

Global Wine Trends

Weekly Update

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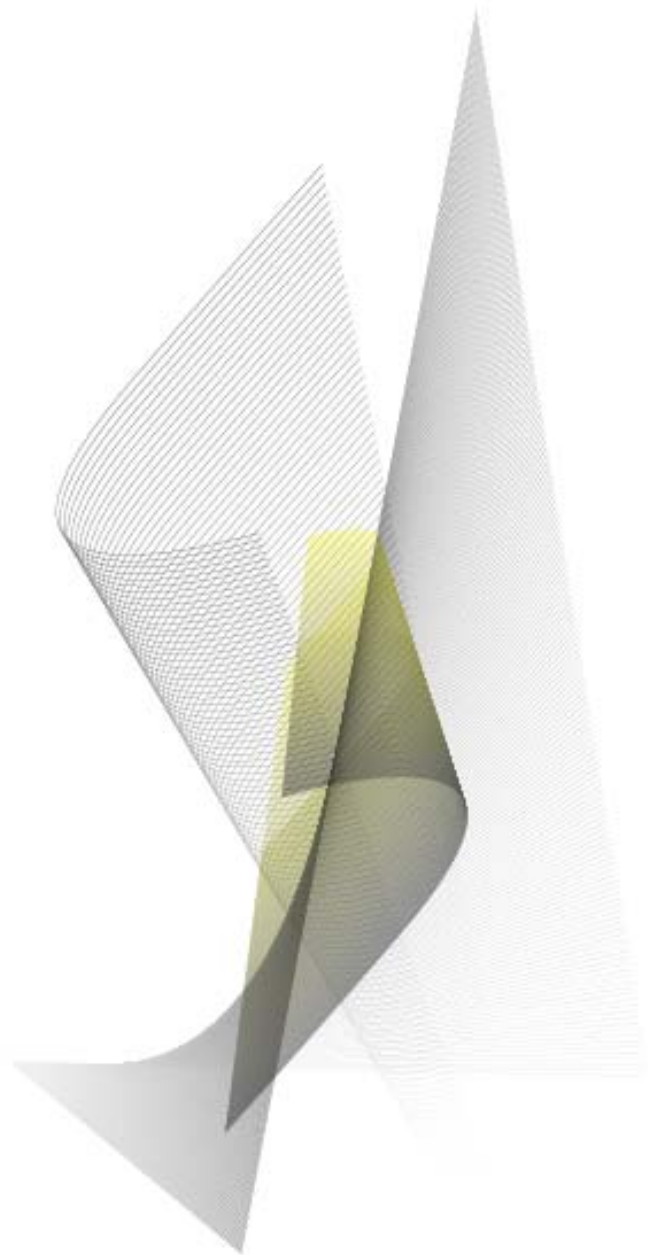


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Global Market Watch

The global market watch outlines developments, spotted and emerging trends that define the current situation in the global wine landscape. It includes all major developments in the market including consumer trends relating to wine and marketing campaigns or approaches, as well as concerns on health and sustainability.

Hong Kong Love of Wine Finds New Outlets

THE NEW YORK TIMES, USA



30.10.09: **When the Hong Kong government eliminated a 40 percent tax on wine last year, oenophiles, importers, retailers and entrepreneurs popped open the bubbly. Then they quickly got down to business.** Auction houses rushed to hold multimillion-dollar sales. Neighborhood wine shops, classes, tastings and workshops appeared where there had been none before. Jeannie Cho Lee, a

Master of Wine, is releasing her first book, "Asian Palate," here next month. And two major wine expositions were organized, with two more on the way: The Hong Kong International Wine and Spirits Fair in the coming week and Vinexpo Asia-Pacific next spring.

Give this city a 40 percent price cut, and it runs with it. Wine imports soared 80 percent in the 12 months after the tax was dropped, in February 2008, to a total of 3.2 billion Hong Kong dollars, or about \$400 million, according to the Hong Kong Trade Development Council. As a comparison, mainland China, with a population of 1.3 billion, imported \$184 million worth of wine in 2007, though that number is expected to grow. Although some of these enterprises might find success elusive because of the hard economic times or the sudden saturation of the market, the heightened interest in wine is palpable.

Two new companies in particular are taking novel approaches to wine-related services here. At the top end of the market is Sarment, which started a custom sommelier service in Hong Kong and London in May. A quirkier enterprise is The 8th Estate Winery, which is not going to let a little inconvenience — the fact that Hong Kong has little arable land and no vineyards — get in its way. Using imported flash-frozen grapes, it presses, ferments, ages and bottles its own wines in a Hong Kong high-rise. It opened for business in December 2008, and most of its wines are becoming ready now. ...

http://www.nytimes.com/2009/10/31/business/global/31wine.html?_r=1

Vinfolio Launches Hong Kong Ecommerce Site; Aims To Expand Fine Wine Sales Operations

REUTERS, USA

04.11.09: **Vinfolio, the foremost source for fine wine, announces its expansion into**



the Asian market with the launch of its Hong Kong ecommerce website, vinfolio.hk. Since the elimination of duties on wine imports in February of last year, the fine wine market in Hong Kong has seen tremendous growth leading many to declare that Hong Kong soon will become the hub for wine trade in Asia. Vinfolio aims to capitalize on these developments with a new ecommerce site that supports its local sales office, enhances its existing customer relationships and leads to a larger share of wine sales in the region. "Launching vinfolio.hk is a natural move for Vinfolio since many of our best customers reside in Hong Kong," says Stephen Bachmann, Vinfolio Founder and CEO.

"We firmly believe that providing a Hong Kong ecommerce website that allows Hong Kong customers to order fine wine locally is fundamental to any successful wine business presence in the region, and demonstrates Vinfolio's commitment to the Hong Kong market." The launch of vinfolio.hk marks another step in Vinfolio's plan to capitalize on the region's heightened interest in fine wine and is a direct response to the growth of fine wine sales in Asia. ...

<http://www.reuters.com/article/pressRelease/idUS12411+05-Nov-2009+BW20091105>

Top Wines, a New Online Wine Store to Buy Boutique Wine at Competitive Price

PR WEB, USA

03.11.09: **The founders of Top Wines are wine lovers who have worked with the Australian wineries for many years and have decided to share their connections and expertise with Australian wine industry and enthusiasts via their new website.** In addition to providing wines from many smaller family-owned vineyards which are only available in limited quantities and rarely through traditional channels, Top Wines arranges for special value pricing.

According to Chris F, Marketing Manager,

"We recognised an opportunity in the market to provide an online winery tour experience. Many people like to visit the wineries and its region to experience new wines from passionate boutique winemakers who lovingly care and handcraft beautiful wines." The opening offer : Buy 6 get 6 FREE is definitely our biggest hit, but I don't think we would be able to hold that offer for long. "Whilst we can't provide the tour, we can definitely make it easy for people who enjoy these wines to access them more regularly without having to wait for their annual or bi-annual wine tour. After all, life is too short to drink poor wine. " **"It used to be that all a retail business needed was a storefront. Then came websites followed by e-commerce functionality. Now companies need blogs, videos and live chat functionality to be more interactive with customers to survive.** The game has changed and we are embracing new technology to stay current with our clientele to offer more than just products." ...

http://www.prweb.com/releases/New_boutique_wine_store/topwines/prweb3146284.htm

American belief in great en primeur 'shaken and probably destroyed'

DECANTER, UK



06/11/2009

03.11.09: There is considerable doubt amongst American merchants as to how they are going to sell the new and apparently stellar 2009 vintage. Wine merchants will buy 2009 Bordeaux futures, but they say that previous vintages are unsold, the economy is uncertain, the exchange rate unfavourable and they doubt Robert Parker can score it higher than 2008 anyway. **Michael Glasby of the American retailer Premier Cru in California predicts that 2009 Bordeaux wines will have to 'fight for their place more fiercely than all the previous vintages of the century.'** He told decanter.com, 'The conviction that en primeur in a great vintage is always worth buying has been shaken and probably destroyed. 'There are many [2008s] still available at their initial level and plenty of highly-rated 2006s and even 2005s available at no more than their initial release price.' In the midwest, merchants predict a difficult sell, despite or even because of the claims for 2009.

Thomas Keim of The Vino Source Corporation in Minnesota said, 'I see an incredibly soft market for both 2008 and 2009 especially in the Midwest.' With the market for wines over US\$40 'almost non existent because of the economy', Keim said consumers are 'sick and tired of hearing vintage of the decade for what is now the fourth and fifth great vintages of the decade in 2008 and 2009.' Others, such as Gil Lempert-Schwarz, chairman of The Wine Institute of Las Vegas and consultant to New York-based wine auctioneer Acker Merrall & Condit, say that Robert Parker 'has run out of points'. ...

<http://www.decanter.com/news/news.php?id=291353>

Australian Wine Makers Push to Renew Sales in U.S.

THE WALL STREET JOURNAL, USA



03.11.09: Wine drinkers thinking of French wines conjure the country's famous winemaking regions: Bordeaux, Burgundy, Champagne. Now Australia's wine industry wants drinkers to think "Coonawarra" and "Barossa Valley" when they're considering buying a glass or bottle that comes from Down Under. **After years of seeing their wines lumped into the "Australia" category on menus and store shelves, marketers there are**

pushing to counteract a sharp recent decline in the value of Australian wine exports to the U.S.

Their strategy: expose Americans to a broader array of styles and brands, especially those that command higher prices than the Yellow Tail and Lindemans brands familiar to Americans. Wine Australia, a branch of a government agency called Australian Wine and Brandy Corp., is exclusively sponsoring events such as September's Chicago Jazz Festival, allowing it to show off its wines without competition. The group also has begun a series of seminars in eight U.S. cities, including San Francisco and Seattle, to teach sommeliers and other wine-industry professionals the nuances of Australian wines.

Years of torrid growth made Australia's wines the second-largest wine import category in the U.S. by volume after Italy's. But dollar sales have stumbled. The value of wine exported to the U.S. fell 23% to A\$741 million (US\$667 million) in the 12-month period through June, compared with the same period two years earlier, according to the Australian Wine and Brandy Corp. Wine



marketers and retailers say Australia has partly been a victim of its own success. For instance, they say, the popularity of Yellow Tail, a low-priced brand known for the wallaby on its label, inspired scores of imitation "critter" brands.

That has led many Americans to think of Australian wine as pretty good, yet cheap and generic. Yellow Tail, the top-selling Australian brand in the U.S., sells for \$6 to \$7 a bottle. Meanwhile, at the higher end—\$15 or more per bottle—the industry for years trumpeted its bold-tasting Shiraz wines, which eventually lost their luster amid competition from Chilean, Spanish and Argentinian wines. "In California, we know the difference between Napa and Sonoma, but Australia is seen as one place and one grape, Shiraz," says Chuck Hayward, a wine buyer at J.J. Buckley, an Oakland, Calif., wine retailer. "It was a perfect storm of laziness...people making so much money they didn't feel they needed to do any work."

Now Australia needs to promote its diversity to revive the category and make it more durable in economic downturns, Mr. Hayward and others say. The tactic is part of an attempt to mend an industry crisis in Australia. There, wineries for months have grappled with excess supplies of grapes and wine, sluggish international sales and the rising Australian dollar, which weakens the value of exported wines. Publicly traded Foster's Group Ltd. of Australia and Constellation Brands Inc. of Victor, N.Y., have been restructuring their Australian wine operations, including selling vineyards and cutting jobs. ...

<http://online.wsj.com/article/SB10001424052748703294004574511582615444224.html>

Wine Line: Wine consumption moves up

MERCED SUN- STAR, AUSTRALIA

04.11.09: According to Reuters News Service, **overall wine consumption in the U.S. rose 0.9 percent in 2008 to 294.7 million cases of wine. Although the growth rate slowed slightly, this marks the 15th consecutive year of case gains. However, consumers have become more frugal with their wine purchases, trading down toward value priced wines.** The Reuters article explained that the growth can be attributed partly to the 70 million people who make up the Millennial generation (people aged 21-30 years). **This generation is not as sophisticated about wine as preceding generations and is willing to experiment with wines at lower price points.** Also, the weakened dollar has caused imported wines to drop 1.8 percent, while domestic wines rose 1.9 percent. Finally, the continued association between moderate wine consumption and decreased risk of heart disease, cancer and stroke remains a key factor of wine's current popularity.

The right wine?

Have you ever been invited to a dinner party and didn't know what wine to take? You don't want to appear too pretentious with an expensive wine nor too cheap with something inferior.

What is the perfect wine for the occasion?

One strategy is to look on the third or fourth shelf of the wine row in your favorite market. Here is where you will find wines priced in the \$10 to \$14 range and when they are on sale (they're always on sale), you will pay a few dollars less.

These wines usually won't have much of a "wow" factor but are solid, consistent value priced wines that are varietally correct and won't break the bank.



Wines from these brands will certainly not disappoint or embarrass you at that dinner party. Because there are so many to choose from, here are my recommendations of wineries you can trust. I suggest you cut it out and keep the list in your wallet or purse. Yes, a wine cheat sheet. How cool is that? ...

<http://www.mercedsunstar.com/115/story/1151319.html>

NZ wine holds reputation in UK despite oversupply worries

THE NATIONAL BUSINESS REVIEW, NEW ZEALAND

05.11.09: Local worries about wine overproduction are nothing new, according to a leading UK wine expert who has been importing and judging New Zealand wine for more than three decades. John Avery was chief judge at the New Zealand Wine Show in 1978 and was back in New Zealand this week to serve as an international judge at the latest Air New Zealand Wine Awards. Mr Avery has been importing New Zealand wines into the UK since the early seventies and told NBR calls to limit production following two bumper harvest had a familiar ring to them.

“They were talking about the dangers of oversupply back when I started judging in the 70s, and the industry has still managed to grow quite nicely.”

He said **the sheer amount of New Zealand wine would push the UK prices down, but were unlikely to have a long-term negative impact on the country's wine brand, which would benefit from the exposure. “People who don't drink it usually will try it, hopefully like it and help spread the reputation. You could get expectations of a lower price, but New Zealand wines are still extremely well known at the top end and that is unlikely to change.** “But here are plenty of buyers who are price fickle and won't pay over six pounds for a wine and they will get that chance in the immediate future, where before they wouldn't even try them.”

He said all of the world's major wine producers had seen their fair share of gluts and shortages and the industry just needed to accept that fact and deal with it. Mr Avery was the first retailer in the United Kingdom to import New Zealand wines and the first to import a comprehensive range from seven wineries in 1979. The explosion of wine production seen since then had seen his range expand, and New Zealand wines imported through the company he still chairs - Avery's Wine Merchants – now accounted for about 15% to 20% of all sales. ...

<http://www.nbr.co.nz/article/nz-wine-brand-holds-reputation-uk-despite-oversupply-worries-114459>

In South Korea, there's a rice wine renaissance

REUTERS, USA

02.11.09: South Korea makes no secret of its desire to see its often fiery cuisine appreciated by a wider international audience. But if recent signs are anything to go by, it may have more luck with the local firewater. **Makgeolli, a milky rice wine traditionally a staple of the rural poor, is now winning converts among tourists and fashion-conscious youth.**Made by fermenting boiled rice and water, standard makgeolli has a light, sweet taste, a chalky texture and an alcohol content of only around 6 percent. **But it's packing a significant punch in terms of export growth, with overseas sales jumping 52 percent year-on-year in 2008**



and a further 13 percent to top \$2 million in the first half of this year, led by rising appetite for the beverage in neighbouring Japan, according to government data.

After seeing its share of South Korea's nearly \$8 billion annual alcohol market slide to under 4 percent in recent decades, the drink has also been reborn at home, thanks to a growing number of brewers such as Kooksoondang making upscale versions. Kooksoondang CEO Bae Jung-ho admitted makgeolli suffered from a "cheap image", with quality slipping in the 1960s when a poverty-stricken South Korea diverted rice stocks away from brewers, who turned to lower-cost substitutes and chemicals that sealed the wine's headache-inducing reputation. But now, Bae says, its being recognised as a quality product. **Despite the shaky state of the economy, Kooksoondang, which touts relatively expensive varieties using high-grade rice, has seen its makgeolli revenues surge 20-fold so far this year, while Bae estimates the domestic makgeolli market has grown 50 percent.** ...

<http://www.reuters.com/article/rbssConsumerGoodsAndRetailNews/idUSSE033142320091103>

More wineries focus on going green

THE WASHINGTON POST, USA

04.11.09: Rodney Strong Wine Estates announced last month that it is now "carbon neutral." The Sonoma County winery joins several in California, South America and New Zealand that, through conservation and investment in clean energy (by buying carbon credits), have reduced their carbon emissions enough to essentially zero out their contribution to greenhouse gases.

Wineries today tout their environmentalist credentials almost as much as their scores from influential wine critics. Their news releases gloat about certifications for sustainable or organic farming or glittering new solar power arrays more often than about the latest vintage release. Napa County police recently nabbed a ring of thieves who were sneaking onto winery grounds at night to pilfer valuable solar panels. Winemakers are farmers, after all. They depend on the Earth, so it is not surprising that they would want to take care of it. For Rodney Strong owner Tom Klein, the carbon-neutral status was just the winery's latest step in environmental conservation. "We started 15 years ago with the easy things: improving our recycling efforts, conserving water, running the winery more efficiently," Klein said. "Then I saw Al Gore's movie, 'An Inconvenient Truth,' and I really got the bug. It convinced me global warming is real."

When the California-based Wine Institute endorsed sustainable wine growing early this decade, Klein hired a viticulture consultant to implement the new guidelines on reduced chemical use and fish-friendly farming, which uses cover crops to reduce runoff into streams and rivers. He converted the winery to solar power in 2003 and joined the Climate Registry, a nonprofit organization that helps businesses, families and governments reduce their carbon footprints. Any winery uses a lot of electricity in temperature control for preserving the wines and buying and shipping bottles. But it can also get credit for the vineyards, which absorb carbon. Rodney Strong buys additional carbon credits through Pacific Gas & Electric and a program called Native Energy to offset its emissions that cannot be reduced or offset by its vineyards.

Carbon neutrality is already becoming a marketing buzzword for environmentally conscious wineries, above and beyond sustainable or organic viticulture. Parducci, in California's Mendocino County, was the first U.S. winery to achieve carbon neutrality, in 2007. Cono Sur, a popular value-priced Chilean brand, also trumpets its carbon neutrality. ...



<http://www.washingtonpost.com/wp-dyn/content/article/2009/11/03/AR2009110300524.html>

Canihan Family's 2007 Pinot Noirs Receive Ratings of '90' and '93-Points'

PR WEB, USA

02.12.09: Canihan Family Cellars' announced today that their 2007 Estate Pinot Noir received a score of 90 points while their reserve Pinot Noir "Exuberance" was awarded a '93- point' score from Connoisseurs' Guide. The wine is the result of organic and bio-dynamic farming practices perfected over the past 30 years. Sonoma, CA (Vocus) November 2, 2009 -- Canihan Family Cellars' announced today that their 2007 Estate Pinot Noir received a score of 90 points while their reserve Pinot Noir "Exuberance" was awarded a '93- point' score from Connoisseurs' Guide.

The wine is the result of organic and bio-dynamic farming practices perfected over the past 30 years. The "Exuberance" label represents the winery's reserve line of small production, hand-crafted Pinot Noir and Syrah, only produced if founder Bill Canihan believes the vintage to be exceptional. "It takes exceptional fruit to make exceptional wine," commented Bill Canihan. "The '93' score validates our biodynamic farming practices and minimalist winemaking techniques." Canihan's Pinot Noir, Syrah and Cabernet Franc are from their Sonoma and Carneros estate vineyards which are certified organic by CCOF. ...

http://www.prweb.com/releases/pinot_noir/wine_vineyard/prweb3149094.htm

Bouchard Finlayson receives Decanter Trophy for Pinot noir

SOUTH AFRICAN WINE, SOUTH AFRICA



03.11.09: At the Cape Winemakers Guild Auction held at Spier Wine Estate on 3 October, Peter Finlayson also received the highest price of R5,200 for a case of wine (equivalent of 6 X 750ml bottles) for his Cape Winemakers Guild (CWG) Unfiltered Pinot Noir 2007 (1,5 litre bottles). These recent achievements underline this wine producer's uncompromising commitment to producing only the finest quality wines. According to winemaker (and Pinot pioneer), Peter Finlayson the Hemel en Aarde Valley has consistently offered world class quality Pinot noir wines.

It's the result of an ideal combination of soil and climate (terroir) in this area - a situation which is fortunately repeated year after year. With regard to the Unfiltered Pinot noir 2007, Finlayson says super summer weather conditions presented quality fruit which met all expectations of the rewarding 2007 Pinot noir vintage. "The combined results from high density plantings, low cropping levels, heavy clay soils, the best barrel selection and years of experience are all reflected in this cameo bottling of three chosen barrels." Bouchard Finlayson's Galpin Peak Pinot Noir 2008 was described by the judges as "earthy, farmyardy and rustic on the nose...with wild strawberry jam fruit (and) a dash of green stalk flavour and a dry finish." It was also placed right at the top under Decanter's "Who makes the best Pinot noir in the World?" with a five star rating.



<http://www.wine.co.za/news/news.aspx?NEWSID=14804>

Bone-Chilling Temperatures Make Great Canadian Reds, Sparklers

BLOOMBERG, USA



02.11.09: Canada's intensely sweet dessert ice wines have won well-deserved kudos over the last decade, but who knew that Ontario produces some first-rate dry whites and reds? I've long been a fan of wines coming out of British Columbia in the Pacific Northwest, but on a recent trip to Toronto I was amazed that good wines made from European vinifera grapes could be made in Ontario's bone-chilling climate. Until recently, wines in the region were made from hardy old native labrusca varieties like Niagara and Concord, or French hybrids like seyval blanc and baco noir. "It's true that we have a harsh winter climate," said Taylor Thompson, director of wine at Reds Bistro & Wine Bar in Toronto. "But there are in fact microclimates that make growing European varieties, even pinot noir, feasible." ...

<http://www.bloomberg.com/apps/news?pid=20601093&sid=aKWFgx2WgiYM>

Trincherro Family Estates Named American Winery of the Year by Wine Enthusiast Magazine

PR NEWSWIRE, USA

02.11.09: The largest Napa Valley family-owned winery is honored for its leadership in the wine industry

Trincherro Family Estates has been named American Winery of the Year by Wine Enthusiast Magazine. The prestigious award, part of the 10th annual Wine Enthusiast Wine Star Awards, will be presented to the Trincherro family at a gala dinner in New York in January of 2010 and featured in the December "Awards" issue of the magazine. Trincherro Family Estates is being recognized for leading sustainable winegrowing and producing a diverse portfolio of more than 22 award-winning wines that represent quality and value.

"I was excited to hear that my family's company was awarded American Winery of the Year by the Wine Enthusiast," says Roger Trincherro, Vice Chairman and CEO of Trincherro Family Estates. "The Wine Enthusiast is one of the most respected publications in the industry and it's an honor to be recognized for our winemaking as well as our business practices and dedication to the environment."

The Trincherro family has been producing wines in the Napa Valley since 1948 when they purchased Sutter Home Winery in St. Helena, Calif. Today, the company continues to be wholly owned and operated by the family and produces wine brands including Sutter Home, Trincherro Napa Valley, Napa Cellars, Terra d'Oro, Montevina, Trinity Oaks, Folie a Deux, Menage a Trois, and the number one alcohol-removed wine, Fre. The company also imports Angove Family Winemakers and Little Boomey wines of Australia, and market and sell the Three Thieves, Bandit and Joel Gott brands. ...

<http://www.prnewswire.com/news-releases/trincherro-family-estates-named-american->



[winery-of-the-year-by-wine-enthusiast-magazine-68540982.html](#)

Winemaker from Seaham beats the French at their own game

SUNDERLAND ECHO, UK

04.11.09: An exp-pat has beaten the French at their own game. Winemaker Graeme Angus, originally from Seaham but who now lives in the South of France, struck gold in the prestigious 2009 International Wine Challenge. The 43-year-old's Trois Terres Grenache Shiraz beat more than 1,000 other wines in the Languedoc Roussillon category – just five years after he and his wife Alice set up their wine-making business.

Mr Angus, who left Seaham when he was 18 to go to university, said: "It's really nice to win. We're only a small operation, selling 6,000 to 8,000 bottles so we're really a drop in the ocean." Mr Angus' passion for wine was sparked more than 20 years ago when he worked in a wine shop while he was a student in Leicester. After working as a doctor in hospitals in London he had a spell in Australia, before moving to France, where Alice, 40, grew up. The dad-of-two, who now works as a GP, set up his own wine-making business in 2004. Today, he makes two Vin de Pays d'Oc organic wines – the Grenache Shiraz and a Syrah. ...

<http://www.sunderlandecho.com/news/Winemaker-from-Seaham-beats-the.5794252.jp>

Pink set to make her own wine?

THE PRESS ASSOCIATION, USA



03.11.09: Pink is apparently thinking about splashing out on a vineyard. The Funhouse singer is hoping to follow in the footsteps of stars like Sting and create her own wine so wants a place where she can concoct some fine brews, reports the Daily Mirror. And it seems the star - who recently patched things up with hubby Carey Hart after some time apart - has already seen a vineyard she likes.

http://www.google.com/hostednews/ukpress/article/ALeqM5gsdy1HMXnmHw2UDLs_-xdSQLgwPA

Global Industry Watch

This section records developments and trends on both industry and individual corporation levels that form a matrix of the major issues and moves in the industry as a whole or by its critical actors and groupings, such as trade associations and regulatory bodies.

Hong Kong: Welcome to wine country?

CNN, USA

When you think of a winery, you probably imagine the bucolic Napa Valley or the dangling vineyard grapes in French wine country.



06/11/2009

So when the top wine experts in the congested city of Hong Kong heard about a new winery in town, they were perplexed. "I thought it was a joke," said independent wine consultant Simon Tam. "My first reaction was, 'Where are the grapes located? Where do people have so much space in Hong Kong to grow grapes?'" said Frank Schuetzendorf, the food and beverage director for the Kowloon Shangri-La Hotel. The answer lies on the third floor of an industrial building in southern Hong Kong island, home of the 8th Estate Winery. Off the crowded streets of one of the world's most densely populated cities is a dark room of 340 oak wine barrels.

This is the creation of Lysanne Tusar, a 29-year old entrepreneur from Vancouver, Canada. In 2007, Tusar merged her love of wine with a simple goal: to start a winery in an untapped market. After doing some research, Tusar decided that Hong Kong was the spot. "Hong Kong seemed to make a lot of sense because it is an isolated community as far as production goes. There's no wine production anywhere close by.

The closest one is in northern China so you'd have to travel quite a ways," Tusar said. She also believes Hong Kong is a microcosm of what will eventually play well in the rest of Asia. According to the Hong Kong Trade Development Council, Hong Kong and mainland China now drink 60 percent of all wine consumed in Asia. My first reaction was, 'Where do people have so much space in Hong Kong to grow grapes?' --Frank Schuetzendorf, Kowloon Shangri-La Hotel The winery's business model is unconventional. Since there is no space for vineyards in this city of 7 million, the winery buys its grapes once a year from another country. Tusar has contracted an Italian winemaker to find premium grapes from a region, negotiate a price and flash freeze the fruit before shipping to Hong Kong. Tusar describes this process as "a bit of a logistical circus." ...

<http://edition.cnn.com/2009/WORLD/asiapcf/11/02/hongkong.wine.maker/>

Wine plan to address looming worries

ABC NET, AUSTRALIA

05.11.09: **The wine industry has developed a draft five-year plan in South Australia to overcome what it says is one of the most uncertain periods in its history.** Gross revenue from wine production in the past financial year was \$2.5 billion, down 21 per cent on the year before. **The industry says it is planning to deal with low water allocations, fluctuating consumer demand, grape oversupply and market volatility. The draft plan aims to develop a secure and skilled workforce, identify infrastructure needs and areas where vines could be grown. It will also push for a reduction of trade barriers to maintain and develop export markets.** Executive Brian Smedley says the wine business is constantly changing. "The plan will be capable of being reviewed on a year-by-year basis to take into account any changing circumstances," he said. "Biosecurity, environment, consumers, oversupply, health and social responsibility, human capital - they're all basically covered." The draft plan is open for comment until Tuesday.

<http://www.abc.net.au/news/stories/2009/11/05/2733667.htm>



Recession forces farmers and wine marketers to adjust

CNN, USA



04.11.09: What a difference a year makes. That's the sentiment that has permeated California's wine sector this fall, as growers ship their final gondolas of grapes to wineries to be crushed. Steve Fredricks of Turrentine Wine Brokerage in Novato sums it up this way: **"At this time last year, especially on the North Coast, we were actually looking for sellers. We had plenty of buyers, the market was good and the prices were up for most of the major varieties. Now it is basically the opposite. We have all of the sellers we need and the buyers are mostly absent from the market."** What has happened in the wine sector the past 12 months can be traced directly to the worldwide economic downturn that has prompted consumers of wine to shift to bottles selling at lower price points than before.

And for winegrape growers, whether this shift bodes well or not depends a lot on where their grapes are grown. In less demand are winegrapes from the North Coast and Central Coast that traditionally make wine selling for \$30 a bottle or more and are also found on the wine lists at high-end restaurants. The opposite is true for winegrapes from the San Joaquin Valley, particularly red varieties. **"The shift in consumer buying habits is depressing the marketplace for North Coast and Central Coast grapes that are traditionally priced higher,"** said Nat DiBuduo, president of Allied Grape Growers. **"There is a push back from wineries not buying at all this year, and those that are buying are buying at lower prices.** That is causing major problems for growers to market their grapes in areas where the cost of farming is high. ...

Imported wine, particularly bulk wine that is brought in to be bottled in the United States, is exacerbating the situation, according to California wine sector leaders. **"Low cost imports are the greatest threat to the livelihood of California growers today. Bulk shipments with the wine being bottled here as well as imports of offshore brands contribute to our problems,"** Crossland said. "The huge surplus of chardonnay in Australia, for example, has helped tank the market here for that variety. We see more labels that were California in the past now marketing imported wine solely because it is available below the cost of production." Monterey County winegrape grower Steve McIntyre said the current bulk wine situation hurts both Australian and California growers.

"If the wineries want to keep us in business as growers in this state, they are going to have to stop being so short sighted. This model is not sustainable for either Australia or the United States and they are going to have to recognize that at some point. We all need to figure out how to remedy the situation," he said.

Nick Frey, executive director of the Sonoma County Winegrape Commission, said he's also concerned about the effect that imported wines are having on California producers. "This is the biggest risk of the recession for California grape growers. The huge increases in bulk wine imports are already impacting California producers of wines under \$10. **The globalization of the wine business is accelerating and the long-term impacts on California grape production are worrisome. We are also seeing bottle imports at higher price points. Thus, no region will be immune from increasing foreign competition,"** Frey said. ...

<http://www.cnwinenews.com/html/200911/4/20091104112223.htm>



Britain's burgeoning wine industry is looking to stars for extra sparkle

THE DAILY TELEGRAPH, UK



30.10.09: Growers are using powerful cameras on board a satellite 500 miles above the earth's surface to take images of their vineyards, showing them where to plant vines and when to harvest the grapes. The high resolution pictures are so accurate they can calculate the number of leaves per square metre which is directly proportional to the quality and yield of grapes. Farmers will also be able

to scan surrounding areas to see what land may be good for cultivation and so help the industry expand. **The technology known as Oenoview, is developed by Infoterra, a division of the European Aeronautic Defence and Space Company, and has already been used in various wine-growing areas of France. It works by calculating the density of foliage on vines by analysing the light that reflects off them.**

As the quantity of vine leaves is linked to the quality of the grapes – the amount of foliage affects the sugar, tannin and chemical composition of the grape – the technology helps growers adjust pruning and fertiliser use and guides them as to when to harvest the grapes to get the best quality. The system also looks at the density of vegetation in surrounding fields to the vineyards to see which would be suitable to grow good quality grapes. "Each year the wine producer has to decide which parts of his vineyard can be harvested together to produce first and second wine," said Henri Douche the Oenoview programme manager. "Oenoview shows wine producers not just how different plots are performing. When a winemaker walks through a vine it is very difficult to judge how the vines are doing. This gives a very sophisticated overview. He said that each pixel of the satellite image shows a four square metre area which is about 4 vines. ...

"The harvest draws to a close this week and we are anticipating one of our largest harvests ever." **Innovation is at the heart of the English wine industry and vineyard owners are keen to use technology that complements their winemaking skills. Developing a pilot programme to use space technology is a smart and exciting next step.** Jamie Ritchie, Head of Marketing at Infoterra UK, said the British space industry was booming. "Like the English wine industry, people are often surprised to hear that we have a thriving space industry in the UK, one that is forecast to grow five per cent per year over the next 20 years," he said. "If space technology can help another UK industry to thrive then we are happy to help." **English winemaking has gone through a renaissance in the last few years. Sparkling wines in particular are now considered to be as good as their continental counterparts. There are 416 vineyards and 116 wineries in the UK with a current average annual production of around 2 million bottles.** Vineyard acreage has grown by approximately 45 per cent in the last four years. UK vineyards extend all over southern England to Cornwall and as far north as York.

<http://www.telegraph.co.uk/science/science-news/6468029/Britains-burgeoning-wine-industry-is-looking-to-stars-for-extra-sparkle.html>



Kosovo wineries struggle after freedom won

TVNZ, NEW ZEALAND

04.11.09: Giddy over the joy of freedom, the owners of the Stone Castle winery raised toasts to independence from Serbia last year, putting out of mind the fact that they had just lost one of their key clients. Winemaking in the rolling hills of Kosovo is one area that has been badly hit after Kosovo declared independence from Serbia in February 2008. Stone Castle in Rahovec is the only one of four state-owned wineries dating back to the Yugoslav era to have been sold successfully. Two Albanian brothers living in the United States bought it in 2006, and it now produces 90% of all Kosovo's wine.

In the 1980s before the wars that broke up Yugoslavia, the winemaker produced 60 million litres of wine a year, of which 40 million litres was shipped by train to Germany. Angry at Kosovo's declaration of independence, Serbia banned Kosovo-marked products and barred trans shipments to other Western European countries, zapping customers and increasing Stone Castle's transport costs by 25% in one blow. In 2008, Stone Castle produced only 10 million litres (2.2 million Imp gallons) and exported 95%, mainly to the European Union and Serbia, its former ruler, before it banned Kosovo goods. "We sell zero in Serbia," said Shani Mullabazi, the manager of Stone Castle vineyards and winery. "Serbia was a very important market for us."

Now he says Stone Castle is looking at the international market as the only way to survive and make a profit by buying grapes in to supplement its production and selling abroad. Wine-making's roots run deep in this region where 2nd century AD wine amphorae have been found by archaeologists and it has always suffered from the vagaries of history. When the Muslim Ottoman Empire conquered the region in the 15th century, they prohibited winemaking. Rather than losing the taste for alcohol, the inhabitants of Kosovo turned to brandy from grapes and plums.

The preferences of yesterday now force today's Kosovo winemakers to depend on Europe for survival. The continental climate, fields located at a height of 300-400 metres (yards) above sea level and more than 200 sunny days a year make Kosovo a good place for wine production. In wooden barrels made 30 years ago, Stone Castle stores Chardonnay, Cabernet Sauvignon, Rhine Riesling, Merlot and Pinot Noir wines made from its own grapes and other vineyards. Stone Castle's main export to Germany, Amselfelder, is a full-bodied red with a tinge of sweetness. "Our main investments will go to improve the quality and reach the position that we had in 1980s when it was a golden time for Kosovo wine," Mullabazi said. ...

<http://tvnz.co.nz/business-news/kosovo-wineries-struggle-after-freedom-won-3111513>

Vote to oust UFW from Gallo overturned

PRESS DEMOCRAT, USA

03.11.09: **The United Farm Workers union has won another round in its long-running legal fight to continue representing about 300 Gallo vineyard workers in Sonoma County. The state Agricultural Labor Relations Board last week overturned the 2007 vote to oust the union from Gallo Vineyards Inc., citing interference from the powerful Modesto-based wine company.** It's the second time this decade that a vote to



remove the union from Gallo's Sonoma County operations has been thrown out following allegations the winery illegally tried to influence the election.

A 2003 decertification vote was also tossed after the ALRB found the company had allowed its labor contractors to aid in the petition drive that triggered the vote. **In the latest case, the five-member board found that Gallo hindered the union's efforts to communicate with workers by giving UFW officials a flawed and incomplete employee list.** In July 2007, workers gathered at Gallo's Dry Creek Valley estate and voted 125-95 to reject the union that had represented them since 1994. Many workers cited limited contact with union officials, high dues and few apparent additional benefits as reason for rejecting the union. But in the days running up to the vote, the company provided union leaders with a flawed list of its 282 vineyard workers.

The list of 65 workers hired by Gallo and 217 other workers hired through labor contractors contained 82 incorrect or invalid addresses, according to an April report by an investigative hearing officer. The bulk of those errors, 58, involved out-of-area addresses, a reflection of the fact that Gallo relied on Central Valley-based labor contractors to farm its 3,200 acres of Sonoma County vineyards. The case turned on whether there were enough inaccuracies in the list to have made a difference in the vote. Gallo argued there weren't enough errors to influence the outcome of the election, noting that UFW officials managed to contact most of the workers by other means. But the UFW argued the flawed list made it particularly difficult for organizers to contact workers at their homes to discuss the upcoming vote.

<http://www.pressdemocrat.com/article/20091103/BUSINESS/911039953/1350?Title=Vote-to-oust-UFW-from-Gallo-overturned>

New Wine Businesses Bloom

WINES AND VINES, USA



29.10.09: **Despite the economy, wineries open and expand across central and eastern states. While you won't hear too many pundits opine anymore that the wine business is recession-proof, it's hard not to feel a sneaking sense of optimism.** Here at Wines & Vines, our in-baskets have been virtually overflowing in recent weeks with announcements of new or growing wine operations.

Today, we'll share the joy, starting with a wrap-up of new wine enterprises east of the Rockies.

In Connecticut

In North Haven, CT., The Wine Press began its second crush. The membership winemaking facility sources fresh grapes from California, Italy and now Chile. Last year the winery produced about 2,700 gallons. Individuals and groups invest in customized barrels and participate in the entire grape-to-bottle process under the guidance of owners Frank Martone and Ray Iannucci. Learn more at thewinepressct.com. Dalice Elizabeth Winery held its official grand opening Oct. 9 and 10 in Preston, inviting guests and the public to enjoy live music, displays by local artisans, cooking demonstrations and, of course, wine tasting. Visitors also toured the Dalice Elizabeth Wine School. Owners Blaze Faillaci and his grandparents Mary-Lee and John Wilcox have a gourmet food-distribution operation. ...



<http://www.winesandvines.com/template.cfm?section=news&content=68735&htitle=New%20Wine%20Businesses%20BloomNew>

2009 grapes 'best for 25 years'

DECANTER, UK

29.10.09: Extravagant praise for the 2009 Bordeaux vintage is pouring in - while merchants gear up for their annual battle over prices. According to figures from Meteo France, September's 233.49 hours of sunshine was 50 more hours than the 30 year average. The rainfall of 48.6mm was almost half the 30 year average of 90.3mm. This exceptionally hot and sunny weather continued into October, with most grapes in the wineries by mid-October, earlier than in 2008. Last week a few chateaux were still bringing in their last grapes, including Chateau Belgrave in the Medoc and Troplong Mondot in Saint Emilion. Olivier Bernard of Domaine du Chevalier in the Graves told decanter.com the grapes this year have been the best for 25 years. '2009 has been a textbook good year.

Cold winter, damp spring, hot and dry summer and extended warm and sunny harvest. In my 25 years of winemaking, these are the best grapes I have brought in. Better than 2005, 2000, 1989 and 1982.' Philippe Dhalluin of Chateau Mouton Rothschild agreed, 'It is not possible that this vintage will not be exceptional.' For many in Bordeaux the varied rainfall on September 19 and 20 (27 mm in at Pichon Comtesse in Pauillac, and up to 100mm in Pomerol) proved beneficial. Gildas d'Ollone, general director of Pichon Comtesse de Lalande said they were saved by the rain. 'Together with the fresh nights, particularly in later September, it helped maintain good acidity to balance high alcohol levels'. ...

<http://www.decanter.com/news/news.php?id=291143>

Australian Vintage in talks on on joint venture

BUSINESS DAY, AUSTRALIA

03.11.09: AUSTRALIAN VINTAGE, formerly known as McGuigan Simeon, says it is in discussions with the drinks company Constellation Brands to pour some of its assets into a joint venture. The US-based Constellation owns Australia's second-largest wine business, Hardy. The two companies have discussed combining their Australian and British wine operations. In exchange, Australian Vintage would receive a substantial interest in the new entity. It described the talks as preliminary. The company recorded a loss of \$123.64 million for 2008-09 after years of restructuring and millions in write-downs and impairment charges. Constellation has also been under pressure and recently cut 350 jobs from its Australian operations in a restructure that included closing some wineries. Last month Foster's announced it would transfer 13 Australian wine brands to a joint venture with Vok Beverages in return for 50 per cent equity in the new entity.

<http://www.businessday.com.au/business/australian-vintage-in-talks-on-on-joint-venture-20091102-htf9.html>



Word is it pairs nicely with corn dogs or nachos

MSNBC, USA

04.11.09: The 7-Eleven convenience store chain announced Tuesday it is getting into the value wine business, releasing two low-priced proprietary wines in the United States and Japan. Sold under the Yosemite Road label, the California wines, a chardonnay and cabernet sauvignon, will retail for about \$3.99, a price-point that has been doing well despite — or perhaps because of — the economic doldrums. "The consumer is really pinched as far as discretionary income. We're seeing a lot of success in products that really resonate on a value basis," said Kevin Elliott, senior vice president of merchandising and logistics of Dallas-based 7-Eleven, Inc.

http://www.msnbc.msn.com/id/33621771/ns/business-food_inc/

Appeals court to hear Mass. law restricting direct shipments of wine to consumers

WASHINGTON EXAMINER, USA

02.11.09: Gerald Leader loves California wines but lives in Massachusetts, where state law sharply limits the ability of out-of-state wineries to ship their products directly to consumers. "I can't go directly to wineries in Napa and Sonoma," said Leader, a retired Boston University professor, who, along with a group of like-minded people, are suing to have the restriction lifted. On Monday, the 1st U.S. Circuit Court of Appeals in Boston is scheduled to hear arguments on the law that for years has been fermenting opposition from out-of-state wine producers, as well as connoisseurs like Leader who would prefer to order their bottles through the Internet or mail order.

Despite a 2005 Supreme Court ruling that opened the door wider to interstate wine shipments, restrictions remain in more than a dozen states. Attorneys say the outcome of the case in Massachusetts could influence others. "It's an example of a protectionist law that violates the commerce clause of the U.S. Constitution," said Tracy Genesen, who will argue the case on behalf of Sacramento, Calif.-based Family Winemakers of California, which represents about 650 producers that claim they have essentially been frozen out of the Massachusetts market. According to Free the Grapes, a coalition of wine producers, retailers and consumers, Alabama, Arkansas, Delaware, Maryland, Montana, New Jersey, Oklahoma, Pennsylvania, South Dakota and Utah prohibit wineries from shipping directly to consumers while Arizona, Kentucky, Ohio along with Massachusetts restrict shipments by companies that produce over a certain amount of wine. ...

<http://www.washingtonexaminer.com/economy/ap/appeals-court-to-hear-mass-law-restricting-direct-shipments-of-wine-to-consumers-68567272.html>

Threshers owner 'discussing administration'

HARPERS, UK

29.10.09: First Quench is facing a new crisis after reports emerged that the off-licence chain could be on the verge of going into administration. The business, which operates around 1,300 shops under the Threshers, Wine Rack, Haddows and Local fascias, is thought to be in urgent



talks with KPMG and is considering a range of options for the future of the estate. Two of the possibilities are a pre-pack administration or a sell-off of some or all of the business. There has been speculation for some time that the business's owner, Vision Capital, may find it easier to identify a purchaser for the Wine Rack segment of the company than the estate in its entirety. A FQR spokeswoman said: "The board of FQR notes recent media speculation about the future of the company. It is no secret that the credit crunch has made a very competitive marketplace even more challenging. The board, in consultation with its advisers, has been actively considering a number of restructuring and strategic options for FQR, and any decision will be made in the best interests of the business and its stakeholders." The company employs around 6,500 people and reported a pre-tax loss of £30 million for the 12 months to June 28 2008.

<http://www.harpers.co.uk/news/news-headlines/8469-threshers-owner-discussing-administration.html>

New Grape, Pristine, Comes to UK

INTERNATIONAL SUPERMARKET NEWS, UK

03.11.09: Pristine is a new variety of grape, and has been introduced to the UK market by Mack Multiples, part of the Fresca Group. The new grape will be in supermarkets this week, and has been developed by Anton Caratan a breeder and grower in California, together with Darrel Fulmer from Sunfresh International, who have the marketing rights. Pristine is a late season grape and has been bred to fill a gap in the US market, to extend the grape season. In the USA the large crunchy grape is preferred, and if it is successful in the UK Mack Multiples could introduce the variety to other growers. Giumarra Vineyards Corporation, the Californian grape breeder have announced the licensing of the Arra grape. Mack has been involved in the marketing of this variety, and link growers with retailers around the world.

<http://www.internationalsupermarketnews.com/index.php/the-news/2224-new-grape-for-uk-market>

Job losses start at First Quench

HARPERS, UK

30.10.09: Eighty-one staff at First Quench Retailing's head office have been made redundant, with administrators warning further job losses and store closures are likely. KPMG has been appointed to handle the collapse of the off-licence chain, which operates 1,202 Threshers, The Local, Wine Rack, Bottoms Up, Victoria Wine and Haddows branded stores across the UK and employs 6,283 people. No stores have yet been closed, and staff have been told they will be paid next week, but 81 redundancies have been made at the Welwyn Garden City head office.

A new buyer is being sought for the company. A spokesperson for KPMG said: "Unfortunately it is likely that some store closures and further redundancies will be made. Once the administrators have assessed the viability of each store, a further communication will be announced. The joint administrators are trading the company while actively seeking a buyer for the business as a going concern. "Eighty-six of the stores are franchises and, as they operate as separate businesses owned by their own management teams, do not fall within the remit of the administration. ...



<http://www.harpers.co.uk/news/news-headlines/8472-job-losses-start-at-first-quench.html>

Alcohol bill could push Scots into England

HARPERS, UK

04.11.09: The Scottish Government's Alcohol Bill, due this month, could push huge numbers of shoppers into England to buy booze, according to the Wine and Spirit Trade Association. New research shows that "booze cruising" is increasing in Ireland due to the price difference north and south of the border, with 16% of Irish householders now choosing to shop in Northern Ireland to save money.

Figures from Nielsen Ireland shows off-sales in Northern Ireland have risen by 30% in the year to August, while off-sales in the south have declined by 7% over the same period. The WSTA believes the same could happen in England if SNP ministers succeed in pushing through their plans for minimum pricing on alcohol at between 40 and 45p per unit. Jeremy Beadles, chief executive of the WSTA, said: "What these figures expose is that in the midst of a recession, people will go those extra miles to save money.

The Scottish Government is preparing to hand England a massive competitive advantage. Retail in England will profit and in Scotland sales will fall, having a damaging impact on the economy, particularly in the Borders. "Again, we are seeing more evidence mounting up that the Scottish Government's plans will be both ineffective and damaging to the Scottish economy."

<http://www.harpers.co.uk/news/news-headlines/8486-alcohol-bill-could-push-scots-into-england.html>

Wine Domain Catalysts Watch

This section records the most important articles written by those widely considered to be thought experts in the wine domain. These opinions are not only a valuable source of information but also provide important indications for current and evolving trends in the wine domain.

Getting hands on the natural wine debate

THE SAN FRANCISCO CHRONICLE, USA

01.11.09: Funny. You look around one day and find yourself trapped, eyebrow-deep in a vat of Syrah. OK, this was self-inflicted imprisonment. Earlier this year I started asking what it actually means to make wine naturally. Because "natural" has become the wine eco-word of the year, the definition of "natural wine" - never that clear to begin with - has grown ever blurrier. Everyone wants to invoke it; not so many want to follow the definition initially conceived in postwar France.

Natural wine isn't a certification as much as a belief that the wine should be the result of the absolute minimum of intervention from the winemaker - a tribute to the grape's transformative ability to become wine with nothing added, nothing taken away. Not no intervention; that would be a pile of decaying grapes. But no acid added, no alcohol removed. Some rules are clear: Commercial yeast is verboten, for



06/11/2009

example. Others are up for debate, like the use of the preservative sulfur dioxide, a part of winemaking for thousands of years. The goal is to avoid wine's industrial trappings. They aren't necessarily bad, but those who believe in natural wine view them as denying wine the ability to express its sense of place. So natural winemaking might be doing very much what ingredient-driven cooking did a generation ago: removing the artifice to focus on great raw materials. Similarly, it opens the door to failure. If your raw ingredients or techniques are flawed, you've sacrificed your safety net. ...

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/10/30/FDU31ABC16.DTL>

Douro 2009 - another dry year

JANSIS ROBINSON, UK



04.11.09: This has been a challenging year for the people of the Douro and the vines that they cultivate. Three dry years in succession in a region such as ours complicates the already difficult task of farming mountain vineyards. By the end of September, only 285 mm of rain had fallen at Quinta do Bomfim, 40% less than normal. Many neighbouring villages have been with little water, sustained only by tanker deliveries from the volunteer fire brigade. Peoples' wells and springs were giving the merest trickle of water and the Douro dust was thick on all our farm tracks and covered our vehicles.

At Vesuvio the young Touriga Franca that was planted in March had to be watered by hand five times. The Douro is not an easy place to farm. But this was not like 2005, a year when drought and heat combined to assail our vines. June gave 39.6 mm of rain and this was enough humidity for the vines to face the summer and they were in good shape with enough leaf growth for bunch shade. The Douro is perhaps the most diverse wine region on earth. It is nearly 100 km long and an average of 25 km wide with a very wide range of terroirs. Some vineyards are at the river's edge at 90 metres above sea level and others are high up the valley at 450 metres, temperatures, ripeness, aspect and sun exposure vary widely. It is impossible to give an assessment that will characterise the whole Douro in a year such as this. The low-lying vineyards that face south in the Douro Superior above the Valeira dam did suffer this year, it could not be any other way. ...

<http://www.jancisrobinson.com/articles/a20091026.html>

An Honest Day's Work From Vienna

THE NEW YORK TIMES, USA

02.11.09: AS a child growing up in Vienna, Carlo Huber would sometimes accompany his father, Rupert E. Huber, to wine bars and heurigen, informal little buffets where Viennese wine estates sold their own produce. When his father had an especially pleasing glass, Mr. Huber recalled, he would exclaim, "Das ist ein ehrlicher Wein!" — That is an honest wine. FROM 1,700 ACRES Carlo Huber, above left, and Paul Darcy are Viennese expatriates who now import wines made in the city.



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Mr. Huber never forgot the sentiment, and as he grew up he came to enjoy those delicate, graceful Viennese wines himself. When his work in marketing took him to New York City in 1993, he was disappointed to see that as Austrian wines gained popularity in the United States, wines from Vienna were virtually unknown. A little more than a year ago, Mr. Huber met another Viennese ex-pat, Paul Darcy, who works in the electrical department of the Metropolitan Opera. Mr. Darcy, too, grew up in Vienna in a wine-loving family and was particularly nostalgic for Viennese wines and wine culture. Though they had no experience in the wine business, they teamed up and made it their mission to supply the United States with some of Vienna's best wines, and so created their wine import company, Darcy and Huber Selections. That any wine comes from Vienna seems absurd on the face of it. Great urban centers are not known for their vineyards, beyond a novelty acre here and there. But Vienna is different. Around 1,700 acres of vines are planted within the city limits. Of the great metropolises in wine-growing countries, Vienna alone has its own appellation. ...

http://www.nytimes.com/2009/11/04/dining/04pour.html?_r=1

Critics doubt French wine-makers' boasts of a vintage year

THE TIMES, UK

05.11.09: It is the harvest of the century in Bordeaux, with exceptional weather conditions producing grapes so fine that dogs are turning vegetarian to eat them.

That, at least, is what the region's wine-makers would have you believe as they lavish praise on this year's pickings. But the claims have prompted wry smiles from French critics and drinkers, who recall that Bordeaux's châteaux said much the same thing about the 2005 vintage — as they did about 2003 and 2000.

"It's yet another vintage of the century," said Bernard Burtschy, a respected critic, in Le Figaro newspaper. "In the face of a depressed market, producers are trying too hard."

Sceptics say that after a 45 per cent fall in prices last year, wine-makers are talking up their harvest to bolster revenue when it is sold to merchants next year.

Gil Lempert-Schwarz, chairman of the Wine Institute of Las Vegas, said that the hype was "mainly a ploy" to offset falling sales amid the economic crisis.

This year, the claims began even before the merlot and cabernet sauvignon grapes had been picked, as owners highlighted ideal weather in September — 233.49 hours of sunshine and 48.6mm of rainfall. ...

<http://www.timesonline.co.uk/tol/news/world/europe/article6903744.ece>



Scientific Developments & Technological Breakthroughs Watch

This section captures the developments in the scientific research landscape in terms of technological breakthroughs and emerging research covering both R&D from companies but also research from academia and institutional bodies. These are essential elements of future trends or cumulatively combined indicators of future market trends and consumer awareness as well as industry practice development.

Red Wine Helps the Heart, But How?

WINESPECTATOR, USA

04.11.09: It's one of the key debates in the study of wine and health: Years of evidence suggests that wine, consumed in moderation, improves heart and circulatory health. But is it the alcohol, or is there something particular to wine? **A recent wave of studies focusing on antioxidative compounds found in red wine—polyphenols like resveratrol, quercetin and various anthocyanidins—suggest that families of these compounds play a crucial role.**

On the other hand, a surprising new study from South Korea argues that the consumption of alcohol actually leads to the buildup of plaque in arteries, triggering coronary artery disease and raising the risk of heart attacks. A study by Dipak Das of the University of Connecticut School of Medicine and Alberto Bertelli of the University of Milan, set to be published in the Journal of Cardiovascular Pharmacology, provides an overview of the current thinking on the subject by analyzing the results of various epidemiological and experimental studies that find that moderate drinking of red wine improves cardiovascular health.

Das and Bertelli began the study because, as they write in the report, "the experimental basis for such health benefits is not fully understood." Das has authored several studies examining the chemical composition of grapes. In this analysis, he finds that resveratrol, found in grape skins, as well as anthocyanidins, found in the seeds, are the primary reason behind circulatory benefits. This would explain evidence that red wine offers greater heart health benefits than white since red wine is in contact with seeds and skins during fermentation. But the research industry is facing hurdles when it comes to developing red-wine compounds into a pharmaceutical product. ...

<http://www.winespectator.com/webfeature/show/id/41134>

Demonstration of Cavitus high power ultrasonics mobile barrel cleaner to winemakers

DAILY WINE NEWS, AUSTRALIA

04.11.09: Cavitus' barrel cleaning and disinfection system using high power ultrasonics (HPU) is the most recent Australian invention to benefit the wine industry. The first commercial HPU mobile unit manufactured in South Australia will visit designated wineries in various wine regions in Australia throughout November 2009 and in the third and fourth quarter of 2010 for winemakers to look at its operation. Attendees will see the effectiveness of the HPU technology



in cleaning barrels, whilst simultaneously killing *Brettanomyces* and other wine spoilage microorganism present in barrels.

Cavitus oenology and industry marketing director Andrew Yap says R&D work undertaken by Cavitus, together with validation trials by independent research institutions (University of Adelaide, AWRI and UNISA) and winery trials in Australia, NZ and California over the past five years, proved "beyond any shadow of doubt that HPU technology is superior to existing cleaning and disinfection methods". "Barrel cleaning using HPU is likely to gain a pre-eminent position in the next five years according to winemakers who are familiar with the Cavitus' HPU system," he said. "The benefits of using HPU technology for barrel cleaning and disinfection are considerable." Yap says economic analysis shows the cost of cleaning a barrel with Cavitus' HPU technology is less than that of high pressure hot water, while wineries not wishing to purchase a unit could benefit from a mobile service provider. A South Australian company, Wine Barrel Cleaning Solutions, has been licensed to use the technology to provide a mobile service to the wine industry ...

<http://www.winebiz.com.au/dwn/details.asp?ID=2795>

Winery waste makes fuel

MSNBC, USA

03.11.09: As if turning grapes into wine wasn't enough, now wineries are aiming to transform their wastes into fuel. The first example of a new renewable method for generating hydrogen fuel from wastewater is now operating at a California winery. The refrigerator-sized generator takes waste from the Napa Wine Company in Oakville, Calif., and feeds it to microbes inside. With the aid of a little electricity, these naturally occurring bacteria break the organic material in the wastewater into hydrogen gas.

There is a lot more energy locked in the wastewater than is currently used to treat it, explained researcher Bruce Logan, an environmental engineer at Penn State University. Eventually, the winery would like to use the hydrogen to run vehicles and power systems. "It's nice that Napa Wine Company offered up their winery and facilities to test this new approach," Logan said. "We chose a winery because it is a natural tourist attraction. People go there all the time to experience wine making and wine, and now they can also see a demonstration of how to make clean hydrogen gas from agricultural wastes." Napa Wine Company's wastewater comes from grape disposal, wine making, cleaning equipment and other processes. ...

<http://www.wineindustryinsight.com/RSS//index.php/hop/latest/winery-waste-makes-fuel-msnbccom/13010>

Too much white wine could ruin teeth, researchers say

THE INDEPENDENT, UK

03.11.09: Drinking white wine regularly could do damage to your pearly whites -- more so than drinking red wine, says a team of German researchers reporting in the journal *Nutrition Research*. Researchers from Johannes Gutenberg University in Mainz analyzed the effects of eight different varieties of red and white wines and their effects on extracted adult teeth that were soaked for 24 hours. White wine was found to do the most damage to the protective layer of the teeth because of its high acidic content, which lowers calcium and mineral levels and



erodes the enamel. Based on their findings, the researchers said that frequent consumption of white wine could lead to severe dental erosion.

Riesling, a white grape varietal, was found to have the lowest pH content, or the highest acidity, the researchers said. They also noted that the custom of eating cheese has some scientific foundation and could counter the acidic effects of wine because the high amounts of calcium in cheese neutralizes saliva and staves off damage from the acid. "The tradition of enjoying different cheeses for dessert, or in combination with drinking wine, might have a beneficial effect on preventing dental erosion since cheeses contain calcium in a high concentration," they wrote.

The findings should be considered with skepticism, according to the UK's National Health Service. Because the study was based on prolonged exposure to acid of extracted teeth in a laboratory setting, the results are not conclusive. Other beverages such as fruit juices, sugary sodas, liqueurs and spirits are likely to produce similar results, it said on its Behind the Headlines website, which monitors health studies reported in the media.

<http://www.independent.co.uk/life-style/health-and-families/health-news/too-much-white-wine-could-ruin-teeth-researchers-say-1814054.html>

Wines from Greece Publicity Monitor

This section presents all international publicity relating to wines from Greece.

Greek history in a bottle

THE FINANCIAL TIMES, UK

02.11.09: Most people's reaction to their first sip of Retsina is much the same – to wonder if someone hasn't sneaked a few drops of pine-scented Dettol into their glass when they weren't looking.

The distinctive resinated wine was the subject of much mirth amongst the first British mass tourists to Greece, already reeling from the shock of the country's lukewarm food and lack of red or brown sauce.

Even now, it's more associated with nights of getting happily hammered at some seaside Taverna than with serious wine connoisseurship - not always without justification.

Nonetheless, despite its curious flavour and low-rent reputation, Retsina is still a fascinating reminder of early wine history and has a racy freshness that its aficionados find delightful.

Retsina gets its flavour from the addition of pieces of pine resin to grapes during fermentation, an ancient custom only the Greeks have held onto.

Until the latter days of the Roman Empire, adding resin to wine was a very common practice that helped to stop wine from spoiling, a problem in the days when wines were stored in large pottery jars called amphorae, whose porous surfaces prevented from being entirely airtight.

These jars were initially sealed with a coating of resin, until winemakers noticed that simply adding resin to wine was even more effective.



With the advent of wooden barrels in the waning empire of the third century AD, it was no longer necessary to resinate wines – it's perhaps possible that the novelty of wines that didn't taste like turpentine reconciled the latter-day Romans to seeing their empire overrun by hordes of sunburnt Germanic yahoos.

The Byzantines, however, persisted with the practice, having developed a taste for the stuff, with Retsina the one remaining example of this historic style. ...

<http://www.ftadviser.com/InvestmentAdviser/Investments/Comment/article/20091102/0a239048-c55e-11de-b1d4-00144f2af8e8/Greek-history-in-a-bottle.jsp>

Blogosphere Monitor

In this section the most important blog entries for wine and Greek wine are recorded.

Why do American elementary schools equate wine and pot?

DR. VINO, USA



03.11.09: Last week, our first-grade son brought a pamphlet home from public school equating wine and pot. On one page, entitled "Drugs are trouble," wine, beer, marijuana and cigarettes are graphically depicted in a cage making cat calls at children. Wine, marijuana; they're both drugs! On the flip side, at least they differentiate between wine and illegal drugs—all while introducing the topics of crack and cocaine! I can see it now: "Sonny, come help daddy pick out a nice wine

for tonight's dinner. Should we have a '47 Cheval Blanc or a '61 Lafite? Look, there's your birth year wine over there that we can drink together when you turn 21. Oh, watch out—don't step on daddy's crystal crack pipe!"

In all seriousness, for six-year-olds? Come on. The whole discussion is not only heavy-handed but also grossly premature. (Checking on the web site of the company that produced the educational materials, I see topics such as "fighting germs" and "following directions" for first graders; drugs and alcohol are saved for fifth grade so someone at the school may have been overzealous.) We'll just keep on having wine with dinner and our son is welcome to smell it whenever he wants. For the parents out there, what have you seen about in your children's schooling? How has wine consumption been framed, if at all, for your kids outside of the home? And what do you do if it clashes with your worldview?

<http://www.drvin.com/2009/11/03/kids-children-wine-drug-education/>

2002 Ferrari "Perlé" Blanc de Blancs Sparkling Wine, Trentino, Italy

VINOGRAPHY, USA

31.10.09: Who knows what it is, exactly, about sparkling wine that entices us so. But go to any wine region around the world, and you're bound to find someone making sparkling wine there (for better or worse). Most, even the best contenders, have a hard time holding a candle to the benchmarks of Champagne. There are a select few regions and producers outside of France,



however, that manage to make sparkling wines that are truly exceptional. Two of them (at least) are in Italy, and this is the story of one of them.

At the turn of the 20th century, Champagne was definitely the center of the universe for sparkling wine, as it had been for at least two centuries before that. So when an enterprising young Italian winemaker wanted to learn about making sparkling wines, there was really only one place for him to go. Giulio Ferrari completed his winemaking degree in Italy, and then moved to Epernay, France, in the heart of the Champagne region to work and learn all he could about how the French were making their sparkling wines. In 1902 he returned to Trentino, in Italy's Alto Adige, bringing with him cuttings of what would be the very first Chardonnay grown in the country, and the passion to make sparkling wine that could rival Champagne.

From his early plantings, and gradually expanding vineyards, Ferrari made small quantities of meticulously crafted sparkling wines for nearly 50 years. Known with great affection for his stubborn dedication to quality and attention to detail, his wines were sold to a group of customers that signed up months, even years in advance to purchase their allotment of wines. In the course of those five decades, Ferrari's production grew from a few hundred bottles to only 9000. Bottles, not cases. ...

http://www.vinography.com/archives/2009/10/2002_ferrari_perle_blanc_de_bl.html

Peripheral Domains Intelligence

This section covers developments from associated domains such as Greek food, taste and culinary trends, as well as any other significant information that has an impact on or derives from the global wine domain.

WISA tackles environmental issues

DAILY WINE NEWS, AUSTRALIA

02.11.09: Wine Industry Suppliers Australia Inc. (WISA) held its inaugural environmental forum titled 'Gaining environmental credibility: from the vineyard to the consumer', at the head offices of the event's sponsor, Primary Industries and Resources South Australia (PIRSA), in Adelaide on 29 October. The seminar was created as a result of WISA's understanding that the environmental consciousness of consumers has awakened and winery's compliance with environmental regulations is becoming an expectation.

A panel including commentators from sectors across the supply chain, including viticulture, winemaking, packaging, distribution and retailing ensured the gathering of around 50 attendees engaged in lively discussion about the impact of environmental issues on the industry. Celebrating the release of Taylors Wines' new fully carbon neutral range Eighty Acres, brand manager Jonathan Lord said the brand was a "whole-hearted business decision for perpetuity", which had been two years in the making, following research into the label's life cycle by Provisor in accordance with the principals of ISO 14044 accreditation. Test results were independently verified by RMIT University. ...

<http://www.winebiz.com.au/dwn/>



The World's First Wine Magazine With Wine Concierge Service

REUTERS, USA

03.11.09: The world's leading FINE Wine magazines present:

FINE EXCLUSIVE - the world's most up-to-date knowledge of the finest and rarest wines. FINE EXCLUSIVE - The only Wine magazine with FINE Wine Concierge service The world's FINEst wine magazine cannot be bought or subscribed anywhere. It is available by Invitation only. FINE Exclusive combines the most comprehensive and up-to-date knowledge of fine wine in the world with award-winning visual design. It is a quarterly fine wine magazine with a minimum of 164 pages, with the option of personalized covers for each subscriber. It also had the world's only Fine Wine Index and Drinkability Index, which allows subscribers an in-dept knowledge of finest mature wines and their real market value compared to their optimal drinking potential. FINE Exclusive also present the world's first FINE Wine Concierge service dedicated to subscribers, whether they are buying, selling or enjoying the world's most sought-after wines. FINE Exclusive has a mailing list that is limited to 5000. The first vintage 2010 subscriptions are now available only by invitation. The Vintage 2010 subscription, with all the benefits, is five hundred euros. ...

<http://www.reuters.com/article/pressRelease/idUS91401+03-Nov-2009+PRN20091103>

Global Sustaining & Emerging Trends Digest

This section presents those global, macro and micro trends that affect or potentially affect the wine domain. Comprehensive fusion and distillation of the above publicity parathesis concludes to the most important aspects as those appear in the current setting.

On-Premise Recession = Wine Depression

WINES INDUSTRY INSIGHT, USA

04.11.09: While off-premise wine sales have suffered from the recession, on-premise consumption has ben hammered by a full-blown depression. This is likely to continue for another year, according to data from Nielsen, along with two, on-premise data specialists: **Technomics and GuestMetrics Nielsen believes that this means the upcoming holiday season will see a surge in at-home entertaining and a continued sag in bar and restaurant celebrations. According to Nielsen, on-premise wine sales account for just 25 percent of the volume but 52 percent of the value.**

BARS, RESTAURANTS AN EASY TARGET FOR SAVINGS

With the consumer need to save money, the relatively high cost of on-premise food and wine is an easy target for cost savings.

Nielsen's Homescan Consumer Panel Survey shows that:

- 68% of consumers have cut back on fine dining
- 57% have cut back on casual dining
- 59% go to bars less often



- 33% drink an alcoholic beverage less often when they do go out.

Nielsen's Homescan Consumer Panel consists of 100,000 households selected to be statistically representative — both geographically and demographically — of the American market as a whole.

WINE IS HARDEST HIT ALC BEV ON-PREMISE

While it's well-known that off-premise wine sales have been battered by consumers "trading down" in price points, bars and restaurants have been all but abandoned by many consumers.

In a survey of six major metro areas by Guest Metrics, the data indicates that, on average, wine consumption was hit almost twice as hard as spirits and more than three times as hard as beer. The data, looking at January to June 2009 versus the same period in 2008 showed wine as the biggest loser by far:

2009, First Half Growth/Decline

- Wine, -26%
- Spirits, -14%
- Beer, -8%

According to data from Technomics' partnership with GrestMetrics, overall on-premise alcohol sales are expected to decline 4.9 percent for all of 2009.

According to the Nielsen Economic Advisor - Beverage Alcohol, the dollar-share of on-premise sales began to decline in 2008 after six years of steady growth:

2008 Growth/Decline

- Wine, -3.3%
- Spirits, -3%
- Beer, -1.3%

TECHNOMICS: NO ON-PREMISE WINE GROWTH UNTIL 2011

Food service consultancy Technomics believes that total alcohol sales in all away-from-home venues will decline 2.5 percent in 2010. The biggest declines will be seen in casual full-service restaurants and high-end white tablecloth restaurants.

2010 Projected Growth/Decline

- Wine, -6.7%
- Spirits, -2,1%
- Beer, -1.8%

"Our outlook for alcohol sales is based upon continued weakness in restaurant traffic and further consumer frugality," stated David Henkes, Vice President at Technomic and the director of the firm's on-premise practice. "The overall share of visits that include alcohol has been on a downward slide for several quarters. While next year won't be quite as bad, we don't think we'll begin to see real growth in consumer spending on alcohol again until 2011," Henkes said.

Technomics

2010 Forecast for Overall On-Premise Alcohol Growth



06/11/2009

By On-Premise Segment	2010 Growth/Decline (%)
▪ Fine Dining	-10.4
▪ Casual Dining	-6.8
▪ Bars/Nightclubs	0.6
▪ Lodging	-6.1
▪ Casinos	-5.0
▪ Concessions	-2.0
▪ Other Recreation	-4.2
▪ Overall On-Premise	-2.5

NIELSEN: EATING OUT LESS IS #1 CONSUMER SAVING TACTIC

Consumers cited “eating out less” as the number one action they have taken to save on recession-battered household expenses. The Nielsen Homescan data found that 46 percent cited this as their top tactic. Further, the data indicated that this choice was consistent across both age and income groups.

<http://wineindustryinsight.com/?p=6468>

