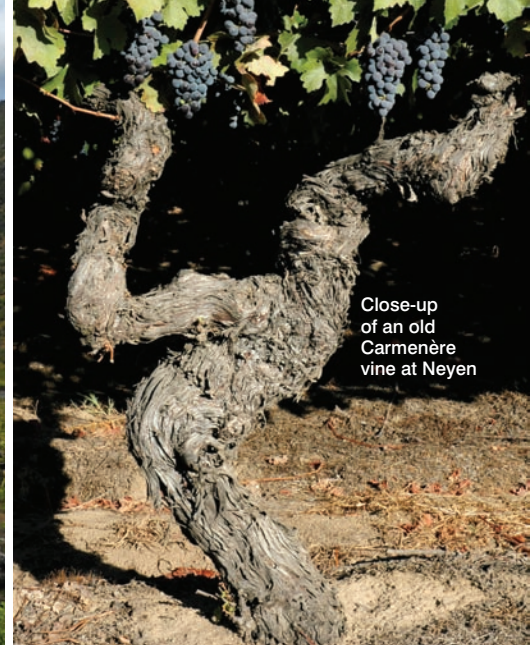




Old Carmenère vines at the Neyen estate in Apalta Valley



Close-up of an old Carmenère vine at Neyen

CHILE'S GREAT PURPLE HOPE

Now that it is no longer a 'forgotten' grape, is Carmenère capable of raising Chile's profile in U.S.?

BY W.R. TISH

Americans have grown comfortable with Chilean wines, thanks to several attributes that are rather simple to appreciate. Pre-phylloxera vines? Check. Clean, well-made varietal wines, especially Cabernet Sauvignon and Sauvignon Blanc? Check. Easy on the wallet? Check. In recent years, though, much of the buzz directed toward South American wine has been diverted to the Argentine Malbec bottlings that continue to gain shelf space and sales.

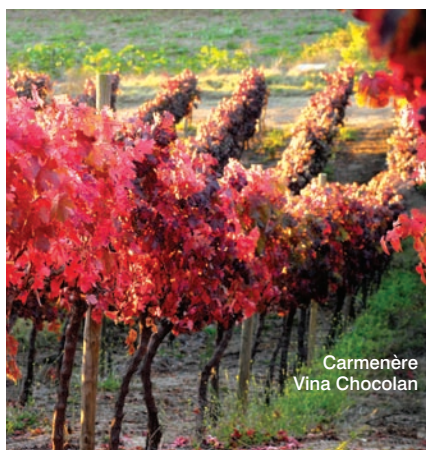
Enter Carmenère—the so-called lost grape of Chile. With a concerted effort on the part of producers and marketers to build a following for this re-discovered grape, can Carmenère rise to signature-red status for Chile, as Malbec has for Argentina?

Stranger things have happened. In fact, logic suggests that Malbec's precedence could make Carmenère's ascent easier today than it might have been 10 years ago. At the same time, the wines themselves are quite distinct, and it seems clear that nothing is automatic. Chilean producers are going to have to

focus both on the wine style and quality as well as promotional efforts in order to make Carmenère a familiar name to American wine drinkers.

DRAMATIC BACKSTORY

Perhaps the most important asset Carmenère has going for it is its simple yet dramatic history in Chile. This deep-purple grape disappeared from European vineyards in the mid-19th century and reappeared among Chile's Merlot vines more than 100 years later. The rediscovery (confirmed via genetic testing in



Carmenère Vina Chocolan

1994) gives Carmenère an interesting and unique identity, which is easy to explain, regardless of depth of wine knowledge.

It sounds a bit hard to believe that an important grape could go undetected for so long, considering the attention that wine-growers in general pay to their vineyards. On the other hand, of nearly 219,000 acres of red grapes planted throughout Chile, less than 10% is actually Carmenère, and much of that was interspersed with Merlot. Moreover, Carmenère is very similar, physically, to Merlot. And to Chile's credit, local growers were long aware of the vines' distinctiveness; it was typically referred to as "Chilean Merlot" or "late Merlot" because it was slightly slower to ripen.

Yet the "forgotten grape" angle tells little about what the wine tastes like. Nor does it position the wine at a clear price point or even in a stylistic context that ensures traction. Attracting new fans is going to hinge not only on getting people to recognize Carmenère in its own right, but also to buy and like it enough to buy again and

seek out different ones, which leads directly to the issue of: Where does Carmenère fit among other, already popular wines?

LIKE MALBEC... BUT NOT REALLY

Malbec and Carmenère are both red. Both were once prominent in France but are now bit players there. Both were brought to South America in the mid 1800s by European emigrants and have come to exemplify their respective wine industries. That is pretty much the end to their similarities.

Malbec has found its modern spiritual home in Argentina's Mendoza region, yielding wines with plenty of red fruit, ample body, tannins and spice. There is still no consensus on a standout Carmenère region in Chile. It is not as easy to grow as Malbec and, stylistically, varietal Carmenères tend toward soft tannins and upfront herbaceous notes (revealing its genetic relation to Cabernet Franc). The difference in flavor profile is critical for consumer point of sale; Carmenère is not as overtly fruity as Malbec. Perhaps more important, being so young in terms of varietal bottlings, the wine has not developed a consistency of character.

Don Sritong has an evolving but limited inventory in his Chicago retail store—Just Grapes—where wines are grouped in categories, sometimes by style, sometimes by grape. Last year, demand led him to give Malbec its own section (with six offerings). The sole Carmenère at Just Grapes, Armador is racked under "Adventurous Reds." He explains that customers respond positively to the story of Carmenère's identity, and he describes the character as "like Merlot with a little more savory edge." He deliberately chose the Armador because of its approachability, even while acknowledging the fact that it may not be the most typical Carmenère. In an ideal world, he'd be happy to show a few Carmenères, but shelf space is shelf space, and like Argentine Malbec before it, the Chilean newcomers are going to have to earn their real estate.

Producers are mindful of this potential trade-off as well. Carlos Serrano, export manager for Montes Winery, notes, "By far, Cabernet Sauvignon is the wine we produce the most of in Chile, and wines

Logic suggests that Malbec's success could make Carmenère's ascent easier than it might have been 10 years ago. It will also draw fresh attention to Chile overall...helping to bump Americans' perception of the category above the "value" line.

made with it have been more awarded compared with Carmenère wines." He compares Carmenère to "a diamond, small and shining." No doubt every producer and importer of premium Chilean wines is hoping to gain Carmenère placements without cannibalizing their current ones.

UNDERSTANDING THE GRAPE IN THE VINEYARD

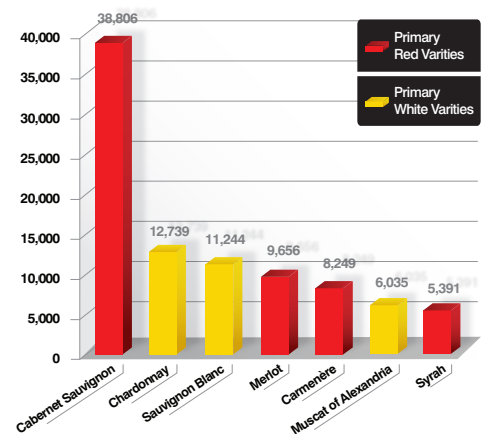
Marcelo Retamal, winemaker at Maipo-based De Martino, is credited with making the first varietally-labeled Carmenère in the 1996 vintage; and the De Martino "Alto de Piedras" single-vineyard recently was named best Carmenère in the eighth annual Wines of Chile Awards. He considers the varietal quite difficult to grow well, insisting that it needs to be situated in the right place, which he specifies as alluvial soils (as opposed to rocky) with low rainfall. At its best, Retamal explains, Carmenère produces a well-balanced wine with spice and tobacco notes and fairly soft texture, but naturally high acidity. Pitfalls when growing Carmenère are easy to stumble upon, says Retamal: planted in the wrong places, the herbaceousness can flare up, and picking too late leads to high alcohol and lower acidity, throwing off balance. Furthermore, being a thin-skinned, slow-ripening grape that is prone to *coulure* (failure to develop after flowering), it challenges growers to monitor carefully and pick optimally. Vintage variation is an inevitable aspect of Carmenère's package deal.

Much viticultural research focusing on Carmenère is under way, certain to benefit both existing vineyards in terms of management and new ones in terms of location. Among the most ambitious, Casa

Silva is conducting the Genoma Research Project to study 42 different phenotypes of Carmenère in a special vineyard at Casa Silva's Los Lingues estate in the foothill of the Andes. Head winemaker Mario Geisse is working with experts from several universities and institutes to conduct the research, which will also be shared with the public once the study is completed in three to five years.

Andrés Caballero, chief winemaker for Carolina Wine Brands, summarizes an attitude of realistic optimism: "We know Carmenère has great potential in Chile, but we need more research, expertise and history. Modern winemaking started 30 years ago in Chile. We are still discovering new *terroirs*, accumulating knowledge, experimenting, understanding the plant's behavior and defining the 'Chilean' style."

RED & WHITE VARIETALS (Land Measurement in Hectares)



Source: Wines of Chile



Agustin Francisco and his father Agustin Huneus on the steps of Veramonte.

Montes Vineyards

TO TASTE IS TO BELIEVE: Carmenères To Stock Now

I tasted more than three dozen Carmenère-based wines over the course of researching this article; more than half the wines were tried with other tasters, many of whom are simple wine drinkers rather than experts. The good news is that drinkability of the Carmenères is good. The grape's green character cropped up frequently, but in a balanced wine, this mostly served to make the wine seem more Old World in character. Perhaps it's a function of personal preference, but many of the wines I enjoyed most struck me as quite Bordeaux-like.

Recommended Carmenères

\$8-\$12 SRP range:

Casa Silva Reserva
Emiliana "Eco Balance"
Santa Carolina Reserva

\$13-\$25 SRP range:

De Martino "347"
Escudo Rojo*
Montes Alpha
Santa Rita "Medalla Real"
Terra Andina "Altos"*
Veramonte Primus*
Viu Manent "Secreto"

Ultra-Premium:

Casa Lapostolle "Clos Apalta"*
De Martino "Alto Piedra"
Carmin de Peumo (Concha y Toro)
Montes Purple Angel

*Denotes a blend



MARKETING CHALLENGES, OPPORTUNITIES

In discussing the current status of Carmenère in the U.S. with various suppliers and marketers, the most salient commonality is a sense of ramping up. Instead of zero to 60 mph, think zero to 60 selections in about 10 years. Gauging how American consumers respond will take years, not months. In fact, most industry people hold a very realistic view of the challenge ahead. Carmenère puts Chile in the unique position of being an established wine industry with a virtually brand new—and exclusive—product to utilize. Few expect it to become a star, à la Malbec, in its own right. Yet many believe that Carmenère might well function like a line extension, drawing fresh attention to Chile overall and, ideally, helping bump American perception of the Chilean wine category above the "value" line.

Clearly there is room for growth. Ed Barden, the New World portfolio manager for Banfi, importer of Concha y Toro and other Chilean brands, oversees the lion's share of Carmenères currently available in the U.S. He cites positive growth for the varietal in the top 10 metropolitan markets, supported by a gradual increase in consumer awareness (which, he adds, is evident at consumer shows such as the Boston Wine Expo). Barden is also encouraged by the number of on-premise placements in national accounts including Capital Grille (which pours Natura by the glass), Morton's The Steakhouse, Hilton, Hyatt, Marriott, Legal Sea Foods, The Melting Pot and Texas de Brazil.

New York-based Schwartz Olcott Imports (SOI Wines) recently entered a long-term strategic agreement with Pelican Brands to import and manage the national sales and marketing rollout of (oops) Wines following a successful limited test market. (oops) Wines, produced at the famed Vina Undurraga winery from estate-

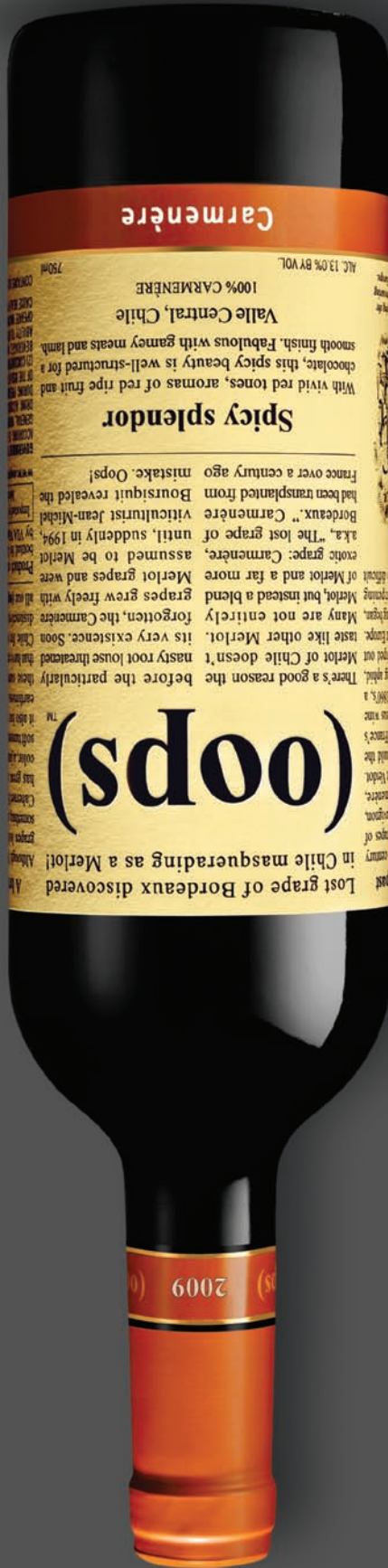
grown grapes, is one of the oldest wineries in Chile, and produces a 100% Carmenère as well as four individual Carmenère blends with Merlot, Cabernet Franc, Sauvignon Blanc and Chardonnay. Norman Schwartz, co-founder and chairman of SOI Wines, says that consumer craving for authentic brands puts (oops) Wines in an advantageous position.

At Palm Bay International, whose range of Chilean brands is anchored by Santa Rita, portfolio director Michael Preis feels that restaurants have been a little slower than retailers to embrace Carmenère, but expects accelerating success with Churrascaria steakhouses and Iberian/tapas restaurants with global wine programs. Palm Bay has been very pleased with the presence of its Carmenères in grocery store chains and club stores.

HIGH ENDS, AND THE WHO-KNOWS FACTOR

It's not surprising that producers with multiple Carmenère bottlings usually have ultra-premium offerings. Montes pioneered the category with Purple Angel starting in the 2003 vintage. Fitting right in with the winery's other top-line bottlings—Montes Alpha M (Bordeaux-style blend) and Montes Folly (Syrah)—Purple Angel (92% Carmenère, 8% Petit Verdot) is a concentrated, serious Carmenère that sees 18 months in new French and American oak barrels.

My impression, having tasted a range of ultra-premium Carmenères, is that they are generally very well-made, favoring power more than elegance. And as a group, they have quite a challenge competing with more-established high-end reds in a crowded field and a tight economy. But these portfolio toppers demonstrate a commitment to the grape, and are bound to help gain the attention of the trade and ensure Carmenère becomes part of the Chilean wine vocabulary among Americans. ■



Some mistakes were meant to happen.

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