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Buying & Investing



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Does the Italian love affair have a future?

Pricing Tuscany has benefited from disappointment with France, says **James Suckling**

Wine investment appears to be back in the minds of high-end consumers, but they have been turning away from France in favour of Italy. Top names in Italy such as Brunello and Barolo have been usurping the long-established estates of Bordeaux or hard-to-find Burgundies.

"For the past six to 12 months, the words 'wine investment' have resurfaced, and I believe the collapse of prices for blue-chip wines with the weakening of the euro are getting people excited about wine again," says Paulo Pong, managing director of the Altaya Group, a wine merchant in Hong Kong with almost a dozen wine shops.

"Things like Brunello 2010 are our hot picks. They rank as some of the best ever produced in their respective regions."

Indeed, the 2010 Brunello di Montalcino were the best wines ever produced in Italy's famous region of Tuscany. These bold reds are produced using only the Italian Sangiovese grape and aged for five years before release. The 2010 vintage produced reds that are rich and powerful, yet fresh and refined owing to a longer than usual grape-growing season.

"2010 was a stellar year for Brunello di Montalcino, with most estates producing their best wines ever," says Gary Boom, managing director of London-based Bordeaux Index, a fine wine merchant with clients worldwide.

"Again, we had enormous demand here and sold over 20,000 bottles across various producers."

I rated almost 400 different 2010 Brunellos over the past 12 months. Some are regular bottlings that are on the market and others are riserva and single vineyard reds that will be released in January 2016. So many of the wines are superb quality. That is why I gave the following wines perfect ratings (100 points) including: Luce della Vite, Livio Sassetti, Siro Pacenti, Le Ragnaie VV, San Polino Helichrysum, Casanova di Neri Cerretalto, Assunto Riserva, Ciacci Piccolomini d'Aragona, Pianrosso



Artisanal producers: Italy has captured the imagination of wine investors

Franco Ongliati/Getty Images

Santa Caterina d'Oro Riserva, Renieri Riserva, San Filippo Le Lucere Riserva, and Valdicava Madonna del Piano Riserva.

"Brunello 2010 has been spectacularly successful," says Simon Brewster, senior private client sales manager at Fine & Rare Wines in London. "A great vintage, it has been backed by the critics across the board and comes from a region that's easy to understand. More importantly, prices are reasonable and offer fantastic value for money."

Reasonable pricing compared to other top collectibles, however, suggests that Brunello may not be the best wine investment from Italy. Super Tuscan wines such as Sassicaia, Masseto, Ornellaia, Tignanello, and Solaia are traded in greater volume on the secondary market and have a history of better price appreciation.

Anthony Maxwell, director of Liv-ex, the online wine trading platform in Lon-

don, says: "Super Tuscans, which accounted for 75 per cent of Italian trade on Liv-ex over the past year, attract the most secondary market activity."

"They are producing large volumes – similar to Bordeaux classified growths – and while Bordeaux has been out of favour, they have looked attractive."

Xavier Hornblow, general manager of Jeroboams wine stores in London, thinks Italy's novelty may have been working in its favour. "The UK wine investor is characteristically well educated on the wines of Bordeaux, Burgundy and Champagne," he says. "So, with its plethora of artisanal producers, Italy feels like relatively undiscovered territory. It has captured peoples' imagination."

Key wine merchants concur that Barolo wines from the Piedmont region is another Italian wine category not to overlook at the moment. "Piedmont is the Burgundy of Italy," says Greg St

Clair, Italian wine buyer for K&L Wine Merchants in San Francisco and Los Angeles. "You need to know more, so the wines are generally for very savvy consumers."

But that is part of the interest for consumers with all Italian wines. "I have been buying Burgundy and Bordeaux for years," says London-based private equity manager Philip Renaud and an active wine collector. "But Italy is fascinating, especially Super Tuscans, Brunellos and Barolos. And you can drink most of them on release."

Barolo has had a string of excellent vintages, most recently 2011, 2010, 2008 and 2007. Sought-after producers include Giacomo Conterno, Roberto Voerzio, Bruno Giacosa and Aldo Conterno. Production can be small for these producers because most make single vineyard bottlings similar to Burgundy. Some may only number 200 or 300 cases.

'Bordeaux looks prime for a comeback. There is potentially a top en primeur vintage in the pipeline with the 2015'

Perhaps some of the current interest in Barolo is spurred from the disappointment in rare Burgundy. This is particularly so in Hong Kong, where the top wine collectors and investors are obsessed with Burgundy. The frustration is not because of the quality. The best producers of Burgundy, both white and red, make excellent wines even in such difficult vintages such as 2013.

However, many of the most collectable wines are very difficult to find and what is available can be extremely expensive. Prices seem always to be on the increase.

"Burgundy has all the necessary requirements: rarity, immense quality and a touch of romance," adds Fine & Rare Wine's Mr Brewster. "Demand will always outstrip supply for the best on release and you'd expect this to be heightened further as the wines become scarcer and more desirable as they mature. That said, where the upsides will be is harder to predict as the volumes traded are so low."

The big question for 2016 is whether demand for fine Italian wines will continue. Improved quality and collectability are not the only factors driving new interest in Italy from the wine trade and consumers. Italy has also been the beneficiary of a string of disappointing years in Bordeaux that has sent wine buyers looking for pastures new.

"Whenever vintages in Bordeaux are not terribly exciting, people seem to look elsewhere," says Patricio de la Fuente Saez, managing director of Links Concept, the Hong Kong-based wine merchants. "Italy has embraced the international wine tastes... wines such as Tignanello and Solaia are not expensive compared to similar quality wines from other countries. They age fantastically and will always appreciate in value ahead of the demand."

This love affair with Italy, however, might all change next year. The 2015 vintage is expected to be outstanding in Bordeaux and it has been five years since the global market welcomed a young vintage from France's premier wine region.

"Bordeaux looks prime for a comeback," concludes Liv-ex's Mr Maxwell. (see Tips Page 5) "There is potentially a top en primeur [futures market] vintage in the pipeline with the 2015, which traditionally boosts the wider Bordeaux market and brings interest and focus back to Bordeaux – if the price is right."

James Suckling is a wine critic living in Hong Kong and chief executive of JamesSuckling.com. He is also wine editor of Asia Tatler.



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FT Wine Buying & Investing

Why the dusty cellar turned into a high-spec 'wine room'

Showpiece Wealthy clients want top designs and the best technology, writes *Alice Lascelles*

For many wine lovers the expectant gloom of a subterranean wine cellar is all part of the fun, but a new breed of oenophile is now choosing to forgo this in favour of something rather more hi-spec: the feature wine cellar.

Hand-crafted from walnut, oak, bronze and glass, artfully lit and equipped with the latest cellaring technology, this new style cellar is not tucked away in the basement, it is an architectural feature — and even an entertaining space — in its own right.

"In the old days you'd go and get the wine out and no one even saw the cellar," says Richard Miller, managing director of cabinet makers Halstock, which has created a number of high-end designs for private clients. "It would be dank and dark, possibly with a frog in it and an old bicycle — good for keeping the integrity of the wine, perhaps, but not very welcoming. Now we're seeing cellars increasingly being located in proximity to the games room or the kitchen, so they're accessible and visible. They're something that people can share with their friends, much like a gun room or an art collection."

At the more modest end of the scale, that cellar might be a climate-controlled, glass-fronted feature wall integrated into a hallway or games room. The spiral cellar — which sees bottles racked round a corkscrew staircase in the ground — has also become a popular solution for properties tight on space. But a growing number of wealthy clients

are now commissioning fully-fledged "wine rooms", according to Mr Miller.

These are spaces which marry state-of-the-art cellaring with professional-standard tasting tables (equipped with sink, spittoon and decanting area), bars and glassed-off dining areas which allow guests to admire their host's wine collection while they eat.

Halstock's biggest project to date has been a 70 sq m wine room for 8,000 bottles complete with tasting and decanting areas, wine conditioning cabinets and a gated zone for the rarest crus, says Halstock's senior designer and project manager Paul Walton.

"Precision is everything," says Andrew Richards, development director at London-based architectural and interior design practice Studio Indigo. "Not just in the design of the climatic equipment but also in the design and execution of the finer details of the cabinetry and metalwork."

That means ensuring that drawers are cushioned to minimise vibrations. Smooth finishes are important, as is an odour-free environment. LED lighting is used throughout to eliminate temperature fluctuations. Bare metal edging is also discouraged in order to protect labels from the slightest nick or scratch.

More tech-savvy collectors are now also equipping their cellars with eSommelier, a piece of software that tracks every bottle using a unique barcode.

"This allows you to see your whole inventory, along with tasting notes,

On display: one of Halstock's designs complete with decanting area



valuations and cellaring advice, instantly, on your i-pad," explains Matt Tipping, fine wine sales manager at Berry Bros & Rudd, the wine merchant.

Showpiece cellars demand a different style of curation to the traditional cave, says Mr Tipping. "Normally you'd organise bottles by type or maturity in a cellar, but in this instance it's finding some highlights or centrepieces to make a feature of — perhaps a selection of magnums, or one really large format, or a bottle of each of the first growths from a specific vintage on display next to each other. Something that really draws the eye in."

In some cases, these displays can come closer to art installations. Smith & Taylor, the wine storage specialists, recently completed a wine wall in Mayfair showcasing 68 vintages of Mouton Rothschild's celebrated label series fea-

ture work by artists including Francis Bacon, Salvador Dali and Jeff Koons. The wine wall "looked almost like a butterfly case", says managing director Sebastian Riley-Smith.

"Along with pools, gyms and screening rooms, prestige cellars are increasingly a way that developers are trying to outcompete each other," says Mark Wilkinson, partner at Knight Frank, the estate agents, giving the example of Lillie Square, a new development of luxury apartments in Earl's Court which features a dining space for 12 flanked by a wall of glass-fronted, climate-controlled cabinets which residents can lease in order to cellar and display their wine.

"Even if they don't drink it," he says, "it allows people to have a more personal, tangible connections with their wine collection."

Putting it down Premium storage solutions

Halstock Cabinet makers specialising in bespoke cellars, particularly in oak or walnut. Prices start at around £50,000 for a feature wall rising to more than £1m for a wine room. www.halstock.com

Cellar Maison Cellar designers with a strong line in more contemporary wine rooms, back-lit feature walls and glass-sided, walk-in wine "pods". Prices start around £20,000 plus VAT. www.cellarmaison.co.uk

Spiral Cellars Provides a range of ingenious designs for wine collectors short on space. Prices start at around £11,500 for a build-your-own spiral cellar, and rise to £63,000. www.spiralcellars.co.uk

Smith & Taylor Has created bespoke cellars for Le Manoir aux Quat'Saisons, a luxury hotel with a Michelin-starred restaurant, and Morton's, a London club. Prices are £50,000-£250,000. www.smithandtaylor.com

'They're something people can share with their friends, much like a gunroom'

Moldova turns its eyes to the west

Markets About 90 per cent of exports used to go to other parts of the former Soviet Union, writes *Henry Foy*

Moldovan winemaker Purcari's Freedom Blend was created in 2011 to commemorate Moldova, Georgia and Ukraine's 20 years of independence from the Soviet Union. But it took on another meaning when Russian tanks rolled into Crimea last year.

Purcari's creation is a blend of wines from all three countries. However, in Moldova's capital Chisinau, wine enthusiasts joke that instead it represents lands partially invaded by Russia, including not just Ukraine's Crimea peninsula but the occupied territories of South Ossetia in Georgia and Moldova's own disputed Transnistria region.

In recent centuries Moldova's wine industry has relied heavily on custom from its eastern neighbours, none more so than Russia. But that is now starting to change. Strained by geopolitics and

hurt by periodic import bans imposed by Moscow in retaliation for Moldova's friendship with the EU, the country's vineyards are turning west for investment and new export markets, keen to project themselves as a modern region with a rich history.

"There is a regional crisis and these traditional markets do not work for us any longer," says Dumitru Munteanu, director of the National Office for Vine and Wine, the industry's lobby group. "Our strategy is to be less dependent on eastern markets. We are trying to reorientate our exports to find more opportunity and more reliable partners."

In 2004, 90 per cent of Moldova's wine exports went to other parts of the former Soviet Union, with almost 40 per cent going to Russia. Last year 68 per cent of the 67m bottles of wine exported from Moldova, worth \$156m, went east. The industry's aim, Mr Munteanu says, is to reduce that to 33 per cent before the end of the decade.

"Until 2006, major investments that came to

the wine sector were Russian. But then the first Russian ban was imposed and since then more and more interest has come from Germany, the US and the west," Mr Munteanu says. "Many growers understand that without a reliable partner outside the country, it is very hard to access markets."

Wedged between Ukraine and Romania, Moldova's geography plays an integral part in an industry that produces 15m decalitres of wine each year, according to Wine of Moldova, a government trade promotion body.

Rolling hills abound, with the slopes of valleys accounting for almost 60 per cent of the country's surface area. A long summer also helps: Moldova's latitude matches that of Bordeaux and Burgundy. The Moldovans say that they have wine in their blood. "For us, it is . . . a key

Victor Bostan: wine is in the blood



FT Drinking in tradition
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A good nose is needed for the grape haul of China

Fraud Investors must be careful of fakes when buying inside the country, explains Chris Newlands

China has acquired a seemingly unquenchable thirst for wine.

In 2013 it surpassed France as the world's biggest consumer of red wine and this year its consumption will jump 10 per cent to 1.75bn litres, according to figures from the European Union.

But the country's taste for French claret has kept not only the sommeliers of Shanghai busy. The spike in consumption has also occupied the time of China's police force.

In the summer of 2013, news reports indicated more than 40,000 counterfeit bottles, valued at \$32m, were seized in a raid by Chinese police, while the previous year more than 350 cases of bogus Château Lafite Rothschild and 60 cases of fake Château Margaux



Buyer beware: fixation on 'brand' labels has encouraged abuse of customers' ignorance

Reuters

were confiscated by Chinese authorities. Concrete statistics are hard to come by but even the most conservative of estimates from experts suggest 40 per cent of fine wine being sold in China is fake.

Some believe that figure is closer to 80 per cent. The result is a serious worry for investors.

Romain Grudzinski, a China expert at Liv-ex, the independent wine exchange,

puts it simply: "Investors in fine wine should not be buying in China. Not only because of the potential of buying fakes but because the global market will not buy it back."

Those risks have also created opportunities, however. Bottles proved to be the genuine article have fetched record sums, and in February Château Mouton Rothschild's first "ex-château" (stored at the château until the sale, thus reassuring investors concerned about provenance) auction at Sotheby's in Hong Kong raised \$4.1m – more than double the presale estimate. A rare 66-bottle collection was sold for \$376,900 alone.

"Wine fraud in China is both a problem and an opportunity," says William Grey, investment manager of the Wine Investment Fund. "Of course, it's a problem from the ordinary consumer's perspective as it is difficult for them to be sure that what they are paying for is the real thing."

"But the flipside of this is that stock with impeccable provenance – in other words, which cannot be fake – is highly sought-after and will command the best prices."

In May last year the authorities in China and France signed an agreement

to increase efforts to reduce the amount of bogus French wine for sale in China. Fleur Pellerin, France's secretary of state for foreign trade, said at the ceremonial signing in Beijing: "This bilateral co-operation reflects the common desire of France and China to protect producers against counterfeits."

And the sense is the situation may be improving.

Solicitor Nick Bartman, who was previously based in Hong Kong and focuses on wine fraud in China, says: "Things have improved, particularly as more Chinese are able to identify rubbish wine. As their taste buds attune, fraudsters are having a tougher time, and some are falling away to seek alternative products to leech from."

Victor de la Serna, who has written about wine for more than 30 years and is on the advisory board of Vini Catena, a global equity fund specialising in the industry, says: "Things are on the way to improving. The Chinese authorities seem to be becoming increasingly aware of the magnitude of the problem."

Perhaps the biggest issue in China, however, is excessive pricing rather than counterfeiting. According to Mr Bartman, the trade price of a 2007

Le Blason de Larrivet Haut-Brion is £15, while the same bottle can be found in restaurants in China for £200.

Jim Boyce, a Beijing-based wine consultant and founder of the blog Grape Wall of China, says: "If you have consumers who buy simply because of a label, with little knowledge or appreciation of the wine behind it, you open the door for abuse of that ignorance."

"But the good news in China is that we are seeing a shift toward a more taste-based market, with new waves of consumers going beyond Bordeaux, beyond France, and beyond the red wines consumers are convinced they like."

Mr Boyce, who has lived in Beijing for 12 years, cites an experience he had during his early years in China. He says: "I remember being at a wine fair where a French salesperson was pouring samples of some faulty Bordeaux. When I pointed out the wine was bad, he said it was fine, and went on trying to convince people to buy it based on the region's name and the supposed expertise he had simply due to his nationality."

"I bring this up because part of what makes Bordeaux an easy target for fakes is that people are focused on status rather than taste."

'Things have improved, more Chinese are able to identify rubbish wine. Fraudsters are having a tougher time'

Top marques hold their own as they go under the hammer

Auctions Prices have been flattening, but good names from certain regions have sold well, says Alan Livsey

For some wine lovers it is not about the pop of the cork, but the bang of the gavel. The thrill of bidding on the finest and rarest wines can drive wealthy collectors to pay otherworldly prices for their targets. Years of rising world stock markets and ultra-low interest rates have generated enough wealth to fund another year of healthy wine auction activity. But beyond the hype, there is a question: are hammer prices at a peak?

The most sought-after wines continue to grab the headlines. Over the past year, top marques from Burgundy and Bordeaux have dominated, selling at or above reserve prices.

Even so, auction wine prices have not hit new highs this year. "After several years of steady improvement, prices are flattening," says Peter Gibson of the Wine Market Journal. The WMJ tracks

'Market power has switched from the critic to the brand'

John Kapon, chief executive of Acker, Merrall & Condit

prices for top wines at auction and claims to have data for vintages post 1980 from all leading auction houses in Europe, Asia and the US. Its index for the 150 best-selling wines has slipped about 3 per cent this year.

Still, auction houses do find homes for the most collectable wines. "Big collections," says Stephen Mould, head of European wine at Sotheby's, "with good provenance and impeccable storage, have sold well."

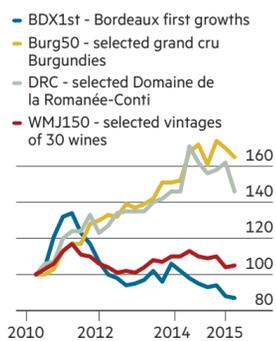
In May, Sotheby's auctioned the collection of New York financier Don Stott, bottles lovingly gathered over a half century. Almost all of the wine – more than half from Burgundy – sold to North American collectors and fetched more than \$8.4m, against a high estimate of \$6.2m. The highest price was for a case of Montrachet 1973 Domaine de la Romanée-Conti that went for \$58,188 to an Asian private collector. The estimate had been \$25,000 to \$35,000.

Last month, an auction of wines direct from Château Margaux, offering virtually guaranteed provenance of the bottles, made more than \$2.8m – double Sotheby's high estimate.

Sotheby's and Christie's as well as specialist wine auctioneers Acker, Merrall & Condit all report good sell-through rates – the proportion of inventory sold – for their auctions of the top collections. Acker, Merrall & Condit reported an average sell-through rate of more than 93 per cent by the end of September. Top houses that do secure these collections are

Wine price indices

Rebased



Source: The Wine Market Journal

raking in the commissions. In 2014 Sotheby's claimed it was top global auctioneer recording more than \$65m in sales of wine. Acker, Merrall & Condit looks set to top that this year, reporting sales of \$40m in Hong Kong and New York in the six months to the end of June. More than two-thirds of that figure came from sales of Burgundies.

Buyers have raised their hands not just for the perennial favourite Domaine de la Romanée-Conti but also for Henri Jayer. The current sweet spot is for the decades encompassing 1980-2000.

Top châteaux in Bordeaux once regularly topped the rankings, but after a decade of rising prices WMJ data show Bordeaux prices have declined and Burgundies have risen to dominate auction markets for the past couple of years. Domaine de la Romanée-Conti is now seen as one of the most desirable purchases, but even so, its prices have slipped this year for the first time since 2010, while other top Burgundies have held up much better.

Buyers are also increasingly looking outside France for collectable wines as the reputations of Italian and US vineyards swell. Makers such as Bruno Giacosa of Italy and Screaming Eagle in the US attract top prices. "Market power has switched from the critic to the brand," notes John Kapon, chief executive of Acker, Merrall & Condit.

Second and third growths (Bordeaux rankings that are second and third from the top) have succeeded in the Asian market, as buyers there are fast learning the quality of many of these châteaux can approach the excellence of the first growths (premiers crus), says David Elswood, head of wine at Christie's.

Also, the second wines of the great Bordeaux châteaux remain popular, though not at the inflated prices of a few years ago.

Moreover, buyers have sought out other, less-travelled roads. For example, Mr Elswood at Christie's says vintage port and Madeira have also had a revival over the past couple of years. Vintage port is one of the few sectors with higher prices this year, according to WMJ's Mr Gibson. Vintage champagne – usually reserved for drinking – has also done well this year. Salon's blanc de blancs champagnes are increasingly popular.

Overall, though, while auction prices have shown signs of losing momentum, top wines are still drawing good bids.

And for those worried prices have been flattening, Mr Gibson at WMJ says: "The market did need a breather."

Perennial favourite: Domaine de la Romanée-Conti



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Advances in viniculture add to Chile's attraction for investors

Regions A natural protection from pests helps production, writes *Marcela Molina Shaw*

Chile's unique geography, with its mountains to the east, oceans to the west and desert to the north confers a unique advantage to the country's wine growers. They are, in effect, protected by physical barriers from invading pests such as phylloxera, which has blighted vines across the world.

In addition to these advantages, Chile not only offers an ideal climate for grape growing, it has also been making economic reforms and increasing efforts to encourage trade – it is a signatory, for example, to the recently agreed Trans-Pacific Partnership.

Overseas vineyard investors, especially those looking for growing regions that might offer protection from the effects of climate change, are taking notice.

What they are witnessing is a massive increase in wine production in a country that Miguel Torres, one of Spain's best known winemakers, has called a "viticulture paradise".

Vineyards have extended the areas under cultivation by 25 per cent over the past five years. Meanwhile, increasingly sophisticated viticulturalists are discovering new growing areas as the effects of climate change and the positive effects of improved techniques encourage them to investigate further afield.

About 138,000 hectares of land are currently devoted to growing grapes across an area that spans more than 14 degrees of latitude – a distance of about 1,700km. New growing regions are

being developed such as the Itata Valley in the far south and Chile Chico and Limari Valley to the north.

Because of the country's natural protection from pests, the organic segment of the industry is seeing particularly strong growth.

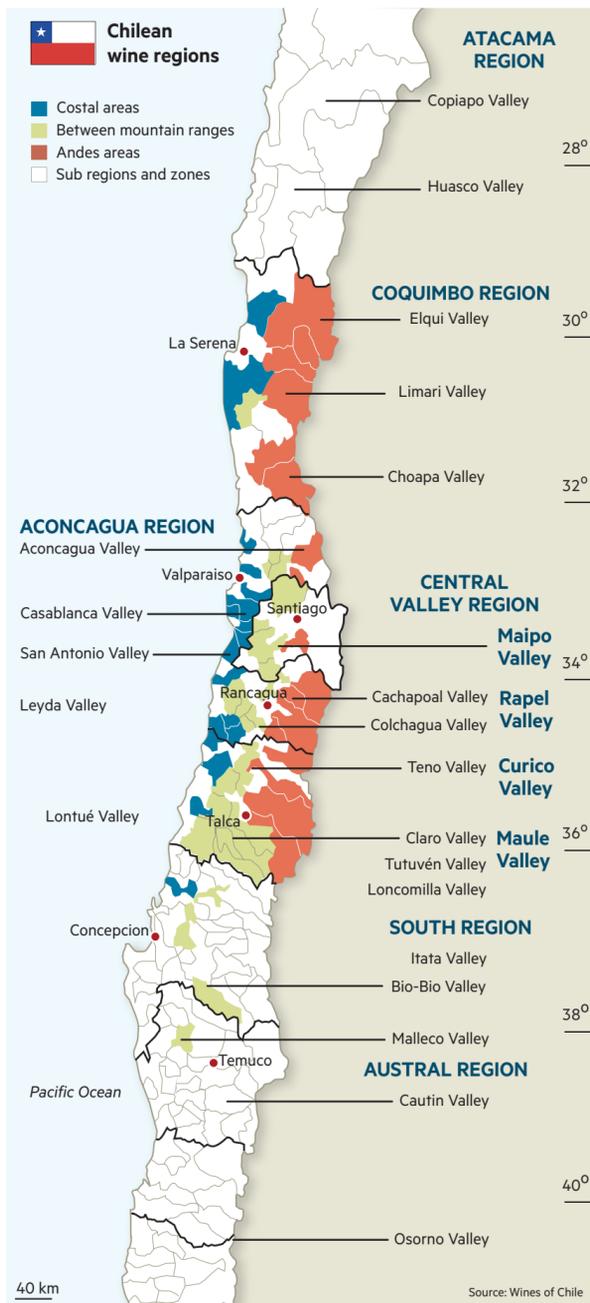
Chile's vineyards are set among two mountain ranges of the Andes with valleys that cross from east to west. Temperatures are regulated by the cold Humboldt current that flows through the Pacific Ocean along the west coast of South America and by the mountains themselves, both helping to mitigate rising global temperatures.

The vineyards are dispersed across hillsides, in valleys and in coastal areas where limited water forced the industry to modernise water management and replace traditional flooding irrigation with a drip system that has a benevolent effect on the quality of the grapes. The grapes are picked earlier, are lower in alcohol content and produce wines that are much easier to drink.

In the past, people talked about the difference between wines from the northern and southern valleys. Today, however, it is also possible to taste the difference between wines from the foothills of the Andes and those from the coastal regions.

The developments have been no small achievement. Wineries are cultivating Sauvignon Blanc as high as 900m above sea level in the foothills of the Andes, producing exquisite white, mineralised wines.

In the Elqui valley there are vineyards



Individual flavours: improved techniques mean vines can even be grown high in the Andes

at almost 2,000m above sea level. In the south, Pinot Noirs are coming from the lake district of Chile.

Meanwhile Muscat of Alexandria grapes are being grown as far south as the 38th latitude. New varieties have been introduced and Mourvèdre, Carignan, Cinsaut and Gewürztraminer, are among a few that have adapted remarkably well.

Chile has also become an attractive proposition for foreign investors. It offers a strong legal and judicial system and has made efforts to encourage international trade. In 2010 it became the first South American country to become a member of the OECD.

Foreign direct investment totalled more than \$23bn in 2014, an increase of 15 per cent over the previous year, according to CieChile, the government agency that oversees foreign investment. FDI in the rest of the region dropped by 19 per cent in the same period.

At the same time, prices have become more competitive following the depreciation of the Chilean peso as a result of the country's weaker growth outlook caused by the collapse in the price of copper – Chile's main export. Add to these incentives the fact that the recent drought has brought down land prices and labour costs remain low.

New foreign investors will be walking a well-trodden path. Mr Torres is credited with helping Chile's wine industry to take off in the early 1990s with his company's investments in

Chilean winemakers are making wines that carry an authentic expression of their origin

mainstream wine producers. Other foreign investors include the Marnier Lapostolle family, Mondavi, and Baron Philippe de Rothschild who have helped to bring new technologies to the industry in general.

In more recent years new investors have formed joint ventures or alliances with smaller producers such as the O. Fournier Group, Siebenthal and Gillmore helping to bring further diversification to the industry.

Marcela Molina Shaw is a business consultant who lectures on the wine industry at San Sebastián University, Chile.

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Domaine Chanzzy aims to enchant the party set

Burgundy winemakers hope the brand will become synonymous with luxury, explains Lucy Colback

In a cellar in Burgundy, the strains of Mozart's *Eine Kleine Nachtmusik* roll out over the rows of oak barrels. Earlier in the month, the fermentation process began with the ringing of a Tibetan bowl; the juices have also been "hypnotised".

An unusual approach for a Burgundy domaine, perhaps, but veteran winemaker Marc Jessiaume insists it has a noticeably positive effect on the quality of the wine. His son, Jean-Baptiste Jessiaume, chief operating officer and chief vintner of Domaine Chanzzy, agrees. They are not playing with such methods lightly: their reputation – and that of the domaine – resides in those barrels.

Bought out of bankruptcy in 2012 by Paris-based private equity fund Olma, Domaine Chanzzy has big ambitions. It wants to turn the Chanzzy brand into one synonymous with luxury, as well as develop a range of "festive" reds and whites that can achieve the same universal recognition as champagne.

For the luxury offering, the domaine is aiming to broaden the appeal of wines from a region that Chanzzy chief executive Philippe der Megreditchian describes as "inaccessible".

One of the challenges lies in demystifying the appellation system. Mr der Megreditchian, who is also managing partner of Olma, explains that Burgundy has 40 of the top 50 most expensive brands in the world but "no one understands how to read the labels".

Burgundy winemaker Alex Gambal concurs. "It's a totally confusing system. You automatically think just because you've got a grand cru or a premier cru you've got a good wine – but it is just a ranking of the potential of the land." The quality of wine produced from a similar piece of land will vary greatly according to who has made it, he says. "The key word," Mr Gambal stresses, "is potential."

Chanzzy will rely on winemaking family Jessiaume, spearheaded by sixth generation Jean-Baptiste, to develop luxury wines of consistent quality across



Jean-Baptiste Jessiaume: at 25 he is young to be heading a domaine

Chanzzy's 40 appellations. At 25, Jean-Baptiste is young to be heading a domaine. When Olma recruited him to run Chanzzy in 2013, people in the industry said it was "absolutely crazy". Mr der Megreditchian, however, was confident of Jean-Baptiste's pedigree: in 2012, the first year he took solo responsibility for the red vintage at the family's old domaine, Jean-Baptiste won Burgundy's young winemaker of the year award.

Olma also knew that it could rely on the family – Jean-Baptiste's father Marc and uncle Pascal – to give him support. The three work together – Pascal on the vines, Marc on the whites and Jean-Baptiste on the reds.

Still, as Mr Gambal observes: "Making the wine is the easy part. Selling it and developing a brand is the hard part. It takes so long to make a name."

Called simply "B", Chanzzy's festive wines come in bottles encased in sleek

'It's a totally confusing system. You automatically think just because you've got a grand cru or a premier cru you've got a good wine'

opaque sleeves: white for white wine and black for red.

B is aimed squarely at the party set: a promotional video playing in the tasting room alternates between shots of poolside DJs and bikini clad revellers. It was launched this year in St Tropez, retailing at €80 a bottle. The company is in advanced discussions to sign a contract supplying 30,000 bottles to a global drinks company.

A challenge to scaling the business is securing volumes – especially in Burgundy. From the hillside overlooking the Côte de Beaune's Meursault appellation, the autumnal patchwork of tiny squares marking out individual land holdings illustrates the difficulty for any one winemaker of making a product in volume. The appellation system exacerbates the situation. With premier and grand cru at the top of the pecking order, those with access to even a small slice are reluctant to give it up.

Adding to the problem are poor harvests; since the bumper year of 2009, weather conditions have resulted in low yields. And as prices have risen for Burgundy wines, more grape growers have opted to make their own, leaving less surplus for other domaines to buy in to supplement volumes.

Still, in the Côte Chalonnaise, where Chanzzy is located, volume contracts are easier to obtain. It may help, too, that Chanzzy has used less popular varietal aligoté grapes for its first offering of white wine under the B brand.

The domaine has other plans to grow B, by incorporating new vines from a sister vineyard in the Côtes du Rhône. With nearly 100ha to Chanzzy's 30 or so, the southern stable mate – the two are due to finalise a union in December – will add another region to the line-up, as well as new grape varieties.

Investors will have to wait a bit longer to buy into this new Burgundy story. This year Chanzzy pulled a crowd-funded initial public offering, pending completion of the Côtes du Rhône deal. Now, the company wants to increase revenues fourfold, to €10m, before it tries to float on a stock exchange.

Bordeaux investors should not hurry to buy

Futures Buyers are sceptical about en primeur as high prices dent demand, says *Margaret Rand*

What lies ahead for Bordeaux futures? Ask any British wine merchant and they will say they are disappointed with the so-called en primeur system that allows people to buy wines from Bordeaux while they are still in the barrel. Consumers are turning instead to Burgundy and Italy; younger collectors are showing less interest in laying down the great names of Bordeaux.

Château Latour has left the futures market to sell direct, when its wines are in the bottle, and a great many other châteaux, you can bet, are watching it very closely.

Yet the futures market continues to work well for the châteaux: it is consumers who feel it has let them down. How did this happen?

The futures market works in a complicated way. The châteaux, in the spring after the harvest, sell the new wine to a group of Bordeaux *négociants* (or merchants) known collectively as La Place. These *négociants* sell to other merchants, who sell to consumers or end investors.

There is also constant trading between merchants, and when the futures market works it means profits for all, including consumers, who see the value of their wine rising during the years it spends maturing in their cellars.

But if châteaux decide they should be getting a bigger share of those profits, and set the initial price too high, consumers find the wines can fall in price once they are bottled.

In the past 10 years, the only vintages in which consumers have seen their purchases increase in value are 2005 and 2008. Even great years such as 2009 have fallen. That is not an inducement to buy futures. As Chadwick Delaney, managing director of Justerini & Brooks,



Purchasing plans: the region is counting on 2015 being a good year
Jean-Pierre Muller/AFP/Getty Images

the wine merchants, says: "It's all about price, really. There's more demand now for the 2009s, but at the new prices, which are down."

British merchants have been warning the Bordelais for years that opening prices set by the châteaux are too high. But as they then pay those prices, it is not surprising the Bordelais learnt not to take them seriously.

The structure of the futures market means that the châteaux' customers are not the end consumer, but La Place. If

the *négociants* from La Place do not buy the wines every spring, they risk losing their allocations. So they keep buying, and the châteaux are reassured because they have sold their wines. Therefore, they feel the price was right. Visit Bordeaux and talk to the château owners and you will find little suggestion they feel they might have got it wrong.

The top châteaux are profitable, says *négociant* and château-owner Jean-Christophe Mau: "The châteaux have stocks of the 2013s, but they made

'Bordeaux has been a declining part of our turnover for four consecutive years'

Buying tip Get the 2005 Bordeaux

Don't miss buying and/or drinking some 2005 Bordeaux soon. I have been tasting and drinking some of the top wines in recent months and they are spectacular.

The word radiant springs to mind. The reds are energetic and full of character yet precise and refined. They are beginning to drink very well, underlying the attraction of modern Bordeaux. Prices are attractive too.

Top wines are less expensive than just a year or two ago. For example, Château Mouton-Rothschild was selling for as much as \$9,000 a case but currently trades for about \$6,000. The 2005 Grand-Puy-Lacoste, one of the most popular wines at a recent tasting in Beirut, sells for about \$100 a bottle. That is not much more than what it sold for when it first came out in bottle in 2008. All the first growths such as Château Margaux and Château Latour are superb quality 2005 as well as Château La Mission Haut-Brion. But some personal favourites include Château La Conseillante, Château Rauzan-Ségla and Château Grand-Puy-Lacoste.

James Suckling

Who will buy? Mr Mau sees some problems: "China isn't there. Russia isn't there. The British market will be there but not at the price of 2010. The US is complicated and just takes a few names. The French market is very price conscious."

Justerini's Mr Delaney warns it all comes down to price. "If the Bordelais price the 2015s properly they have a chance to recreate demand, and we'd have an active primeur campaign again for the first time since 2010," he says.

"People would start talking about Bordeaux in a positive way again. But it depends on the estates," he says, adding: "Prices for the 2014s were mostly not correct."

The 2015s are being talked up already by the châteaux in Bordeaux. Prepare for substantial price increases.

In the meantime, merchants who traditionally relied on Bordeaux have been adapting to a world in which Bordeaux forms a shrinking part of their turnover. "Bordeaux has been a declining part of our turnover for four consecutive years, while we've seen growth in Burgundy, Italy and Champagne," says Mr Delaney.

Burgundy and Italy, in particular, are complex wine regions that demand, and reward, a lot of attention by collectors. However, once you have started exploring the intricacies of the Côte d'Or, for example, Bordeaux can look mundane. And if you do want Bordeaux, recent years have shown that you will usually pay less if you wait until the wines are in bottle.

If you want wines to drink rather than as investments there are, however, still a number of châteaux offering good value. Mr Mau's own Château Brown is one: it is in Pessac-Léognan, it is unclassified, but the work Mr Mau has put into the vineyard and winemaking means it is punching well above its weight. The white, in particular, is looking lovely.

In the Médoc, Sociando-Mallet, also unclassified, is making wines of great succulence and elegance. At somewhat higher prices, Angludet and Phélan-Ségur are reliably excellent.

In the upper reaches of the classed growths, Pichon-Lalande and Lynch-Bages are not cheap, but not overpriced. But you do not have to hurry to buy.

profits on 2011, 2012 and 2014." Consumers did not queue to buy the 2014s, but the châteaux sold them. If there was any doubt about the châteaux' profitability, one need only visit Bordeaux and see the amount of building work.

The châteaux, therefore, do not believe they have a problem. The 2014s were good but not that good, and opening prices en primeur were about 10 per cent higher on average than the previous year. The 2015s are looking very promising, and prices will undoubtedly rise again.

Liv-ex indices illustrate why buyers should exercise caution

Tools Fine wine markets are volatile but wise investors can still make profits, says *Rochelle Toplensky*

Liv-ex 50, an index of the most traded Bordeaux wines, rose nearly two-thirds in the 16 months to June 2011. Today it is down 40 per cent from that peak.

The fortunes of the venerable vintages that make up this index illustrate the opportunities and peril of investing in fine wine. Like markets for other assets such as technology stocks or housing, wine is susceptible to price bubbles.

Despite the uncertainties, however, investors have more tools to help evaluate price movements today than ever before. Companies such as the London International Vintners Exchange, which provides the Liv-ex indices, are making fine wine investing easier. "We have brought transparency to the market place," says Justin Gibbs, Liv-ex co-founder.

"Liv-ex indices are the pre-eminent pricing index," says Gary Owen, a private account manager with wine merchant Berry Bros & Rudd.

Liv-ex publishes five fine wine indices. There are two Bordeaux benchmarks. The Liv-ex 50 index tracks the price of a 12-bottle case of each of the 10 most recent vintages (excluding wine *en primeur*, that is traded before it is even bottled) of the first growths, or highest ranked, Bordeaux – Haut-Brion, Lafite Rothschild, Latour, Margaux and Mouton Rothschild. The Bordeaux 500 tracks the 10 most recent vintages for the top 50 wines.

Wines from Bordeaux feature prominently in all five indices. "Bordeaux remains the cornerstone of fine wine investment, primarily because of liquidity," says Giles Cooper, head of marketing at Bordeaux Index, a wine merchant and trader.

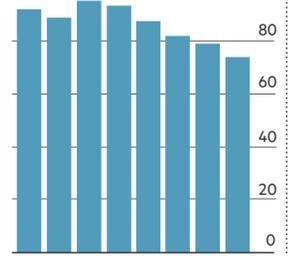
According to Liv-ex, more than three quarters of the fine wine trade by value on Liv-ex is Bordeaux. Burgundy, Champagne and the Italian fine wines share another fifth of the market.

The three other indices – the Liv-ex 100, 1000 and the Investables – are less formulaic. They include wine with histories of critical acclaim that are actively

Bordeaux's share of trade*

Annual average (%)

*By value



FT graphic Sources: Liv-ex; Thomson Reuters Datastream; FT calculation

Return comparisons

% rebased (Jan 29, 1988)



traded in the secondary market. Beyond Bordeaux, they include Burgundy, Champagne, Côtes du Rhône and selected Italian wines (for example, Barolos and Super Tuscans).

The wines that compose the benchmarks are adjusted quarterly. Expert opinions from the likes of Antonio Galloni, Allen Meadows and James Suckling are considered along with Liv-ex trading data, which is based on trade values rather than retail prices.

Valuations are updated monthly, except for the Liv-ex 50, which is updated daily, using the mid price between the highest live bid and lowest live offer on Liv-ex's market giving a figure that is then validated against recent

'After four years of declines and into the fifth year, there is every chance that you are looking at an entry point'

sales. The Liv-ex 100 is widely considered to be a market benchmark – a sort of FTSE 100 for fine wine.

Mr Gibbs and James Miles – both former bankers – started Liv-ex in London in 2000. They gathered price information from fine wine merchants and auctions and created a market where merchants could trade.

Fifteen years later Liv-ex has 440 registered merchants from 35 countries who buy and sell 5,000 wines in the market. They claim these merchants account for 90 per cent of the fine wine trade by turnover.

Liv-ex also provides three services in

addition to the indices: a trading system where merchants buy and sell fine wine; a storage and delivery service; and Cellar Watch, a service that allows users to see trade prices, track their wine and receive advice on when to drink it.

Most wine collectors drink at least some of the fine wine in which they invest. Only a 10th of wine investors surveyed held wine purely for investment, according to a Barclays survey in 2012.

However, recent academic research suggests fine wine is a good investment over time. Bordeaux premiers crus provided a real annual financial return of 4.1 per cent (after costs) from 1900 to 2012. And investors might want to consider if prices might be attractive. "After four years of declines and into the fifth year, there is every chance that you are looking at an entry point," says Mr Gibbs.

But experts counsel caution. "Provenance, authenticity and condition are critically important in terms of... having a valuable collection and maintaining that value," says Jamie Ritchie, chief executive and president of Americas and Asia at Sotheby's Wine.

To get around this, Liv-ex has developed in-bond contracts to attest to the condition of a case of fine wine including information on tax status, physical condition and storage history.

The fine wine market is volatile. It moves with the economy and fads. The opinions of a handful of experts can dramatically shift values, suggesting demand for services such as that provided by Liv-ex is unlikely to go away.

EXCEPTIONAL WINES FROM STOCK

Vintage	Wine	Format	Stock	In bond/ per case	*Score
1961	Ch Latour	Imperiale	1 IMP	£56,000.00	100/100
1961	Ch Latour	Jeroaboam	1 JERO	£42,000.00	100/100
1982	Ch Latour	Bottle	7 cs	£16,400.00	100/100
1982	Ch Leoville Lascases	Bottle	3cs	£3,600.00	100/100
1982	Ch Mouton Rothschild	Bottle	3cs	£10,200.00	100/100
1986	Ch Lafite	Bottle	3cs	£8,400.00	100/100
1986	Ch Leoville Lascases	Bottle	2cs	£3,050.00	100/100
1986	Ch Leoville Lascases	Magnum	1cs	£2,950.00	100/100
1986	Ch Mouton Rothschild	Bottle	4cs	£7,500.00	100/100
1989	Ch La Mission Haut-Brion	Bottle	1cs	£9,150.00	100/100
1989	Ch Petrus	Bottle	1cs	£31,000.00	100/100
1990	Hermitage, La Chapelle, Jaboulet	Bottle	1cs	£4,700.00	100/100
1990	La Tache, Domaine de la Romanee-Conti	Bottle	6botts	£66,000.00	100/100
1992	Taylor	Bottle	1cs	£1,250.00	100/100
1996	Ch Lafite	Bottle	2cs	£7,350.00	100/100
1996	Ch Lafite	Magnum	5cs	£7,250.00	100/100
1997	Quinta Do Noval	Bottle	6botts	£1,800.00	100/100
2000	Ch Ausone	Bottle	1cs	£7,800.00	100/100
2000	Ch Cheval Blanc	Bottle	1cs	£5,900.00	100/100
2000	Ch Lafite (Pomerol)	Bottle	1cs	£12,400.00	100/100
2000	Ch Margaux	Bottle	6cs	£6,400.00	100/100
2000	Ch Pavie	Bottle	1cs	£3,900.00	100/100
2001	Ch d'Yquem	Bottle	4cs	£4,150.00	100/100
2001	Ch d'Yquem	Half Bottle	4cs	£4,280.00	100/100
2003	Ch Lafite	Bottle	14cs	£6,650.00	100/100
2003	Ch Latour	Bottle	4cs	£6,000.00	100/100
2005	Ch Haut-Brion	Bottle	5cs	£5,400.00	100/100
2005	Ch Troplong Mondot	Bottle	5cs	£1,800.00	100/100
2005	Cote-Rotie, La Landonne, Guigal	Bottle	1cs	£3,750.00	100/100
2009	Ch Clinet	Bottle	3cs	£2,350.00	100/100
2009	Ch Cos d'Estournel	Bottle	10cs	£2,080.00	100/100
2009	Ch Haut-Brion	Bottle	11cs	£5,450.00	100/100
2009	Ch La Mission Haut-Brion	Bottle	3cs	£4,300.00	100/100
2009	Ch Latour	Bottle	10cs	£8,750.00	100/100
2009	Ch L'Evangile	Bottle	9cs	£2,550.00	100/100
2009	Ch Montrose	Bottle	26cs	£1,995.00	100/100
2009	Ch Pavie	Bottle	7cs	£2,500.00	100/100
2009	Ch Petrus	Bottle	3cs	£25,500.00	100/100
2009	Ch Pontet-Canet	Bottle	2cs	£1,420.00	100/100
2009	Ch Smith Haut Lafite, Rouge	Bottle	1cs	£1,550.00	100/100
2009	Cote-Rotie, La Landonne, Guigal	Bottle	2cs	£3,000.00	100/100
2009	Cote-Rotie, La Mouline, Guigal	Bottle	1cs	£3,300.00	100/100
2010	Ch Cheval Blanc	Bottle	4cs	£7,200.00	100/100
2010	Ch Le Dome	Bottle	2cs	£2,200.00	100/100
2010	Ch Le Dome	Magnum	3cs	£2,250.00	100/100
2010	Ch Le Dome	Half Bottle	2cs	£2,150.00	100/100
2010	Ch Pontet-Canet	Bottle	9cs	£1,340.00	100/100

Full list available at www.wilkinsonvintners.com

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IB = in bond per case 12 bottles, 6 magnums or 24 half bottles
Imperiales and Jeroaboams are priced per item.

E&OE * Robert Parker score

FT Wine Buying & Investing

Hoping for more than a case of sour grapes

Scotland Enterprising winemaker aims to revive successes last enjoyed in Roman times, says *Mure Dickie*

His first vintage was described as undrinkable and his second harvest yielded only enough grapes for two or three bottles, but vineyard owner Christopher Trotter insists his pioneering effort to make wine in Scotland is bearing fruit.

Upper Largo, Fife may seem an unlikely spot for a vineyard but accidental oxidation of the 2014 crop and poor weather in 2015 do not undermine the case for producing wine north of the 56th parallel, Mr Trotter says.

"What I set out to show was that you can make wine in Scotland. I've done that," the food writer and events organiser says at his home overlooking 200 lush green vines on a south-facing slope above the Firth of Forth.

While others have grappled with the challenges of growing grapes in Scotland, Mr Trotter is sure his Largo vines

'I don't think Scottish birds know what a grape is yet'

break new ground. "I have ripened grapes in Scotland outside for the first time since the Romans," he says. "That's my strapline and I'm sticking to it."

Mr Trotter's wine adventure began with the remark from a farming friend that global climate change could give Scotland the climate of France's Loire Valley in a couple of decades and he should start planting Sauvignon Blanc grapes in advance.

When his friend agreed to fund the experiment, he began planting vines.

Instead of Sauvignon Blanc, he chose Solaris, Rondo and Siegerrebe, grape varieties suited to cool climates, with Solaris so far proving most successful.

Vines were bought from the UK's most northerly commercial vineyard, 250km or so south in North Yorkshire's Ryedale. It has not been plain sailing. Mr Trotter's hopes for his first vintage, the Largo 2014, were dashed when the first



bottles were opened. Journalists seized on the verdict of Edinburgh wine merchant Richard Meadows, who pronounced it "not yet drinkable" and only enjoyable "in a bizarre, masochistic way". But he also said the wine was "structurally sound" and had potential.

"Basically, before the wine started to ferment, it oxidised," says Mr Trotter, blaming the relaxed approach he took to harvesting and pressing the grapes on a

Christopher Trotter: I just want somebody with a bit of cash and a bit of romance to say, 'yes, we'll have a go'

warm day. "We were treating it like a sort of picnic, really," he says.

With the processing lesson learnt, Mr Trotter was looking forward to his second try. But an unusually wet and cold early summer, which has caused trouble for farmers all over Scotland, means the Largo 2015 will be one of the world's rarest wines. Still, Mr Trotter says that despite the weather, some vines yielded 30 or more bunches, a promising sign for future harvests.

He is not the first to try to apply oenology in modern Scotland. South African chef Pete Gottgens took on an even greater challenge by planting 800 vines on a north-facing slope on the banks of Loch Tay in the central Highlands. But the venture, part of a hotel and restaurant development, foundered when Mr Gottgens' banks lost faith in 2010.

Small amounts of wine were produced in the 1990s from table grapes grown in a Victorian greenhouse vineyard at Clovenfords in the Borders.

And in the windswept north-western Outer Hebrides, smallholder Donald Hope produces a wine from Black Hamburg grapes grown in a polytunnel.

In Aberdeenshire, known for its tough winters, semi-retired geologist Alan Smith has also researched growing vines outside in shallow trenches, but their slow growth has shifted his focus to raising wine-variety grapes under plastic.

Mr Smith says he hopes to be able to produce some wine, perhaps next year.

"There is no problem with sugar levels," he says. In Upper Largo, Mr Trotter is keen to expand, but his partner has pulled out and he lacks funds.

"I reckon there's room for 5,000 vines . . . which is a reasonable vineyard and you could make a little business out of that," he says. "I just want somebody with a bit of cash and a bit of romance to say, 'yes, we'll have a go'."

Optimists can find a precedent in the recent revival of English winemaking. Though English wines were once considered poor quality, their reputation has been rising fast and England's 135 wineries produced a record 6.3m bottles last year.

Mr Trotter waxes lyrical when he thinks about the possibilities for what he expects will be a light and delicate Largo wine that would go well with Fife cheese or mackerel from the Forth.

Much will depend on how the climate changes in future years. While it is possible Scotland will become warmer, that could also mean more rain and there have even been suggestions that Scottish temperatures could fall if the warm Atlantic Gulf Stream fails.

Still, Mr Trotter has already found some upsides to growing grapes in Scotland. His vines have been remarkably untouched by local pests, such as roe deer, or birds.

"The birds have never attacked them," he says. "I think Scottish birds don't know what a grape is yet."

Sweet tooth drives trend for 'buy-now, drink-now' ranges

Palatable Tastes have changed, few people have cellars and younger wines can be truly delicious, writes *Simon de Burton*

Go in search of a 2007 Ridge Vineyards Monte Bello from California's Santa Cruz mountains and the chances are you will pay something north of £125 a bottle for a wine that is generally rated as a 90-plus pointer on a 100-point scale. For the same money, however, Kensington-based merchant Handford Wines will sell you three bottles of 2011 Cabernet Sauvignon from the Monte Bello estate and you will take home a thoroughly drinkable blend of 82 per cent Cabernet Sauvignon, 14 per cent Merlot and a little bit each of Petit Verdot and Cabernet Franc.

It has been described by one wine merchant as the "little brother" to Ridge's more famous, more expensive premier bottling and is typical of the second, third and even fourth-tier "buy now, drink now" wines to which producers are turning to satisfy customer demand for less expensive, younger labels that do not need to be laid down.

'Bordeaux, for example, has shifted its focus from the traditional grands vins'

"The trend for younger wines is real and it's one that is particularly notable among French producers," says Greg Sherwood, Handford's head buyer.

"Bordeaux, for example, has shifted its focus from the traditional 'grands vins' to early-drinking wines and now, for every 3,000 cases of 'first' wine produced, there might be 8,000 cases intended for early drinking. The result is that the prices of aged wines have gone up even further — thus maintaining the important, premium brand — while those second- and third-label wines have now become massive commercial ranges.

"Just 10 or 15 years ago such wines were generally released only to the home market for sale in bistros and so on. We're not, however, talking about the really cheap wines sold in supermarkets but good quality, affordable products that have been created specifically for the fine end of the market and which can attract as loyal a following as 'first' wines."

As a further example, Mr Sherwood cites a 2009 Le Difese, the third wine of Sassicaia produced by Italy's f a m e d

Sotheby's expert: Serena Sutcliffe

Tenuta San Guido estate. Le Difese sells for £15-£19 per bottle, compared with around £45 for the estate's second wine (Guidalberto) and £140 or more for an aged, first-label bottle.

According to Simon Taylor, founder of Hampshire, UK-based wine merchant Stone, Vine and Sun, there are several reasons for the increased popularity of younger wines.

"It's difficult to know whether it is a result of producers making wines that are enjoyable younger, or strong consumer demand for earlier drinking wines, especially from America and Asia. Whichever is the case, the world has moved on since the days when no one would ever consider drinking a Bordeaux until it was at least 10 years old.

"From a purely practical point of view, people don't commonly have cellars in which to store wine these days and, while dusty bottles topped with gold foil were once rather revered, I'm not sure they really are any more," Mr Taylor says, adding that tastes change and old Rioja, for example, is no longer as popular.

"Our palates have also become used to a higher-sugar diet so wine needs to be made with fully ripe grapes. The move towards that produces softer tannins, and therefore a wine that can be drunk sooner.

"Increasingly, too, the reputation of a chateau is determined by the way journalists review wine — and that means it is important to keep producing something good that can be drunk young, rather than wines that are impenetrable until they have aged."

Mr Taylor also cites the warmer climates enjoyed by New World producers as being conducive to making wines that can be drunk when they are younger.

"Extra warmth and general improvements in viticulture now make it possible to make a top wine for early drinking nine years out of 10. These days, really good wine can be good when it is young, but also have the capability to last 10 or 20 years," he adds.

Equally supportive of young wines is Serena Sutcliffe, a Sotheby's wine specialist since 1991.

"Many people feel that if they are presented with an older wine then they ought to like it. But, in reality, many young wines are truly delicious," says Ms Sutcliffe.

"New Zealand Pinot Noirs, for example, are definitely preferable at four or five years old rather than seven or eight, and people are really lapping up white Burgundy from 2010, 11 and 12.

"For the sheer pleasure of drinking, I wouldn't hesitate to recommend an Austrian Blaufränkisch from 2010-2012 that can be bought for less than £15 per bottle or, for a young white wine, a 2014 Friuli for around £10.

"After all, we can't drink Lafite or Latour every day."

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