

A Nichols Worth of Wine

October 2009

Down but not out, Down Under...

There's been more than enough written about the sad state of wine affairs in Australia recently, and while things may be a little more punishing there than elsewhere in the wine business, Aussie winemakers are a tough lot. So while they may be down "*Down Under*," by no measure should we count them out.



Barossa Valley Vineyards

The confluence of calamities that has beset the Australian wine industry in the last few years is the stuff of storybooks and theater.

Mother Nature has certainly lent a huge hand. Punishing heat, prolonged drought, severe water shortages, and if all that wasn't enough, horrific bush fires pushed to the edges of vineyards earlier this summer.

Then of course there's the near global economic meltdown chasing wine drinkers to lower price points and demand collapses in their two biggest export markets - the UK and America, More piling on when Great Britain raised the tax on alcohol didn't help. Nor did a plummeting Aussie dollar in the world exchange arena, or the mass consolidation of distribution channels.

Of course, many Aussie winemakers readily point at least one finger of blame back at themselves. Not all could hide from the groundswell of discontent over the quality of the sea of uninspired plonk they shipped ashore here and in Europe in the last half-decade. I find the dichotomy of it all perversely interesting, since for the most part, it was those very ordinary, very inexpensive, silly labeled "critter" wines that propelled Australia onto the world wine stage. In an odd sense, we owe them a nod of acknowledgment for opening the eyes, purses, and palates, of once non-wine drinkers everywhere.

Sure there was, and still is, the “creme de la creme,” like *Penfold’s Grange* at the stratospheric level with their 100 point scores and prices to match. In the value segment, *Peter Lehmann* consistently produces incredible quality wine season after season. Ironically though, it was the “*Yellowtail*” effect that converted many a beer and spirits drinker over to wine. Fortunately, it didn’t take long for this new demographic to move up the quality ladder.

Things were looking up, way up for the wine industry *Down Under*. New vineyards seemingly sprung up overnight. Production pushed to untold limits. Overseas shipments increased dramatically. Ah, the good times. They would last forever!

Then came a clogged pipeline of inventory in the barrel and the bottle, the long-running drought continued, severe water allocations were imposed, and careening competition from Chile and Argentina came out of nowhere to woo fickle fans. Then again, there was the economy. Wine consumers, though not necessarily drinking less, were drinking less outside the home and drinking less expensive wines. The implosion was imminent.

Skyrocketing to fame and fortune and the crash and burn that follows is not exactly new in the wine business, but rest assured the Aussie wine industry will bounce back. And, as in any misfortune there are survivors and there is opportunity.

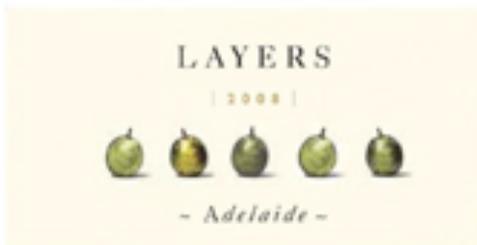
Fortunately for Australia, and world wine consumers, there are producers like Peter Lehmann, who did not fall prey to the *Yellowtail* effect by jumping on the low-cost, low-quality bandwagon. If anything, Lehmann has benefited as wine consumers flock to quality and value.

I had an opportunity to have lunch recently with the larger-than-life Doug Lehmann, Managing Director of *Peter Lehmann Wines*, on his annual tour to the US. Despite numerous attempts to have him weigh in on the current fragile business climate of Australia’s wine industry, the gregarious yet equally humble, Lehmann instead spoke of what has, and continues to, drive Peter Lehmann’s success. They make great wines and sell them at fair prices. It really is that simple.

The Lehmann portfolio is fairly broad, clearly with a focus on red wines, and particularly on Australia’s signature Barossa shiraz. What I clearly like about the shiraz from this producer is that they are the antithesis of the all too typical ultra-ripe, excessively alcoholic fruit bombs so common from the Barossa. There is real character in their wines.



Lehmann's shiraz wines start with an everyday "go-to wine," *Clancy's Red*, a shiraz-cabernet-merlot blend that retails for a value-packed \$14 and go to the ultra-premium *Stonewell Shiraz* from Barossa's highly acclaimed 2002 vintage. These wines are among the few that show true varietal lineage - an unfortunate rarity in many wines today. Here you know you're drinking shiraz. There's also a delicious Barossa cabernet, *Mentor*, that for the quality, is a steal at \$35.



Big, bold shiraz is unmistakably Australian, which may be why the incredible whites from *Down Under* can often be overlooked. Last year when it was first released, I rhapsodized over Lehmann's "*Layers*," which I still think is the most interesting (read that as my favorite) white wine for under \$20 in the market today. Five varietals, beautifully integrated - "*layered*," including pinot gris, muscat, gewurtztraminer, chardonnay and a dollop of semillon for backbone, make this an incredibly interesting alternative to many of the insipid white wines lining the shelves of wine stores and supermarkets today. I also found that there were few foods that *Layers* doesn't complement!

Another wine Lehmann does particularly well with is riesling, one of the most overlooked, under-appreciated, misunderstood grapes grown. After tasting *Lehmann's 2008 Riesling* from South Australia's *Eden Valley* I couldn't help but think that this could be the one to catapult this varietal to its rightful place along side chardonnay and sauvignon blanc. I like riesling and I really like Lehmann's riesling, and I love the price - under \$15. I keep hearing rumblings of how well this varietal is doing and demand is growing, but I still don't see enough of it on merchant's shelves or restaurant wine lists. This is a riesling that could change all that!

So, while many of the wineries from the *Land of Oz* struggle to survive, others continue to produce delicious, attractively priced wines.

G'day mate, and remember,

Eat, drink and be merry!

Bruce