




"The discovery of a wine is of greater moment than the discovery of a constellation. The universe is too full of stars." - Benjamin Franklin

Emerging Wine Trends: An International Perspective

By: M. Eleni Papadakis, Assistant Winemaker



This has been a crazy and exciting year for me as I have been enrolled in an executive business program that has taken me to France, Australia, and soon to Chile. I've had the opportunity to discuss the latest happenings with wine industry leaders, including my amazing Wine MBA classmates. So for this month's newsletter topic, it seemed only fitting to offer a snapshot from around the world. Here are some views and predictions of emerging wine trends from my Wine MBA classmates:

The wine industry is changing in global proportions. The key drivers of this industry-wide change are centered on demand. Consumers are buying more wine from retail chains. This retail concentration results in increased competition and ultimately an offer of a limited range of wines. "Brand" development is a direct response to this retail/consumer demand. Old World wineries have too little understanding of this shifting

demand (as Old World wineries operate from a 'push' principal, that is to say they put the wines on the market that they want to produce, whereas New World wineries work from a consumer driven 'pull' and produce the wines and the styles that the consumer is buying). In many wine regions, especially in the Old World, there is no thinking of global changes in the wine market. For me, it's a big opportunity participating in the International Wine MBA, to get a better understanding of the international wine market.

Josef Glatt
Austrian Winegrowers Association
Vienna, Austria

Ever since André Clouet, a small Champagne grower in Bouzy launched his wines in Sweden five years ago, the trend was set. The ever so spoiled Champagne consumer abandoned their big name friends like Moët et Chandon, Pommery, Veuve Clicquot and others. After Clouet other growers like Launois, Pierre Peters, Paul Bara and Diebolt Vallois followed.

So why did this happen? These growers with very personal wines, often grape specific like Chardonnay from Mesnil and Pinot Noir from Bouzy, attracted the more sophisticated Swedish palate. Additionally, these bottles often offered much better maturity - the wine was older, so the acidity was lower and the experience for the customer was different. Another factor that made the growers so popular is the fact that Mesnil for example is a Grand Cru village and the Champagne originating from there could put Grand Cru on the label, which of course did not harm these Champagnes in terms of image. Lastly - the price! Buy a Moët white label or a 1996 (vintage) Launois Blanc de Blanc Grand Cru for the same money. What it comes down to is that someone has to pay for the enormous marketing budgets of the big houses and it is no one else but the consumer.

Today Moët is still the most sold Champagne in Sweden, but the second, third, fourth and fifth volume positions are taken by small growers. Unfortunately this cannot continue forever, as Clouet has a

yearly production of 65,000 bottles (~5,400 cases), of which the Swedish importer takes more than 80%. So very soon we'll have to return to drinking impersonal wines from the big brands.

Henrik Björck
Director/Partner - PrimeWine Sweden
Stockholm, Sweden



Packaging. I think the next few years will be the turning point in the United States in terms of alternative packaging for wine. Beyond the already accepted screw-cap, I think we'll start to see a multitude of other options--more tetra packs, cans, boxes, etc. Single serving sizes will begin to expand beyond plastic 187's and into "juice box" and "beer bottle" style containers. The consumer will let us know which one of these works best for them but in 5 years the wine aisle won't look anything like today.

Chris Archibald
Lockwood Vineyard
Los Angeles and Monterey, California, USA



Argentina has produced and consumed wines for about two hundred years and finally I am able to say: "Watch out the big giant is about to wake up!"

My alert is supported by the activity I am seeing as a consultant and the 117-year history that my family has in the wine industry. We have observed tremendous changes: New region development (e.g. Salta, the world's highest vineyards), incorporation of new grape varieties such as Petit Verdot, Caladoc, Marselan and Viognier with traditional ones (Malbec, Cabernet Sauvignon, Chardonnay and Torrontés), improved and updated technology, renowned international winemakers, mergers & acquisitions, and the injection of a high level of enthusiasm in the business is finally making a difference. All these, together with the interest that our wines generate abroad, allow us to envisage a strong potential for development.

Personally I believe my country has great potential for surprising the world with high-quality, world-class wines. Our current challenge is in brand development: Brand Argentina will be developed and tied to other strong, national images such as football (soccer), passion and the tango, and the well-known and respected Argentinean beef. Individual wineries will then distinguish themselves further in the international marketplace. I am certain that 2006 is a special year for Argentina, and if we do our work correctly, you will mark my words "The big giant has awoken from its siesta"...

Dolores Lavaque
Founder/Director International Stg Consulting
Buenos Aires, Mendoza, and Salta, Argentina



Gerard Basset co-founder of the 'Hotel du Vin' chain in the UK (he sold it with his partners in 2004) interviews former employee, the brilliant young lady Claire Thevenot, Head Sommelier of Hotel du Vin Winchester and incidentally UK Sommelier of Year 2006 winner.

Gerard: Tell me Claire what trends have you noticed recently?
Claire: To my surprise more people are asking for Austrian wines, in particular the delicious Grüner Veltliner and even some of the red

wines. As we (young UK sommeliers) liked the great character of those wines, we started to promote them quite a lot, but now we hardly need to because customers ask for them without us directing them. It just shows that our work must have had some effect. Additionally, Chilean Carmenère has really taken off and so too some of the lovely South African Shiraz. The quality of both has improved dramatically and they really offer great value!

Gerard: The Football (Soccer) World Cup will take place next month in Germany bringing great coverage to that country, have you seen an increase in the sales of Germany wines?

Claire: Not really, in any case not of Rieslings. Strangely enough, I sell more Spätburgunders (Pinot Noir) from the Baden area now, but I don't think that has anything to do with the World Cup.

Gerard: Finally how do you see the future trends?

Claire: There will certainly be new areas and new grapes with exciting flavours to discover but maybe we will also enjoy rediscovering some of the classic wines.

Gerard Basset
Hotelier and Master of Wine
United Kingdom (via France)



The world of wine will become truly just that...wine from all over the world, available quickly and inexpensively and offering an opportunity to travel the world without ever leaving your front porch swing. Enjoy a glass of wine from somewhere exotic like Australia, Bordeaux, or even Napa Valley with a friend and share the story of why it was selected and lead onto other various topics regarding life.

Wine consumers have more choices today than ever. It's not just what type of wine to select, but from where and at what price. It seemed for a while that California need only worry about competing within its own boundaries to American customers. That customer has become savvier about what it is they like and are willing to spend. But, regardless of how competitive wine becomes in the market place it will always be more than a commodity.

The truly wonderful thing about wine will always be the experience surrounding it. Who you enjoyed it with, where you were when you first tried it and what it was that made you think about bringing a bottle of wine to such an event. For consumers, "the experience" will only get better as they learn to appreciate wine for all its nuances.

Susan Hoff
Proprietress Fantesca Estate & Winery
St. Helena, CA and Minneapolis, MN, USA



I forecast a dual market model: FMCG (*fast moving consumer goods*) wine brands produced by large international wines and spirits companies (e.g. Jacob's Creek) on one hand and high end and/or unique wines based on classification and appellation of some kind, on the other hand. All wines between the two models will have a hard time surviving unless they develop an alternative business or distribution model (e.g. heavy direct sales, wine tourism).

Indeed, we are in the early stages of increasing concentration both in retail and at the winery level. Generally retailers, for matters of profitability, economy of scale, and for supply and category management, pressure suppliers (*read: wineries*) to deliver larger quantities of fewer skus (*stock keeping units = wines*) and to support their brands after delivery in the stores. At the moment, the wine category must be difficult to manage with so many suppliers and hundreds of skus, etc....

What about the consumer? As the many choices can be intimidating, a new wine buyer tends to search for security. This favours the emergence of large brands which in turn leads to less choice on store shelves. There are, however, involved and fanatic consumers (likely more in wine than in other FMCG categories as the product connects culturally and historically). These wine drinkers look for advice, higher quality, status and difference. The established old-world AOC/DOCG model and the new-world quality producers will keep capturing this segment if the quality is proven and maintained.

Marc Torterat
ExxonMobil
Paris, France



Rebound of Anatolia - The evidence of wine production in Anatolia, modern-day Turkey, dates to 2,000 B.C. Although some of the earliest vineyards in the world were established in this area and Turkey is one of the largest grape growing nations (the biggest table grape grower), only 3% of these grapes are used in wine production.

Wine grapes declined during the Muslim Ottoman Empire rule (13th - early 20th century). Later in the initial stages of the new Turkish republic, winemaking became nearly non-existent as many of the Christian Greeks and Armenians, who dominated wine production, left the country. For years, only a few large wine companies controlled the industry, producing for the narrow domestic demand as wine consumption was overshadowed by the national drink, Raki, an alcoholic beverage made of distilled grapes and aniseed.

Recently, wine has reemerged in Turkey and we see a lot of wine tasting events and courses, probably a result of a higher standard of living and exposure to travel. This growing demand has attracted some international interest. The Texas Pacific Group recently acquired Mey, one of the big players in the Turkish wine industry, for US\$900 million. Formerly a government-owned company, Mey was privatized only 3 years ago for US\$310 million -a sharp rise in value demonstrating the industry's growth rate. Sabanci Holding, the second largest industrial and financial conglomerate in Turkey, has entered the wine market with their brand Gulor. Small investors range from those hoping to sell their wine grapes to those who produce their own branded wine. There are even some wine enthusiasts hoping to produce internationally recognized icon wines. Will they be successful? We will wait and see.

Yunus Mermerci
Kastro Tireli, soon to be the first Turkish icon wine
Istanbul and Akhisar, Turkey



As a winemaker, I am always watching for the latest technological developments and quality enhancing techniques. While the closures debate continues, I am more excited by some new production strategies such as post destemming mechanical sorting – a hot new system of removing green matter (bits of stem and leaves) from the grapes before fermentation (recently developed in Bordeaux and rapidly gaining popularity in California). Additionally, it is great to see increased interest in "underdog" varietals like Carignane, Dolcetto, or Gewürztraminer and I have great expectations for our BARGETTO WINERY La Vita.

M. Eleni Papadakis
Assistant Winemaker, Bargetto Winery
Santa Cruz, CA, USA



The Wine MBA was establishment in 2001 and aims to offer a management education program at the forefront of current issues in the global wine industry. The Wine MBA is offered through the Bordeaux Business School of Bordeaux, France.



Wine MBA Class of 2006/2007
(left to right: Yunus, Eleni, Henrik, Josef, Dolores, Gerard, Susan, Chris, Andrea, Marc, and Alex)

Current Release

2004 Lodi Carignane

Carignane is a lesser known varietal that grows well in the Lodi area with the long hot days. It produces blackberry and pepper spice aromas, berry fruit flavors in the mouth and a soft finish.

-Michael Sones, Winemaker

Harvest

Grapes: 100% Carignane
Vineyards: 100% Jean Rauser Vineyard
Average Date: 9/16/2004
Brix: 25.5°

Wine

Alcohol: 14.3%
Total Acidity: 0.57 grams/100ml
pH: 3.58
Length of Barrel Aging: 14 months in French and American Oak
Malolactic: 100%
Cases Produced: 500

Total cost for 2 bottle release

CA UPS Direct Members \$36.65
Out-of-State UPS Direct Members \$34.60
Pick Up Members \$27.65

Price reflects 20% Wine Club discount. MI, ND, NH, NY, TX, VA add applicable tax.
(Retail price for this release is \$16 btl.)

Next Release

2004 Lodi Tempranillo

The "early one" is the English translation for the name Tempranillo. This grape is usually blended with Grenache to make Rioja in Spain. Here we have a wine with sweet oak and vanilla aromas with floral overtones. The wine has a tannin structure with the flavor of red cherries.

-Michael Sones, Winemaker

Harvest

Grapes: 95.2% Tempranillo, 4.8% Carignane
Vineyards: 95.2% Silva Spoons, 4.8% Rauser
Average Date: 9/11/2004
Brix: 26.8°

Wine

Alcohol: 14.9%
Total Acidity: 0.35 grams/100ml
pH: 3.89
Length of Barrel Aging: 14 months in French and American Oak
Malolactic: 100%
Cases Produced: 502

Total cost for 2 bottle release

CA UPS Direct Members \$38.15
Out-of-State UPS Direct Members \$38.10
Pick Up Members \$27.65

Price reflects 20% Wine Club discount. MI, ND, NH, NY, TX, VA add applicable tax.
(Retail price for this release is \$16 btl.)

Vintage Notes

Stock up and save on your current releases!
Buy 6 or more bottles of the
2004 Lodi Carignane
and save 25%.
\$72 per half case
\$144 per case
That's only \$12 per bottle.
Retail price is \$16.
Offer ends 8/15/06.

Vintage Sale

Stock up and save on your current releases!
Buy 6 or more bottles of the
2002 Santa Cruz Mountains Cabernet
and save 25%.
\$90 per half case
\$180 per case
That's only \$15 per bottle.
Retail price is \$20.
Offer ends 7/31/06.

BARGETTO WINERY'S Clubs Corner

Here's what is going on in our other wine clubs...

Regan Vineyards Wine Club Current Release:

2004 Reserve Santa Cruz Mountains Chardonnay \$30

Regan Vineyards Wine Club Upcoming Release (7/20/06):

2004 Reserve Santa Cruz Mountains Pinot Noir \$35

CHAUCER'S Wine Club Current Release:

2004 BARGETTO Sierra Foothills Port (500ml) \$18

CHAUCER'S Wine Club Upcoming Release (9/21/06):

2005 BARGETTO Bella Dolce (750ml) \$14

BARGETTO EVENTS

Fine Arts Festival at BARGETTO WINERY

Saturday & Sunday, July 8 & 9, 2006

10:00 AM to 5:00 PM

Enjoy the work of 26 local artists. Complimentary wine tasting with the purchase of a festival glass for \$7. Live music and food available for purchase.

Pickup and Pairing Night at Soquel & Monterey Tasting Rooms

Friday, July 28, 2006

5:00 PM to 7:00 PM

We have extended our normal tasting room hours for our Wine Club Members on Friday, July 28th. Pick up and taste your current releases and enjoy complimentary hors d'oeuvres.

Change of address, billing information or substituting or skipping a shipment? Give us a call prior to the 15th of next month to prevent any inconvenience or delays in receiving your shipment and special wine club offers. Don't be shy. Call us at 1-(888) 400-WINE or send an email to wineclub@bargetto.com.

Food & Wine

Thriving in warm climates, Carignane was until the late 1970s the most widely-planted red variety in California -- and second overall. Today, this high-yielding, thick-skinned grape is still important for the blended jug wines of California's hot, dry Central Valley, and in France's Midi, where it is usually the main component in basic 'vin de tables'. Carignane is one of the world's most prolific wine varieties. In both the Golden State and in its home territory (the Mediterranean coastal regions of Spain and France) its role has been similar -- to produce oceans of simple, everyday wine. Hailing from Aragon, Spain, this grape is capable of deeply-colored, extracted and tannic wines of considerable alcohol. It is a late-budding and does not ripen until late in the season. Highly prone to mildew disease, it requires long, dry growing conditions. Carignane rarely enjoys a marquee presence on a label as a varietal wine. Instead, its principal use is as a blending component with other, more anemic, hot-climate varieties, like Grenache and Cinsault, which typically lack the deep pigment and extract that Carignane brings to the blend.

<http://wine.appellationamerica.com/grape-varietal/Carignane.html>

Correction to the May Pan Roasted Chicken Breast with Sun Dried Tomato Tarragon Cream recipe:

I apologize for leaving out the most important ingredient in the Pan Roasted Chicken Breast with Sun Dried Tomato Tarragon Cream: 1 cup BARGETTO Pinot Grigio.

Carignane...You're like an aging rebellious rock star. No one can question your work ethic, Grampa, but possibly your temperament hasn't mellowed. As the leader of the Central Valley ensemble you rarely find time to pursue solo projects. Undeniably, you're a workaholic; nobody was involved in as many smashing productions as you during your heyday in the late 1970s. Crowds enjoy your colorful costumes and raspy tannic edge, but your penchant for the jug-bunch has gotten you in trouble more than a few times. Your unwillingness to play outside of warm dry venues only adds to your down-home reputation and seriously limits your marketability in up-market yuppie world of today. For the most part you continue to play the Central Valley bar scene. It's a shame we haven't had many opportunities to see how your performances would be received on the broader stages of America...its not like you can't claim some "continental" heritage. Still, you wouldn't be the first geriatric rocker to make a comeback in a new group with a "Euro-image".



<http://wine.appellationamerica.com/grape-varietal/Carignane.html>

Go to www.bargetto.com/events to view upcoming events at BARGETTO WINERY.

Duck Breast with Black Pepper Raspberry Sauce

This simple sauce marries perfectly with the fruit and pepper aromas in the Carignane.

Ingredients:

- 4 duck breasts
- 1 c. BARGETTO Carignane
- 1/2 c. frozen raspberries
- 2 T. granulated sugar
- 1 T. black pepper, freshly ground
- A few drops vanilla extract
- Salt and black pepper
- 2 T. Canola oil

Directions:

Reduce wine by half in a medium saucepan over medium high heat. Add raspberries, sugar, pepper and vanilla extract. Reduce until thickened.

Score fat side of duck breast (cut grid pattern 1/4 inch deep). Salt and pepper both sides. Heat skillet on medium high heat. Add oil to pan. When smoking hot, add duck breast fat side down. Lower heat to medium low. Sear until golden brown or fat is rendered. Turn and place in 350 degree oven for 7 minutes. Slice duck and spoon sauce on top. Serve with green beans and mashed potatoes.

Serves 4.

Epicurean Notes



Greg Flores studied culinary arts at The California Culinary Academy in San Francisco. Upon graduation, Greg worked his way up from Extern to Sous Chef at Café Marcella, a four star restaurant in Los Gatos, California. After a brief time as Executive Chef at Bethany College, Greg is now back in Los Gatos as one of the chefs at Three Degrees in The Toll House Hotel. Greg is very familiar with BARGETTO wines and cooks with them often.

Have questions or comments for Greg?
Email him at gbflores1@hotmail.com.
(Put BARGETTO in the subject line.)

For more recipes check out
www.bargetto.com

