

The Gentleman of Wine

Nicolas Catena's Wine Revolution

In the 1980's, a journey to the Napa Valley, in California, changed his life. Following Catena's enlightenment, Argentina began to make quality wines and found its place in the world of wine. A chat with the man who, by focusing entirely on quality, changed the destiny of Argentine wine.

He is the most recognized Argentine face in the world of wine. "However," he clarifies in his trademark low-profile style, "the winery is property of the entire Catena Zapata family". Fifteen days ago in Los Angeles, Nicolas Catena (72) received the Distinguished Service Award from Wine Spectator magazine; a highly recognized honor not just for the winery but also for his home country, Argentina. In 2009 he was named 'Man of the Year' by the prestigious British wine magazine Decanter, and the following year he was given the 'Lifetime Achievement Award' by leading German magazine Der Feinschmecker; the equivalent of receiving a European Oscar for wine. But who is this important man who defines the path of Argentine wine?

An economist and former visiting scholar of Agricultural Economics at the University of Berkeley, California, Nicolás Catena managed, in under two decades, to position Argentine wines in the world - at times even above those of France and the United States, the two most important wine producing countries. Today Argentine wine is within the "top five" of our leading wine-trading partners, the United States, Canada and Brasil. And this is due to the great quality achieved by our country.

Two years ago, Nicolás Catena passed on the winery's management to his daughter, Laura, and today focuses primarily on the work of tasting. "I have narrowed my focus," he clarifies. "I taste and approve all the blends with Laura. She has a very subtle appreciation of aromatics, but when it comes to the palate, she prefers that I define the blends; because knowing how to fully appreciate a wine's palate correlates directly with how many wines one has tasted."

The topic of wine quality and its repercussions is the key question according to Catena, especially because the rise of Argentine wine is a recent and vertiginous phenomenon.

Why did you set your sights on the international market when everyone else was focused on the local market?

"I started to work in the family business with my father and my grandfather when I was 23. At that time our winery was making a different quality of wines, and exporting was something that no one talked about. At the beginning of the 80's I traveled to California and visited Robert Mondavi's Opus One winery."

With a sigh in his voice, Catena transmits deep admiration, as if he were reliving the moment, an almost mythical encounter with the prophecy of a good omen. "I found something that inspired me there. The Californian wines were a surprise, and my call to action was such that I began a sort of crusade with the goal of equaling our wine standards to the French. If the United States was going to try and rival France, we would do the same. At that time, top French wines were unique in the world, and nobody had come close to

equaling them."

What was happening in California back then was what happened just ten years ago in Argentina. The Californians invested in vineyards, winery equipment, research and development, and it was the magnitude of this movement that impressed the business visionary inside Nicolas Catena. Having acquired his traditional winemaking knowledge from his grandfather and father, Catena returned to his country with the idea of making wines of a completely different nature. "Up until that point, fine wine was simply defined as wine that had been adequately stored. That was our 'standard of quality' and it was what we were used to drinking. It was this visit to the Napa Valley that made me think of looking for a different concept of quality, that made me look towards France for my inspiration."

How did the transformation process start?

"My idea was to do what the Californians had done, and this project started in 1983. In 1989 we saw good results, but it wasn't until the 1990 harvest that we dared to start exporting. The majority of the vineyards at the time were planted with Bonarda and Malbec for reds, and Riesling and Sémillon for whites - my father was a big fan of Sémillon. But California was focusing on Cabernet Sauvignon for reds and Chardonnay for whites, two French varieties that were relatively unknown in Argentina back then. So I started to plant those two varieties, because this is what the world valued in wine at the time, and my goal was to compete at the highest level. I was alone in my country focusing on Chardonnay and Cabernet Sauvignon, because nobody else was planting these varieties back then, and in truth, we didn't even know how well they would perform in Mendoza."

What marks the turning point for quality Argentine wine?

Up until that point exporters focused on low priced wines and nobody had analyzed the possibility of going out to compete with higher quality wines. A first historic fact that made the world turn its sight on our country in terms of quality was the 1990 harvest: a Cabernet Sauvignon (Catena) that had great success in the United States. Looking back, what worked was that what we put in the bottle was of greater quality than the price. We established a price based on how we thought our quality compared to that of other countries. We chose the retail price of \$15, which was rather high at the time.

Was Argentine wine available outside of Argentina in the early 90's?

Very little – and the most expensive Argentine wine available cost \$4 dollars. What we were doing was so novel that our importer told us



A PLACE IN THE WORLD.

Catena Zapata Winery between the vineyards and the high mountains; the barrels where he keeps his creations.

that he would not be able to sell the wine. However, the first vintage did very well and so did the one after it. My conclusion is that this marked the first chapter of the history of quality in Argentine wine and its presence in the United States. The following year we sold wine in the UK, and both markets took notice of Argentina as a country that could produce quality wines.

How would you define the keys to having success in the export markets?

In the end, the export market is the one that recognizes quality - all you can do is encourage them to taste your wine. Your wine will be tasted by the wine critics, and they in turn, will give their opinion to the trade who buys your wine and offers it to consumers. In the end, what will define your success (for better and for worse) is the consumer's opinion. However, reaching the consumer involves putting a lot of effort into convincing a chain of people to display your wine. The story of Argentine wine that I tell, which is based on my own, leads me to this conclusion: that one must work hard to have the wines tasted.

When did the Malbec revolution begin?

In accordance with my California inspiration, I had not yet produced a bottle of Malbec for export, despite the fact that both my father and my daughter Laura encouraged me to do so. I must confess that it is thanks to their insistence that I began to pay attention to the Malbec variety. We made the first Catena Malbec in 1994, and it was sold at a price higher than the Cabernet Sauvignon - at \$20 dollars. I consider this to be our most important commercial decision and gamble- for our winery as well as for Argentine Malbec as a whole.

What was the goal of this strategy?

My goal was to distinguish Malbec from Cabernet Sauvignon (which was the 'grand' variety of the times) through pricing. I wanted to generate a new perspective on Malbec, one that was based on the opinions of my daughter and father. We needed to take this risk. And after all, the worse thing that could happen was that we would have to drink all the wine ourselves. But in the end everything went very well, and the response was amazing. It was then that we realized that we were entering the world of quality with big steps. Such was our enthusiasm, that we made a Malbec of great concentration which we named Catena Alta, because it came from vineyards at high altitudes. We had discovered that at higher altitudes, the grapes had a heightened intensity of flavors. At that time, the highest vineyards in Mendoza were at 1,200 meters. We presented the wine and it was priced at \$50 dollars retail. This was perhaps a bit pretentious, but it was accepted and ended up selling quite well - the critics gave it great reviews. This was for me the second leap in Argentina's penetration of the world's quality wine market. The most important market for these Malbecs was the United States. Europe took longer to convince. It was already the year 2,000, but in the eyes of the Europeans we had not yet arrived to the highest league of wine - the French. It was then that we made a new wine, an even higher selection, and we named it Nicolás Catena Zapata. Our importer in London, Bibendum, found it so extraordinary that he organized a tasting under the direction of British journalist Jancis Robinson and invited the cream of the crop of the wine industry to attend. The tasting was completely blind and included all wines priced above \$100 dollars, and we won. It was then that I realized just exactly what this region could produce. At the same time, the most important wine

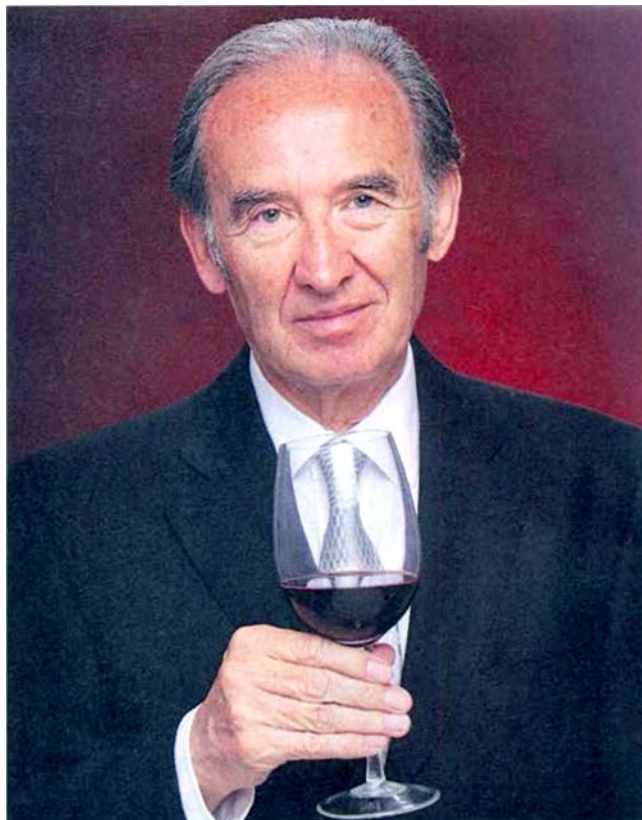


Foto: LA NACION / Martin Lucesole

A CUP OF LIFE.
Nicolás Catena says he produce "for those that make a relevant pleasure out of wine".

collectors in the world began to include our wines in their world-renowned cellars. It was these two turning points that marked Argentina as a top quality producer of wine in the world. All of this unfolded within a decade's time.

What was the result of the connection you made with France and Rothschild?

In 2000, Eric de Rothschild the baron of Chateau Lafite [the most prestigious wine in the world] came to Argentina. This partnership introduced a very subtle new ingredient into our world of wine: the concept of elegance. Elegance in wine is difficult to describe, but after many years I have reached the conclusion that a wine of elegance is a wine defined by many different nuances, a wine where no single element dominates. Lafite introduced this concept to us; a concept that changed our wines and is still influencing them in a positive direction. Every day, Argentine wines are moving more towards quality.

What was the reaction of the rest of the local winemakers?

The interesting thing is that from then on, countless Argentine and foreign winemakers began their own quality pursuits in Argentina. In 2001, the devaluation of the Argentine peso allowed exporters to increase their profit margins - they rapidly took this opportunity to modernize

Pride

On October 20th the important USA magazine, Wine Spectator, honored Nicolás Catena with the Distinguished Service Award. The award honors him for elevating the quality of Argentine wine and bringing it into the world stage. "This award makes me feel pride for the place where I was born, and where I grew up. Because in the end the merit goes to the place. My grandfather and father are from Mendoza."

wineries, and to replant and make improvements in the vineyard. This exchange rate helped Argentina enter the world market; the cost of offering our products is very high and therefore adequate margins are required. Since 2010, the 'real exchange rate' has decreased, which is a problem unless you are a high quality producer; because if you sell more expensive wines, there's a larger margin and you can handle this type of decreasing 'real exchange rate'.

What is happening with Asia?

It is very interesting for me to conduct wine tastings in Asia. People drinking wine there are very wealthy. Similar to the British, the Asians began their wine drinking with French wine, and therefore developed a palate for French wines. But they appreciate our wine from Argentina and immediately recognize that it offers something different. "This wine has elegance," they say. Today our top wines sell very well in China.

And what is happening with other New World producers, such as Chile and Australia?

Both countries originally built their markets around low-priced wines, which is an image I am not sure they will be able to change despite their large efforts to do so.

Which area in the world would be the most similar to us today?

Napa Valley.

How important is technology?

It's all a part of the process of change. One of the most important changes we went through was when we abandoned the old Italian winemaking style (from my grandparent's generation) to the less oxidative French system. Another was that of separating the grapes according to wine quality, in other words, to keep separate the grapes going into the first, second and third qualities of wine. Yields played an important role in this process. It was very difficult to convince the viticulturalists that they needed to reduce yields and at times even throw out grapes. And here I give credit to the Argentine wine industry as a whole, for seeking the less fertile, higher quality regions - this is how it works in Europe where the best vineyards are in the poorest soils. Prior to this we had only planted vines in our most fertile soils, but if you are looking for quality you must plant in the less fertile areas and obviously never do anything to artificially increase yields, and sometimes you even find yourself in a situation where you have to drop fruit. The last major turning point was understanding the importance of altitude, which I discovered as a crucial factor in the mid 1990's. With lower temperatures at high altitude, yields are naturally lower, and there is the additional advantage of sunlight intensity, which we have dedicated ourselves to studying. Another important factor was that of making our own plant selection - clonal selection - which helped us increase the quality of our new plantings.

In 2009 the magazine Decanter named you Man of the Year.

This is a European award and a reference in the region. The English were the first to put quality wines on a pedestal, and they have every right to feel that they are the guardians of quality. When I accepted the award, I explained how lucky my grandfather, father and I were to have chosen Mendoza as the place to plant our family's vineyards. It is true that one needs to put effort into winemaking research, but at the end of the day, if there is someone that we must thank, it is the land.

Speaking of the importance of the land; the terroir, how is it dealt with in the winery?

My conclusion is that less intervention yields the best results. The worst thing you can do to a Malbec is to overshadow its great

qualities with too much oak. The secret lies in how you use the oak barrels in a way that they impart elegance to the wine. You must be able to create harmony within the bottle, where the oak is present, yet not present at the same time.

The Uco Valley has been discovered. What comes next?

The most important element to a wine-growing region is the equilibrium between temperature and sunlight intensity. It's very difficult to say what the optimum combination is in a new area because it takes over 10 years after you plant to start understanding a place. We found a new high altitude place in La Rioja, next to Chañarmuyo, but we still don't know what the results will be.

What do you foresee on the business side for Argentine wine?

I think that the exchange rate issue is transitory. I believe that the exchange rate policy will need to be modified. If the current exchange rate course continues, we could reach the point of losing all exports. In fact, we have already lost the export of the lower priced wines due to this process. The local market is not growing, and I do not believe it will ever reach the consumption rates of the export market.

How would you describe the consumption of the local market here in Argentina?

The interesting thing about the local market is that Argentines are actually drinking less low priced wines and more high priced wines, but I still don't have any specific theories on the subject. Argentines today want quality; they change their car, their house and their brands in search of quality; in wine this means a tighter selection in the vineyards. For the winemaker, higher quality implies a more thorough selection process in the vineyard, which can be very expensive. Wineries end up splitting their production to have their most highly selected vines go into their high quality lines while producing more volume for their table wines. This is how they are able to make the business work. But the most important element of course is to get the consumer to choose that prized bottle, and that's when we see things like limited or special editions. In truth, you cannot know if a wine is of high quality just by reading the label. Unfortunately (or perhaps fortunately) in the world of wine you must go out and taste, and decide for yourself, and for that you need to pay for the bottle. Internationally speaking, at about a \$20 USD or \$100 peso price per bottle of wine you start seeing the kind of wine that can be appreciated by those who drink slowly and make wine one of their most relevant pleasures in life.

Does the industry need to focus on selling wine to more people or selling more premium wine?

What I always strive for is higher quality even if it means smaller quantity. It's the pleasure of the result, of the product - for me making wine is like a hobby, an obsession. I have sought to make wines of quality that can be compared to the best of the world. That is the purpose of my life and while I am still able, I will continue to make wine. I always hope that the next harvest will be better than the last.

Is there any other field you have dedicated yourself to?

My family has other investments, but nothing in the world compares to the intense aesthetic, emotional and sensorial experience of winemaking. It's just like the world of art. To produce something that can be better every time you do it is a feeling that you simply cannot find in any other line of work or discipline. This is what I have learned with 50 years of experience. And what has happened to Argentine wine has no equal, that it made such extraordinary progress in a period of only 10 to 15 years. Argentina should feel proud to be in the same league as the best wines in the world.