Growths from the past 10 years and, in the case of the Claret Chip, the First Growths from the past 15 years rated 95+ by Parker. Spectacular returns indeed, but will the bubble burst? Who knows?

The extraordinary, almost frantic pursuit of the top Bordeaux wines inevitably raises the spectre, as with all luxury goods, of possible fraud, and customers should satisfy themselves before purchasing that (a) the goods are genuine, not fake, and (b) that the wine has been professionally stored and transported throughout its life. Wine is a perishable, potentially fragile product, and requires careful handling if it is to retain its quality. Moreover, when buying wine en-primeur, it is vital that the consumer buys only from reputable sources, as there is a considerable gap between paying for the wine and physically receiving it 2 years later, and traders in wine, unlike in the Financial Services industry, are not subject to a strict regulatory code.

#### Vintage Notes

#### 2010

Extraordinary wines, immensely concentrated by drought in the growing season. High alcohol, but lively acidity maintains a level of freshness and balance. Best in the Médoc.

#### 2009

Universally superb across all levels of quality. A perfect growing season, wines of concentration, depth and class, with abundant but ripe tannins.

#### 2008

Attractive wines made by those who picked late. A cool July and August saved by an Indian Summer.

#### 2007

Lighter wines, but attractive and charming.

#### 2006

Tannic, powerful, very good, well-structured wines. Need patience.

#### 2005

Superb almost everywhere. A new benchmark in quality until **2009** and **2010** came along!

#### 2004

Cool conditions produced classic wines of elegance and restraint, with fresh acidity and firm tannins. Charming now after 7 years ageing.

#### 2003

A year of unprecedented heat, which many growers failed to cope with, the best wines are in Pauillac and St. Estephe, but buy with caution for many others are unbalanced and will not last.

#### 2002

The lightest year of the past decade; charming and forward, but not for long ageing.

#### 2001

Not to be underestimated. A cool year but some very fine wines in Pomerol and in parts of the Médoc. Good value for money.

#### 2000

Outstanding. Wines at all levels with ripeness, succulence and charm. For long ageing.

Other vintages to look out for are **1996**, which was excellent in the Médoc; **1995**, a very round, fruit-laden year; **1990** a powerful, exotic vintage with fruit concentrated by drought; and **1982**, a beautiful, fully mature vintage which has been a delight to drink throughout its life.

In terms of Sauternes, the great vintages rarely echo the best years for the reds, and **2007**, **2001**, **1997**, **1996**, **1990**, **1989** and **1988** are the pick of the last 25 years, with **2001** regarded as the finest.

### BURGUNDY

rance's 'other' great region, Burgundy has nothing in common with Bordeaux either in style of wine or indeed how the market works. This is a region of farmers, working with single grape varieties, Pinot Noir for red and Chardonnay for white, very little in touch with the ups and downs of the international market place – as long as they can sell their crop.

Burgundy boasts 100 appellations in a pyramid of ascending quality: 23 regional, 44 village (including *premier cru* vineyards) and 33 *grand cru* vineyards. The total area under vine is 27,700 hectares producing 200 million bottles of wine. 60% is white wine, 32% red or rosé, 8% sparkling (*crémant*).

There are approximately 4,000 different producers of which 1,300 produce wine in bottle under their own labels. There are 250+ merchant houses (*négociants*) and 23 co-operatives, the latter mostly covering the less expensive appellations of the Mâconnais, Chalonnais and Chablis.

Burgundy has been a two speed market in recent years, with no link between the struggles of those producing wines from the most minor appellations such as Mâcon Villages or Beaujolais, and those with good holdings in the famous villages of the Côte d'Or. At the lowest end there has been a vicious circle of decreasing bulk prices forcing producers to cut corners, arguably further damaging the quality and image of their product. There is a clear parallel here with the top and bottom of the Bordeaux market mentioned in the previous section.

Demand for the finer wines has held up well and it is probable that *grands crus* (1.4% of production) will become significantly more expensive in the medium term future

Despite recent global economic uncertainty, the price of vineyard land has continued to rise quite sharply. Recent transactions for village Meursault have reached €60,000 per *ouvrée*, a specifically Burgundian, historic measurement of land, or €1.44m per hectare. One hectare produces approximately 6,600 bottles of wine per annum. The reason for the continuing high price of land is the availability of external investors keen to be part of the dream, with funds available to enable their favourite growers to purchase additional vineyards.

Burgundy has been one of the most dynamic regions for the spread of organic and biodynamic methods of viticulture. While critics sometimes claim that the biodynamic movement is more about marketing than any qualitative reality, it should be noted that the driving forces behind the biodynamic movement have been some of the region's most famous names who had more to lose than to gain by prominently espousing such novel ideas: Domaines Leroy, Leflaive, Lafon, Lafarge, Domaine de la Romanée Conti, Joseph Drouhin and many others.

Historically the Burgundian market place has been divided between merchants, who bought grapes, grape juice at harvest or wines subsequently, and blended them according to their house style and traditions, and individual domaines responsible for all aspects of production from growing the vines to bottling the wines and taking them to market. These lines have become blurred as the major *négociant* (merchant) houses have been purchasing vineyards to guarantee their supply lines, while successful growers have been supplementing their production by the purchase of grapes on a small scale.

The top three markets by value, representing 52% of total exports, are the UK, USA and Japan. The remainder of the top 10, apart from Canada, are European countries, followed by Hong Kong (11th), Singapore (15th) South Korea (17th), Brazil (18th), Taiwan (19th) and China (20th). By volume, Japan falls to 4th place behind Belgium while China rises to 14th, ahead of Hong Kong (16th). It is clear that Burgundy is looking to target China as a major market for the future.

Is Beaujolais part of Burgundy? Nobody quite seems to know, but currently there are moves to bring the smaller region back inside its bigger and more economically robust neighbour. Since the image of Beaujolais has become progressively more damaged in recent years, perhaps in part as a fall-out from overreliance on Beaujolais Nouveau, from the 2011 vintage it will be possible to reclassify basic Beaujolais under a new appellation, Côteaux de Bourgogne.

The leading lights of Burgundy, led by Aubert de Villaine of Domaine de la Romanée Conti, are currently campaigning for the various vineyards of the Cote d'Or, known as *climats*' to be recognised as a World Heritage Site.

#### Vintage Notes

The two most recent vintages (**2010** and **2009**) have both produced fine wine but in quite different styles. **2009** was a large crop grown in a warm summer and harvested early, producing rich ripe wines which will be attractive to drink early but should also have staying power. **2010** was a more difficult growing season with an October harvest producing a small crop of very fragrant attractive Pinot Noir, more compact than **2009** but impeccably balanced, while the white wines have a very attractive aromatic character.



The white wines of Burgundy have not been ageing reliably as they used to do in previous generations. There are many reasons for this, some of which have been put right, but it remains the case that most white Burgundy is approachable much earlier than in the past and is unlikely to repay a decade or more of cellaring. Currently the following vintages are drinking well:

2007 in a fine crisp mineral style; 2006 with greater warmth and weight; 2004 and 2002 are both at their apogee, while 2003, mistrusted at first because of the exceptional heat during the summer, has turned out to be much more interesting than expected.
2005s are fine, concentrated and ready to drink now.

Contrary to recent experience with white Burgundy, the reds are demonstrating excellent keeping qualities. Lighter years such as **2004** and **2000** now need drinking up but **2007**, **2003**, **2002**, **2001**, **1999**, and **1998** are now all beginning to show very well. The greatest vintage in recent times is **2005** but this needs to be kept for a further 5 years (village wines) or much longer for *premiers* and *grands crus*. Fine older vintages include **1993**, **1990**, **1989**, **1988** and **1985**.

### CHAMPAGNE

hampagne, the self-styled ambrosia of the affluent, is generally a reliable bellweather of global economic selfconfidence and the good news is that both production and shipments are back on the increase. The Champenois are extremely proficient at self-regulation, their generic legislative bodies adroit in the apparently difficult balancing act between the large négociants, who dominate the actual production and sales (80% or thereabouts) and the large number of growers who actually own the vines (18,000 growers owning 70% of the vineyards). The much publicised admission of 40 new villages, increasing production by up to 10%, was finalised before the magnitude of the current global recession became evident and yet its fruits, in bottled form that is to say, will not come on stream for another 9 years.

So, by keeping the area under vine carefully regulated (approximately 34,000 hectares now) and by manipulating annual production quotas, there is tight control over the supply/demand matrix. To give an idea, in 2008 the maximum production was 12,400 kilos per hectare, whereas in 2009 it was only 9,700 kl/ha and in 2010 back up to 10,500 kl/ha. Quite a difference, especially when one bears in mind that the actual quality and volume of the harvest itself both have to be factored in. In addition, the Champenois need a degree of prescience, as the production quotas in a certain year are of course only of relevance when the wine has been matured and put on to the market. In other words, in any year, there has to be an estimate of demand 2 or 3 years down the line. It is all very well lowering production for the 2009 crop, but this may back-fire drastically when the fruits of 2009 come onto the market, in 2012 and 2103, at which time we could back in the boom times, with anxieties centring once more on insufficient demand. For the Champenois this is something of a virtuous cycle as it will have the effect of pushing prices up further. The growers are happy enough; €6 per kilo would be beyond the wildest dreams of virtually all other French vignerons. And the négociants are not dissatisfied, manipulating supply with an intricate web of discounting in the mass retail markets, known to the trade as Les Grandes Surfaces, when the need arises, and continuing to plough money into marketing and PR budgets which oil the wheels of luxury branding and keep the category out on its own, in terms of image.

But where does it all go and do we get a good deal?:

#### Shipments

2007	338m
2008	322m
2009	290m
2010	321m

After France (190 million bottles) the next biggest markets are the UK (30 million), USA (12.6 million) and Germany (10.9 million). These percentages have remained roughly the same over the last decade, with the UK perhaps gaining a little ground over the US. The much publicised Chinese market has certainly grown exponentially but only from a very low starting point; they now account for about 1.5 million bottles, mostly supplied by the greater Moet Empire. This serves to underline the hegemony of the biggest producers with the LVMH behemoth controlling 20% of the entire market and the next three (Lanson, Vranken and Pernod Ricard) accounting for a further 20%. This puts perspective on the much reported-upon rise of Grower's Champagne. Although this phenomenon is certainly gaining ground in the independent retail sector; there is a noticeable gap opening up between the retailers to this extent. Other significant trends are the rise in interest in low sugar wines (zero or minimal dosage), the increase in market share of Rosé (now stabilised at 12-15%) and the continual rise in the popularity of the deluxe cuvées, often at the expense of the actual vintage wines, which tend to get squeezed in the middle. Both supply and demand of Dom Pérignon 2002, for example, have been outstandingly impressive.

#### Vintage Notes

The greatest recent vintage is **2002**, perceived as better than high acid **1996** and ultra-ripe **1995**; since then the **2004** was a large but harmonious crop, especially impressive for Chardonnay and both **2008** and **2009** look promising. **2010** was a washout in the manner of **2001** and the **2011** harvest was started on 22 August, inviting comparison with the atypical **2003**. All in all, it's business as usual in Champagne and the region effortlessly holds its head high, far higher than the nearest competition.

# RHÔNE

econd only to Bordeaux, the AOCs of the Rhône cover 73,500 hectares of vines and produce 377 million bottles of wine. Although the vineyards to the south of Montélimar dominate production (95%) there is a pleasing symmetry in terms of the named Village Crus, with both North and South having eight, the latter bolstered by the recent promotion of Vinsobres, Beaumes de Venise and Rasteau to stand-alone status. Over 400 million bottles were sold in 2010, of which 80% were red wine, with just over 25% exported, the foreign markets dominated by the UK (20%), USA (17%), Benelux (10%) and Canada (10%). Generic Côtes-du-Rhône fares well at one end of the scale, bolstered by colourful and imaginative advertising, and at the other end, the on-going and influential support of Robert Parker has been backed up by some great vintages, the quartet of 1998-2001, 2005, 2007 and 2009 to name the most recent. Indeed some of Parker's most generous marks have, over the years, gone to the Rhône, with properties such as Beaucastel, Chave, Chapoutier and Clos-des-Papes all notable beneficiaries.

Beyond all the excitement, one must not overlook commercial realities. Average bottle sale price is low with the domestic market dominated by the *Grandes Surfaces* and the production is still largely controlled by the Co-operatives (63% by volume). The total wine exported has slipped by 8% since 2003, although in 2010, the figure of 108 million bottles is higher than both 2008 and 2009, so certainly heading in the right direction. In addition the Valley has 12,200 hectares under organic viticulture and is seen as a benchmark for 'green' viticulture. Other notable developments include the more careful management of oak, especially important to bring out the real character of Syrah, and with the whites, moves towards fresher wines, including more careful temperature-control and, with oak-aged examples, more 'reductive' lees stirring. From Ch. Grillet all

the way down (geographically) to Ch. Ia Nerthe, the white wines are far removed, stylistically, from their forebears and provide a fascinating alternative to White Burgundy.

Economic pressures notwithstanding, the Rhône continues to excite and with the seemingly inexorable rise in prices from other premium areas, the future for the Valley looks bright. Asia looks set to turn its eyes towards these great appellations and the timely revitalisation of historical names such as Cornas, Hermitage, Gigondas and Châteauneuf-du-Pape leaves the Rhône extremely well placed. And what is more, **2010** is shaping up rather nicely with its more feminine style providing contrast with the powerful **2009s**.

### ALSACE

s with the Loire, the region of Alsace appears to have suffered from the significant drop in per head consumption in its key market, France; a market which thrived on Alsace's sparkling wines among others. A tiny region of 16,000 hectares lying to the east of the Vosges mountains close to France's border with Germany, it too like the Loire has a plethora of grape varieties (Muscat, Sylvaner, Pinot Blanc/Auxerrois, Riesling, Gewurztraminer, Pinot Gris, Pinot Noir) among its largely white wine styles that has probably only served to confuse the end consumer; added to which the full-bodied wines are produced in German-shaped bottles.

The Bas-Rhin, the area to the north of Colmar, is the source of the region's fullest, most generous style of white wine; it's where the fruit is generally riper thanks to the open topography and varied expositions together with its warmer, often pink sandstone soils. The farmers who till this part of Alsace are unfairly labelled as the '*Barrois*' by their southern neighbours in the Haut-Rhin; unfairly because much of the Haut-Rhin relies upon fruit bought from the Bas-Rhin to complete and bring added ripeness to their blends. The most accomplished producer in this region is André Ostertag.

The Haut-Rhin is therefore the southern half of the elongated Alsace region that runs effectively as a continuation from the German vineyards of Mosel-Saar-Ruwer. This is the coolest, consistently highest and steepest part of the region's vineyards that face east across the border into Switzerland. This part of Alsace is notable for the high quality of its Riesling and Gewurztraminer wines, as grown on the limestone, sandstone and granitic soils. It is also home to some of the region's most famous producers: Zind-Humbrecht, Marcel Deiss, Weinbach and Trimbach.

Alsace is also celebrated, not just for the unequalled number of Michelin restaurants of any region in France (cooking among other things Munster cheese in one of nine ways), nor for the unequalled number of sunshine hours in France, but for being the birthplace of Rudolf Steiner; the man who articulated and labelled biodynamic agriculture back in 1924. Needless to say Alsace has the highest proportion of biodynamically certified producers; as documented by the international body DEMETER, whose president is, coincidently, the Alsacien producer Oliver Humbrecht MW.

Humbrecht is currently working on a project to classify the region's *Premier Crus*. The *Grand Cru* vineyards were agreed in 1985, although controversially so as many of the region's many famous growers abstained from voting, suggesting that it wasn't being strict enough in lowering yields. This handed the cooperatives the initiative to profit from the label without producing the assumed quality a *Grand Cru* would merit. So Humbrecht is canvassing widely to avoid a repeat.

#### Vintage Notes

Vintages to look out for in the last decade are **2002**, **2005** and **2007** but the last three vintages have all been excellent too. Alsace is clearly enjoying a purple patch.





Loire wines surely lies in their ability to deliver outstanding examples of their grape varieties as interpreted through their advantageous terroir.

### LOIRE

French white wine, accounting for approximately 8% of the country's vineyards (approx. 500,000 hectares) in 2006, the Loire has struggled despite consolidation among producers in recent years to see off global competition. France still represents the key market, particularly for its sparkling wines.

The three key white varieties grown in the Loire continue to be the Melon de Bourgogne (Muscadet), Chenin Blanc (Vouvray) and Sauvignon Blanc (Sancerre and Pouilly-Fumé). Muscadet, lying on the western Atlantic coast and planted on granite soils still accounts for approximately 40% of Loire's production, mostly made by négociants at modest prices. Chenin Blanc is mostly vinified as sparkling wine although is produced in a plethora of others styles (dry, off-drv. moelleux. sweet) under famous names such as Savennieres, Coteaux du Layon and Vouvray. However, its relative anonymity as the source of these fine wines does little to win over consumers. Sauvignon Blanc only became known as such with the rise of New Zealand's eponymous industry during the 1980s. Formerly the grape was known to a previous generation as Sancerre and Pouilly-Fumé, responsible for approximately 15% of Loire production (2006). Since Cloudy Bay convinced millions into both thinking about and drinking this 'Kiwi' grape, the Loire producers have been like rabbits caught in the headlights, unsure whether to try and beat them or choose a different path. One Sauvignon Blanc region of the Loire that has really suffered from the Kiwi onslaught has been the Touraine; once the de facto wine of choice for those looking for a simple Sauvignon Blanc. Here the wines have fallen between two stools, failing to match the crowd-pleasing aromatic appeal of the New Zealand examples while lacking the terroir and branding of Sancerre or Pouilly-Fumé.

While Muscadet prices and aspirations have remained stubbornly low, there are signs that

Chenin Blanc may at last be showing signs of revival among the smaller artisan estates of Layon, Vouvray and Touraine. Meanwhile the Sauvignon Blancs of Sancerre and Pouilly-Fumé are finding it hard to carve out a living among a new generation of drinkers for whom Sauvignon Blanc is synonymous with the Southern Hemisphere. The authorities have responded by hiring (antipodean) winemaking consultants to bring more consistency and ripeness to their wines. An increasing number are adopting barrel vinification to build further complexity into their wines; a move that should also catch the eye of the wine press.

Global warming has helped deliver a higher level of ripeness – indeed often too much so but this is being offset by a greater prevalence of disease. This is especially the case among the Cabernet Franc vineyards of the Anjou-Saumur region that account for nearly 25% of Loire's production (2006). Historically drunk locally, the red wines of the Saumur-Champigny, Bougueil and Chinon are finding it hard to attract broad interest on the world stage. They may have the *terroir* but do not have the presence, especially coming from what is a region better known for its whites.

The future of Loire wines surely lies in their ability to deliver outstanding examples of their grape varieties as interpreted through their advantageous *terroir*. There needs to be more producers achieving the level of quality shown by the likes of Francois Cotat (Sancerre), Gaston Huets (Vouvray), Nicolas Joly (Savennieres), Domaine de la Chevalerie (Bourgueil) and Didier Dagueneaus (Pouilly-Fumé).

#### Vintage Notes

Vintages over the past decade have again seen a high level of consistency, with nothing less than good and a wonderful series from **2002-2005**. Of the last 10 years **2002**, **2005** and **2010** have been outstanding.

## SOUTHERN FRANCE

B y Southern France, one means the great swathes of vines across the Languedoc, then the Roussillon and then up the South West Coast up to Charente, in other words an extraordinarily diverse area, and one with a cultural and historical backdrop which puts many other apparently grander regions to shame.

This is the domain of bulk wine, of *Vin de Pays*, the so-called wine-lake and genuine structural chaos. It is also the region where some of the great historical appellations (Cahors, Madiran, Limoux and Bandol are obvious examples) are re-inventing themselves. Moreover, it is an area where precisely defined microclimates are coming to international recognition. Examples are legion, but our particular favourites are Pic-Saint-Loup and the Terrasses du Larzac in the Languedoc and St. Martin de Fenouillet in the Côtes-du-Roussillon. Indeed with the on-going success of Minervois-la-Livinière, Southern France is working towards a pyramid system, installing a *Cru* within a *Cru* in the Burgundian mould, and attempting, finally, to instigate a system to provide illumination in deference to the bright Mediterranean light so beloved of Matisse and the extraordinary *terroir*, hitherto woefully underexploited.

Little surprise, then, that there are more international winemakers here than anywhere else and that the Languedoc now has the greatest per cent of AOC vines classified as organic. Beyond the bureaucratic obfuscation, and a rather tricky global economic back-drop, the future looks bright indeed.





# IBERIA SPAIN

pain and Portugal, when put together, make more wine than both France and Italy. The national self-confidence of recent heroics on the football field and on the tennis court has been reflected, in vinous terms, by innovation and a sense of adventure, not least in the architectural ambition evidenced by some of the Bodegas. Riscal's Guggenheim hotel in Elciego being a most flamboyant example which also serves to illustrate the spirit of diversification. But now, with the Mediterranean countries the most vulnerable in terms of the looming economic crisis throughout the Euro-Zone (and beyond), let it be hoped that the progress does not stall.

otal production in Spain in 2010 was just under 5.32 billion bottles, marking a slow but steady decline from a figure which got closer to 6.65 billion over the previous 20 years. This marks a flight to quality and a move away from the dominance of the volume-driven Castilla-La-Mancha region and its fantastically uninspiring Airen grape. La Mancha still accounts for over half of the total production, but its influence, not least in terms of perception, is slowly being eroded by the financial realities of supply and demand and the European Union's rather belated decision to reduce subsidies in areas of decline. More exciting is the re-emergence of traditional varieties and the evolution of hitherto littleknown Denominacions, each with distinctive calling cards. Examples of the former are Monastrell in Alicante, Garnacha in Monsant and Godello in Valdeorras; examples of the latter are Bierzo with its distinctive Mencia variety, now championed by no less a luminary than Alvaro Palacios, and Toro where Tinta de Toro (aka Tempranillo) has been tamed at Pintia, which is owned by Vega Sicilia. Even more avant garde are new DOs Arribes and Tierra de Leon, gaining recognition for indigenous varieties, Juan Garcia and Prieto Picudo.

The three most famous viticultural areas for table wine are Priorat, Ribera Del Duero and Rioia, and it is here where Spain's most expensive wines can be found, with icons such as L'Ermita, Unico and Artadi's El Pison continuing to appreciate as investment wines. Despite its size Priorat provides an exemplary showcase for low-yield old Garnacha, whereas in Ribera Del Duero there seems to be an insatiable demand for ambitiously oaked powerful wines and in Rioja the ancient and modern sit well side by side, with the great traditionalists such as Tondonia and Muga now sharing the vinous high table with modernisers such as Miguel Angel de Gregorio at Finca Allende or Juan Carlos Lopez de Lacalle at Artadi. A series of fine vintages have helped with 2004 and 2001 easily matching the quality of the 1994/1995 duo and 2005 and, to a slightly lesser extent, 2007, also excellent.

Quality and ambition are clearly not in short supply; but is there a global market place in these parlous times? The five leading export markets, largest first, are the UK, Germany, USA, Switzerland and the Netherlands, but only the US has grown in volume since 2007 (by an impressive 60%). Both the UK and Germany still buy twice as much as the USA but their volumes have fallen: in the case of the UK from 125 to 99 million litres over the same time-frame. One has only to look at the once mighty sherry category to realise that there is still a lot of work to be done; sherry exports have dipped by over 50% over the last 30 years and the decline is on-going, total exports dropping from 75 to 61 million bottles from 2006 to 2010. All in all then the problems are as a result of a flight from high volume traditional sectors, exacerbated by a gloomy economic backdrop. If, however, one is in search for diversity and innovation, one is unlikely to be disappointed by what is happening in The New Spain.



More exciting is the reemergence of traditional varieties and the evolution of hitherto little-known Denominacions

### PORTUGAL

Portugal's economic difficulties and large deficit probably go some way to explain the gradual diminution of production, which has fallen from 1.064 billion bottles in 2001 to just under 798 million in 2010. The EU's move to reclassify production leads to a subclassification of these 798 million as follows:

DOP	(Protected Designation of Origin)	266m
IGP	(Protected Geographical Indication)	200m
Vinho	(All other table wine)	212m
Sweet Wine	25	120m

68% of wines are red and *rosado* and 32% are white. The main export markets are Italy, France and Spain, with the domestic market only coming in fourth in terms of volume.

The main quality areas are Minho on the coast, Alentejo inland from Lisbon and the Douro Valley, where table wines continue to develop as the fortified category continues to struggle against the vagaries of fashion, and a concomitant lack of real investment potential. Indeed it is astonishing that only 3.72 million bottles of Madeira are exported, despite the nascent interest in the vintage wines from this famous Atlantic island. Port itself is much larger but in 2010, its exports of 1 billion bottles continued on a downward path. The rarefied Vintage Port market only makes up 5% of the category and, with a split declaration for **2009**, has been unable to equal the more impressive performance, both stylistically and commercially, of the **2007**, **2003** and **2000** campaigns.

#### Vintage Notes

The aforementioned vintages, unsurprisingly, yielded the best wines over the last few years, with honourable mentions for both **2009** and the rather warm **2005**. The most interesting wines are those made from Portugal's local varieties, with Arinto and Alvarinho making aromatic and flavoursome whites and some very fine reds coming from Touriga Nacional, Tinta Roriz and Alicante Bouschet. It is worthy of note that table wines made by the great port houses such as the Quintas of Vesuvio and Noval are starting to forge reputations in their own right, both using traditional grape varieties. Herein may well lie a positive trend to underline both the quality and the originality of Portugal's wines.

### ITALY

espite its ancient, dare one say 'peerless', viticultural heritage and celebrated (red) wines, recent history has seen the Italians drag their feet promotionally and consequently their fine wines have not received the acclaim they deserve. Much of this problem seems to stem from Italy remaining politically and provincially divided. Unfortunately the 'economic miracle' that accompanied Italy's post WWII transformation from a Kingdom to a Republic served only to promote quantity over quality. It is a nation of states that celebrates 150 years of 'Unification' this year yet still the separatist (Lega Nord) calls for the South to be severed from the affluent North. It's a country that up and until 30 of so years ago continued to sell its finest wines in large glass demijohns mainly to restaurants and private customers, who in turn served it in carafes or bottled it themselves with labels supplied by the wineries.

We're pleased to report that Italian fine wine producers and their siblings seemed to have learned the lessons of those 'rock 'n roll' years of the 1980s and 1990s (consultants, *barriques*, international grape varieties, high alcohol levels, big prices) with an increasing number now reverting to the traditional, more natural path trodden by their grandparents, a philosophy that focuses on making elegant, drinkable, reasonably priced wines that interpret Italy's naturally fine *terroir*, one based on limestone soils with altitude via its native grape varieties.

When it comes to autochthonous grapes the vast sea of different varieties, matched by an ocean of DOC and DOCG, has ironically only helped to confuse a consumer keen to get to know Italy's fine and famous wine styles. Put more simply the standout grape varieties (and their important fine wines styles) are, from South to North: Sicily's Nerello Mascalese (Etna Rosso), Puglia's Primitivo (Gioia del Colle and di Manduria), Basilicata's Aglianico (del Vulture), Campania's Aglianico (Taurasi) and white Fiano (di Avellino), Umbria's Sagrantino (di Montefalco). Marche's Montepulciano d'Abruzzo and white Verdicchio (di Matelica), Tuscany's Sangiovese (Chianti Classico, Brunello di Montalcino, Vino Nobile di Montepulciano), Friuli's Pinot Grigio, Veneto's white Garganega (Soave), Corvina (Valpolicella) and white Glera (Prosecco) and Piedmont's Nebbiolo (Barbaresco and Barolo). The penny is finally dropping that these are the varieties and wines to focus on. for producers, salesmen and consumers.

In the meantime Italy remains the world's second largest producer of wine, thanks largely to the immense quantities of bulk wine still produced in the South to be bottled as cheap, own-label wine or distributed across Europe as blending material. The fine wines continue to be ever finer, particularly in the North but progressively in the South, as more families exit the cooperage system in favour of bottling themselves; the next generation better prepared than the previous.

The USA and Japan remain important destinations for the more famous wine styles while Scandinavia and Canada are taking to the mid-priced lines. China is on everyone's horizon but it is proving tricky to crack the French hegemony, even if Nebbiolo is (one of) the natural partners to Chinese dishes, however daunting. There's a lot of education to be done.

Among the fast improving producers to track down would be: Manuel Marinacci (Barbaresco), Cascina Fontana (Barolo), Monte dei Ragni (Valpolicella), Bibbiano (Chianti Classico) and San Giuseppe (Brunello di Montalcino), Carbone (Aglianico del Vulture), Luigi Tecce (Taurasi) and Graci (Etna Rosso).

#### Vintage Notes

Vintages have been consistently good to excellent since the early **1990s**, arguably thanks to climate change; not a problem for a country whose native black grapes are used to the heat, ever since Monte Vesuvius first erupted. If one had to pick out the finest years they would be **2004**, **2006** and **2009**, but there has not really been a weak vintage in the last decade. While this is an extremely exciting period to be drinking Italian fine wine, the scope for secondary market appreciation in value is limited (except perhaps with wines such as Masseto) as the quantities produced of the finest wines are restricted.

### GERMANY

## **AUSTRIA**

ermany remains the undisputed champion of the Riesling grape; the most revered and long-lived of all white grapes whose shelf price once exceeded that of First Growth Red Bordeaux.

The 100,000 hectares of vineyards are centred round the rivers Rhine and Mosel whose exceptional mesoclimates enable the fruit to ripen even at such a high latitude. The steep slatey slopes of the Mosel Valley produce the lightest, most minerally Rieslings, with firm, steely examples coming from its tributaries, the Saar and Ruwer. The south-facing slopes of the Rheingau are drier and sunnier, so the wines are fuller. The underrated Nahe lies in between the Mosel and Rheingau both stylistically and geographically, while the large Rheinhessen region can produce firm, full and racy Rieslings. The Pfalz region further south is warmer, so the wines are richer. Traditional wines have a degree of sweetness.

Over the past decade the occurrence of warmer vintages and a change in the key German market's tastes have witnessed a definite move towards a dry style of Riesling. These factors have also facilitated the production of Spatburgunder (Pinot Noir), notably coming from the Pfalz region.

Prominent producers of high quality Riesling include Donnhoff (Nahe), JJ Prum (Mosel) and Merkelbach (Mosel).

#### Vintage Notes

Again we find ourselves reflecting on a golden decade, with an unbroken run of good to excellent years.

The **2010** vintage is looking very promising for producers with the best vineyards while out of the last 10 years **2001**, **2005** and **2009** can be regarded as near-perfect, and **2002** and **2007** exceptional.

rom the depths of the 1985 crisis of confidence that hit the Austrian wine industry following the discovery of anti-freeze in a few of its wines, their producers have risen Phoenix-like, to make Austria the home of some of the most exciting wines anywhere in the world.

Compared to their neighbours Germany, the Austrians have set their stall to produce full-bodied (mostly) dry white wines, where residual sugar is the exception not the norm. Riesling is the grape that extracts the maximum expression from the terraced schist and granite slopes, notably in the Wachua region along the Danube. Gruner Veltiner, which is not dissimilar to Pinot Gris in character, prefers the less demanding loess and silty sites of the Kremstal and Kamptal regions.

All find their main market in Vienna, a factor that seems to keep the cellars empty and the prices relatively high.

Unlike its neighbour Germany, Austria employs irrigation quite liberally, especially on the free-draining flood plains that support Gruner Veltliner. Climate change has aggravated this situation with a few producers switching to black varieties such as Pinot Noir or St. Laurent.

Other new developments concern the rise of Blaufrankisch, a black grape similar to Nebbiolo, which is showing great promise on the calcareous clay hills of the Burgenland, close to the Hungarian border.

#### Vintage Notes

In terms of vintages, **2009** was fine for both whites and reds, and from the past decade the pick of the years would be **2001**, **2004** and **2005**. Intervening years were by no means poor, with clement weather conditions leading to the production of consistently good-toexcellent wines.

### AUSTRALIA

he history of Australia's wine industry over the past 30 years has been one of almost continuous success. until the relentless growth in sales ground to a halt and went into reverse 3 years ago. 2010 saw the third consecutive year of export sales volume decline, so to what can this be attributed? The relative strength of the Australian dollar is clearly a factor; moreover, the country has been less affected than most by the global recession, and in competitive overseas markets the strength of the currency has an obvious negative effect for Australian wines set against competition from more troubled producer-countries, desperate to shift volumes at knock-down prices.

One noticeable trend in the past 2 years has been a marked increase in the export of bulk Australian wines, up from 22% of total exports to 47%, with almost half going to the UK, Australia's biggest export market. This development is clearly driven by a desire in the importing country to reduce costs, as it is appreciably cheaper to ship wine in bulk and bottle it locally than to ship glass and packaging expensively around the world. With environmental issues very much in vogue at present this trend may well continue in the near future. Australia built its reputation for competitivelypriced, attractive, fruit-driven wines which were easy to understand and to enjoy. Most of the sales went through multiples, supported by aggressive promotion, and the lower reaches of the on-premise market. The challenge for the country now is to show that it can truly challenge the Old World's more established wine regions by introducing high-quality wines which reflect the unique character of their origins. The cooler viticultural zones seem best placed to deliver this, so we would look to Victoria's Yarra Valley and Mornington Peninsula for Pinot Noir and Chardonnay, Tasmania for sparkling wines, Eden Valley and Clare Valley in South Australia for vibrant, precise Rieslings, and Margaret River in West Australia for Bordeaux and Rhône-style wines made from Cabernet Sauvignon and Shiraz. The celebrated Barossa Valley and Coonawarra in South Australia remain bastions of quality, of course, for these two latter varietals. The massive plantings of vines which led to overproduction and a consequent glut of massmarket wines needs now to be superseded by a recognition of the high quality levels which Australian wine can aspire to if made on a small scale by conscientious producers. 80% of the country's production lies in the hands of six major conglomerates, so it is to the other 20% that one looks for the more individual, terroir-reflective wines. The wines are undoubtedly there, so it now becomes a marketing challenge to convey the message to the consumer.





#### Vintage Notes 2009

A challenging year owing to drought. Excellent whites from cool sites in South Australia, and some truly wonderful wines from West Australia. Parts of Victoria, too, enjoyed a memorable vintage, especially the Mornington Peninsula, as did the Hunter Valley in New South Wales.

#### 2008

Quite a mild growing season in South Australia, favouring white wines in particular, which have pronounced aromatic definition, especially in the Clare and Eden Valleys.

The vintage for New South Wales proved very good, with the exception of the Hunter Valley where the bush fires had a catastrophic effect on the reds. Western Australia enjoyed an exceptional year for both white and red wines.

#### 2007

The key feature of the **2007** wine vintage in Australia was drought, which reduced yields, but the effect was most keenly felt in the regions which produce grapes destined for mass-market brands.

In South Australia the wines are dense and concentrated, and in Victoria the reduced yield has led to a very high level of quality. Western Australia (Margaret River, Blackwood Valley, Pemberton) was less affected by drought, and indeed enjoyed a superb growing season.

#### 2006

**2006** proved an outstanding wine vintage as many areas harvested 2-3 weeks earlier than usual, except in Western Australia, where a cool summer and wet autumn reduced ripeness and, ultimately, quality. South Australia looks to be the very best region, especially the relatively cooler-climate zones, but Victoria made wonderfully voluptuous Pinot Noirs and Cabernet blends were widely successful.

#### 2005

Cooler weather at harvest time, with intermittent showers of rain helping to retain freshness, meant that this will go down as a vintage of finesse and elegance in which the grape varieties' characteristics are well-defined.

#### 2004

A successful year for Australian wine, particularly as winter and spring rains restored water table levels after the drought of **2003**.

#### 2003

Drought was a huge influence in **2003** for vineyards throughout Australia, reducing crop size and adding significantly to concentration levels.

Most successful varieties were the tannic red grapes such as Cabernet Sauvignon and Shiraz, which produced dense, structured wines of power, intensity and longevity.

#### 2002

Overall **2002** was a vintage of excellent quality, especially for Australian white wines and red wines from the river regions.

#### 2001

A summer heatwave and a dry spell concentrated the grapes and brought about high degrees of ripeness, leading to wines of very good quality and structure.

### **NEW ZEALAND**

The wines of New Zealand continue to enjoy an excellent reputation in export markets with sales up 11% in the past year. Production is massively dominated by Sauvignon Blanc from the Marlborough district at the top of the south island. The grape was responsible for 70% of production (by volume) in 2011 and the region for 75%.

#### 2011 Harvest

TOTAL Tonnes	324,591
Other regions	49
Waikato	51
Northland	111
Canterbury	254
Auckland	1,464
Wairarapa	3,598
Central Otago	7,104
Nelson	7,854
Waipara	9,231
Gisborne	14,450
Hawkes Bay	35,533
Marlborough	244,893

#### By Grape Type:

Sauvignon Blanc	224,412
Pinot Noir	31,156
Chardonnay	25,580
Pinot Gris	17,787
Merlot	9,092
Riesling	6,118
Gewurztraminer	1,836
Syrah	1,741
Cabernet Sauvignon	1,667
TOTAL Tonnes	324,591

The extraordinary success of Marlborough Sauvignon Blanc has led to massive new plantings, especially either side of the West Coast Road heading up the Wairau Valley. It remains to be seen whether there will prove to be significant frost risk in this previously unplanted area. In order to maintain and develop their reputation for one of the world's premium Sauvignon Blancs, producers in more established parts of Marlborough are looking to develop subregional identities such as the Brancott, Waihopai and Awatere valleys. Favourable conditions and the onset of new plantings have coincided to produce an uplift of +34% for the 2011 crop over 2010.

Hawkes Bay, the oldest established region in the North Island, is also commercially the most significant. The region has made its name with Chardonnay for white wines and blends of Bordeaux varieties for red, especially on the alluvial plain which has been designated as Gimblett Gravels. Syrah has also received much acclamation. Note that the 2011 crop was noticeably reduced in 2011 compared to 2010 for Hawkes Bay and most other North Island viticultural districts.

New Zealand has developed a special reputation for Pinot Noir as the premium New World producer, and indeed the only country in the world where Pinot is the most widely planted red grape. Central Otago now leads the field but there are first class examples, albeit often small scale production from Wairarapa (Martinborough), Wairapa (North Canterbury), Marlborough and Nelson.

With Sauvignon so dominant among New Zealand's white wines, producers (especially outside Marlborough) must choose which other white variety to work with.Chardonnay, excepting some Hawke's Bay wineries, has rarely captured the imagination, so the principal choices are Pinot Gris and Riesling, either of which can be made in a variety of styles with greater or lesser body and/or residual sugar.

The varietal which has been exciting much interest recently, however, is Syrah. The preference for the French name for this grape rather than the Australian Shiraz is indicative of the style of the wine, more brisk red fruit and fine-boned structure than ultraripe and heady.

#### Vintage Notes

In terms of recent vintages, **2010** was an excellent year across the board, although quantity was greatly reduced for Marlborough Sauvignon Blanc. In **2009** the star performers were the red wines of Hawke's Bay, which have marvellous depth allied to excellent structure and have good ageing potential. **2008** is another fine year but is particularly successful for the Pinot Noirs of Martinborough and Central Otago.

### **SOUTH AFRICA**

n wine terms South Africa's story over the past 17 years has been one of relentless expansion and growing success. When Nelson Mandela came to power in 1994 the country's wine producers could once again look to overseas markets, many of which had shunned South African wines during the apartheid years. Exports have risen from 50 million litres in 1994 to almost 400 million litres in 2010.

The major export market is the UK, which takes 32%, followed by Germany (18%), Sweden (10%) and Holland (7%). The wide exposure to competition has also spurred the country's winemakers to improve the quality of their wines. Prior to 1994, with much of the production destined for domestic consumption, the innovation which characterised winemaking in Australasia and South America had largely passed South Africa by, but the pace of change since then has been rapid.

56% of South Africa's vineyards are planted to white varietals, with Chenin Blanc (18%), Sauvignon Blanc (9%) and Chardonnay (8%) comprising the lion's share. Of the 44% planted to red grapes, Cabernet Sauvignon occupies 12%, Shiraz 10%, Merlot 7% and the native Pinotage 6%.

Broadly speaking, the Bordeaux-blend red grapes are to be found at their best in Stellenbosch and in Constantia, the peninsula of land surrounded by oceans on two sides which lies just below Cape Town. The cool-climate areas of Elgin and Elim have proved eminently suitable for the production of high-quality, aromatic varietals such as Sauvignon Blanc. The warmer region of Swartland has seen significant plantings of Rhône grapes, both red and white, and the growing number of blends made from these varietals has been one of the most exciting developments in South Africa in recent years, led by the iconic Eben Sandie and supported by Chris Mullineaux and others.

In 2010 South Africa overtook France to become the fourth-largest exporter of wines to Britain, testament to the improving quality and value of their wines. The trend looks set to continue, given the drive and innovative creativity displayed by many of the country's growers, with the strengthening rand the only obvious blot of the horizon.

### Vintage Notes 2010

Favourable weather from mid-summer through to harvest time produced a vintage of very high quality, with a relatively low yield resulting in wines of high concentration and intensity.

#### 2009

Cool weather continued well into the summer but the crucial final 3 months before harvest were hot and dry, leading to what was hailed as an outstanding vintage. The only blot on the landscape was the risk of smoke taint from fires which raged through some vineyard areas a few weeks before harvest, but serious producers eliminated from their blends any grapes which had even the slightest hint of smoke.

#### 2008

**2008** was a challenging vintage year for South African wine-producers, with plenty of rain and a cool summer presenting problems of rot and mildew in the vineyards. Careful grape selection was required and only the best growers made fine wine. The dry white wines benefitted from a cooler growing season and they are full of aroma and fresh acidity. A benefit for the red wines is that they are mercifully free of high alcohol, and show excellent varietal character with good balance.

#### 2007

**2007** in South Africa produced wines with saturated colour and outstanding aroma intensity, big, complex structures and fruit opulence.

The cooler weather later in the season was ideal for later-ripening, thicker-skinned grapes like Shiraz and Cabernet. Luckily, no overripening took place thanks to the heatweave in January which concentrated flavours. Colour and fruit extract are impressive, and the top wines are powerful, mouth-filling, and succulent.

#### 2006

**2006** was a good year for reds and an even better one for white wines in South Africa. Fruit quality was excellent, despite the adverse conditions in the vineyard, ranging from strong winds during the berry set, to intense heat that affected sugar levels.

#### 2005

**2005** was a challenging vintage for both red and white wines in South Africa. The dry hot summer that caused sugar levels to "hit the roof", followed on from a wetter than usual spring that resulted in fungal diseases for the grapes and low yields in the vineyards.



#### 2004

The **2004** harvest yielded the biggest crop ever in South African wine history. The wines, both reds and whites, are of classic South African style, big, structured and concentrated. Cool climatic conditions caused the growing and ripening conditions to be long, allowing grapes to ripen slowly and fully on the vine, accumulating complexity and fruit intensity.

#### 2003

**2003** is considered as the best vintage in South African wine history. Reds are sublime, robustly-structured, lush in fruitiness, yet with excellent flavour definition and well integrated tannins. The whites are also successful across the board, from the early ripening Sauvignon Blanc and Chenin Blanc, to the late-ripening Chardonnay.

#### 2002

A moderate quality wine vintage for most of South Africa.

#### 2001

An excellent year. Quantities were down but quality is very good to excellent. The reds in particular are well-structured and display very good depth of fruit. Some compare **2001** with great red wine years such as **1974**, **1986**, **1991** and **1995**.

### USA

Ithough 48 states produce table wine in the USA the market is totally dominated by California, with supporting roles played by Oregon and Washington State.

California has long enjoyed a reputation for producing top-class wines from the Cabernet Sauvignon and Chardonnay grapes, fit to rank alongside the top echelons of Bordeaux and Burgundy, but regrettably with prices to match. Most Californian wineries can sell over 90% of their production within America, so have less of a commercial imperative to export their wines than, say, Australia, which has a very small domestic market by comparison. High-volume producers like Gallo are the exception, but the real attraction for most consumers of Californian wine is the quality of the premium, estate-grown wines. Those top wineries which do seek to export are doing so with an eye on obtaining prestigious listings alongside European classics in leading retail and on-premise accounts. The dominant areas within California for high-quality wines are the Napa Valley, home to outstanding Cabernet wines, and Sonoma County. This latter has some cool sub-regions, such as Carneros and the Russian River Valley, which have proved ideal for the production of classy Chardonnay wines, and even Pinot Noir. Some of the Chardonnays, in particular, display a minerality and restraint highly reminiscent of top Burgundy.

A host of other varietals are grown in the state but not all have achieved global success. Syrah has succeeded in pockets such as Santa Barbara, but Merlot fails to reach the heights it scales in Pomerol or St. Émilion, while the style of Sauvignon Blanc made here, generally sweeter than examples from the southern hemisphere, does not find favour outside the USA. Zinfandel, a grape native to California, has worked well in developing a global presence, although its reputation for quality has been harmed by the ocean of massmarket wines produced from over-cropped vines in recent years.

High prices have harmed California's ability to compete in the midpremium sector but nevertheless their exports continue to grow, recently passing \$1 billion. The European Union is the major market, accounting for 48%, followed by Canada (26%), Japan (6%), China (3%) and Hong Kong (3%). China has come from nowhere in this respect and its consumption of Californian wines is growing exponentially.

A reassuring trend in recent years has been the move away from heavily-oaked, alcoholic, extracted wines towards a more subtle, restrained style. These wines are less tiring to the palate as well as being more food-friendly.

Further north, Oregon's star continues to rise as a producer of fine, cool-climate Pinot Noir. As in Burgundy, the climate is marginal, with rainfall from the Pacific more a problem than the hail and frost which can bedevil the European bastion of the Pinot Noir grape. Great hopes were held for Pinot Gris in Oregon, but so far this varietal is yet to make a meaningful breakthrough.

Washington's vineyards all lie to the east of the Cascade Mountains, and, if growers were not allowed to irrigate, would suffer drought conditions. The regularity of the climate, and the freedom to irrigate as required, enables the fruit to reach optimum ripeness, and it is the Bordeaux varietals such as Cabernet Sauvignon and Merlot which fare best. With the right level of investment there is no reason why Cabernet blends from Washington should not make a significant impact on overseas markets.

#### Vintage Notes

#### 2009

**2009** was a splendid year, with a burst of heat in August bringing the grapes to perfect maturity.

#### 2008

Outstanding in California, where after a cool summer an autumn heatwave delivered wonderful fruit. More variable in Oregon where rain caused some dilution.

#### 2007

Brilliant. Leaving the grapes on the vine for extended ripening has yielded wines of amazing structure and power.

#### 2006

Fabulous in Washington, careful selection needed elsewhere as quality was at times uneven.

#### 2005

In **2005** the Californian Cabernet Sauvignon wines are marvellous with classic structure, backbone and balance.

The Merlots are plump and attractive, and the best will keep well. Pinot Noirs from California are round, ripe and juicy, those from Oregon a little less full but still very fine and elegant.

In Washington State the grapes were small but ripe and yielded wines of intense colour with excellent balance and ripeness.

#### 2004

Very fine in Oregon, more patchy in Washington but Cabernets are very good. In California the cooler sites performed best in a year of great heat.

#### 2003

**2003** marked an excellent vintage for North American wines. Small yields led to wines of great concentration with deep, fruit flavours and ripe tannins. Two of the best-performing appellations were Mendocino County and Santa Cruz Mountains (Ridge wines).

Oregon produced ripe, lush Pinot Noirs, and Washington's red wines showed superb richness and complexity.

#### 2002

Another very good vintage for California and Oregon, and one of the best ever in Washington.

A long, generally cool growing season in California provided very ripe fruit, with the complexity that comes from a long hangtime.

#### 2001

A vintage of big powerful wines, with intense, deep colour, precise aromatic purity and excellent ageing potential. Merlots and Cabernets from California are especially successful. Pinot Noirs are soft, silky-textured and approachable.

A similar comment applies to Washington State reds, which seem very ripe and approachable, with lowish acidity and tannin levels.

### CHILE

he earthquake in March 2010, allied to naturally short crops in both 2010 and 2011, has meant that Chile's inexorable rise in production has slowed down, albeit temporarily. The production in 2010 was 1.2 billion bottles, a fraction down on 2009 but still significantly ahead of 2000's figure of 852 million bottles and 505 million bottles in 1996. Chile exports an unusually high percent of its production, with 75% sold outside the country, and the UK and USA the leading import markets. Sales have been increasing by value more than by volume and strong emerging markets include Canada, Brazil, Japan, Hong Kong and Russia. The significant loss of wine stocked in tank after the earthquake allied to the double whammy of a high value Chilean Peso and a weak US dollar have pushed up export prices. The resulting reduction in bulk shipments and the development of premium areas such as Apalta and Casablanca and deluxe wineries such as Sena and Almaviva are also indicative of a strategic change of emphasis. Aspirations are not without ambition; current export values of US\$1.6 billion are targeted to increase to US\$3 billion by 2020. Chile's main grape varieties are the usual international suspects; Carmenère has yet to achieve the international reputation now enjoyed by Argentinean Malbec.

#### Vintage Notes

In terms of recent vintages the pick of the past decade have been all the odd years, **2001**, **2003**, **2005**, **2007** and **2009**, although one has to go back to **2000** to find the last really indifferent year.





### ARGENTINA

ntithetical to Chile in many respects, Argentina only exports 20% of its production, a figure which has remained fairly constant, growing slowly in terms of value and slipping slightly in terms of volume. The 2011 harvest at 1.94 billion bottles is down 10% on 2010 but exports look set to build on the 10% increase between 2009 and 2010 with 22 million cases exported in 2010. The biggest export market is the USA, by a country mile, followed by Canada, Brazil, the UK and the Netherlands. The country's signature grape variety, Malbec, although only representing 15% of plantations, now accounts for up to half of all exported wine, such is its international cachet. Torrontes, its white equivalent, is somewhat more modest by comparison.

The altitude regions of Mendoza, namely the Alto Agrelo and Uco Valleys, are seen as the best source of Malbec, while Salta in the North and Patagonia , 2,000 km to the South, are emerging as the champions of Torrontes and Pinot Noir respectively. While most foreign trade is conducted in US\$, the local market is jeopardised by Argentina's inflationary Achilles heel, the current rate of 30% having a significant impact on production costs. As with Chile, vintage variation is relatively insignificant, but the Argentinians are justifiably proud of the wines from both **2003** and **2005**.

### **THE FUTURE**

S o what does the future hold? The world of wine is everchanging, partly due to technological innovation, partly due to evolution of customer tastes and, in recent times, to a warming weather trend in certain parts of the globe.

The product itself is deeply susceptible to the vagaries of the weather during the growing season, and this, allied to all the factors mentioned above, make it difficult to look forward and predict the future state of the wine market with any confidence. Economic factors play a part too, as the fine wine market, in particular, has a habit of reflecting broad movements in international stock markets.

Overall, however, from a quality point of view we are living in a Golden Age for wine, certainly as far as the mid-to-upper quality levels are concerned. At the bottom end quality is compromised by intense competition, falling prices and a desire amongst certain multinationals to create global brands out of products which do not easily lend themselves to such promotion, unlike beers and spirits. Where producers can obtain a fair return on their investment of money, time and passion, however, it is clear that quality is more consistently high than in any previous era. Whenever one comes across a creator of any product of craftsmanship, whether it be wine, furniture, art or a piece of technology, one wants to see endeavour, passion and conscientiousness reap its due reward. The development of discerning new consumer markets, especially in Asia and South America, seems set to ensure that this trend is maintained.





#### Alun Griffiths MW Buying Director

Alun joined Berrys in 1994 and was appointed Wine Director in 1996. He became Buying Director in 2009. A Master of Wine since 1991, and one of the few to pass at his first

attempt, he lectures frequently on wine in the UK and Asia, as well as participating as a judge in many wine competitions and tasting panels.



#### Jasper Morris MW Burgundy Director

Jasper established his own successful wine business, Morris & Verdin, in 1981, and sold the Company to Berrys in 2004. He passed the Master of Wine Examination in 1985 and now

acts as Berrys' Buyer for Burgundy and New Zealand.

One of the world's leading authorities on Burgundy, Jasper recently published a definitive book on that region, Inside Burgundy, which has become a global success.



#### Simon Field MW, Buyer

Simon turned his back on a lucrative career in Accountancy to enter the wine trade and joined Berrys in 1998. A Master of Wine since 2002, Simon buys wine from Iberia, South America and England. His three favourite

areas of responsibility, however, are Champagne, Languedoc and the Rhône valley, completing a portfolio which, geographically, regularly allows him to combine his love of wine with another great passion, opera.



#### David Berry Green, Buyer

David joined Berrys' Heathrow Terminal 3 Shop in 1994, before gaining a wider experience at Cutty Sark and on www.bbr.com. In 2001 he joined our Buying team and found his raison d'etre. He revels

in the excitement and responsibility of finding and nurturing new producers and bringing their wines to the market.

His current challenge is to convince a wider audience about Italy's indigenous varieties and their natural affinity to food and he has recently relocated to Italy to get to grips with this task. He buys wines from Alsace, Loire, Germany, Italy and Hungary and is the 8th generation of Berrys to work in the company.



Mark Pardoe MW Wholesale Director Mark's background lay in hotels and catering and after gaining many qualifications in that sphere he turned to the wine trade, becoming a Master of Wine in 1989 and gaining the

Madame Bollinger Award for Excellence in Tasting, the first UK winner.

He now buys wine for Berrys' Wholesale function but remains a regular lecturer on the subject, and, indeed, was for many years closely involved with the Institute of Masters of Wine Education and Examination Programme, preparing the next generation of candidates.

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