

SPANISH WINES MAKE MAJOR INROADS IN USA MARKETS

Spanish wines are rapidly increasing their market share in the United States. In just one year, Spanish wine exports increased almost 15% by volume, with particular strength at the very coveted mid-point price range. Could this mean Spanish wines threaten the dominance of comparably priced French wines? Panos Kakaviatos reports from Washington, D.C.

On Saturday mornings, Washington, D.C.-area wine professionals gather at Ruth's Chris Steak House to hone their tasting skills and prepare for their sommelier certification exams. In late February this year, 12 wine stewards and merchants compared four Spanish wines with close French equivalents - similar in terms of price and style - to determine which they liked better and why. The blind tasting, organised by sommelier and certified wine educator Maria Denton, revealed that at the \$10.00-\$25.00 retail price point, Spanish wines held their own against the French. Take for example what was revealed to be the cru bourgeois Château d'Arcins 2006, a Haut Medoc which retails for \$22.00, and the Spanish Viña Albina Reserva 2004, a \$20.00 wine. Nine tasters picked the Spanish wine as their preference. A Spanish Albariño that retails for \$18.00 fared almost as well as a Sancerre for \$20.00.

Although results were mixed - in a higher-end comparison, a Vieux Telegraphe Château-neuf du Pape trounced a comparably priced Priorat - the blind tasting illustrated what both merchants and statistics seem to reveal: Spanish wines may be stealing thunder from their French counterparts. Or at least at a certain price level, as Maria Denton said.

Another reason for Spain's success may be their label design, Denton suggested. "For the casual consumer, Spanish wines are generally more graphically inclined, which might be another reason why people are reaching for Spain."

Wine promotions planned for 15 US states

The latest export figures compiled by the Spanish Wine Observatory, or Obser-



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vatorio Español del Mercado del Vino (OEMV), indicate that while French wine exports to the US dropped in volume by almost 1% from 2009 to 2010, Spanish wine exports surged almost 15% by volume.

"We are finding success in the low-range price categories," remarked Rafael del Rey, the director of the OEMV.

Del Rey chaired an OEMV conference in May this year - 'Tourists, Tourism and Wine', held at the headquarters of the Ministry of the Environment and Rural and Marine Affairs in Madrid - with Spanish export officials. Spain's prominence in the US market was marked by the fact that the influential American critic Robert Parker, who had been awarded the Grand Cross of the Order of Civil Merit by the same Spanish ministry, also participated in the conference.

"He [Parker] praised the inroads Spanish wine has made in the US market, but said more efforts are needed to make Spanish wine better known to Americans," said del Rey. "We plan to increase tasting events and other promotional activities in the US." Such events will focus on 15 states that had been deemed to have the greatest potential for wine consumption, according to an OEMV study result published last year: New York, California, Florida, Texas, New Jersey, Illinois, Massachusetts, Michigan, Pennsylvania, Virginia, Maryland, Colorado, Connecticut, New Hampshire and the District of Columbia.

In Virginia, a brand new company, The Spanish Wine Importers, has already doubled the volume of its imports to the US in the first six months since it opened late last year. Its entire portfolio is made up of wines between \$9.00-\$25.00 retail, but the volume of wine between \$9.00-\$16.00 per bottle is approximately three times the sales volume of \$16.00-\$25.00 wines, said company president Travis Vernon. "Clearly, Spanish wines are still known for the most popular red varieties:

Tempranillo and Garnacha,” Vernon explained. “We’ve found about two-thirds of our restaurant clients want to stick to these varieties, while about one-third look to whet their patrons’ appetites with new and unique Spanish wines from varieties like the Bobal grape.”

Weakness at the high end

“As far as replacing French wines in the US market, we often hear from our customers that they’ve changed their purchasing behaviours due to the superior value of Spanish wines versus French wines at the sub-\$50.00 price points,” said Vernon. “Above \$50.00, French wines may still hold their market share.” Actually, higher-end Spanish wines are “not selling well at all,” said Phil Bernstein of MacArthur Beverages in Washington, D.C., with the exception of old-style Rioja and three top elite brands: Pingus, Flor de Pingus and Vega Sicilia. Bernstein explained this trend as due to the “Australia factor”, which he described as “a backlash against big, heavy Spanish styles, much like there has been against Australian Shiraz.”

Another merchant in Washington, D.C., Elliott Staren of Wide World of Wines, echoed Bernstein when asked about higher-end Spanish wines: “I cannot sell them.” ■

A SNAPSHOT OF SPAIN VERSUS FRANCE:

Total volume of wine imports to the US in 2010:

- 938.4m litres, valued at \$4,242.50m
- Volume increase from 2009: 1.3%
- Value increase from 2009: 6.5%

Spanish wines:

From 2009 to 2010, a 14.5% increase in volume of Spanish wine imported by the US:

- 46.9m litres in 2009
- 53.7m litres in 2010

average price depends very much on the mix of product.

French wines:

0.8% reduction in volume imported to the US
From 93m hectolitres in 2009 to 92.5m hectolitres in 2010.

SOURCE: OEMV

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