



Cape Winemakers Guild Technical Tasting Report

Tasting Title: What did Chile and Argentina do over the last 20 years to become global wine players.
Presented by: Coenie Snyman
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Venue: Rust en Vrede

Background to Argentina

215,000 hectares under vine, only 18% Malbec. Main others - Bonarda, Criolla and Syrah – mainly used for blends.

Meat exports = traditional source of income.

1913 – were 10th richest country in the world. Local consumption of wine = very high.

2001 – government defaulted on IMF loan, currency devalued overnight by 75%.

Local consumption collapsed and they needed to export –Tassies in 2002/3!!

2008 – further economic woes - NY stock exchange crashed, interest rates rose - 3% to 30%.

Current situation – inflation 30%+, interest rates hiked, peso devalued against US\$ => worst performing currency in the world, defaulted on IMF payments => junk status.

Poor government and corruption = responsible for situation. Spent all their money on their navy and basically bankrupted the country, no investment in infrastructure.

Is there hope?

Plenty of potential. Lots of flat land which they can develop for agriculture. Great harbour and port in Buenos Aires, mineral deposits in Patagonia.

Strong local wine brands – Catena, Zucchardi etc and lots of overseas investment with routes to market from LVMH etc. Everything established late 90s and 00s. Altitude important, soil diversity has a big role – lots of calcareous soils.

Still strong local consumption, bulk wines stay local and the best get exported – opposite generally true of SA - bulk wine creates the impression of our wines, not the good stuff.

Background on Chile

Water a big problem – no extra water quotas given so you can't plant anything new unless you take something else out. Also struggling with labour & low prices per hectare.

Viticulturally – big problems with leaf-roll and eutypa.

Chile in a big downward trend following in Oz footsteps -lacks differentiation between high and low priced wines.

Biggest mkts for Chile – China and Brazil – tax reasons. Industry dominated by 4 big players.

Stats

SA produces the same volume of wine as Argentina from only 95,000 hectares – so half the size. Argentina produces at 7.5 tonnes per hectare – a lot sold as grape juice concentrate.

Chile 135,000 hectares produces about 1 million litres.

Value per hectare – Chile and SA are about the same, Arg are better off in terms of value.

SA 42% export, Chile 97% export, Arg 19% export.

1. **Alta Vista Single Vineyard Malbec Temis 2012, Uco Valley (R650)**

(abv 15.47%, RS 3.18g, VA 0.6, pH 3.65, TA 5.45)

Flowers and jam - violets, black cherries, black plums. Rich plums, tar, ripe black fruit, ripe tannins – velvet and soft, lemony acidity, high alcohol, sweet, licorice length at finish. 40 YO vines

2. **José Zuccardi Altamira, Malbec 2013, Uco Valley (R550)**

(abv 14.43%, RS 1.52g, VA 0.74, pH 3.62, TA 5.58)

Meaty, gamey, savoury notes on nose then some black fruit, high, well-integrated alcohol, chappy, sweet-fruited finish. Ripe black fruit, slightly grippy tannins. Only made in foudres, rest is concrete. Terroir-focussed, vines about 10 years old, 10% Cabernet in here

3. **Achaval Ferrer Finca Altamira Malbec 2014 Uco Valley (R1,700)**

(abv 14.72%, RS 2.04g, VA 0.68, pH 3.61, TA 4.95)

Pronounced floral character on nose - floor polish, lavender, perfume notes, lots of black cherries and plums, touch of raisined fruit/cooked fruit in middle – better on the palate than on the nose, handles abv well, nice vanilla oak, good length.

Gottfried – 1 - quite commercial in style, nice spices, nice red fruit and then slightly spicity. 2 - could have thought it was a syrah – pepper, spices, tobacco, anise. 3 – perfume and red cherries, finest texture and tannins, def one to age.

Miles – also found bitterness on finish of 1, 2nd one possibly some VA, very savoury, good use of oak – well-balanced, 3rd is favourite – riper style but pulled it off very well.

Carl S – welcome drink – lovely, nice acidity, keeping well. 1 – good colour, also thought spicity, aromatic and then salty note, very ripe grapes. Would do well in US – surprised by the price but only 6,700 bottles so maybe that's why. 2 - beautiful aromatics, perfume, red fruit, pepper, zippy acidity, good balance. 3 - off-putting ribena then fynbos, pot pourri and wet tar. Palate dense, rich and salty again.

David N – 3rd one is old-style Malbec – also uses a lot of whole bunch.

4. **Aquitania, Lazuli Cabernet Sauvignon 2015, Maipo Valley (R500)**

(abv 14.62%, RS 2.28g, VA 0.52, pH 3.38, TA 5.76)

Cherry/berry, gummy bears with mint. Medium ruby colour, showing some age. Black and red fruit, med tannins, high abv, med+ acid, tar, tobacco, cedar perfume, good length, vanilla finish. Not sure I'd pick this as a cab, def not as a Chilean cab.

5. **Santa Rita Casa Real Reserva Especial Cabernet Sauvignon 2014 Maipo Valley (R1,500)**

(abv 14.8%, RS 1.88g, VA 0.7, pH 3.58, TA 5.13)

Heavy, rich, fruit pastille nose - dense black fruit with mint. Powerful and plushy – ripe black berries, cherries and currants, tar, tobacco, licorice, some chocolate in there, mint and spices – nutmeg, chappy notes. High acid, high abv, high tannins but so ripe, sweet tweak at the finish.

6. Errazuriz Don Maximiano Founders Reserve (67% CS, 15% Car, 8% Mal, 7% PV, 3% CF) 2015, Aconcagua Valley (R1,600)

(abv 13.75%, RS 2.86g, VA 0.68, pH 3.41, TA 5.74)

Black fruit pastille nose whiffs of herbaceous/green pepper and vanilla spice notes. Ripe red berried fruit on palate with black fruit as well. High acid, med abv, high tannins – most structured wine, more elegant in mouth, tails off somewhat at finish.

Morne – always benchmark ourselves with Europe and actually, we should be benchmarking ourselves here instead - same price range. 4 – very interesting style, floral, tomato leaf, soft tannins, good finesse. 5 – lot of extraction but nice and balanced, oak was good, cassis and rich and ripe. Untypical wine of Chile. 6 – richness and graphite, also non-Chilean, quite smart wine. Competitive at these price points.

Nico Grobler – 4 – diesel character, light tannins, marzipan, caramel. 5 – step up, intense black fruit, graphite again – expected this on the palate but actually quite sweet and not great length. 6 was fave, similar to 2014 Helderburg blends, good intensity, ink, savoury, tightish tannins, quite fresh but not great finish again.

David N – wine 4 is not a good example, 5 & 6 are spectacular. Wine 5 has 5 properties right on the foothills in Maipo, alluvial gravel and big stones. Very pro-SA, 3 cellars, 1,000 hectares under vine. 6 is much cooler than 5 cos of region – long hang time (picked in April) gives the cassis and pastille notes.

Recent Chilean vintages

2012– hot vintage with not much rain.

2013 – cooler vintage, highly rated

2014 – some rain late in season reduced quality.

2015 – botrytis was a problem.

7. Salentein Primus Cabernet Sauvignon 2015 Uco Valley (R650)

(abv 15.07%, RS 3.05g, VA 0.78, pH 3.61, TA 5.42)

Black fruit with some vanilla and licorice. High tannins, high acid, high abv, ripe black fruit, plushy notes on wine. Some perfume and cedar and good length but not great –too obvious and showy.

8. Vina Cobos, Bramare Cabernet Sauvignon Marchiori Estate 2015 Lujan de Cuyo, R1,000)

(abv 14.66%, RS 2.08g, VA 0.77, pH 3.57, TA 5.13)

Newer oak on here with lots of vanilla, toffee. Black fruit nose but strong red fruit palate – confected strawberries. Good chewy tannins with high acid and plenty of body and abv. Vanilla comes through at well-integrated, lengthy finish.

9. Cheval des Andes (65% Mal, 25% CS, 10% PV) 2014 Lujan de Cuyo (R1,200)

(abv 14.65%, RS 2.07g, VA 0.61, pH 3.74, TA 4.59)

Cherry chocolate notes then black fruit and cherries. More roundness here and more layers of fruit, spice, green hints. Bright chewy tannins, good abv and high acidity. Lacks in the mid-palate and at the finish.

10. Nicolas Catena Zapata (78% CSm 22% Mal) 2013 Lujan de Cuyo (R1,200)

(abv 13.85%, RS 2.29g, VA 0.74, pH 3.61, TA 5.28)

Pronounced, cherry, cherry, choc, blackcurrants, blackberries, tobacco, perfume and fragrance, some floral notes here, not showing any age at all. High tannins, touch of red fruit in the middle, vanilla, good acidity, bit green but long finish. Time to come.

Louis S. 7 - mineral and fruit cake character, handles alcohol nicely. 8 – more red fruit, drier finish, brighter fruit. 9 – Malbec-based one much softer and richer and well-integrated whilst 10 is cab-based and is reversed – much tighter, graphite tannins, lovely balance and should age well.

Duncan. 7 was overripe and overextracted, will fall apart quite quickly. 8 interesting but not enough complexity to stand in with the Chileans. 9 - quite savoury, lot of oak, bit awkward and maybe needs time. 10 – most interesting, dusty herbal character, got less in the glass. Bothered by planky tannin at finish.

Pierre – 7 - nice smokiness, handled abv nicely. 8 - cassis on the nose bit flabby and sweetish finish. 9 – sterile but maybe some wholebunch in there, didn't get Malbec character though. 10 lacked fruit, bit leaner and some mousiness in there possibly.

Salentein (7) – Rolland was consulting for Dutch owner, divided into 3 sections as Rolland said you cannot produce a quality wine if you crush more than 500 tonnes so winery built on a cross so you have 4 wineries in 1. Farm 800 hectares, on slopes of Uco, deep borehole.

Cobos (8) – owned by Paul Hobbs, flood irrigation, very young fruit, 65% new oak. 2.65 tonnes/hectare. This is their 2nd label.

Cheval (9) – LVMH – 100 YO Malbec, 30% new oak, 400-500 litre barrels. Flood irrigation and lots of emphasis on sustainability.

Catena (10) – benchmark Argentina. Started making wine in 1902. Cab from L de Cu and Altamira and Uco for mal. 10% whole cluster on Cab.

Jeff – Argentinian wines are reducing in ripeness and extraction but in light of our wines on the Auction – is it the journalists that are getting our wines wrong or is it something that we shouldn't be going for so much? Debate!

Charles – We are definitely competing against these guys more than European wines. Very interesting how the Chilean and Argentinian wines differ from each other.

Coenie – feels that the blending option is the best opp for Argentinians in particular. Economic outlook = bleak but they do very well with the wines – lots of visitors from Brazil. Chile gets a lot of pressure on prices and struggling more.

Thanks from David N. Mktg drive for future from Arg – The New Argentina – change in style and now more refined. Much more cohesive as a group and a country – we need to be more together and support each other more.

Tasting and Discussion

Argentina

Mark Twain visited Salt Lake City in the 1850's and commented on the Mormons.

Why do a tasting on Argentina?

- International recognition with high scores
- International recognition with high prices
- International recognised category
- Diversity in style
- Never had a CWG tasting

Why not to do a tasting on Argentina (Chile)?

- 3rd world country – what can we learn
 - Malbec based, and we do not do Malbec
 - Economic disaster zone GDP growth of -1.2%
 - Never had a CWG tasting – there must be a reason
- Purpose of the tasting presentation
- What have Argentina achieved over the past 20 years to become a global wine player?
 - Is it different from Chile and South Africa (or even Australia)?

Area under wine grapes

- 215 000 ha
- 18% Malbec
- 13% Cereza
- 9% Bonarda
- 7% Criolla
- 7% Cabernet S
- 47% Other – Syrah, Cabernet franc, Chardonnay
- Main Areas
- Salta (3 000m)
- San Juan
- Mendoza with Maipu and Lujan de Cuyo
- Uco Valley with Altamira
- San Martin / Luis (bulk)
- Patagonia

15 years ago, Argentina did not export wine!

- Wine consumption was 90ℓpppy
- Extremely uncompetitive pricing. Peso = USD
- 10th Strongest economy in the world in 1913
- Panama Canal completed in 1914
- World war 1
- Meat export to Europe
- The French would say “as rich as an Argentine”
- The fanciest hotel in the world was in Buenos Aries

What changed?

- Economic crisis in 2001. Biggest default in the history until Greece defaulted
 - This year was the 8th time that Argentina defaulted on IMF
 - Artificial economy with Peso link to dollar
 - Peso fell overnight to by 75% USD
 - Banking system collapsed – banks closed for 8 months
 - Wine became attractive for foreign buyers at lower prices
 - Economic collapse and consumption collapse to only 30ℓpppy
 - Resent entry into world markets at high price – half dollar price and not quarter price
 - Still small volume export but at high end
- World financial crisis in September 2008

- All local airports closed in Argentina for 3 months in 2010
 - Change lending rule from USD to Peso and interest in Peso
- Current Economy

- +30% inflation
- Interest rate hike last month from 50 to 60%
- Value of currency halved against the dollar since Jan 2018
- Default international loan payment last month
- Junk status
- Private industry
- Corruption
- Lending and Default IMF repayments
- Agriculture 8% of GDP
- Oil 30% of GDP

What caused the economic collapse?

- Poor policy
- Dictatorship
- All driven by state debt
- Building of the navy
- British Empire
- Chile
- Poor education

Potential for economic recovery

- Very good agriculture area north of Buenos Aires
- Oil and gas and shale gas potential in Patagonia
- Very good harbour

Why do Argentinian wine industry survive?

- Strong private brands
- Catena
- Rutini
- Zuccardi
- Strong foreign investment
- Michel Rolland
- Paul Hobbs
- LVMH (Pierre Lurton & Chandon)
- Rothschild's
- Big player with strong route to market
- High price products in Small quantities
- Many "new" wineries established in late 1990 and early 2000's
- Strong local consumption
- Potential to grow volume

What influence Argentinian wine

- International Wine style resulted in earlier picking
- Altitude
- Soil diversity – dominated by calcareous soils
- Zonde
- Hail only since 2012
- Water
- Perception that Malbec is the top wine and creating the image that it is 50% of all wine

Category	South Africa	Argentina	Chile	Australia
Area under Wine Grapes (ha)	95 000	215 000	130 000	130 000
Wine Production '000'000€	1 080	1 180	950	1 370
Yield ton/ha	15	7.5	10	13.5
Export Value R/€	R22.50	R57.00	R33.00	R38.00
Value per Ha	R250 000	R320 000	R250 000	R385 000

% Export	42	19	97	58
Grape price \$	300 - 1000	800 – 1 300	300 - 3000	
<u>2015</u>	84	Drink	Wetter than 2014, with botrytis rot in some vineyards, hitting Cabernet Sauvignon the hardest; better for white wines	
<u>2014</u>	87	Drink or hold	Late-season rains proved challenging for vintners; diligent work in the vineyards resulted in some high quality releases; Salta succeeded	
<u>2013</u>	90	Drink or hold	Cool weather produced fresh wines, with balanced acidity and tannins; lower alcohol levels	
<u>2012</u>	87	Drink or hold	What began as a hot vintage finished with unusually heavy rains in February and cool and cloudy conditions in March, delaying harvest up to two weeks	

Chile

- On a downward trend following Australia
- Seen as not enough quality difference between low and high price
- Seen as value option
- Biggest market Brazil and China
- 97% export
- 0% import tax into China, SA is 49%
- 4 massive players with own vineyards
- Biggest wine brand in the world

Universal Problems facing Argentina and Chile and of course SA

- Water
- Labour
- Not enough money for product

Wine selection

- Local Family and foreign investor
- Price range
- Wineries with international success
- Try to show style change from 2012 -2015
- Very specific areas

Tasting Questions

- Score out of 100
- Comment on Style
- Could you sell this wine in your portfolio?

Wines

Flight 1:

- ❖ Gottfried Mocke
- ❖ Miles Mossop
- ❖ Carl Schultz

Flight 2:

- ❖ David Niewoudt
- ❖ Morne Very
- ❖ Nico Grobler

Flight 3:

- ❖ Louis Strydom
- ❖ Pierre Wahl
- ❖ Duncan Savage

Summary

- ❖ How do South Africa create a global image?
- ❖ Carl van der Merwe
- ❖ Charles Hopkins

1. Alta Vista Single Vineyard Malbec Temis 2012

- 1998 Patrick d'Aulan
- Wines since 2001 producing Single Vineyard wines
- Masl 40 y
- 66% NFO
- Flood irrigation
- Cool terroir – sandy, silty, pebbles
- 3 000 ton Delta 2
- 95WA
- 95 WE (5th on top 100 list)
- 6 703 bottels

2. José Zuccardi Malbec 2013

- 1969 Zuccardi Family
- 90% Malbec Altamira
- 10% Cabernet S Gualtallary
- 1 100 – 1230m
- Concrete cellar
- Oak Foudres
- Very Terroir focused and very focused on style
- 2009 planting were done without looking at soil profile
- 91 WE

3. Achaval Ferrer Finca Altamira 2014
 - 1998 Santiago Achaval and Manuel Ferrer
 - Altamira
 - 7 428 bottles
 - 16 March 2012
 - Alc 13.7 fact sheet vs 14.7 Vinlab
 - Highest rated Malbec ever by WS
 - 99 WE
 - 96 WA
 - 95 WS

4. Aquitania, Lazuli Cabernet Sauvignon 2015
 - 1990 Bruno Prats & Paul Pontallier 7 Filipe de Solminihac
 - 1991 Vineyard planted
 - Small vineyard in the Santiago
 - Primitive cellar
 - European style
 - Virus, dry back
 - 91 WE

5. Santa Rita Casa Real Reserva Especial Cabernet Sauvignon 2014
 - 1880
 - 1980 bought by Claro and US investors
 - 2nd biggest in Chile
 - Farms 1 000+ ha
 - Old & big cellar and ugly
 - New construction is for bottling and storage
 - Massive replanting of vineyards planted in 1990's
 - 96 TA

6. Errazuriz Don Maximiano Founders Reserve
 - 1870
 - 1995 JV with Mondavi
 - 67% CS, 15% Car, 8% Mal, 7% PV, 3% CF
 - Aconcagua
 - Chilean benchmark
 - 93 WA

7. Salentein Primus Cabernet Sauvignon 2015
 - Mijndert Pon Holland investor
 - 1999 first grapes
 - 2002 Cellar
 - 4 x 500 ton Cellars – Michel Rolland
 - 800ha under vine
 - 275m boorgate
 - 88 WS

8. Vina Cobos, Bramare Cabernet Sauvignon Machiori Estate 2015
 - Paul Hobbs in 1999
 - 995m

- Cane pruning
- Flood
- Younger than 25y
- 65% NFO
- 2.65 ton/ha
- 8 April 2015

9. Cheval des Andes 2014

- 1999
- Pierre Lurton
- 65% Malbec, 25% CS, 10% PV
- 30% NFO 400 & 500ℓ
- Flood irrigation
- 100+ old vines and New plantings
- Sustainable focus
- Terazzazs winery
- 97 WA

10. Nicolas Catena Zapata

- 1902
- This wine since 1997
- 78% CS, 22% Mal
- Cabernet S (La Piramide Vineyard at the cellar in Lujan de Cuyo, Nicasia Vineyard Altamira, Uco)
- Malbec (Adrianna Vineyards Gualtallary, Uco)
- 10% Whole cluster, Barrel ferment in 225 - 500ℓ, Spontaneous ferment
- 210 separate row microvinifications from different lots and harvest times.
- 96 WA
- 94 WE