



BERRY BROS & RUDD

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WINE & SPIRIT MERCHANTS

Wine Trends for 2016, and Beyond

In wine as in food, there are fads and fashions and then there are revolutions – seismic shifts in the way we consume. At Berry Bros. & Rudd, our buyers and wine experts are constantly aware of the changing landscape of wine, whether that's the emergence of a zeitgeist region, or the impact of a movement such as biodynamic farming. With an ear to the ground in the vineyards, and an eye on the marketplace, our experts are perfectly positioned to predict what will be next in the world of wine.

Millennials will change the way they drink – and 2015 is the vintage that will make this happen.

The millennial wine-drinker has a thirst for new regions, accessible pricing and – perhaps above all else – wines that are thoughtfully produced and presented. Detractors claim this is leading to the death of wine-knowledge (that Millennials buy “the sizzle not the steak”¹), this is not so, says Berry Bros. & Rudd’s CEO Dan Jago: “It is extremely difficult to create a story with any authenticity, longevity or credibility unless it is real; we’ve seen enough now in modern retail and modern brand management that people who haven’t got something genuine to stand behind find it very difficult to create a story. Millennials understand and trust heritage and history and are smart enough to tell whether a story is credible or not.” While these values of provenance and heritage are unlikely to change, the wine that Millennials are reaching for just might.

Wine Director Mark Pardoe MW argues that with their growing confidence in wine, and off the back of a strong vintage across Europe, as 2015’s wines come on-stream, we will see Millennials turning increasingly to the classic wine regions, “Investment in, and enthusiasm for, wine is cyclical,” says Pardoe. “When the press, the industry and consumers are able to get behind a vintage, as they will for 2015, then a new raft of wine-drinkers – in this case the Millennials – will become enthused by it; they’ll get ‘bitten by the bug’ and really understand what the classic wine regions have to offer. In 2015, Rhône is looking outstanding, Champagne is excellent, Burgundy is looking very good, a Port declaration is almost certain and, as for Bordeaux, if you take 2010 as a benchmark, then 2015 – which is looking really interesting– could well be attractively priced.”

Dan Jago adds: “If 2015 were to be cheaper than 2014 in Bordeaux for instance, then there would be a real opportunity to introduce people to the idea that this is a great way to buy wine. I think the quality will be brilliant across the classic regions – likewise in Italy as well. I don’t think it will bring people away from exploration of less well-known regions, but it should be a vintage where we are able to say to consumers: no matter

¹ <http://www.steveheimoff.com/index.php/2015/11/06/millennials-social-media-and-the-death-of-wine-wisdom/>



what you buy, from top to bottom, you are going to get a great bottle of wine to drink. Even entry level wines taste like twice the price of a wine from an off vintage.”

Wine is going up in the world.

“Increasingly we are seeing wines produced at higher altitudes,” says Mark Pardoe, Wine Director for Berry Bros. & Rudd. This upwardly mobile trend can only be a good thing for wine, he argues, enabling ‘cool climate’ wines to be grown in some of the hotter, drier places on Earth.

“Up to a point, higher altitudes give you a fresher style, where ripeness can be achieved without heat; we’re taking on Viñedos de Alcohuaz, a wine from Chile, for example, that’s made 2,200 metres above sea level on the edge of the Atacama Desert. Of course, at that height you need to manage phenolic ripeness and the levels of UV exposure (a large amount of which gives wine a leafy characteristic which you often see in those from Chile) but you get a very defined freshness which is appealing.”

2008 De Martino Alto los Toros Single Vineyard Syrah, Elqui Valley, Chile - £22.95 (2,000m)

2013 Ambrosía Viña Unica Chardonnay, Gualtallary, Uco Valley, Argentina - £17.95 (1,000m+)

2012 Bodegas Cuarto Dominio Chento Malbec, Uco Valley, Mendoza, Argentina - £13.50 (980m)

The Prosecco bubble hasn’t burst, but it has been gently punctured.

While recent research conducted for Berry Bros. & Rudd shows that demand for the Italian sparkling is continuing to grow (36% of UK regular wine drinkers now drink Prosecco compared with 29% in 2013; between 2012 and 2013 the imported volume increased by 43%²) – our buyers feel strongly that, at the top end of the market where quality is key, we will see a sea change.

“Demand for certain lines far exceeded supply for a while and those wines which were/are widely available perhaps do not capture the beguiling combination of freshness and ripe extract which marks out the very best Proseccos,” says Simon Field MW, Buyer for Berry Bros. & Rudd. He notes: “The supply issues are provoking customers to be more ambitious in their quest for fine fizz, and this has manifested itself in an upsurge in popularity, on the one hand, of Southern styles, Crémant de Limoux as an entry point, and premium Cava for the more adventurous consumers.”

Berry Bros. & Rudd Crémant de Limoux, Antech-Limoux - £11.95

2007 Manuel Raventos, Raventós i Blanc, Spain - £55.00

2000 Cava Gramona, Enoteca, Brut Nature, Spain - £160.00

² IWSR 2014 & Wine Intelligence, Vintrac UK



Natural wine is coming – but it won't last long (and not just because of the lack of sulphur).

Thus far, the UK seems to be lagging behind the rest of the world in its enthusiasm for natural wine, but its popularity seems to be on the rise. Geordie Willis, Creative Director for Berry Bros. & Rudd comments: “The movement is building a strong following amongst younger consumers who are looking for integrity and authenticity in winemaking and who also have a desire to drink something different to their parents.

“I suspect that those hardened natural wine fans may soften over time. Low-intervention wines will continue to be desirable, but consumers will also look for wines that give a sense of place rather than hiding the *terroir* through poor winemaking. Regardless of anyone's thoughts on the subject there are clearly some very delicious natural wines and some very poor examples. As the market develops, I suspect that the consumer will become ever more discerning, looking for best-in-class both in natural and non-natural categories.”

John Hutton, of Berry Bros. & Rudd's wholesale arm FMV, says “As a wine merchant, the issue I have with natural wines is that they lack definition; it's hard to know where they've come from and there's not enough character. Currently, all the very best growers try and use as little intervention as possible; equally, all the top producers say that sulphur is a central part of the process.” For these winemakers 'natural' is not being countenanced as an option. “A sense of place – *terroir* – is what defines a good wine. If you lose this, as you inevitably do in natural wine, you lose the wine's most important quality.”

2013 Arbois Trousseau, Singulier, Domaine Tissot, Jura - £27.50

2014 SP68 Bianco, Arianna Occhipinti, Sicily, Italy - £16.50

2013 Pinot Noir, Nature, Domaine Lucas & André Rieffel, Alsace - £17.00

Half-bottles are dead; wine by the glass is the future.

Whether to pander to our appetite to explore a wider range of wines, or to cater to a desire to drink less (but drink better), increasingly, bars and restaurants are shaping their wine-lists not around which bottles they will offer, but which wines they will be selling by the glass – a trend that is set to continue. Damian Carrington, Managing Director of FMV, Berry Bros. & Rudd's wholesale division, comments: “Certainly more and more wines available by the glass in the on trade which can only be a good thing. The arrival of the Coravin system has been something of a boon for top end restaurants wishing to move inventory of expensive wines as they are now able to offer by the glass.”

Geordie Willis, Creative Director for Berry Bros & Rudd, adds: “I think that one of the defining characteristics of the new wine consumer is an innate curiosity. As a generation we are open-minded; we have travelled the world and we are constantly experimenting with different cuisines and flavours (by comparison, my parents were 35



years old before they'd tried Chinese or Indian food). We are fascinated by the 'next big thing' and are adventurous in our tastes. The wine technology currently being adopted by restaurants (Enomatic tasting dispensers, Coravin etc) allows us to explore in a vinous sense as well. We are also able to discover more online, with social media (Twitter and Instagram particularly) helping to create communities of like-minded consumers. I can see more and more restaurants serving an increasing number of wines by the glass."

Despite this "drink less drink better" mentality, the consensus at Berry Bros. & Rudd is that half-bottles of wine are unlikely to see similar growth. "I don't believe that we'll see an increase in half-bottles. The smaller format doesn't work for the producer (more corks, glass, labelling etc) and just doesn't appeal to the customer," says Geordie Willis. Not only that, argues John Hutton, but the quality seen in half-bottle formats is less good: "As you go up in bottle size, you can mature the wines longer," he says.

Alcohol levels in wine will be reduced – and not because the government says so.

"We will naturally see alcohol strengths falling back," says Mark Pardoe MW, Wine Director for Berry Bros. & Rudd. "If the alcohol is too high you lose the balance in the wine. Wines taste better when they have balance and personality – but too much alcohol clouds that.

"In recent years we saw Barossa Shiraz at 15 percent-plus. It was almost a badge of honour. But tastes and perceptions are changing and New World producers in particular are scaling alcohol levels back. In marginal climates, we may still see levels increasing slightly – where wines used to sit at 13.5 percent they may creep up to 14 percent – as producers are not yet changing the way they make the wines."

2015 Berry Bros & Rudd Eden Valley Riesling, Torzi Matthews Vintners, Australia - £19.95 (12%)

2013 BK Wines One Ball Chardonnay, Adelaide Hills, Australia - £24.95 (12.5%)

2012 Botanica Mary Delany Pinot Noir, Elgin, South Africa - £22.50 (13%)

The next big regions: watch out for South Africa, Australia and... Italy.

While we are used to the 'next big region' being a far-flung part of the globe, Berry Bros. & Rudd's buyers were consistent in citing three countries as hugely exciting in terms of wine production.

Catriona Felstead MW, Buyer for Berry Bros. & Rudd comments: "Top-end **South African wine** is on the rise. Not so hard, I suppose, as it was coming from a fairly standing start a couple of years ago. At the recent 'New Wave' tasting in London, there were so many producers offering interesting, different wines of very high quality.

"The buzz around the category at the moment is exceptional – helped probably by the fact that the bunch of young(ish) producers leading the charge are all eminently likable



– and get on well together too, swapping ideas and collaborating on vineyard projects. This is top end though and a similar buzz isn't quite there yet in the sub-£20 category – although to my mind our new producer Foxwood Vineyards is a great example of quality at this price point 'stepping up', offering excellent value.”

Damian Carrington, Managing Director of Berry Bros. & Rudd's wholesale arm FMV adds: “I have argued and will continue to do so that the consumer has never had it so good as far as the production of quality wines is concerned. There are more and more world-class wines being produced from around the globe which is massively exciting. I am still raving about my trip to South Africa last year and genuinely believe it is potentially the most exciting country in the world at the moment.

It's not just South Africa on the map. “**Australia** has *huge* potential,” says Felstead. There's more to discover than ever before, both for classic varietals and a new raft of Italian/Iberian varietals that are gaining momentum (check out David Mazza's brilliant Graciano – and his Bastardo Rosé is better than many a Provence version, to my mind). I think the potential for the Australian category will really be driven by the individuals – the small guys with their own style, not the bigger players.

“There's definitely a move away from the big brands of the 1990s,” she adds. “Here, the generic body, Wine Australia, is doing a huge amount to encourage an upward trend for these wines. However, the question is, is the consumer ready to come back to Australia and discover the potential there, or will they stay with the cheaper, better known labels and styles, which have somewhat lost their traction in the market over the past few years?”

“Don't forget the Old World,” says Carrington. “**Italy** is definitely on the agenda again and Piedmont in particular is a region to watch.” His view is supported by Mark Pardoe MW, Wine Director for Berry Bros. & Rudd. “We are seeing new, popular areas emerging from countries that already have a great reputation – France and Italy, for example. With Italy, there is so much more for people to discover.”

Dan Jago, CEO of Berry Bros. & Rudd concurs: “Italy has always been good but it is regarded as almost impenetrably difficult to understand in terms of its regions, grape varieties and its winemakers, which may be one of its attractions! If you want to get back to storytelling, to authenticity, then Italy is the place for the future.

“For me, I would earmark Italy as the most exciting potential region for the future of fine wine drinking. For instance, Brunello 2010 – we are just scratching the surface of it – that was extraordinary; we all got very excited about it because everyone was writing it up but actually there is a real interest. If I am anything to go by, I've got a cellar full of Claret but what I want is a cellar full of Italian wine because I want it to be full of what I most enjoy drinking.”

2009 Mazza Wines Graciano, Geographe, Western Australia - £22.50

2014 Mazza Wines Bastardo Rosé, Geographe, Western Australia - £17.95

2012 Torzi Matthews Vigna Cantina Negroamaro, Barossa, Australia - £19.95



2013 Mullineux White, Swartland, South Africa - £17.95

2013 Richard Kershaw Clonal Selection Chardonnay, Elgin, South Africa - £27.50

2011 Foxwood Vineyards Shiraz, Coastal Region - £16.95

2013 Nerominiera, Isola dei Nuraghi, Enrico Esu, Carbonia, Sardinia, Italy - £15.95

2014 La Palmetta Pigato, Riviera Ligure di Ponente, Massaretti, Liguria, Italy - £16.95

2010 Vino Rosso Ansj, Casina Bric 460, Vergne, Piedmont, Italy - £18.95

English Sparkling will outclass Champagne within two years.

In the next couple of years, English Sparkling will move from a product championed by a few to one that is appreciated by the many – and Champagne’s winemakers should take heed. Simon Field MW, Berry Bros. & Rudd’s buyer for Champagne and English Sparkling says: “The huge proliferation of those making sparkling wine with the Champagne grapes in England has engendered a great deal of interest. Quality is a broad spectrum, however, with those who have been able to give their vines a little age making more interesting and profound wines.

“I suspect there will soon be two tiers to the English Sparkling Wine market, reflected by prices and styles and, somewhat paradoxically, by the emergence of non-vintage as a significant and often premium category. The non-vintage Champagnes, too often released too young and green, had better raise their game when this direct comparison becomes more evident. In addition economies of scale may allow the English to make their wines more competitive in pricing, which will make the market even more interesting.”

Dan Jago, CEO of Berry Bros. & Rudd, goes further still: “I think English Sparkling is within a whisper – by which I mean the next two years or so – of being taken just as seriously as Champagne; and the pace at which this has happened is incredible. Before the 2009 vintage there was variable quality, but now the 2009, ‘10s and ‘11s are on the market and are looking brilliant. And I’m a huge optimist about what’s going to be possible in English Sparkling Wine going forward.

“Increasingly, I think Champagne is regarded as a lifestyle and English Sparkling is regarded in terms of quality... People say, ‘I want to celebrate; it must be done with Champagne’. But if they want a delicious, interesting, challenging, complex bottle of sparkling wine then consumers are starting to look much more seriously at English Sparkling rather than entry-level Grandes Marques.”

2011 Berry Bros. & Rudd English Sparkling Wine, Gusbourne Estate - £24.95

Hambledon, Classic Cuvée, Sparkling, Hampshire - £29.95

Hambledon, Première Cuvée, Sparkling, Hampshire - £42.00

There will be no such thing as middle-of-the-road wine.



Consumers face a fork in the road in the wine world in terms of price, quality and service. The arrival of the German discounters mean that – in the mass-market at least – consumers are expecting consistently low pricing; conversely, competitor benchmarking research conducted for Berry Bros. & Rudd has demonstrated that – at the high-end at least – consumer spend per bottle is increasing.

“All the mass retailers are seeing a real polarisation which has been driven by the arrival of the German discounters Aldi and Lidl,” says Dan Jago. “What they have done is re-base benchmark pricing for key value items – particularly within the wine world.”

With supermarkets currently responsible for 82 percent of all wine sold in the UK, the importance of how they price and sell wine – and the impact it will have on other wine retailers – cannot be underestimated. “The discounters have increased the pace of change so that everyone is aiming at the EDLP (everyday low price) pricing position in supermarkets,” Jago says. “What has to give because of that is inevitably quality: you can’t comfortably produce high-quality wine and sell it at £4 or £5 a bottle, which is where the average bottle price is at the moment (£5.40).

“There is no middle ground any more: the top-end of high-street retail used to do a very good job of the mid-market before you reached the heady heights of the quality independents – but now there is no mid-ground now. Increasingly, consumers must choose whether they want to drink inexpensively but lower quality or whether they actually want to spend a little more on a bottle of wine – by which I mean £10 and up – where they are getting not just quality, value for money and provenance but also an unrivalled level of service and interaction with the merchant.”

About Berry Bros. & Rudd:

With two Royal Warrants, over 300 years of history and eight Masters of Wine, Berry Bros. & Rudd is Britain’s original wine and spirits merchant.

With services including a Wine Club, Cellar Plan, tutored tastings, Private Wine Events and a Wine School, we provide the closest link between those who make the wine and those who drink it.

We offer a selection of over 4,000 bottles to wine and spirit-lovers in the UK, Hong Kong, Singapore and Japan through our stores, warehouses and outlets, and to people across the world through our award-winning website.

While we embrace progress, we also value our traditions. We are still run by members of the Berry and Rudd families and we continue to supply the British Royal Family, as we have done since the reign of King George III.

Most importantly, we still believe that everything you should look for in a wine or spirit comes down to one simple question: ‘Is it good to drink?’
