

Global Wine Trends

Weekly Update

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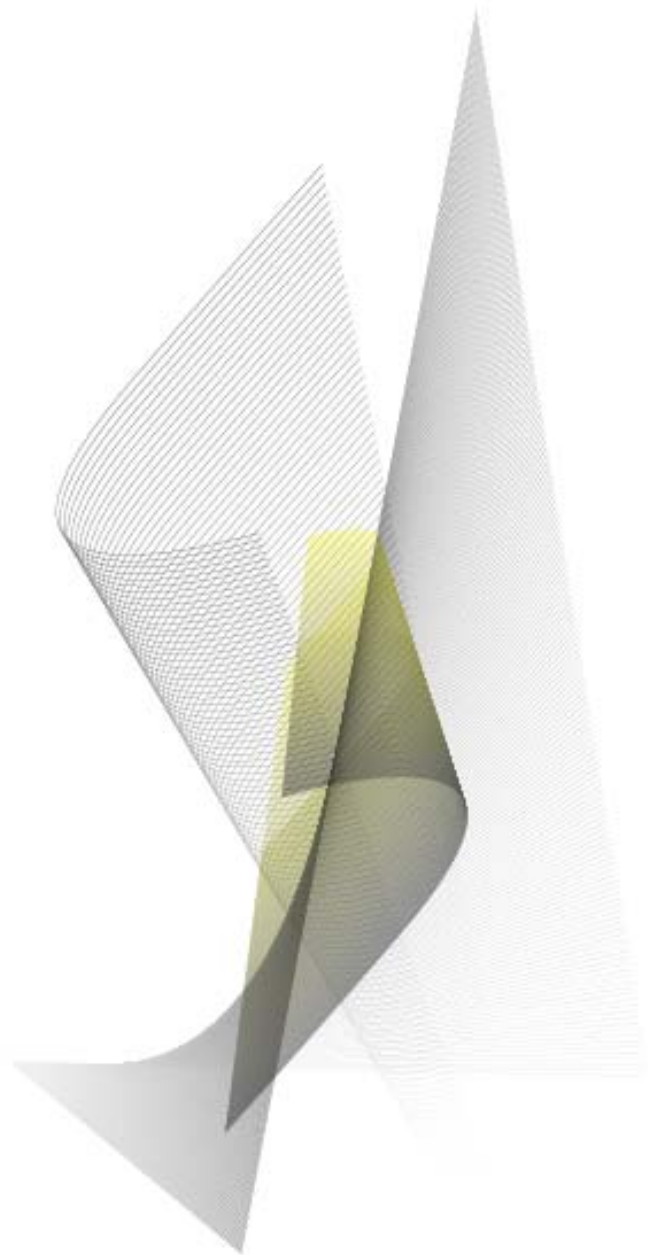


Table of Contents

Table of Contents	2
Global Market Watch	4
Sotheby's fine wine auction breaks more records in Hong Kong	4
Bordeaux Vineyards Threatened by Proposed High-Speed Train Tracks	4
Châteauneuf-du-Pape wine producer accused of faking vintages	5
English sparkling wine beats French champagne to top title.....	5
Wine Appreciation: Low alcohol needn't mean low enjoyment	6
Château Montrose 1989: A Very Special Occasion Wine	11
Connoisseurs stop sniffing at Japanese wine.....	6
Wheaton wine firm introduces enthusiasts to opportunities	7
The Secretive Man behind Italy's Best Wine	8
Passion for wine transforms banker into vintner	9
Wine Appreciation, Made Easier	9
Ice wine is nice wine	10
Global Industry Watch	11
New York Governor reopens supermarket wine sales debate.....	11
WSWA Applauds Fifth Circuit Decision Upholding States' Rights and the Three-Tier System.....	12
Napa on Alert for New Grapevine Pest	12
Near-forgotten French grape becomes part of U.S. wine heritage	13
Schumer: Wine sales threatened by Canadian tariff	14
California wine sales drop	14
Vinfolio seeks bankruptcy protection	15
Constellation Brands credit facility amended.....	15
Wrigley to take over as Majestic chairman	16
Wineries celebrate export all-clear	16
Canadian Wine May Soon be More Canadian.....	17
Foreign wine invades Aussie market	17
Bulgarian wine ranks second in imports to Russia in 2009.....	17
Premium Kiwi producers join forces.....	18
A flat tax for wine will bring its own hangover	18
Australian initiative to asses viability of its wineries	19
Australian Vintage's performance improve	19
Wine sellers furious over sudden change in customs legislation	20
Warning issued against Templar Vintners.....	20
Wine Domain Catalysts Watch.....	21
Dan Berger: The collapse of cabernet.....	21
Scientific Developments & Technological Breakthroughs Watch.....	22



Wine Grape Growers around the Globe Experience Richer Reds and Brighter Whites with Purshade.....	22
Red wine could be bad for you, says new research.....	23
Switching to lower-alcohol wine 'prevents cancer'	23
Wines from Greece Publicity Monitor	23
Lessons in syrah, sirah and zinfandel	23
Blogosphere Monitor.....	24
Thumbs Up? Thumbs Down? An Unscientific, Much-Welcomed Approach to Wine Ratings.....	24
Buckfast tonic wine is a potent cocktail that's linked with violence, so why do the monks put so much caffeine into it?	25
Drinking problems: why can't you get a decent glass of wine at the theatre?	26
A Wine Report from Home	26
Garagiste Winemakers of Chile: Introducing MOVI	27
Peripheral Domains Intelligence	28
Wine community rallies to help Haiti	28
Winery upcycles used wine bottles, corks and caps.....	28
CellarTracker: a new model for wine reviews?	29
Tesco iPhone app makes it easy to shop for wine	30
The Paradox of Restaurant Wine Lists	30
Wine delegates revive taste of the good times	31
District wineries raise their glasses to super mulch.....	31
China makes 'world's largest wine bottle'.....	32
Global Sustaining & Emerging Trends Digest	32
Highlight: The case for investing in fine wine	32



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.

Sotheby's fine wine auction breaks more records in Hong Kong

DECANTER, UK

25.01.10: **Asian fine wine buyers have shrugged off the downturn to spend just under HK\$53m (US\$6.8m) in a single day at a record-breaking Sotheby's auction in Hong Kong. The sale at the Mandarin Oriental Hotel on Saturday sold all 840 lots, comfortably beating pre-sale estimates of HK\$40m (US\$5.1m) and breaking Sotheby's record for a single day auction.** Highlights among the Bordeaux-dominated lots included two magnums of Château Pétrus 1982, which sold for HK\$435,000 (US\$56,000), more than three times their pre-sale estimate, and a six-litre bottle of Château Lafite 1982, which netted HK\$363,000 (US\$47,000). A jeroboam of Château Latour fetched HK\$338,800 (US\$44,000), while three magnums of La Tâche Domaine de la Romanée-Conti 1985 were sold for HK\$242,000 (US\$31,000). Buyers from Hong Kong, mainland China and Taiwan dominated the bidding, with Sotheby's having to install a second sales room to cope with demand for the auction. During the ten-hour sale, the fourth in a series from The Classic Cellar of a Great American Collector, bidders were served with a host of fine wines, including Louis Roederer Blanc de Blancs 1993 and Château Haut-Brion 1998. Financial commentators say wealthy Chinese are increasingly keen to invest in fine wine, partly because of growing fears of inflation on the Chinese mainland.

<http://www.decanter.com/news/news.php?id=294184>

Bordeaux Vineyards Threatened by Proposed High-Speed Train Tracks

WINE SPECTATOR, USA

22.01.10: **A new TGV line would slice through 124 acres in Graves. Winegrowers in Bordeaux's Graves appellation were dismayed to learn on Monday that vineyards belonging to 10 châteaux could be torn up to make way for a new high-speed train line.** The new TGV rail link, which will carry passengers from Bordeaux to either Toulouse or Spain, will be constructed south of the city of Bordeaux through some of the region's oldest vineyards. Winery owners and growers are vowing to fight the proposal. Ten estates will be affected by the line and its 2,000-yard corridor, damaging an estimated 124 acres out of the appellation's total production of 9,390 acres. ...

<http://www.winespectator.com/webfeature/show/id/41606>



Châteauneuf-du-Pape wine producer accused of faking vintages

THE DAILY TELEGRAPH, UK



27.01.10: In scenes described as Dallas-sur-Châteauneuf-du-Pape, Guy Arnaud and his daughter, Carole, have been fighting tooth and nail over an ancestral estate north of Avignon encompassing two prized wine domains. The father-daughter battle, which has been raging for a year and a half, has appalled the reserved local winemaking community. **The feud began when Mr Arnaud, who owns one of the region's**

largest vineyards, spread over the chateaux of Cabrières and Maucoil, decided to share out some of his land between his three daughters and their husbands while still alive. Each daughter was due to get 17 hectares (42 acres) of vineyards, estimated to be worth up to €500,000 (£440,000) per hectare. Two of the daughters were happy with the arrangement. But the third, Carole Perveyrie-Arnaud, decided the inheritance process was taking too long and that she wanted immediate access to her share to be able to cultivate it. She then contacted the authorities, claiming that her father was violating appellation rules by buying wine from outside the area and putting the Châteauneuf-du-Pape label on the bottles. The father "totally refuted" the fraud allegation.

"Carole Arnaud has made some very grave claims. She denounced her own parents, she claimed they doctored their barrels," said Mr Arnaud's lawyer. No foul play was detected, however, and a few months later, the entire family met to try to resolve the feud – drawing up a new contract. This time Mrs Perveyrie-Arnaud was ceded the immediate rights to vineyards worth €3.5 million. However, shortly afterwards, she decided this too was not sufficient. ...

<http://www.telegraph.co.uk/news/worldnews/europe/france/7079323/Chateauneuf-du-Pape-wine-producer-accused-of-faking-vintages.html>

English sparkling wine beats French champagne to top title

THE DAILY TELEGRAPH, UK

29.01.10: **Nyetimber's Classic Cuvée 2003 which is made in Sussex was crowned Champion of Worldwide Sparkling Wines in the competition run by Italy's wine magazine Euposia.** Now in its second year, the competition Bollicine del Mondo attracts sparkling wines from around the world. The wines are tasted blind by a panel of judges including winemakers. **The Nyetimber wine, made from Chardonnay, Pinot Noir and Pinot Meunier grapes, is described as having "aromas of mandarins, vanilla and lemons" as well as "shortbread and light apricot" with "biscuity notes playing a supporting role".** Camel Valley's Pinot Noir Brut, which is made in Bodmin, Cornwall, also featured in the top 10. **The English wines, which cost less than £30 a bottle, were competing with France's leading Champagne manufacturers. Nyetimber's Blanc de Blancs 2001 was in the top 12 wines in the competition, out of a total of 52 entries.** Eric Hareema, the owner of Nyetimber in West Chiltington, Sussex, said the success of the wine was due to the hot summer of 2003, which produced the winning grapes. ...

<http://www.telegraph.co.uk/news/newstoppers/howaboutthat/7094055/English-sparkling-wine-beats-French-champagne-to-top-title.html>



Wine Appreciation: Low alcohol needn't mean low enjoyment

FINANCIAL TIMES, UK

25.01.10: **But while de-alcoholised wines are so odiously bad I won't deign to publicise them, normal wines whose alcohol levels are on the low side are often excellent.** While they won't knock you flat, they often have a bit more finesse than their boozier counterparts. Oaky, boozy, high-alcohol reds may be hugely popular, but I find they can often taste a little jammy and overcooked, with a hint of throat burn that overpowers their flavours in the heaviest cases. **There's plenty of this type of wine around, of course. With global warming, the spread of viticulture in the New World and the widespread taste for wines that sizzle, average alcohol levels have been rising steadily.** Given extra sun, modern grapes just have that much more sugar in them to convert to alcohol. While it's rare to find a Californian wine, for example, that declares itself over 15 per cent alcohol by volume (already a massive amount), there are many reds from the state that taste as if they contain far more than that (not being a wine inspector, I would never swear that they actually do). **While all that sun can give wine fire and guts, I can't help preferring the steely coolness of northern bottles, where a longer time ripening on the vine gives the grapes more aroma. So what to go for if you want to try something lighter? Bottom of the alcoholic heap is the Italian sweet wine Moscato D'Asti. ...**

For a light wine that still tastes reassuringly close to the heavy stuff, you need to go up a few percentage points and try a good Mosel Riesling. With a far northern position, the Mosel Valley's vineyards are as steep as a ski jump and often as chilly. While grapes in some cooler sites don't produce enough sugar to make heavily boozy wine, their slow-ripening, limestone-sucking roots still ensure they have plenty of flavour. A good example of these is Dr Loosen Ürziger Würzgarten Riesling Kabinett 2008 - yes, German wine labels are still as hopelessly long-winded as ever - available at Waitrose for £11.68. With very sharp acidity and a peppery, faintly honeyed nose, the wine is a brilliantly refreshing mix of lime and green apple enlivened with a hint of sweet spice. At 7.5 per cent, it'll leave you with your wits largely intact, but has a sharp aromatic elegance to it that can make heftier vintages seem just a little crass.

<http://www.ftadviser.com/InvestmentAdviser/Investments/Comment/article/20100125/bcd4c7d4-073a-11df-9b61-00144f2af8e8/Wine-Appreciation-Low-alcohol-neednt-mean-low-enjoyment.jsp>

Also published:

Low alcohol wines: time to lighten up a little - THE DAILY TELEGRAPH, UK

<http://www.telegraph.co.uk/foodanddrink/wine/7044370/Low-alcohol-wines-time-to-lighten-up-a-little.html>

Connoisseurs stop sniffing at Japanese wine

THE INDEPENDENT, UK

25.01.10: The reputation of Japan's wines is not up there with those of France and Italy, Australia or California, Italy or Chile. **But a new wave of wines made from 100 percent domestically raised grapes is causing raised eyebrows among people who know their chablis from their cabernet sauvignon. Shomei Yokouchi, the governor of Japan's prime wine growing region, took part in a promotional event in London in January**



in which he extolled the virtues of Yamanashi Prefecture's wine labels. Accompanied by representatives of wineries in the region, he **introduced 15 Koshu white wines, made from the local Koshubudo grape, at a reception at the Japanese embassy. Served with traditional Japanese cuisine, including sushi, Governor Yokouchi described the combination of the two as a "special chemistry" - and vowed to take Yamanashi's wine message to more potential overseas markets in the future. ...**

And it is on the Koshu grape that the industry is pinning its hopes for more recognition. **An indigenous variety that travelled to Japan via central Asia and China more than a millennium ago, experts discovered in 2004 that it is 90 percent vitis vinifera, part of the same genus that first produced sauvignon blanc in Europe. Japan's 200 wineries set about making the most of this windfall and are now exporting limited amounts to the United States and Europe.** Even drinkers in France - arguably the toughest market in the world to crack for interloping wines - have snapped up close to 6,000 bottles since early 2008. Described as the ideal companion for the more subtle tones and flavors of sushi and other seafood that feature in Japanese cuisine, the dry whites are getting good reviews. ...

<http://www.independent.co.uk/life-style/food-and-drink/connoisseurs-stop-sniffing-at-japanese-wine-1878356.html>

Wheaton wine firm introduces enthusiasts to opportunities

WASHINGTON POST, USA

28.01.10: When wine lovers get together, they usually talk about the season's grape harvest, the bestselling bottles and the corks they're most excited to pop. But Wheaton-based wine consulting firm GiraMondo Associates made sure there was none of that last week at its inaugural Wine Entrepreneurs Conference. **Instead, the event drew hundreds of wine enthusiasts from around the world to talk about the business behind the beverage. The conference, which took place at the Argentinean and Chilean embassies in Northwest Washington, focused on opening a new world for the ancient drink, and included topics such as wine tourism, franchising and social media, said Laurent Guinand, president of GiraMondo. "For a long time, people had a dream of entering the wine industry," he said. "But now they're acting more on it."** GiraMondo launched its business in 2004 in the Westfield Wheaton Shopping Center, featuring wine classes and consultations for those looking to enter the wine industry, but it never sells a bottle. Guinand, a native of France, has partnered with a French company to develop international GiraMondo franchises. The two-day conference last week featured such industry experts as Hardy Wallace, a blogger and social media director for Murphy-Goode Winery in California. Wallace was laid off from his job in the tech industry last year, so he spent his newfound free time launching a blog about the wine culture in Atlanta. The blog helped Wallace qualify for a job at Murphy-Goode, which was holding a national contest to look for its next lifestyle correspondent. Against the odds, Wallace was hired for what he calls his dream job. He gets \$10,000 a month writing the winery's blog and monitoring all of its social accounts, such as Facebook, Twitter and YouTube. Feverishly taking notes during Wallace's speech Friday was Priscilla Muñoz, 32, of New York. She left her job as a lawyer four years ago to start a wine tourism company targeted at Manhattanites. ...

<http://www.washingtonpost.com/wp->



dyn/content/article/2010/01/27/AR2010012702540.html

The Secretive Man behind Italy's Best Wine

BUSINESS WEEK, USA

26.01.10: I've been drinking wine with pleasure for a very long time and the jaw-dropping moments have been few and far between. Sometimes the wines I expected little of proved to be a revelation, which was the case when I had my first sip of Edoardo Valentini's Trebbiano d'Abruzzo 30 years ago at a seafood restaurant in Italy. My wife and I had ordered spaghetti with clams and a grilled branzino graced only with olive oil and lemon at Guerino in the seaside town of Pescara in the Abruzzo region. **Looking over the winelist I spotted Valentini's wine at a price way above the other trebbianos. In those days \$10 was a fortune to spend on an Italian white, especially trebbiano, which is made in Abruzzo in bulk and is rarely more than dry and pleasant. The other odd thing about the Valentini listing was its age, 10 years, which is about 8 years more than I would ever consider drinking a trebbiano. I was curious.** The waiter poured the wine and the color was not promising, like burnished gold, usually a sign of considerable oxidation in a white wine. **I swirled the glass and the aroma was very full. ...**

Lord of Wines

"Ah, that is a trebbiano made by the Lord of the Wines in Abruzzo." **Beyond that revelation, he had no more information, almost like a Transylvanian speaking in hushed tones about the Lord of Darkness. In the years since, I have drunk Valentini's Trebbiano d'Abruzzo whenever I could find it (as well as his superb red Montepulciano d'Abruzzo), which isn't often enough. Information on the winery is hard to come by.** Edoardo Valentini, who died in 2006 at the age of 72, was not a man to give away his secrets. He had no public relations agency and no Web site. He was notorious for refusing media visits or interviews. When Charles Scicolone, now food and wine editor of I- Italy.org, got to visit the estate a few years ago, Valentini and his family "sat there like Mussolini and were very unpleasant," he told me. **"He would not show us his winery or tell us anything about how he made the wines. He did, though, talk endlessly about how he grew the grapes, which he said was the only true clone of trebbiano, and how he covered his vines with canopies. Then he refused to sell us his wine."**

Three Centuries

The little information that can be pieced together about him and his winery shows that his ancestral home in Loreto Aprutino goes back three centuries, and that he studied law before devoting himself to the 170 acres of vineyards in the 1950s. That trebbiano clone may well be one reason for his wine's superiority. Another may be Valentini's mania for picking only the best grapes. He used only about 5 percent of the crop to make his wines (the rest was sold off to a cantina sociale).

Although allowed by law to make as many as 800,000 bottles each year, Valentini never made more than 35,000 of his Trebbiano and 15,000 of Montepulciano, usually much less. And it was always hard prying any out of him. The wines are made by old-fashioned methods of vinification and aging, a tradition carried on now by his son Francesco Paolo. The wines are never released until the winemaker determines they have sufficient age, which may be five years or more. **Only the greatest of white Burgundies and sweet rieslings of Germany can hold up to a decade or more in the bottle, yet**



Valentini's vintages of 1985, 1988, and several in the 1990s are prized by collectors.

...

http://www.businessweek.com/lifestyle/content/jan2010/bw20100126_183454.htm

Passion for wine transforms banker into vintner

REUTERS, UK

25.01.10: "In order to go into the wine business, you have to have a passion for it. You have to have a love for it. Let's say there are better businesses to go into, more profitable, more lucrative. Easier ways to make money," said Recanati. "In other words, you go into it because you love it, not because it's a business. **It starts out as a hobby. When it makes money, it becomes a business.**" His passion started as a child in Haifa, Israel, where his parents had a vineyard in the garden of his home. Today, Recanati has about 5,000 bottles in his cellar and is the owner of a winery in Israel's Hefer Valley in the Upper Galilee that he opened in 2000 with a small group of investors. His new winemaker, Gil Shatsberg, 48, who founded the Israeli boutique winery at Amphorae, traces his love of wine to working in the vineyard of Kibbutz Tzora. After military service, Shatsberg was determined to find a job that would involve art but not spending whole days in an office or in the field. Winemaking met his requirements. When he started Shatsberg tried to "take all the sunshine we have in Israel and push into the bottle and concentrate everything and shove it into the glass." The wines were dense, heavy and high in alcohol. "They were too big," he explained. "I realized that when I couldn't finish my own wine, that it was too heavy." Now he aims for wines that are more elegant with less alcohol. "Wines with finesse that are tasty and fruity and you drink the vineyard and the sunshine in their elegance," he said. Winemakers in Israel, like their colleagues across the border in Lebanon, have to contend with conflict as well as nature. The most recent release of Recanati's Reserve Merlot 2006 was made from grapes from the Ella Valley near Jerusalem, instead of the Upper Galilee. ...

<http://www.reuters.com/article/idUSTRE60P28X20100126>

Wine Appreciation, Made Easier

THE NEW YORK TIMES, USA

22.01.10: **KELLY TOBIN, a 35-year-old stockbroker from Hoboken, learned that the old rule of white wine with fish and red with meat no longer applies.** Joseph Chillemi, a 32-year-old accountant from Jersey City, **picked up a neat trick for avoiding confusion when ordering from an extensive wine list: stick with one country of origin.** Zita Keeley, a wine consultant, **imparted those bits of wisdom and others during her mid-January winter wine dinner at the Melting Pot restaurant in Hoboken.** There a diverse crowd of 23 paid \$55 each plus tax and tip for a four-course meal accompanied by four wines. Ms. Keeley, 48, of Hoboken, who runs a company called All I Do Is Wine, is among a group of independent experts and consultants in New Jersey who make it their business to lead individuals and groups down the path of wine appreciation. **Their advice carries more weight than that of wine retailers, said Marc Caruso, 34, co-owner of Uncorked Consultants in Bloomingdale: "I'm not trying to sell what I have 10 cases of in the back."** The prevalence of B.Y.O. restaurants in New Jersey — where customers



29/01/2010

supply their own wine, rather than merely choosing from a wine list — means that “people want to learn more about wine,” said Hank Zona, 49, founder of Swirl Wine Events in Maplewood. ...

What they have in common is an intentional balance of scholarliness and breeziness. “There is no pretentious stuff,” said Ms. Berman, a certified sommelier who contributes a monthly segment to “Living Today” with Mario Bosquez on the Sirius XM channel Martha Stewart Living Radio. **According to these experts, consumers are more interested in learning to pair wine with food, and to feel confident about what they’re pouring at home, than in becoming fluent in bouquets and vintages.** The group size is generally limited to 25, whether events are held at a restaurant, cooking school, fancy-food store or club, like the five-course dinner featuring wines from Argentina that Uncorked is putting on Feb. 5 at the Park Avenue Club in Florham Park (\$95 a person). Invitations are usually sent to those on a consultant’s online mailing list. ...

<http://www.nytimes.com/2010/01/24/nyregion/24dinenj.html?em>

Ice wine is nice wine

THE DAILY TELEGRAPH, UK



28.01.10: I can't imagine anyone not being bitterly fed up with this wretched winter. Even my two boys have had enough. "Do we really have to go tobogganing with our friends in the park and drink hot chocolate on the way home before watching Transformers on DVD?" they wailed at the height of the ice and snow. "Can't we go back to school? Please? We really miss the cabbage and the double

maths." But, come to think of it, I may have misheard. Here in Brighton we were pretty badly hit and, just beyond the Downs, the vineyards of Plumpton and Ridge View all but disappeared in the white-out. **In the vineyards of Germany and Canada, though, weather such as we've been having is a longed-for boon. Without it, that most wonderful of vinous treats – eiswein, made from grapes frozen on the vine – would be impossible.** Conditions have to be just right. Although they never miss a vintage in Ontario, thanks to warm summers and savagely cold winters, in Germany it's a bit more hit and miss. In fact, eiswein is produced there in only about three or four years out of every 10. **The recent snow across northern Europe has been spot on this year, though, and early indications are that 2009 will be a great vintage.** After the main harvest has finished, bunches of healthy, ripe riesling are left on the vines, ideally those that slope right down to the river, where cold mists come in and freeze. **If the temperature falls to 17F (-8C) the grapes will be picked and pressed immediately, the key being that the water in the juice is frozen while the sugars aren't, leading to an intense concentration of sweet fruit. The result can be sumptuous.** This is one of the greatest sweet wines of the world. "It's a bit like Russian roulette, with the producer risking everything on the promise of icy weather," says Andrea Bulcock, agent and importer of two of the top German producers: Dr Loosen and Helmut Dönnhoff. "These grapes would have been capable of making fine spätlese or auslese wines and if they don't freeze they will have to be chucked away, completely wasted. It's a mighty gamble." The producers will scan the long-range weather forecasts and keep their fingers firmly crossed. Like firemen, their boots and kit will be ready by the door to be jumped



29/01/2010

into the moment the phone rings to say the temperature is right. ...

<http://www.telegraph.co.uk/foodanddrink/wine/7084990/Ice-wine-is-nice-wine.html>

Château Montrose 1989: A Very Special Occasion Wine

BUSINESS WEEK, USA

21.01.10: My friends Brad and Vicky found themselves in a situation that will be familiar to many wine enthusiasts: In addition to wine for everyday drinking, their wine refrigerator contained a few odd bottles of special wines that they had been given or had otherwise acquired over the years, and which they were saving for that Special Occasion. **The trouble being, of course, no occasion ever seemed quite special enough to open these oh-so-special bottles, so they continued to just sit there.** Well, I have seen this state of affairs before and know that all too often it ends unhappily. So I persuaded them that we should have a dinner, pull a few corks, and try these venerable wines. I even offered to contribute a few bottles of my own to demonstrate that my advice was not entirely motivated by self-interest, and a date was set. As you have probably guessed, the wines were, at best, a mixed bag, but that did not prevent us from having a thoroughly convivial time. **Of the three great bottles we tried that evening—Château Montrose 1989, Mouton Rothschild 1985, and Lynch-Bages 1987—only one of them, the Montrose, was in peak condition. The other two, the Mouton and Lynch-Bages, were not undrinkable; they were just flat and lifeless. This often happens to great wine that has not been stored properly, and is no reflection on the quality of these great properties.** The Château Montrose 1989 (\$245 to \$285 on wine-searcher.com), however, was at its absolute peak, and quite wonderful. Soft, mellow, and dusty, it still retained glowing dark berry fruit flavors along with a robust acidity. Then there were all those wonderful forest-floor elements you get in great old Bordeaux: wet leaves, leather, cinnamon, and cedar. ...

http://www.businessweek.com/lifestyle/content/jan2010/bw20100121_627570.htm

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.

New York Governor reopens supermarket wine sales debate

DECANTER, UK



25.01.10: **The political battle over allowing wine sales in New York State's 19,000 supermarkets, grocery and convenience stores has resumed.** David A. Paterson, Governor of New York State, has asked the Legislature to permit sales of wine in supermarkets, grocery and convenience stores, to alleviate a \$7.4 billion budget deficit in 2010-11. Under current regulations, wine can only currently be sold in licensed liquor stores. Opponents of the proposal say that the move would heavily impact on the state's 2,745



liquor shops, predicting that 1,000 liquor shops would close. **By way of concession, the governor is proposing to allow liquor stores to own multiple stores instead of only one, let them sell wine to restaurants and bars, and to band them together to increase volume-purchasing power and seek lower prices from suppliers.** Michael McKeon, spokesman for Last Store on Main Street, a coalition opposing the legislation, said, 'it is a completely phony compromise that provides cover for the big-box stores to crush our business.' ...

<http://www.decanter.com/news/294180.html>

WSWA Applauds Fifth Circuit Decision Upholding States' Rights and the Three-Tier System

WINE BUSINESS, USA

27.01.10: **Wine & Spirits Wholesalers of America (WSWA) President and CEO Craig Wolf issued a statement applauding yesterday's unanimous decision by the Fifth Circuit Court of Appeals upholding a Texas law that allows in-state – but not out-of-state – retailers to ship to their consumers.** "This unanimous opinion from one of the most respected circuits in the country clearly and forcefully reinforces WSWA's view that the landmark 2005 Supreme Court decision in *Granholm v. Heald* preserved a state's right to control the distribution of alcohol," Wolf said.

"This decision is a very strong affirmation of state authority under the 21st Amendment to regulate the distribution of beverage alcohol." In what is arguably one of the most important post-*Granholm* cases, the Fifth Circuit stated that *Granholm* affirms that "the Twenty-first Amendment still gives each State quite broad discretion to regulate alcoholic beverages." Agreeing with WSWA and those in the beverage alcohol industry who have long asserted that alcohol is different from other products, the court stated that "[t]he dormant Commerce Clause applies, but it applies differently than it does to products whose regulation is not authorized by a specific constitutional amendment." The court further underscored the power conferred by the 21st Amendment by stating that "regulating alcoholic beverage retailing is largely a State's prerogative." ...

<http://www.winebusiness.com/news/?go=getArticle&dataid=70868>

Napa on Alert for New Grapevine Pest

WINES AND VINES, USA



21.01.10: **Napa County Agricultural Commissioner Dave Whitmer, along with state and federal officials, briefed 180 Napa Valley grapegrowers at a meeting this week about the status of the European grapevine moth (EGVM) (*Lobesia botrana*) and asked growers for cooperation in monitoring and suppression activities this year in efforts to prevent its spread, and potentially eradicate the pest.**

The EGVM was found for the first time in the United States in Napa Valley in 2009, confirmed from a specimen collected in September. Area trapping, surveys by ag officials and specimens



submitted by growers have confirmed the new invasive pest on 32 Napa Valley vineyard properties, primarily clustered near Highway 29 in the Oakville and Rutherford areas as far north as Zinfandel Lane. However, outlier EGVM specimens were found on three vineyard properties east of the City of Napa along 3rd Avenue near the Napa Valley Country Club.

Behind the scenes this winter, officials from the U.S. Department of Agriculture (USDA) and the California Department of Food and Agriculture (CDFA) have been working with Napa County to develop a joint EGVM Project to coordinate response activities for trapping, quarantine, treatments and public outreach. A Technical Working Group was formed and advised CDFA to conduct a statewide trapping survey that will begin Feb. 1 in Southern California and move north with trap deployment as seasonal weather changes. ...

<http://www.winesandvines.com/template.cfm?section=news&content=70767&htitle=Napa%20on%20Alert%20for%20New%20Grapevine%20Pest>

Near-forgotten French grape becomes part of U.S. wine heritage

THE TIMES TRIBUNE, USA

27.01.10: **You say "shiraz," others say "syrah." But according to the federal government, from now on, U.S. wine producers must say "petite sirah," when talking about syrah's ever-more popular offspring.** The Taxation & Trade Bureau, which tightly controls wine labeling, handed down the order recently in a **move welcomed by petite sirah devotees.** **The syrah/shiraz we know so well is an ancestor of petite sirah, but like parents and grandparents, very different from the generation in question.** **Petite sirah's coming out occurs at a good time. February is the coldest month and petite sirah is a comfort wine. When combined with a warm quilt, it chases the chill away.**

Leaves a mark

You can always tell when people have been drinking petite sirah. Their teeth look like they did shots from an ink well. With blackened mouths and unsteady gait, they could break into the "Thriller" dance at any moment. Fortunately, these effects are temporary. **Petite sirah has a cult allure - largely because it's different from cabernet, merlot or pinot noir and often packs a wallop.** **The wine's secret is the petite sirah's petiteness. It's a small grape. For red wines, which suck color, flavor, and tannins from grape skins as they ferment, smaller grapes mean bigger wines.** The styles range from medium-bodied versions with moderate amounts of alcohol, to boozy, full-bodied tannic fruit bombs. A petite sirah producers and aficionados group called P.S. I Love You, positions petite sirah as an all-American heritage grape. But its origins are in France, where it is known as durif. While it was planted in California over a century ago, truth is "petite sirah" was a catch-all name for several types of red grapes. Concannon Vineyards bottled the first wine called petite sirah 1961 and 30 years later the grape just about disappeared with barely 1,000 acres in the Golden State. This is a new era for a new variety which still has just 6,000 acres in California dedicated to it.

<http://thetimes-tribune.com/arts-living/near-forgotten-french-grape-becomes-part-of-u-s-wine-heritage-1.573776>



Schumer: Wine sales threatened by Canadian tariff

BUSINESS WEEK, USA

27.01.10: **A federal proposal threatens the exporting of wine from states including New York, while separate talks could greatly boost sales to Canada, U.S. Sen. Charles Schumer said Wednesday.** Each separate but related issue could affect wine exports from New York, California, Washington, Oregon, Michigan and other wine-producing states. The New York Democrat is seeking to block the proposed repeal of a measure that allowed American wineries to be compensated for other countries' tariffs. He also said there may soon be progress in getting Canada to lift its high tariff of as much as 100 percent on American wines bought over the border. He said wine sellers in border states call it the Ontario license plate syndrome. **That's when Canadians visit and taste wine but can't afford a \$20 bottle of wine because it would cost twice that much by the time they pay their tariff to get it back home.** "I'm optimistic we can get them to stop this," Schumer said. He said New York is part of a coalition with wine sellers in California, Oregon, Washington, and Michigan to seek the relief from Canada. He said the separate issue, involving a new federal measure by the Bureau of Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau, would end the "substitution drawback" provision in law. That allows American wine importer-exporters to get a refund on 99 percent of the U.S. excise tax on imported wine, to compensate for the cost of other countries' tariffs. The federal practice began in the 1700s. Customs had argued that the process left the federal government collecting just 1 percent of its excise tax. "It is essential to our wine industry," Schumer said. New York wine producers export 55 percent of their product. Federal agencies did not immediately comment Wednesday on Schumer's remarks.

<http://www.businessweek.com/ap/financialnews/D9DGC5M80.htm>

California wine sales drop

THE PRESS DEMOCRAT, USA

27.01.10: **California wine shipments dropped in 2009 for the first time in 16 years as major U.S. wine companies looked overseas for the cheap wines that cash-strapped consumers increasingly crave.** Overall wine consumption in the U.S. rose 2.1 percent last year to 323 million cases, a positive trend that bodes well for the industry long-term. But California wines lost ground as sales fell 1.6 percent to 236 million cases, a drop of 4 million cases, according to widely-watched figures issued Wednesday by Woodside wine industry analyst Jon Fredrikson. ...

This trend of U.S. wineries "outsourcing" wine has been growing gradually for several years, but it exploded in 2009. Even Fredrikson, the industry's leading analyst, said he was "blindsided" by the surge. **The amount of imported bulk wine increased to 25 million cases, an 87 percent jump over the prior year. This helped push imports' share of the market to an all-time high of 104 million cases, or 32 percent of the market.** The surge in imports should serve as a wake-up call to California wineries that have long considered themselves immune to competition from lower-quality imported bulk wine, said Glenn Proctor, a broker with Ciatti Co., a San Rafael-based grape and wine broker. There's a "shifting paradigm" underway in the industry, he said. U.S. wineries and grape growers used to only worry about other U.S. competitors, but those days are long gone. "Today that's not



enough. If that's all you know, you're not able to compete in the market we live in today," Proctor said. **"It is not a time to be complacent."** Traditional wine-drinking nations, such as France, Italy and Spain, are all facing dropping domestic consumption, making those nations look for new markets for their wines. Meanwhile, the New World wine industries in Argentina, Chile, Australia and New Zealand have far lower production costs than the United States, thanks to the use of technological advances like mechanized harvesting and pruning, he said. All these nations are targeting the U.S. market, which is the largest wine market in the world, and all present significant challenges for domestic producers, who need to adapt to the challenge, Proctor said. ...

<http://www.pressdemocrat.com/article/20100127/BUSINESS/100129518/1015/SPORTS0402?p=all&tc=pgall>

Vinfolio seeks bankruptcy protection

DECANTER, UK

26.01.10: Vinfolio, the San Francisco-based internet wine retailer and fine wine service provider, has sought protection from bankruptcy. Launched in 2003 by former financier Steve Bachmann, the company has filed an assignment, an alternative to formal bankruptcy which involves appointing a third party (an 'assignee') to monetise assets for the benefit of creditors. At the same time Jon Moramarco former CEO of Constellation Brands, and now head of wine industry consultants BW 166 is trying to save the business. He plans to propose a business plan that will allow him to bid for Vinfolio's assets, now held by Sherwood Partners, the Assignee. ...

As of January 22, several Vinfolio clients told decanter.com they were anxious to remove their wine from the company's warehouses although they had been told it was safe and that they had heard those who bought futures or pre-release wine were told they might lose their investment. While he refused to discuss Vinfolio, Martin Pichinson, co-managing member of Sherwood Partners, said whenever the company is involved as an assignee, 'it is a sad situation.' In addition to its new Hong Kong office, Vinfolio has partnership arrangements with various parties including jancisrobinson.com and CellarTracker, an online inventory management system. ...

<http://www.decanter.com/news/news.php?id=294257>

Constellation Brands credit facility amended

REUTERS, UK

26.01.10: Constellation Brands Inc (STZ.N) said it has reached an agreement to extend the maturity of \$650 million of its revolving credit facility by two years until June 5, 2013 in a bid to prepay some other debt and lower interest expense. The U.S. wine and spirits maker has also extended the maturity date of \$300 million of its \$1.2 billion term loan by two years to June 5, 2015. The changes reduced the total revolving loan commitments until June 5, 2011 to \$842.0 million from \$900.0 million, it said in a filing. The maker of Robert Mondavi, Clos du Bois and Ravenswood wines said it wanted to take advantage of its current position and improved credit markets to extend the debt maturities, and prepay its 2012 senior subordinated notes. ...



<http://www.reuters.com/article/idUSN2623116420100126>

Wrigley to take over as Majestic chairman

HARPERS WINE & SPIRIT, UK

27.01.10: Former New Look chief executive Phil Wrigley is taking over as chairman of Majestic on August 6, when Simon Burke retires after five years in the role. Wrigley, 57, has a financial background and extensive retail management experience having previously held senior positions at Debenhams, Arcadia and BHS. He will join the Majestic board as a non-executive director. He is chairman of LXB Retail Properties. Majestic chief executive Steve Lewis said: "I would like to thank Simon for the very significant contribution he has made to the success of Majestic over the last 10 years. "I am looking forward to welcoming Phil to the board in April. His broad retail and property experience will be invaluable in continuing to grow the Majestic story."

<http://www.harpers.co.uk/news/news-headlines/8718-wrigley-to-take-over-as-majestic-chairman.html>

Wineries celebrate export all-clear

THE MALBOROUGH EXPRESS, USA



22.01.10: Marlborough wineries are celebrating after Europe lifted a long-standing trade barrier on sweet wine imports. New Zealand winemakers were given the all-clear to export sweet wines, such as botrytised riesling and pinot gris, to Europe last month, and some are already pushing their way on to British wine lists. In Marlborough, Forrest winery co-owner John Forrester said the lifting of the ban was "long overdue". He had already shipped over some wine, including the Forrest Botrytised Riesling 2006 and the John Forrester Collection Marlborough Noble Riesling 2006, so there would be stock available when the ban was officially lifted on February 1. ...

While sweet wines represent less than 1 per cent of the wine produced in New Zealand, many in the industry said lifting the ban would significantly boost the country's premium-producer reputation. Britain is the second biggest export market for New Zealand wine, after Australia, consuming 41 million litres in the year to November. New Zealand Winegrowers has been pushing for a change to the European restriction since the 1990s. The rationale for the restriction was that anything with a potential alcohol content of more than 15 per cent could not be classed as wine. While sweet wine's alcohol content is well below the threshold, its unfermented sugar content could "potentially" be fermented to boost the alcohol content above 15 per cent. Winegrowers policy manager, John Barker, said the restriction worked to protect European makers of sweet wine, arbitrarily excluding New Zealand producers. "There has been a lot of back and forth on this for quite a long time." In the end the change came as part of a larger reform of European wine import regulations rather than from any New Zealand pressure, he said. Lifting the restriction would help boost New Zealand wine's profile in Europe. ...

<http://www.wineindustryinsight.com/RSS//index.php/hop/latest/wineries-celebrate-export-allclear-marlborough-express/17519>



Canadian Wine May Soon be More Canadian

WINE SPECTATOR, USA

25.01.10: **Outcry in Canada over the widespread practice of bottling foreign bulk wine and selling it as "Cellared in Canada" has temporarily subsided, after wineries promised to make changes to misleading labels.** It's a longstanding quirk of Canadian wine law. Several provinces allow wineries to import bulk wine (the popular choices today are Argentina and Chile), bottle it and call it Canadian, as long as the back label contains those three magic words. **Typically, the phrase appears in tiny typeface on the back label, often in a color that makes it difficult to distinguish from the label itself.** In the country's two biggest wine regions, Ontario law requires such wines to contain 30 percent local grapes while British Columbia law requires no Canadian grapes. **Canadian grapegrowers protest that every year an increasing tonnage of domestic grapes rots on the vine because the biggest buyers in the wine industry favor buying cheaper foreign fruit.** **Now a committee made up of winery executives and members of the Liquor Control Board of Ontario (LCBO) has proposed eliminating the "Cellared" term (CiC) and printing "Blended from International and Canadian Wines" on the front of bottles.** The recommendations are now in the hands of Ontario's Ministry of Consumer Services and the Canadian Food Inspection Agency, which regulates food and alcohol labels on a national level. Meanwhile, other changes are already being implemented in the provinces. CiC producers have profited significantly from CiC wines, sometimes from consumers who think they are supporting local wines. ...

<http://www.winespectator.com/webfeature/show/id/41615>

Foreign wine invades Aussie market

ABC, AUSTRALIA

29.01.10: **Australia's wine imports have recorded another big jump, according to the latest industry assessments. The Australian Bureau of Statistics says foreign wine sales increased by more than 15 per cent last financial year. The report also found a drop in value for Australian wines sold locally and overseas.** Stephen Strachan, from the Winemakers Federation of Australia, says the popularity of overseas wine needs to be addressed. "There's a lot of Australian producers that are fighting back and seeking to regain that market share, but of course it takes time," he says. "So we're running through a process at the moment where we hope that that will come back to some more manageable level, in terms of imports, but the reality is that the consumers are voting with their feet at the moment."

<http://www.abc.net.au/rural/news/content/201001/s2804812.htm>

Bulgarian wine ranks second in imports to Russia in 2009

THE SOFIA ECHO, BULGARIA





28.01.10: **Bulgaria ranked second after France in terms of wine imports to the Russian market in 2009**, according to figures by the Russian alcoholic drinks market research centre. As consumers tightened their belts in the grip of the downturn, **French retailers sold 39.6 million litres of wine, whereas Bulgarian imports exceeded 33.8 million litres.**

The two took 18 per cent and 15 per cent of the Russian market respectively. Third spot went to Moldavia, which shipped almost 27 million litres of wine to Russia, garnering about 12 per cent of the market. However, the 2009 performance has deteriorated sharply from 2008 levels, said Natalia Kazakova, executive director of Bulgarian winemaker Vinprom Rouse and board member of the National Vine and Wine Chamber. Data by the Customs Agency estimates official Russian exports at 27 500 tons. The statistics excludes volumes traded by Russian companies.

http://www.sofiaecho.com/2010/01/28/849365_bulgarian-wine-ranks-second-in-imports-to-russia-in-2009

Premium Kiwi producers join forces

OFF LICENCE NEWS, UK

25.01.10: A group of Kiwi wine producers have come together under the banner of The Specialist Winegrowers of New Zealand. **The marketing body aims to expand distribution of New Zealand's ultra-premium wines in markets which prize "specialisation and quality", including the UK. It is made up of producers who specialise in a single grape variety or style. Founding members include Bordeaux blend specialists Destiny Bay, which claims to be New Zealand's most expensive wine, and Central Otago's acclaimed Pinot Noir producer Wooing Tree.** Mike Spratt, from Destiny Bay, said: "Together we represent the best of New Zealand's wine styles, yet each with its own unique story and personalities attached. **The world's fine wine markets are looking for precisely these attributes in their wines, but the cost of reaching them and telling our stories to them individually is daunting, if not prohibitive. Now we can provide a single point of access.**" Chris Canning, whose 30 year search for the right variety in the right place led to him planting Syrah on Waiheke Island, added: "When we got together and started talking we recognised that we shared a common fanaticism which, to outsiders, might be seen as a mild form of insanity. Focusing on making the very best in a single variety or style is a risky and lonely proposition, yet it is hard to imagine how the very highest standards can be achieved without that focus." **The group will promote their wines at drinks industry and consumer events in the coming months and has plans to open up membership to producers who specialise in other varieties including Chardonnay and Riesling.**

<http://www.offlicencenews.co.uk/articles/78832/Premium-Kiwi-producers-join-forces.aspx?categoryid=9059>

A flat tax for wine will bring its own hangover

SYDNEY MORNING HERALD, AUSTRALIA

27.01.10: **Australia's massively inefficient and heavily rorted wine industry could get the restructuring it badly needs - if the Rudd Government accepts the Henry tax**



review recommendations and introduces a flat tax across all categories and removes the costly tax exemption enjoyed by smaller wineries. Alcohol tax is part of Henry's mandate to simplify the tax system and bring it in line with the rest of the world. But what Henry recommends and the Government ultimately ratifies will come down to politics, particularly with a federal election looming. **Right now the number of alcohol taxes in play runs to double figures, many of which are antiquated, and some are at odds with the Government's health and social policies. If a flat tax is introduced it would simplify the tax system but also change the economics of the entire industry. Cheap wine would increase in price, premium wine would fall, spirits and alcopops would fall and beer sold in pubs and clubs would rise.** The screams from the various lobby groups, some of which are incredibly powerful, would be deafening. Beer, spirits and alcopops are taxed on the basis of their alcohol content, with spirits and alcopops taxed at a higher rate because of the perceived greater risk of abuse. Wine is the big anomaly. It is taxed on price rather than volume. This means low-value cask wine attracts little taxation while more expensive bottled wine attracts high levels of tax under the Wine Equalisation Tax (WET) system. ...

<http://www.smh.com.au/business/a-flat-tax-for-wine-will-bring-its-own-hangover-20100126-mwc6.html>

Australian initiative to assess viability of its wineries

HARPERS WINE & SPIRIT, UK

26.01.10: **With Australia suffering its worst ever grape glut a new initiative has been unveiled to help drain the country's wine lake. In a move dubbed "assisted euthanasia", vineyard owners have been given access to a set of tools to help them decide whether their business is viable.** With at least 20% of vineyards considered surplus to requirements, it is hoped that many will decide to grub up. **The tools, available from January 30, are part of an A\$750,000 package announced by the GWRDC - the industry's main research and development body in November. They include a checklist, "a Vinebiz program" to determine vineyard profitability and an "upgraded Deloitte's Ready Reckoner" that promises "to access winery profitability by market, channel and price point."** Yet speaking to harpers.co.uk, Professor Mike Veseth of the wineeconomist blog was doubtful the initiative would work. "Presumably this will reveal to them that they need to get out of the business, though I'm not sure they're as ignorant of their plight as the authorities seem to think." As one grower told the Sydney Morning Herald; "Everyone says we have to shrink the crop. But who's going to pull up their vines first?"

<http://www.harpers.co.uk/news/news-headlines/8712-australian-initiative-to-assess-viability-of-its-wineries.html>

Australian Vintage's performance improve

SYDNEY MORNING HERALD, AUSTRALIA

27.01.10: **Wine company Australian Vintage Ltd says its performance is continuing to improve and it still hopes to double its annual underlying profit despite the high value of the Australian dollar.** Australian Vintage said on Wednesday that industry conditions were still very challenging but that a restructuring of the company had helped generate greater exports of branded wine, strong cash flow, lower debt and higher profit.



"Regardless of the very strong Australian dollar, Australian Vintage continues to target doubling its after-tax profit for the full year," **Australian Vintage chief executive Dane Hudson said. Australian Vintage said at the release of its 2008/09 results in August that it was targeting 100 per cent growth in net profit before significant items.** The company said on Wednesday that talks were continuing with global wine giant Constellation Brands Inc (CBI) about combining part of CBI's Australian and UK operations with Australian Vintage in exchange for a non-controlling, 50 per cent equity interest in the combined entity. ...

<http://news.smh.com.au/breaking-news-business/australian-vintages-performance-improve-20100127-mykl.html>

Wine sellers furious over sudden change in customs legislation

RT, RUSSIA

25.01.10: **Wine merchants in Russia could lose \$400 million in 1Q 2010, after the customs service changed their import duties, driving up business costs by as much as 30%. This comes after Russia set up a customs union with Kazakhstan and Belarus, with the countries saying they are just harmonizing regulations.** However, businesses say they are suffering, with Maksim Kashirin, a Russian wine importer, blaming the government for a complete inadequacy: "The government is losing money! So, I don't understand what the reason is for losing money from import payments, from profit taxes, from VAT from the sales. What is the reason behind that? Stupidity?" Maksim Kashirin adds that Russia's Federal Customs Service changed regulations at the very end of December, which came as a surprise for those who found their wine and spirits blocked at the Russian border shortly after the start of 2010. According to the rules of the newly created customs union, importers now require a license, that is essentially a piece of paper which takes weeks to be issued, for each truckload of imported wine. Kashirin says this has practically ruined his business. ...

The Federal Customs Service says that this week the government is expected to relax the licensing regime with a general license, but not to cancel it. It is not just an issue for drinkers, as other importers of goods as diverse as electronic gadgets and vitamins have experienced similar problems. Pyotr Baklavov promises to pay more attention to organizational processes and says not much will be changed in customs regulation. "We will be more effective in letting business know about any new initiatives. However, there won't be any drastic changes in regulation." The new Economic Community has also brought problems for oil exporters, as Russia and Belarus cannot agree on export duties. However, experts say these are teething problems and businesses will eventually benefit from the Customs Union, which governments say will boost Russia's GDP by 15%, or \$400 billion, over the next five years.

<http://rt.com/Business/2010-01-25/russia-wine-importers-losses.html?fullstory>

Warning issued against Templar Vintners

DECANTER, UK

27.01.10: **Financial authorities on Guernsey have issued a warning against London wine merchant Templar Vintners for running an unauthorised wine fund. Guernsey**



Financial Services Commission (GFSC) issued the warning on 22 January, saying Templar 'is not licensed, authorised or in any way regulated by the Commission'. Staff at Templar allegedly took an advertisement for Vinum Fine Wine Fund, which is authorised by the GFSC, and substituted the Templar name and logo. The ad for the Vinum Fine Wine Fund originally appeared in a Financial Times supplement on wine investment published in May 2008. Articles from this supplement are reproduced on templarvintners.com, along with the doctored ad. GFSC said, 'One such article includes an advertisement for The Templar Vintners Fine Wine Fund in which it claims to be authorised by the Commission as a Class B Collective Investment Scheme under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 the company is not licensed, authorised or in any way regulated by the Commission'. Templar also amended a June 2008 article from the Independent on Sunday, changing 'Wine Asset Managers (wamllp.com)' to 'Wine Asset Managers (Templar Vintners)'. ...

<http://www.decanter.com/news/news.php?id=294291>

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.

Dan Berger: The collapse of cabernet

NAPA VALLEY REGISTER, USA

22.01.10: For more than a decade, I have hoped for a miracle. Then last week I realized the worst: **Cabernet sauvignon has changed so appreciably that I fear we'll never see it in the way we once did. Cabernet has undergone a makeover that has, probably forever, made it little more than a parody of itself, entering a realm that 20 years ago I never would have believed. Today, California cabernet is a virtual wine, made to be consumed as an aperitif and as young as possible.** A long book could be devoted to this sad tale of decline. What follows is a brief look at the collapse of what once was California's most prized possession. First, let's look back on what cabernet used to be. **It was dry red wine. It was aged in oak not for oaky flavor, but for maturity and complexity.** It was modest in alcohol – 12.5 percent for the vast majority; a few "over-the-top" wines reached 13.5 percent. Also, it was designed to be aged a little bit, and a few a lot longer. When very young, the wines were tannic and needed taming. ...

This is wine that some reviewers say smells like chocolate, mocha, smoke and roasted nuts. These aren't aromas derived from fruit; they come from the smoked oak barrels in which the wines were aged, clearly an idea that was never at play decades ago. **The most telling – and damaging – aspect of today's cabernets is what I hear from wine makers, and always off the record. The phrasing may differ, but the sentiment is the same: "I may make cabernet, but I don't drink it any more."** I got an e-mail from Napa Valley wine maker George Vierra, who wrote, "We just opened a bottle of 1980 Vichon Eisele Vineyards Cabernet, 12.5percent alcohol. It had good color; fruity and herby nose, medium body, touch of astringency, correctly balanced, very long finish. I have a few more. Went great with leg of lamb."..



The fact that today's cabs don't work with food prompted me to suggest that maybe they'd go with chocolate, to which a wine writing colleague argued, "What?! And ruin good chocolate?" There are complicated reasons for this turnabout, but the bottom line is that we may have lost cabernet for all time. ...

http://www.napaalleyregister.com/lifestyles/food-and-cooking/wine/columnists/dan-berger/article_704bc688-0712-11df-a231-001cc4c002e0.html

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.

Wine Grape Growers around the Globe Experience Richer Reds and Brighter Whites with Purshade

BUSINESS WIRE, USA

26.01.10: Purfresh, a provider of clean technologies that purify, protect, and preserve our food and water, today announced that wine grape growers have experienced significant decreases in physical damage from sunburn and increased cluster weight with Purshade® solar protectant. Field trials conducted on multiple varieties including Pinot Grigio, Cabernet Sauvignon, Merlot, Viogner, and Chardonnay grapes treated with Purshade yielded higher-quality fruit with improved color and flavor characteristics, which resulted in richer color for red wines, and clearer and brighter white wines. "The results we've seen from crops in Chile confirm that Purshade solar protectant is a valuable tool to help growers improve their returns and more effectively compete worldwide."

Solar damage has a major impact on wine grapes grown throughout the world. Approximately 15–20 percent of wine grapes are lost each season due to solar damage, which is particularly significant for higher-value varieties. Yield and quality can be highly impacted from sunburn damage ranging from complete loss of bunches to negative effects on the quality of the grape juice and subsequent wine. Purshade was scientifically engineered to provide superior protection against the damaging effects of solar stress. Based on patent-pending Advanced Reflectance Technology™ (ART™), Purshade reflects harmful wavelengths of solar radiation such as ultraviolet (UV) and infrared (IR), while allowing transmission of sufficient sunlight for photosynthesis. Laboratory results show Purshade reflects as much as 85–95 percent of harmful UV radiation, and has been shown to keep plant surfaces 3–6 degrees Celsius cooler than untreated plants. "Meeting the toughest standards in the industry requires that growers optimize the conditions for each and every acre, and Purshade does just that while boosting the value of each harvest by reducing solar damage," said Mr. Alejandro Ochagavia of GMT. ...

http://www.businesswire.com/portal/site/home/permalink/?ndmViewId=news_view&newsId=20100126005396&newsLang=en



Red wine could be bad for you, says new research

THE DAILY STAR, UK

28.01.10: **Red wine, blueberries and green tea – the so-called superfoods – could be bad for you. They have been touted for everything from helping your sex life to beating cancer, but new studies have found they might actually be doing more harm than good.** Researcher Steven Copp, of Kansas State University, said chemicals in the foods could stop the body delivering enough oxygen to muscles. And he blamed the use of “buzz words” for hiking their popularity. He said: “Antioxidant is one of those buzz words right now. “One of the things we’ve seen in our research is that you can’t just give a larger dose of antioxidants and presume there will be some sort of beneficial effect. “You can make a problem worse.”

<http://www.dailystar.co.uk/news/view/119381/Red-wine-could-be-bad-for-you-says-new-research/>

Switching to lower-alcohol wine 'prevents cancer'

DECANTER, UK

27.01.10: **People who drink a large glass of wine a day could reduce their risk of developing cancer by seven per cent by switching to a lower alcohol alternative, according to a cancer charity. The World Cancer Research Fund (WCRF) is urging drinkers to make the switch after calculating the effect of switching from a wine with an alcohol content of 14% to a 10% wine,** on people who drink a 250ml glass a day. 'From a cancer prevention point of view it is best not to drink at all,' said Dr Rachel Thompson, science programme manager for WCRF. 'But we have to be realistic and the fact is that many people in the UK enjoy a drink and see it as part of their social life.' In press release Thompson said reducing the number of drinks, or switching to lower alcohol wine, would be likely to prevent 'hundreds of cancer cases in the UK a year'. ...

<http://www.decanter.com/news/news.php?id=294314>

Wines from Greece Publicity Monitor

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

Lessons in syrah, sirah and zinfandel

THE NEWS STAR, USA

27.01.10: I had a person ask me today, "What is the difference between a syrah and a petite sirah?" In my mind it is quite simple: They are different grape varieties. There are a number of correlations in the varieties beside the obvious name similarities. Both are very intense in color with traits of black pepper, spice and earth tones, which rule over the fruit impressions of black currant and berry. Both can age very well. Therefore, it may not be incidental the names are



similar. ...

Another question I encountered over the last few weeks involved a Greek wine. I was approached by a woman who was rather reluctant to ask about the bottle of wine she had in her hand. The conversation started with her admitting she knew very little about wine and only liked sweet wines. She said she was thinking about purchasing a bottle of Greek wine as a present for a friend of Greek origin who had mentioned they liked merlot.

Her question was, "Is this like merlot?" Her face scrunched up when she said the word merlot. In answer to her question, I responded that the wine was a red wine like merlot and was not sweet.

She seemed almost disappointed. It was obvious to me that she was applying her taste preference over the preference of her friend. I should mention that the bottle of wine she had in her hands was very well respected by those who know the best Greek wines and would make a marvelous present for her friend. The Boutari Naoussa Grande Reserve (\$15-\$20) is created from the xynomavro grape. This grape has been known in Greece since before the beginning of wine making. Although the grape is red like merlot, it has no other similarities.

The term xynomavro translates to "black acid" or "black sour." This wine has traits of green olive, tomato sauce and Italian green herbs.

If you like the big, heavily fruited Californian merlots, then leave this wine on the shelf of your local wine shop. However, if you are looking to experience a very nice, well-made wine with traits that are out of the ordinary, this is a great choice. Try this with pizza or a plate of pasta with marinara. Don't be afraid to ask questions about wine. There is a lot to know. Asking wine questions has enriched my life greatly. I have expanded my knowledge and have gotten to meet people with whom I share a common interest.

<http://www.thenewsstar.com/print/article/20100127/LIFESTYLE/1270301/Lessons-in-syrah-sirah-and-zinfandel>

Blogosphere Monitor

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

Thumbs Up? Thumbs Down? An Unscientific, Much-Welcomed Approach to Wine Ratings

THE TIME BLOG, CNN, USA

When it comes to wine, whose opinions do you trust: A panel of professional tasters who frequently disagree amongst themselves, or some amateurs who like wine and drink it for the same reasons you do?

If you haven't guessed, I'm siding with the latter group. And I'm not alone. We'll see how the amateurs do in the upcoming Consumer Wine Awards, reported on recently by the WSJ, which explained:

The idea behind this competition, and a handful of other new approaches to evaluating wine, is to address some flaws in traditional wine judging. Critics of wine



competitions and point systems argue that experts frequently disagree among themselves, and wines that win in one competition often lose in others. Experts have been known to assign the exact same wines both high and low scores after tasting them on separate occasions, one study found. Another wrinkle: A study showed that consumers tend not to prefer the wines experts like best, raising the question of whether experts' opinions are pertinent at all.

Wines that get high ratings from the experts also tend to be more expensive, on average. So if you buy a wine that the experts say is great, you're probably paying a premium and you're fairly unlikely to actually enjoy drinking it.

<http://money.blogs.time.com/2010/01/25/thumbs-up-thumbs-down-an-unscientific-much-welcomed-approach-to-wine-ratings/>

Buckfast tonic wine is a potent cocktail that's linked with violence, so why do the monks put so much caffeine into it?

ANDREW M BROWN BLOG, THE DAILY TELEGRAPH, UK



22.01.10: There is something about Buckfast tonic wine that makes it the beverage of choice for a certain kind of heavy-drinking young Scot who goes on to commit senseless acts of violence. Kenneth Macdonald's investigation for BBC Scotland this week demonstrated it beyond doubt – a strong association between Buckfast, the super-strength wine-based drink made by monks in Devon, and violence in deprived communities in Scotland. For this reason it's commonly known as "Commotion lotion" and "Wreck the hoose juice". Buckfast is mentioned by Strathclyde police in three crime reports every day and one in 10 of those are violent. Even the Buckfast bottle itself is commonly used as a weapon – 114 times in 2006-9. The problem is concentrated in the so-called "Buckfast belt", the depressed former industrial heartlands of Lanarkshire. In Coatbridge (hence "Coatbridge Table Wine") it's said that they put Buckfast into the black pudding.

What is it about Buckfast? I think it's the fact that it's not a straight alcoholic drink but is adulterated with caffeine. This makes it equivalent to that potent cocktail of energy drink mixed with alcohol. The monks themselves, on their lavish, expensive-looking website, call it a "medicated" drink, though it contains nothing that one thinks of as medicinal – unless you count massive amounts of caffeine. Standard Buckfast contains more caffeine drop for drop than energy drinks like Red Bull. The version sold in Ireland contains even more. ...

Caffeine and alcohol together can make a person drink more than he would otherwise. The mixture can, obviously, cause increased anxiety and irritability. Numerous studies, this one for example, have shown that caffeine only masks alcohol's effect and leads to faulty decision-making. Surely this is part of what's going on when young Scots ("Neds" as they're sometimes termed) drink Buckfast and their behaviour deteriorates and things kick off. I don't blame Buckfast's distributor J Chandler and Co. ...

<http://blogs.telegraph.co.uk/news/andrewmcfbrown/100023377/buckfast-tonic-wine-is-a-potent-cocktail-thats-linked-with-violence-so-why-do-the-monks-put-so-much-caffeine-into-it/>



Drinking problems: why can't you get a decent glass of wine at the theatre?

THEATRE BLOG, THE GUARDIAN, UK



26.01.10: I love theatre. I love wine. **But I hate what passes for wine in theatre.** It's a common scenario – you've negotiated the scrum at the bar and returned triumphant to your seat, only to discover you've paid the best part of a tenner for a glass of vinegary Ribena. The odd thing is that the quality of wine seems to be in direct and inverse proportion to the amount you've paid for your ticket. I've had decent glasses in pub theatres and subsidised venues, but the commercial West End? Forget it. Time after time, I'm disappointed – occasionally disgusted – by the wine in our leading theatres. **It is an enduring mystery to me that despite playing to a demographic you'd expect to be wine-lovers, West End theatres persist in selling plonk no one who had any choice in the matter would drink. It makes no sense.** If theatre-goers know they can get a good glass of booze, they'll get there early and part with more cash on site. Otherwise – as I find myself doing more and more – they'll just go to a nearby bar and arrive in time for curtain-up. **All of the theatres I can think of that actually serve a decent glass of wine are outside the West End. The Old Vic has a pretty good selection, and whenever I visit the Royal Court I always arrive early for a glass of wine in the bar. But the only theatre I can think of that really excels in its wine offering is the Courtyard theatre in Hoxton. It offers a fabulous selection of Italian wines that I've never seen anywhere else. ...**

<http://www.guardian.co.uk/stage/theatreblog/2010/jan/26/theatre-wine-bar-drink>

A Wine Report from Home

THE NEW YORK TIMES BLOG, USA



25.01.10: Had some great wines in the last few days, and rather than consign them to the loneliness of my computer notes, I thought I'd share a few of them. **Can't help but start with the best, a 1986 Corton-Charlemagne from Bonneau du Martray. I love Corton-Charlemagne, which is perhaps the least heralded of the grand cru vineyards for white Burgundy, and I love Bonneau du Martray,** which makes great wine and up until five years or so ago used to be fairly reasonably priced. A generous friend opened this with a plate of salumi, and all I can say is that this wine was ravishing. **As with many '86 wines from the Côte de Beaune, this was a wine of great ripeness, with an almost sensuous richness. Yet, the longer the wine was in the glass, the purer and more focused it seemed to get, with the last few sips emphasizing the delicious minerality of the wine.** What a treat. This particular day brought an embarrassment of riches. At dinner that same night, I had another wine that made me think of the Bonneau du Martray. It was a completely different chardonnay wine, a 2007 Napa Valley chardonnay from Kongsgaard. Now, it's ridiculous to compare these wines, as they are more than 20 years apart and the Kongsgaard is a baby. And yet something in the richness of the Kongsgaard reminded me of the Corton-Charlemagne. Would love to try this again in a decade. Last Friday was unusual in that on this one day I had two wines from Giuseppe Quintarelli, the great producer from the Veneto



29/01/2010

region of Italy. ...

<http://thepour.blogs.nytimes.com/2010/01/25/a-wine-report-from-home/>

Garagiste Winemakers of Chile: Introducing MOVI

VINOGRAPHY, USA



23.01.10: If I were Hugh Johnson or Jancis Robinson, I could clear my throat and begin my story with a distinguished pronouncement about how I've watched several wine regions around the globe evolve from their infancy to later stages of maturity. But I lack the perspective of someone who's been a professional observer of the industry for decades....

Chile has recently entered the age of the garagiste winemaker. For those unfamiliar with the term, it originated in the Bordeaux region of France in the mid-1990's, where at the time it was a slightly derogatory term for winemakers who usually purchased grapes from other growers and made small lots of wines in equally small production facilities, which, in some cases, were garages. These upstart winemakers were controversial at the time, not only for breaking out from the traditional chateau model of winemaking (i.e. ownership of vineyards and making wine from a very specific place) but for styling their wines more towards the emerging California style of rich, ripe reds. These days, garagiste can refer to any small winery operation, whether it be someone who has made the transition from being a hobbyist to selling their wine commercially, or more commonly, a well established winemaker who, in addition to their day job making wine for someone else, may be making a few thousand cases of wine under their own label. For the most part garagiste has lost any negative connotation it might have once had, and in places like California, such wine operations have become more than commonplace, fueling a whole industry of custom crush facilities that exist to help such people make their wines. That doesn't mean, however, that some who adopt the moniker, or merely resemble it, don't still struggle for acceptance and visibility in their wine industry, wherever that may be. Which brings me to a recently formed group in Chile called MOVI: Movimiento de Viñateros Independientes (Movement of Independent Vintners). ...

While small winemaking projects have occurred before in Chile (indeed some of the bigger players in the industry began that way) there have never been a significant number of smaller wineries, and especially few that owned no vineyards themselves. Likewise, few Chilean winemakers have struck out on their own and created their own labels. Indeed, this is not only uncommon, it is seen as threatening by some in the mainstream Chilean wine industry. At least two of the founding members of MOVI have been fired from their jobs as winemakers for larger wineries for their participation in the group, and several more have gotten somewhat cold receptions to the news. While some in the Chilean wine industry have welcomed, or at least made peace with the existence of MOVI, the fact that even a few might see the desire of a talented winemaker to make their own wines as a threat seems particularly backward. Especially when all over the world there are plenty of examples pointing to the value of letting winemakers do their own thing. Not only does it keep the winemakers happy (and less likely to be looking elsewhere for work) their success with their own projects often



brings attention (and sales) to their employer's wines. Of course, there will be examples of superstars whose success will allow them to leave their employers and work only for themselves, but that's just the way things go with capitalism. MOVI, above all, represents the maturing of the Chilean wine industry. While I'm not sure that a movement or an association was wholly necessary, certainly the diversification and experimentation that MOVI represents is very necessary to the evolution of Chilean wine. ...

http://www.vinography.com/archives/2010/01/garagiste_winemakers_of_chile_1.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.

Wine community rallies to help Haiti

DECANTER, UK

27.01.10: **The international wine community has been working together to help the victims of the Haiti earthquake tragedy. Wine experts Jancis Robinson MW, Matthew Jukes and Gary Vaynerchuk have been active in using social media to promote the Wines for Haiti fund-raising project, started by US wine network, Palate Press.** The campaign has drawn in support from social networking sites across the globe to encourage people to donate something special from their cellar to be auctioned online. **The Wines for Haiti auction has raised over \$30,000 to date. Australian social networking site Booze Monkey is hoping to raise \$100,000 by asking for wine donations.** Booze Monkey CEO Marc Jardine said: 'I don't care if it's a bottle of Blue Nun or a case of Grange, if you can spare some wine to help save a life, we want to hear from you.' Dale Williams, founder of the website Wine Lovers Discussion Group has also become involved, offering his collection of fine Bordeaux as prizes in a wine raffle, including a 1979 Domaine de Chevalier. **In the UK, David Gleave of Liberty Wines and Tim Atkin MW are planning a wine industry fundraising event, which will involve holding 50 dinners in 50 different restaurants on a single day in April. Further initiatives include a dedicated Oxfam appeal asking wine lovers to substitute buying their favourite bottles for donating money to the appeal.**

<http://www.decanter.com/news/news.php?id=294315>

Winery upcycles used wine bottles, corks and caps

FOOD MAGAZINE, AUSTRALIA

22.01.10: **Cowhorn, a small winery in the Applegate Valley in Oregon, USA, has just sent its first shipment of 1000 used wine bottles to The Green Glass Company where they will be upcycled into heirloom goblets, pitchers, tumblers, vases, and votives.** From the Mayor of New York to the King of Spain, Green Glass Company goblets can be found on the dining tables of wine lovers the world over who want to enjoy new wine in old glass. **In a complementary program, the Ashland Food Co-op, Southern Oregon's first and**



only Certified Organic retailer, has partnered with Cowhorn, the up-and-coming wine region's first and only Certified Biodynamic estate winery, to convert used corks into reusable, compostable wine packs guaranteed to contain a minimum of 99% recycled content. Corks collected at the Co-op's Ashland store and the estate's Applegate Valley tasting room are sent to Corvallis-based Western Pulp, a company known for making high-quality biodegradable packaging and planters from recycled pulp. At Cowhorn, even the soft metal bottle cap covering the cork gets a new life through Rogue Recycling. The winery invites Rogue Valley residents to recycle torn tins and natural corks from any winery and used Cowhorn bottles at its Applegate Valley tasting room. ...

<http://www.wineindustryinsight.com/RSS//index.php/hop/latest/winery-upcycles-used-wine-bottles-corks-and-caps-food-magazine-australia/17504>

CellarTracker: a new model for wine reviews?

SAN FRANCISCO GATE, USA

24.01.10: Launched in 2004, CellarTracker (cellartracker.com) has become a powerful clearinghouse for wine information. I've followed creator Eric LeVine's project for years, sometimes skeptically. Originally it was intended as a way for collectors to track and check out each other's cellars. But the concept has so much more potential: a page for each wine in its database, currently 735,000 and growing daily. Users can rate one, read about one, buy one. And now they can see what critics think in the same place.

The pro-am model

So CellarTracker's strength is providing that focal point for almost all you might want to know - a document of a wine tasted by different palates over time, what LeVine calls "fresher data points" than a one-time review, with the option to access market-moving data. This is the quintessence of what journalism wonks love to call the pro-am model.

So what's in it for the pros? They don't necessarily lose money or influence. That was what appealed to Meadows, who runs the Burghound site; he could become more useful to his readers without giving in to the Internet's everything-for-free mind-set.

"I could never get comfortable with the idea that I could give information away and have it pay, because this takes an enormous investment," says Meadows, who spends several months each year tasting in Burgundy. "Just travel expenses alone, just the time commitment, is incredible."

The one big hurdle: Neither of the two most significant market movers, Robert Parker's Wine Advocate and the Wine Spectator, are interested in playing along. Parker did not respond to a request for comment, though LeVine estimates some 5,000 Advocate subscribers use CellarTracker each day. Wine Spectator executive editor Tom Matthews says they have "no plans to partner with any other sites at this point."

New version coming

What's LeVine's angle? Right now, a mix of user payments, advertising and links to wine retailers. For the moment, wisely, he's not asking for cash from pro reviewers. "I don't want any of their money. I want more people to subscribe to their stuff, but I want the privilege to show their content to their customers." **A new version will launch next month, with tidier**



organization and navigation; improvements on mobile platforms should follow. (Currently iPhone users can access CellarTracker data through the Cor.kz service.) **Imagine browsing a CellarTracker listing as you stand in a wine shop - instantly getting dozens of feedback points on the bottle in your hand - and you see how it could start to replace well-worn shelf talkers. It's not a radical concept - giving wine drinkers information they can rely on at the right time. But putting that information all in one place is hugely valuable.**

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2010/01/24/FDAD1BKTJVJ.DTL>

Tesco iPhone app makes it easy to shop for wine

INTERNET RETAILING, UK

28.01.10: Tesco has introduced the Tesco Wine Finder, an iPhone app that makes it easy to purchase wine by simply snapping an image of the label on the bottle. The Tesco Wine Finder is powered by a visual search engine developed by Cortexica. After taking a picture of the wine bottle's label with their iPhone, users are instantly sent to a page providing detailed information about the drink. They can then read reviews, purchase the wine and look for similar wines. The Tesco Wine Finder also includes a wine search function that lets users discover suitable wines based on the type, the kind of food they want to drink it with, the country of origin and price.

<http://www.internetretailing.net/2010/01/tesco-iphone-app-makes-it-easy-to-shop-for-wine/>

The Paradox of Restaurant Wine Lists

SOMMELIER, INDIA



24.01.10: There's a secret about wine lists at high end restaurants that you really should know. **The cheaper wines aren't necessarily bad wines. In many cases, they're not only the best value for money but sometimes even among the better wines on the list. Why's this the case? It all comes down to the Sommelier. Most Sommeliers pride themselves in being able to put together a wine list that has something for every palette and every price point. More than ever, Sommeliers recognize that it is harder to find impressive wines at the lower prices and they put extra effort into choosing good wines to round out their more glamorous and expensive labels.** That's one of the ways in which they demonstrate their expertise and resourcefulness. There's something else to also keep in mind - the most popular bottle on a wine list is usually the second cheapest wine. Why? Because many a consumer is afraid to come across as being cheap by buying the least expensive wine on the wine list. **The second cheapest wine is what the consumers gravitate to. Sommeliers know this and accordingly choose those wines carefully as well. So the next time you're in a restaurant, look over the cheaper wines.** They'll tell you more about the Sommelier and how seriously the restaurant takes food and wine pairing than the expensive wines on the list.

http://www.sommelierindia.com/blog/2010/01/the_paradox_of_restaurant_wine.html#mor



29/01/2010

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Wine delegates revive taste of the good times

FINANCIAL TIMES, UK

28.01.10: In previous years, one of the highlights of the Davos forum was a small but spectacular tasting of fine wines. But last year Klaus Schwab, the forum's mastermind, decided that guzzling first-growth clarets was an inappropriate way of celebrating the global economic meltdown - and the wine-tasting was cancelled. We all hoped that this was a temporary aberration, but apparently not. The new Puritanism is here to stay: **Davos wine-tastings are off the menu until further notice. But you cannot deter dedicated wine-tasters that easily. Last night a wine-tasting was organised by former Davos employees who have formed a new organisation called the Wine Forum. It took place in a conference room in an airport hotel in Zurich at 6pm - a time and a location specifically designed to intercept delegates en route to Davos. Jancis Robinson of the FT was mistress-of- ceremonies and the wines were provided by Krug and châteaux Cheval Blanc and Yquem. One of the malign results of globalisation is that these wines, which were once affordable to the likes of me, are now global brands cherished by the super-rich and therefore mesmerisingly expensive. I have never understood why the anti-globalisation movement does not make more of this issue. The 1959 Château Yquem that we tasted last night now sells for about £1,600 (\$2,560, €1,845) a bottle - each gulp that I took would have made a small contribution to paying off my mortgage. The Cheval Blanc 1998 is about £400 a bottle. The event last night involved sampling five vintages from each chateau. This is what is known as a "vertical tasting", although I'm not quite sure why, since if you actually finished each glass, you are much more likely to end up horizontal. I felt obliged to do my best to drink every last drop, since it seemed kind of immoral to hurl hundreds of pounds worth of wine down the sink. Then, at 10pm, I staggered on to the coach for the long and winding drive to Davos, arriving at around one in the morning. Under the circumstances, I felt remarkably perky in the morning and went to a really good session on geopolitics, which did what Davos does so well - bring together participants from all over the world; in this case from Beijing, Moscow, London, Cairo, Harvard, Afghanistan and Pakistan. Now I am off to a lunch with George Soros.**

<http://www.ft.com/cms/s/0/f016c704-0baa-11df-9f03-00144feabdc0.html>

District wineries raise their glasses to super mulch

THE CANBERRA TIMES, AUSTRALIA



25.01.10: **Amid nationwide calls for thousands of hectares of vineyards to be uprooted to resolve the wine glut, some Canberra district wineries are turning to carbon sequestration in the hope they'll not only help save the planet, but improve the quality of their grapes. Canberra District Wine Industry Association president Anne Caine said that as**

long as wine was of a high enough quality, there would always be buyers. As part-owner of Lerida Estate, her and husband Jim Lumbers stopped the tradition of burning the vine offcuts about two years ago, and now uses the by-products to mulch under the



vines, making the vineyard carbon neutral. Mr Lumbers said, "We use the waste, which usually releases CO₂, and we spread the mulch under the vines so carbon is locked into the soil by worms and micro-organisms. "We add lime and do other things with the mulch but basically it is left stewing away and breaking down in piles, it ferments getting hot and killing the weeds and then we break it all up with the tractor." The 20 tonnes of wood from the vines used to create about 40 tonnes of CO₂ annually, now it helped improve soil and vines and, hopefully, the end product. The result was obvious with thicker foliage, something he wasn't seeing when using bought products. Yarrh Wines' Neil McGregor has taken the process one step further, turning those leftovers into a super mulch and also trying to go organic to increase the help of microbial life. ...

<http://www.wineindustryinsight.com/RSS//index.php/hop/latest/district-wineries-raise-their-glasses-to-super-mulch-the-canberra-times/17631>

China makes 'world's largest wine bottle'

DIGITAL SPY, UK



28.01.10: **A Chinese company has claimed the world record for the largest ever bottle of wine.** According to the Croatian Times, the 1,850 litre bottle from Wang Chen Wines in Liaoning, Northern China contains treble the volume of the previous record holder from Austria. A company spokesman said: "We are very proud and the wine is very good. We have all had a glass from the bottle to celebrate." The bottle of claret is a full 15ft high when upright.

<http://www.digitalspy.co.uk/odd/news/a199993/china-makes-worlds-largest-wine-bottle.html>

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.

Highlight: The case for investing in fine wine

FINANCIAL TIMES ADVISER, UK

22.01.10: **Wine has seemingly fared well compared with other options within the alternative investment sphere. While fine art has risen by 9 per cent, collectable stamps by 61 per cent and residential property by 118 per cent over the decade to December 2009, some premium cases of wine from Bordeaux have risen by almost 900 per cent, according to fine wine exchange Liv-ex.**

Advertising

However, it would be naïve to think that every wine investment is likely to generate anywhere near that level of return. In fact, it is difficult to assess the general trends across different types of wine to form an assessment of the marketplace as a whole. "While it is hard to find totally



accurate records and therefore data, it is fair to say that the prices for the very best wines have risen by an average 15 per cent a year over the past 25 years," suggests Joss Fowler, a fine wine manager at wine merchants Berry Bros & Rudd. "That includes quiet periods – for example, from 1998 to 2002 – being more than balanced out by the busy ones, like 2005-07."

Indeed, fine wine has not enjoyed a steady upward trajectory over recent years, suffering first at the hands of the Asian economic collapse in 1998 and then in the global recession brought on by the banking crisis.

In the latter downturn, the wine industry initially appeared to be immune to the financial woes engulfing other sectors. "Ten cases of 2000 Lafite sold at Christie's for a shade under £11,000 a case just days after Lehman Brothers filed for bankruptcy protection," recalls Mr Fowler.

Yet prices began to drop off significantly in October and November 2008, with lots left unsold at several major auctions and those that did sell failing to reach their bull market highs.

Mr Fowler gives the example of 2005 Lafite, which was worth just under £10,000 a case in the summer of 2008, falling to £6,000 a case in November of that year. "This was clearly an opportunity for the brave," he says. "Lafite 2005 is now selling for £7,500 a case and more."

While a lot of investment wine has yet to return to its pre-recession value, as an asset class it has recovered quickly. As Stephen Williams, managing director of the Antique Wine Company says: "In 2008-09, the very top end of the fine wine business suffered relatively little damage in contrast to other asset classes like property or even equities. Once again, wine has proven immune to collapse, held steady during times of economic adversity and risen in times of recovery."

A key factor in the stabilisation of prices has been the influx of new investors from Russia and Far Eastern markets since the 1990s. "Demand for the best wines from Bordeaux boomed," explains Mr Fowler. "Although the prices of some top Bordeaux chateaux dropped in 1998, the general trend in wine prices has been up."

As Mr Williams confirms: "Asia is currently having a massive influence on wine prices. The top wines, especially Chateau Lafite and its second wine Carrudes de Lafite, are increasing in value exponentially. "This is certain to continue in 2010, hopefully with some broadening out into other Grand Cru brands as the Chinese appetite to learn about wine becomes satisfied."

This trend has been picked up by auction houses Christie's and Sotheby's, which have been holding fine wine auctions in Hong Kong since February 2008, when the government removed duties on wine. Indeed, Sotheby's sold all but five lots in an auction in Hong Kong in October, raising HK\$61.5m (£4.89m) from 1,010 lots. This far exceeded the presale estimate of HK\$47.8m. The final lots were later sold privately.

Interestingly, only 1 per cent of lots went to buyers from outside Asia, according to Sotheby's. Mainland Chinese made up the bulk of bidders, along with buyers from Hong Kong, Taiwan and Singapore.

So, what can we expect in 2010? According to Mr Williams, several stories look set to play out this year. "With economic recovery underway, the 'consumption' effects on the market will return," he says. "Vintages such as 1982, 1990, 1995 and 2000, which are now at or approaching maturity, will also see increasing demand from consumers. They are certain to rise in value. "We are also currently experiencing a big return in demand for very old vintages and collectibles."

He also predicts the 2009 en-primeur vintage in Bordeaux will generate a lot of interest because



of its underlying quality. "We await the chateaux pricing with bated breath," he says.

Berry Bros & Rudd is also excited about the 2009 Bordeaux vintage. "Given the quality of the fruit harvested in September last year – our Bordeaux buyer, Max Lalondrelle, commented that 'even the pips taste ripe' – there is every chance that we have a vintage of remarkable quality on our hands," reports Mr Fowler.

In short, the basic principle of supply and demand seems likely to ensure wine will continue to appreciate in value. With more buyers entering the sector, a greater level of volatility is to be expected in the short term, but, overall, top-end wine should prove to be a good investment if held over the long term.

However, potential investors should undertake their own research before opting to include wine in their broader portfolio. Issues such as management fees for wine investment funds should be taken into consideration, as should the storage costs if wine is purchased privately.

<http://www.ftadviser.com/InvestmentAdviser/Investments/AssetClass/AlternativeInvestments/Features/article/20100125/85f31d14-01be-11df-9251-00144f2af8e8/Highlight-The-case-for-investing-in-fine-wine.jsp>

