

Argentina – Big Challenges Ahead

Argentina is certainly topical at the moment - riots, civil unrest, desperate queues outside the banks and five presidents in a fortnight. Argentina has hit the headlines recently, but with images a far cry from the tango, Gauchos and Evita that I might have mentioned six months ago. The collapse of the Argentine economy looks set to have a profound effect on the wine industry and is certain to knock onto neighbours and competitors. Chile is bound to be worst hit as it tends to be lumped in with Argentina in one big South American category on UK shop shelves.

Argentina is the fifth largest wine producer in the world, though you could be forgiven for thinking otherwise – I only found 7 Argentine wines in stock in my local supermarket. Her share of the UK market is a tiny 1.3% by volume and we only spend £3.98 per bottle on average (some way behind Australia, New Zealand and California). The country was virtually a closed economy until 1990, drinking its own wines in vast quantities. Consumption was a massive 96 litres a head in 1976, though in common with most of the big producer nations, wine drinking had been falling fast, as the young reject their parents' tipple. The economic crisis has hit wine dramatically – getting enough to eat has become the priority and it seems likely that producers who have depended entirely on the home market will go under.

A Rocky Road

Argentina has been a very inward looking industry. The home market got taste for the wines it could buy and producers enjoyed a captive audience, giving them no incentive to improve. Even today, only around 60 bodegas export wine, out of well over 700. Many of those have received foreign investment to help buy the modern technology essential for meeting the high standards needed for export. Over here we actually like our wines to taste of fruit, and prefer not to buy dried out, leathery, tough stuff. The country has not, so far, presented a strong and united marketing front, as the Aussies and Kiwis have done so well. Also there are few brands to push the export market forwards in the way that Jacobs Creek, Hardys and Lindemans have done for Oz.

Money, Money, Money

The Argentinian Peso used to be pegged to the US dollar at a 1:1 exchange rate, making her wines seem pricy against the competition. Before devaluation producers were complaining of production costs 30-50% higher than neighbouring Chile, with labour in Chile just 150 US Dollars per month (compared to 500 US Dollars in Argentina). The official exchange rate for exports has now been set at 1.4 pesos to 1 dollar, while the unofficial one is around 2 to 1 and pessimists expect it to fall further - which should help to bring Argentine prices into line. Of course, bills for imported dry goods (new barrels, packaging, capsules, etc.) and winery equipment will still have to be paid in foreign currency. Unfortunately, hard currency export transactions have been frozen, causing a major headache unless wineries can arrange credit terms. Those wineries who do export are in a relatively fortunate position in being able to bring in much needed foreign funds.

Out Among the Vines

Argentina has nearly 199,000 hectares of vines, spread along 1500km and 20 degrees of latitude, giving a range of climates. No one would expect Loire to produce the same wines as the Rhône, yet we tend to see Argentina as a

homogeneous country. Mendoza alone (the biggest wine province) is as big as Spain and is home to nearly 600 wineries, so it is hardly surprising that if we've heard of any region, this is it.

Serious Altitude

The vineyards are at high altitude (ranging from 450 metres to over 2000m) in the foothills of the Andes. This means very high light intensity for ripening fruit. There is also a big day-night temperature variation, which is essential for keeping acidity and freshness, and that is good for varietal character and structure. Rainfall is low (so low that Mendoza is technically a desert) with on average only 20 cloudy or rainy days a year. The dry air means very little disease and so almost no spraying. Many producers farm "organically" even if they have not leapt through the legal hoops required to claim official status. There is plenty of irrigation water from Andean snow-melt and, with the move towards controllable drip irrigation, rather than traditional flooding; yields should get smaller and quality will become higher.

Unfortunately, the weather is not always idyllic and in 1998, just when Argentina was poised to take the UK by storm, the stormy legacy of "El Niño" hit the vineyards badly, resulting in many lean, mean wines. The silver lining is that this experience has kick-started producers into learning to use new technology properly and we are definitely seeing better wines appearing with 1999 and 2000.

Religious Relics

The spread of vines and Catholicism are often closely linked and it was a priest named Juan Cedron who first brought vines to Argentina. In 1556, he was sent over the Andes from Santiago with a bible and an armful of vines, and became the country's first recorded winemaker. Later waves of European immigrants, from France, Italy, and Spain (particularly towards the end of the 19th century) all added their own viticultural inheritance to the pot.

More than Malbec

It's thanks to religion and immigration that Argentina has an enviably huge range of grape varieties to choose from – some little known (like Greco Nero) and the inevitable fairly substantial plantings of the international favourites.

For the statisticians, Bonarda comes top of the list (with just over 16,000 hectares). This grape variety seems to originate from Piemonte, but is almost extinct in its Italian homeland. Nonetheless, it seems to respond well to the Argentine climate and shows more potential here than it ever did at home. Look out for the lively brambly Anubis Syrah/Bonarda (Everywine.co.uk), the cherry and leather style of Finca el Retiro (£5.99 Sainsbury) and Nieto Senetiner Reserve Bonarda (£6.99 Asda/Virginwines.com).

Malbec is the next most planted noble variety – best known for the black wines of Cahors and as a rustic "also ran" in Bordeaux. It is fast becoming recognised as the signature variety for Argentina, just as California has its Zinfandel and South Africa her Pinotage. Deep colours, intense black cherry fruit and juicy structure are the hallmarks of wines made from this grape. Good examples to look out for at the varietal level include Anubis (Everywine.co.uk), Argento (£4.99 Co-op, Tesco, Majestic and most major retailers), Fabre Montmayou (£6.99 Oddbins) and Valentin Bianchi (£4.99 Oddbins).

For a step up in intensity, complexity and structure, look out for Reserve (sometimes Reserva or oak matured) on the label. This means selected fruit and then a longer period maturing in oak. Reserve Malbecs from Adise•o (Safeway

£5.99), Nieto Senetiner Valle de Vistalba (£5.99 virginwines.com), Norton (Oddbins £7.99) and Balbi (Waitrose £6.99 – here I have to admit that I do some consultancy work for Balbi's parent company, though this is a wine I chose to spend my own money on).

Syrah or Shiraz is the flavour of the moment all over the world and is looking very promising in Argentina – its style here is quite unique, somewhere between the juicy sweetness of Aussie Shiraz and the green pepper intensity of the Rhône. Plantings have quadrupled in the last 5 years so we're likely to see a lot more of it on offer. Look out for Villa Atuel Syrah (£52.72 per case everywine.co.uk) Balbi Shiraz (Oddbins £4.49, Unwins £5.49), and at Reserva level Rosca Shiraz Reserva (Oddbins £5.29), Adise•o Shiraz Reserve (Co-op £5.99) and Norton Syrah Reserva (Oddbins £8.99).

Cabernet and Merlot are inevitable almost wherever you travel in the wine world, with "Cab" the third most planted red. (Norton, £5.99 Unwins/Oddbins, Fabre Montmayou £6.99 Oddbins and Catena, £8.99 Majestic/Sainsbury's are making good ones). And for a touch of the Spanish, Tempranillo has been in Argentina for a long time and is looking very promising. Santa Julia Tesco makes a particularly appealing plummy supple example (Tesco £4.99) and Anubis Tempranillo is due in shortly at Sainsbury (£5.99) and is wonderfully ripe and plummy with a whiff of ground coffee and dark chocolate.

Top of the class

Top end stuff barely features on the Argentine landscape and with no real icon wine like Grange, Opus One or Almaviva to attract world notice Argentina still lacks a flagship. Sales of Argentinian wines at over £6 per bottle are almost non-existent, yet it is in here, in the mid-ships, that a glimpse of potential can be seen – if you can track down the wines. A couple that are available in major retailers include Balbi's impressive and complex 1997 Barbaro (£9.99 Safeway/Morrisons) - a blend of the very best grapes each year – usually Cab, Malbec, Syrah and sometimes Merlot, and Norton's superbly stylish Privada 1999, which is a mix of 40% Malbec, and 30% each of Cab and Merlot (£10.99 Oddbins/Tesco).

A Whiter Shade of Pale

Argentina's exports are heavily biased towards reds and, though there are some interesting whites out there, it's not really the country's strength. The most important noble white is Torrontes – an obscure white in its home in north eastern Spain. It can be beautifully perfumed and floral, which is appealing in a young wine but soon fades to flat oiliness. The secret is to pick out the youngest wine available – don't touch any 2000s, but try Norton's 2001 (Oddbins £4.99). Jose Alberto Zuccardi at Santa Julia had the foresight to plant Viognier in 1993 and produces a fresh, peachy and deliciously drinkable glassful (Tesco/Sainsbury/Unwins £4.99) and a richer, spicy, creamy Reserve wine for a little more (Waitrose £6.49).

The ubiquitous Chardonnay is the number 2 white and, while many are decent but uninspiring in the sea of Chardonnay out there, Argento Chardonnay at £4.99 (widely available) cheerfully knocks spots off most Aussie "Chardies" at the same price!

It's still early days for Argentina over here, but in spite of the generally uninspiring whites, when a giant like LVMH (owners of Moët) invests then we know it could be serious. Chandon Argentina Brut Fresco (£7.99 Waitrose) is deliciously nutty, creamy and lively mouthful of bubbles, and delivers great value against its Aussie big brother.

Back to the Future

Early reports on the 2002 harvest suggest some very fine red quality indeed. Alberto Antonini, a star international winemaking consultant from Italy, who advises Anubis, Senetiner and Villa Atuel, reported in early March "the Malbec is just great seeds are getting fully brown and they taste very good as well as the skin which is tender and sweet. We just need 2 -3 more weeks of good weather. The other reds (Tempranillo, Bonarda, Cabernet, Syrah) are in the same conditions." I must say, I'm looking forward to seeing how the wines turn out.

In over 4 centuries of winemaking, the industry has put down deep roots in a country known for its passion and sheer determination, but is facing some really tough times. The raft of international investors in Argentina must say something about her potential – if only she can get out of her economic hole. After all, if someone like Michel Rolland (one of the most influential winemakers in the world, who consults to around 100 properties from Bordeaux to India) is actually investing his own money in Argentina, there must be a future.

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