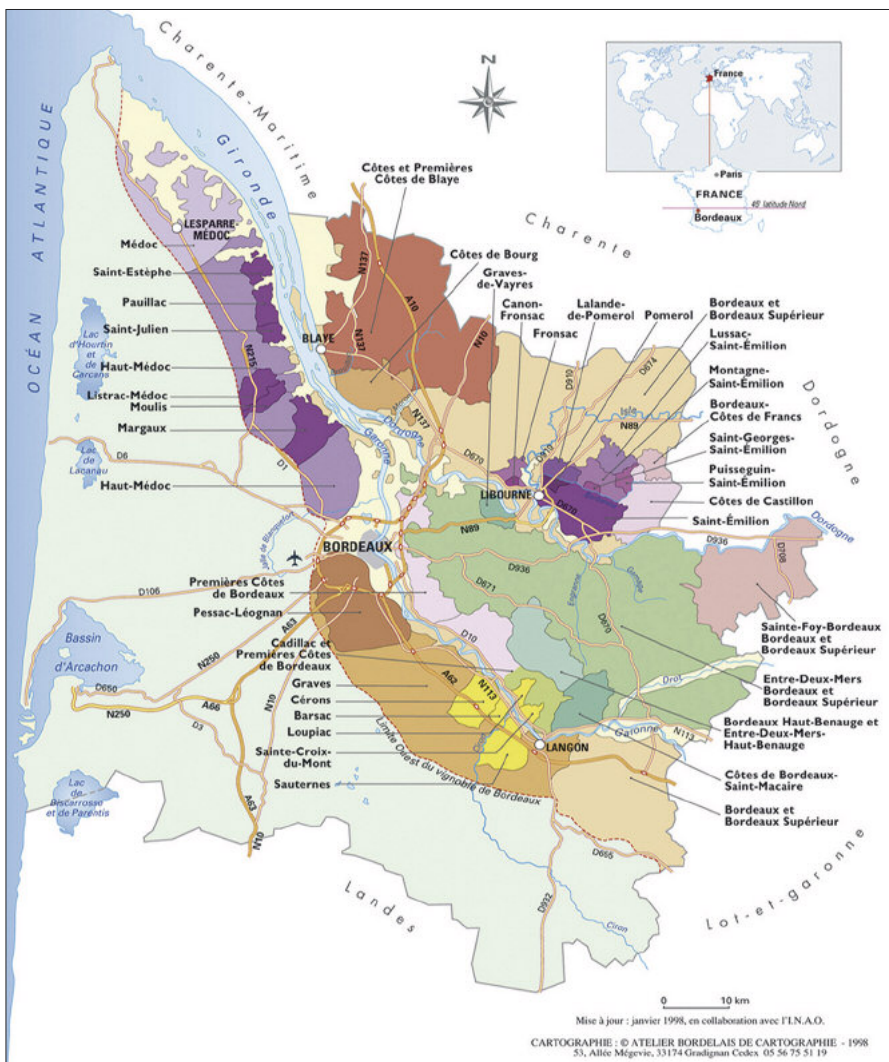


BORDEAUX'S MID LEVEL WINES MAKE THEIR MARK

As prices for top Bordeaux wines reach extraordinary heights that put them out of the reach of mere mortals, the mid-level wines from the region are becoming much more attractive to the market. Panos Kakaviatos reports on the emergence of the cru bourgeois.



It is often said these days that Bordeaux is a two-tiered wine region: on one level, an elite group of cru classes and their equivalents enjoy a Golden Age, marked by seemingly limitless demand and sky-rocketing prices. On another level, wines from the New World and other Old World regions like Spain challenge basic Bordeaux, which often cannot deliver as much immediate palate appeal for the price. But does Bordeaux have a card up

its sleeve? If the communication strategy, distribution network and quality are there, then that card may be Bordeaux's mid-level category, the cru bourgeois, which is generally priced between €10.00-30.00 (\$14.00-42.00). Not all wines in that price point are doing well, but as cru classé prices reach the clouds, the most savvy cru bourgeois level wines could grab some attention from consumers who are growing tired of high-priced claret.

With almost 270 members, *l'Alliance des Cru Bourgeois du Medoc* is the most recent manifestation of the cru bourgeois brand. The classification for Medoc wines was born in 1932, with over 400 estates named cru bourgeois. It was substantially revised amidst much hoopla in 2003, dividing it into three quality tiers, but the French government annulled the change in 2007 after 78 producers bitterly contested their exclusion. The current, significantly modified version of the cru bourgeois consists only of a single tier, first applied to the 2008 vintage. It is a classification that is revisited each year. But to what degree have the cru bourgeois – and their equivalents in Bordeaux – been successful in finding their niche? And how important is the classification to the success of these wines?

Muddled identity

The cru bourgeois brand has been mired in controversy over the past few years. The most recent incarnation of cru bourgeois does not include some of the most well-known estates – such as Château Poujeaux in Moulis and Château Siran in Margaux – after they and seven others were stripped of their 2003 designation as cru bourgeois exceptionnels. Last year some of these estates formed a group called Les Exceptionnels. But this year, the informal group “has proven a bit difficult to maintain,” said Benjamin Sala, technical director at Château Siran. “We prefer not to communicate much about it these days.” Like Château Sociando-Mallet – an estate which even eschewed the 2003 classification, but which is considered a high level cru bourgeois category wine by many merchants – Château Siran will communicate itself via its communal appellation and its brand identity, Sala explained. The same goes for Château Poujeaux, which is content enough to be a member of the Union des Grands Cru de Bordeaux, remarked managing director Christophe Labenne. Although the

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entire classification controversy was not “an edifying spectacle”, as Gary Boom of Bordeaux Index in London put it, he and other merchants emphasise that customers do not find the classification itself all that relevant to their purchasing – at least today. They focus on the most successful cru bourgeois brands, (whether they can be categorized as such officially or not) and they include both Poujeaux and Siran and many others, many of which are part of the Alliance.

“There are some fabulous wines in 2009 and 2010,” Boom said. “I thought Potensac (Medoc), Le Crock (St Estephe) and Les Ormes de Pez (St Estephe) produced delicious wines in both years.”

Furthermore, merchants feel that they can sell the wines on their own. “We are in a rather privileged position [at the general cru bourgeois price level] that if we say something is really good, we sell it,” said Simon Staples of Berry Brothers and Rudd. “Some customers focus on the communes, but the majority could care less about official rankings.”

Even if the classification itself is not very clear to most consumers, the Alliance is setting up ambitious tasting events to carve itself a clearer niche. The Alliance will revive an unofficial contest known as the Coupe des Cru Bourgeois, which had previously existed between 1985 and 1999, at this year’s Vinexpo. When this article went to press, noted French wine critic Jacques Dupont of Le Point magazine was gathering judges to taste the candidates. Furthermore, when the wine classification will be officially redefined this year – each year it is re-evaluated by independent judges – the announcement will be made in London, as it was done last year. “It may just become a tradition to announce the annual classification in London,” said Alliance director Frédérique de Lamothe.

The timing for such events is perfect for UK merchants. “We would be more than happy to go [to the London tasting this year], because we need to find the next stars,” said Staples. “Up to about two years ago, we would duck and dive cru bourgeois-level wines, but now we are seeking value in Bordeaux, to sell wine at less than £20.00 a bottle retail. Value is important.” He pointed out that even the second wines of some cru classes have become too expensive, which makes the search for excellent cru bourgeois more important than ever. “Even Sarget de Gruaud-Larose [the second wine of Chateau Gruaud-Larose, St Julien] is



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Frédérique de Lamothe,
Director, Alliance

getting expensive,” he said. “It was £10.00, but it will be over £20.00. That is a lot of money, even if the quality level has gone up.”

Boom agrees. “For sure, as many of the cru classes have increased their prices, there is a greater chance for the sensibly priced cru bourgeois to take advantage.” Both Boom and Staples say that a focus on emerging markets such as China makes much sense for the Alliance, to create a brand identity early. “Asia in particular,” Boom said, “presents new opportunities for the chateaux to find a new following that could transform prospects.”

Connections, connections

Earlier this year, the Chinese jewellery group Tesiro bought the 22-hectare Chateau Lulan Ducos, officially part of the Alliance. Just two months later, in May this year, Tesiro’s managing director Shen Dongjun met with de Lamothe over lunch in Bordeaux. “We are thrilled with Chinese interest in our wines,” de Lamothe said. She added that the Alliance will go to China for the first time ever this year, for a week-long promotion of the cru bourgeois brand. Some 30 to 40 members of the Alliance will act as a delegation to have all member wines tasted by Chinese buyers in

August in Shanghai, Beijing and Guangzhou. Private dinners with elite clients are also planned. “I think we have a chance to establish a real presence in China, and he [Mr. Dongjun] has encouraged us,” she explained.

American merchants sense potential interest for cru bourgeois level wines this year, too. Just before En Primeur Week, Mark Wessels of MacArthur Beverages in Washington D.C. was preparing his trip to Bordeaux with the intent to taste cru bourgeois as well as cru classé. He said that not every customer who can no longer afford certain cru classés will now turn to cru bourgeois, but some will. Likewise, at a tasting of lesser-known Bordeaux organised by Bill Blatch just after En Primeur Week, Sherry-Lehmann importer Chris Adams of New York welcomed “two fine vintages in a row” which will help to develop brands at the cru bourgeois level. Sales of such wines flourished “in the down economy” and Adams predicts “people staying at the lower price points, even as the economy improves over last year”.

For Staples, the cru bourgeois category “is like a rugby scrum: I grab my ten best mates and then sell them. You cannot do that with all those wines,” he said. Branding matters most, said Boom. “The most dramatic expression has been at the top end for Lafite (Carruades) and Lynch Bages, but that could apply down the hierarchy. With this in mind, I think the likely success stories will come from the likes of Les Ormes-de-Pez (Lynch Bages connection), Potensac and Chasse-Spleen.” Cru bourgeois level wines with a track record, in other words. Connections with known entities are important for cru bourgeois-priced wines, agreed Staples. Wines like Château Villa Bel-Air in Graves – associated with the Cazes family – sold 1,000 cases of 2010 en primeur in just 48 hours, he said. “We rated it 14.5/15 out of 20 and price wise, what’s not to like?”

Such track records are built through quality and links to known brands, but also through communication, said Sherry-Lehmann’s Adams. “The chateaux with the best ‘ambassadors’ have greater traction,” he said. “There were some that were better positioned because of their representation from Châteaux & Estates, notably Chasse-Spleen, Les Ormes-de-Pez, Phélan Ségur, Potensac, La Cardonne, Meyney and others, but in these new days, they need to make efforts to sustain their place.” He added: “We’re having success now with Picard because of the efforts of Ferdinand Mahler-Besse in the market; a few years ago

our clients weren't nearly as aware of or as interested in this chateau."

Other American buyers stress direct contact between the chateaux and end clients. Over a trade dinner at Château Picque Caillou in Merignac, American wine merchants sounded an optimistic tone for wines in the cru bourgeois category. One way that such mid-priced wines from Bordeaux can succeed is to have distributors bring their clients to Bordeaux more often, said Andrew Green, wine buyer for Bacchus Management, which sells to restaurants in Northern California. "Everyone talked about the loss of [Diageo] Châteaux & Estates, but they did not do a good job of linking the chateaux with the end consumers," he said. Although not from the Medoc, wines like Picque Caillou share a cru bourgeois price point and are competitive as reasonably priced restaurant wines, remarked Nick Sanderson, sommelier of Cafe des Amis, a newly opened French-style brasserie in San Francisco. "We do not buy a lot of cru classé, but wines that are moderately priced are selling well at our restaurant."

The challenges

Some cru bourgeois perform better than others because they have a better distribution network, said one important Bordeaux negotiant. "If an estate has a real clear commercial policy, either exclusivity or only with a limited number of negociants," says Laurent Ehrmann of Barrière Frères, "then I believe that there is a real market for them, and this has been proven over the last five years." Of the 270 Alliance members, Ehrmann thinks about 100 have found or will find "a good niche for themselves, as they do produce excellent wines".

He noted two examples: Château Beaumont, which produces a relatively large amount of wine - 40,000 cases - has a 'pool' of only eight negociants who have purchased en primeur each production since the 2005 vintage, up to the recently released 2010 vintage. Another example is Château Lanessan, although with a slightly larger number of negociants involved, but with three negociants being the "primary pilots" Ehrmann said. For the others, Ehrmann emphasised, it continues to be a real problem because they do not have any of the above.

Another challenge facing the cru bourgeois is taste, according to Staples. In their price range for the UK market - £10.00-

l'Alliance des Cru Bourgeois du Medoc

The cru bourgeois category was born in 1932, with over 400 estates named 'cru bourgeois'. The classification was substantially revised amidst much hoopla in 2003, dividing it into three tiers. But the French government annulled the change in 2007, after 78 producers bitterly contested their exclusion. In 2010, a significantly modified version of the cru bourgeois was reintroduced - consisting only of a single tier - and applied to the 2008 vintage. Officially recognized in 2009, the Alliance includes some 270 members, according to director Frédérique de Lamothe.

The classification is updated annually and any chateau can apply to be a cru bourgeois. All wines are re-tasted between March and July each year for the new listing. Wines are tasted in barrel and then re-tasted after bottling via anonymous shelf tests, with wines chosen at random from retailers' shelves, de Lamothe said. The new listing is democratic, with all selected chateaux classed together and no cru bourgeois exceptionnels or superieurs.

This year, once again, an independent jury will evaluate the wines based on the 2009 vintage, and results will be published in September as the official list of 2009 cru bourgeois. The independent jury of 30 judges is made up of professionals including oenologists, she said, who will taste the wine in a series of blind tastings. In addition, an independent organisation, Bureau Veritas, will supervise all tastings to assure total objectivity. In addition to the tastings, all applicants are paid a visit. "We verify the quality of the estates, to verify that certain conditions are met such as the quality of the tasting and reception rooms. That the tanks used are in closed buildings, that they are not outside suffering from the weather," said de Lamothe.

She also said that the door is not closed to reintroducing another level of cru bourgeois. "There have been different levels created in the past," she said, "and there is a possibility to try a hierarchy again, but the members have to support that idea."

25.00 retail - many customers choose more up-front New World wines, Staples said. On a general level, Staples agrees that "it would be better for them [the cru bourgeois]" to have a more modern flavour style. "A lot of those wines are a little bit mean," he said. Still, recent warmer vintages have made them friendlier. Staples particularly likes 2010, where the traditional Bordeaux character is present "but there is also some generosity".

De Lamothe has no illusions about cru bourgeois, straddled as it is between basic Bordeaux and in-demand cru classé, given that some members sell better than others.

"The more successful either have a great history or modern dynamism, or they have been discovered by a noted journalist, while others have excellent contacts internationally," she said. "There are very few women running chateaux, so those that do have ridden on the wave of women and wine... they were able to take advantage of that."

Publicity certainly helps build a brand at the cru bourgeois price point. One notable example, although not a member of the Alliance because it is not in the Medoc, is Château de Reignac (Bordeaux AOC). In a blind tasting less than two years ago, held

for 15 members of the *Grand Jury Europeen*, Reignac was selected over some of the very best wines of Bordeaux. A controversial result to be sure, but one that has been viewed by 56,000 viewers and counting on YouTube and is talked about in many blogs and wine forums.

Coming together

For cru bourgeois wines in the Medoc, there is an advantage to being grouped together, even though some are better known than others; it brings "together everyone en primeur so that journalists will not have to go to each chateau, and there is force when we are united," explained de Lamothe.

She believes the fact that the Alliance will revise the classification each year, under stringent conditions, will lend credibility to the group. Merchants are taking notice. "I cannot dismiss the classification's importance," Adams said. "The wines that I taste and choose to follow are achieving high levels of quality - typically higher than the vast amount of petits chateaux I taste for sure." He added: "That lends the classification plenty of weight and pricing has generally continued to be fair." ■