

THE BUYER

CONNECTING THE PREMIUM ON-TRADE

The Buyer's French Wine Debate

In association with:



The Opportunity

Is there a wine list in the land without at least one French white or one French red on the list? We might like to pull each others' legs, but when it comes to our food and wine, then France has always been close to our, well, stomach.

You only have to look at the latest French import figures for the last year to see how our love affair with French wine is very much alive and kicking.

Beaujolais-Villages AOC sales are up 15.7% in volume and 10% in value. Its Crus wines by even more, 53.3% in volume and 46% in value. There is equally good news for wines from Burgundy, which were up 16.8% in volume and 13.3% in value, whilst Provence, is up 16.2% in volume, and an impressive 30% in value with the Loire enjoying a 20.2% jump in value, according to Agresta one of the data providers for the French government.

The Languedoc-Roussillon has emerged in the last two or three years as a key area for UK wine buyers. Its sales, for example, were up 14% in value in 2014 in a year when total exports to the UK fell by 10% in value and key regions like Bordeaux saw a 17% drop in sales (Source: FEVS). New research carried out by Wine Intelligence for VINISUD 2017 entitled, The International Observatory of Mediterranean Wines, shows that production from the South of France represents 52% of national French production at 19.2Mhl (2014).

But that is no reason to sit back and relax. France's total market share is constantly under attack from pretenders to its crown, be it close by in Italy and Spain or further afield, with the Bordeaux, Burgundy and blends from the Rhône being made across the New World. Of the top 10 wine selling countries in the UK off-trade only Chile (4.5% up), New Zealand (13.1%) and Argentina (37%) saw an increase in sales in the last year, according to IRI.

Imitation may be the greatest form of flattery, but it is also threatening France's position on wine lists in the premium on-trade as more countries offer increasingly higher quality, French based styles of wine that might be more suiting to the palates of the modern diner.

And with the 2016 vintage for French wine expected to be close to 12% down on average as a result of all the bad weather in most of its key wine growing regions, there is nothing for France to sit back, take for granted and feel relaxed about.

To help better understand how well France is really doing in the premium on-trade, The Buyer teamed with Les Vignobles Foncalieu, to bring together a panel of trade experts, buyers, sommeliers, wine merchants and consultants to look closely at what is happening with French buyers at the sharp end.

The Buyer's French Wine Debate

Northern appeal

It is one thing understanding the trends that are influencing French wine sales in London, it is quite another to look at how well it is performing in the rest of the country.

Which is why The Buyer and Les Vignobles Foncalieu decided to take the debate to the north of the country and get the opinions of leading figures of the on-trade in the north west of England.

After all there might be plenty of customers happy to order a bottle of First Growth Grand Cru Classé Bordeaux in a West End restaurant in London on an average Monday evening, but are they likely to do the same in other parts of the country?



The Objectives

The Buyers' French Debate had five main objectives:

- To discuss how well France is performing in the premium on-trade and independent merchant sectors with leading buyers, sommeliers and consultants.
- To look at the styles of wine, the blends, the regions and the price points where France is performing best.
- To look specifically at the main French wine regions, with a particular focus on the Languedoc-Roussillon, home of our partners, Les Vignobles Foncalieu.
- To give leading buyers the opportunity to meet, network and share their experiences.
- To give the wider trade an opportunity to better understand how other buyers and operators are working and succeeding with French wine in the premium on-trade and independent sectors.

Les Vignobles Foncalieu

Les Vignobles Foncalieu is one of France's largest cooperatives working with and producing wine from over 1,000 winegrowers. It is able to manage and source grapes from vineyards across three main wine regions: Languedoc-Roussillon; Gascony; Rhône and Provence.

Its vineyards stretch from the mountains of Corbières to the shores of the Mediterranean and is particularly well placed to offer wines to the premium on-trade as it has such a diverse range of wines to choose from as well as being able to produce bespoke lines and labels ideal for either house or more premium price points on a list.

The Venue

Where better to set a debate on French wine trends than at The French restaurant at the Midland Hotel in Manchester.

The famous restaurant was given a make over in 2013 by award-winning Michelin star chef, Simon Rogan, previously best known for his L'Enclume restaurant in the Lake District. It has since gone on to help raise the standards of dining in Manchester and the North West. He has now handed over the restaurant to his head chef, Adam Reid (pictured).



The Panel

To help give us as wide a perspective as possible, The Buyer pulled together a panel featuring buyers and influencers from across the on-trade and independent wine merchant sectors. They included:



Filippo Zito

Head sommelier at The French restaurant at the Midland Hotel



Ben Stephenson

Owner of Manchester's award-winning independent wine merchants, Hangingditch



Mark Newton

Senior category development manager, CGA Strategy, which provides analysis, data and trends on the national on-trade sector



Wilfried Goutorbe

Sommelier at The French restaurant at the Midland Hotel



Nigel Wilkinson MS

Fine dining account manager and wine educator at national wine distributor Boutinot, based in the north west



Marie-Annick Consola

UK and Ireland sales manager at Les Vignobles Foncalieu



Tamas Czinki

Head sommelier at The Northcote, the luxury hotel close to Blackburn, and Lancashire's only Michelin star restaurant



Noel Reid

Head wine buyer for Robinsons Brewery, which provides exclusive wines for its estate of close to 300 pubs across the north west as well as supplying wines in to other groups and pubs around the country



Jean-Michel Sire

Les Vignobles Foncalieu, winemaker



Setting the scene

To help put France in context with the overall trends affecting the on-trade, The Buyer turned to Mark Newton from leading on-trade research agency, CGA Strategy.

It takes its data direct from the sales and of many leading on-trade operators, including bars, pubs, restaurants and hotels. So it's ideally placed to take an umbrella view of the sector.

Newton revealed that:

- The headline figure for France is that it still accounts for one in four bottles of wine sold in the UK on-trade.
- This breaks down to an impressive £10,000 on average for every outlet in the country.
- But whilst it had been enjoying a sustained period of “significant value and volume growth in all channels of the on-trade” up to two to three years ago, things have become a lot more competitive since then.
- It no longer has the field to itself and needs to be looking closely at both elsewhere in the Old World, most strikingly Italy and Spain, and the New World, particularly California, Australia and New Zealand as well as Chile, Argentina and South Africa.
- Whilst Sauvignon Blanc, Chardonnay and Merlot dominate the overall sales, CGA has also seen marked growth for Viognier, Grenache and Muscadet.
- France's top selling wines in the on-trade are Sauvignon Blanc, Chardonnay, Merlot, Pinot Noir, Cabernet Sauvignon, Semillon, Grenache and Cinsault.
- French Chardonnay and Sauvignon Blanc sales are performing better for value than volume sales which fits in with the wider consumer trend of drinking less but better.
- Encouragingly France is also able to command a slightly higher price point than its competitors, with, for example, an average glass in a casual dining chain selling for £5.10 compared to £4.85 for the rest of the world.
- France needs to ensure its offer is relevant and affordable to the major casual dining chains driving the most growth in the UK on-trade.

The Panel Debate

France's history and tradition was the point the panel turned to first. Filippo Zito of The French restaurant said French wines are still the benchmark for all other countries to aspire to and work around.

"It has a very important role for us. It is very good for entry level wines, but then at also all the other different price points through our list. Customers will also certainly spend a little more for French wine." He added: "We have done really well with Picpoul de Pinet this summer."

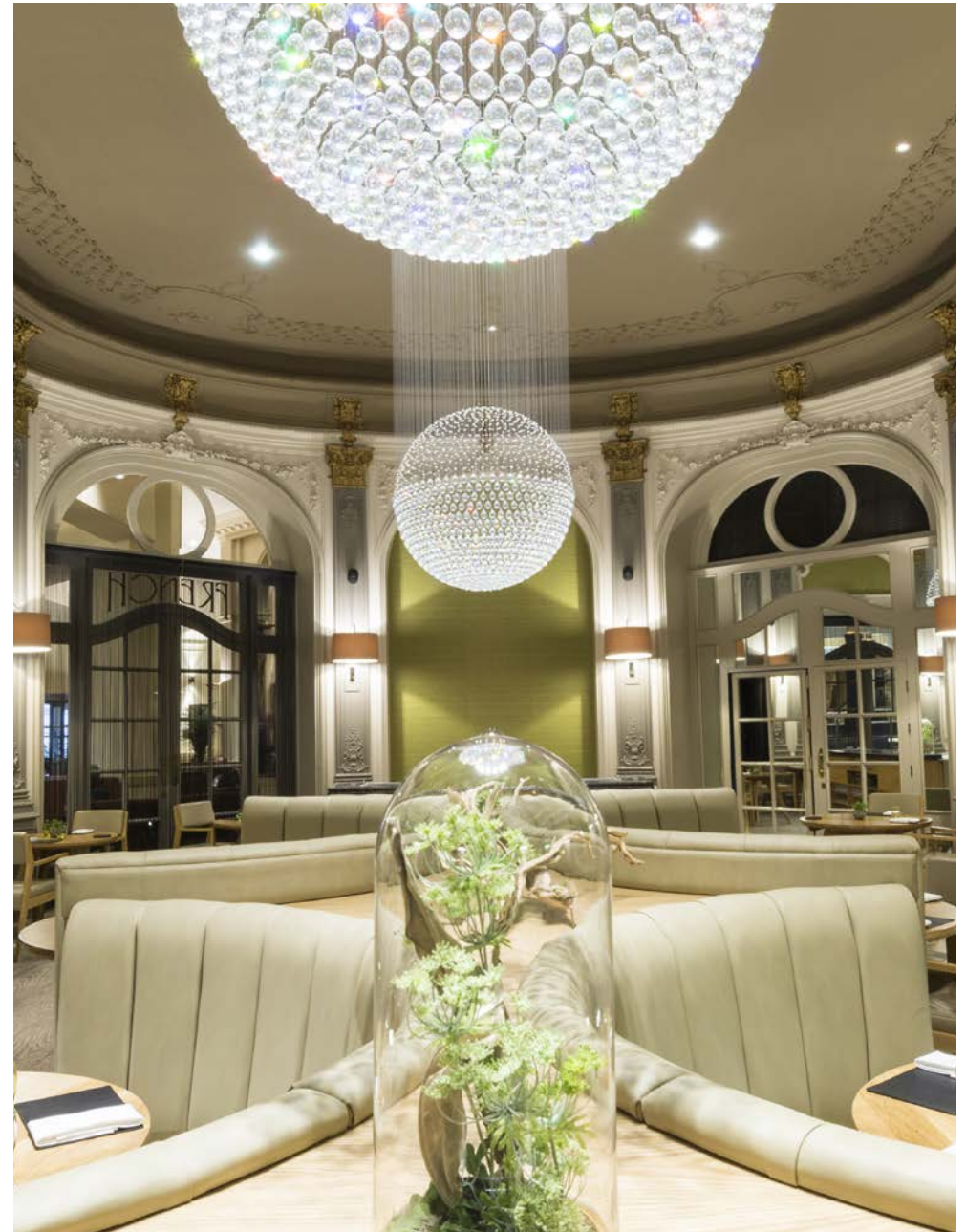
Nigel Wilkinson MS at Boutinot says arguably the biggest challenge for buyers is deciding which French wines to list from the enormous choice available. But it is vital you get that selection right and they are the wines best suited to your restaurant and your customers. "It is very easy to get carried away and start listing wines that end up not selling", he adds.

Noel Reid of Robinsons Brewery agrees. "Our French range is quite bare bones. I have to be very selective. I certainly don't need four Alsace wines on my list." He says he instead works region by region to ensure it has enough coverage in each area. "Being a family brewer, we look for good family winemakers. But it has to be better than anything else we can find. If it does not win a medal, then it does not come in."

But what France does have going for it, arguably more than any other country, is the vast choice of wines at every key price point. Which again makes it difficult to ignore, says Wilfried Goutorbe at The French.

Hangingditch's Ben Stephenson believes the best way to organise your French offer is to "focus on the classic regions" first and then build up your list once you have got those wines organised. "We have had some success with regional France, but it depends where those wines fit in to our range," he explains.

French producers and importers also need to be careful about the quality of wine they are offering UK buyers, warns Reid. He says that sometimes in the house wine category there are wines being put forward that do not give France a good name and put off buyers rather than attracting them. "We have had to throw out a lot of house wines as they were not very good," he says.





Where France is king

But it is at that top end of a wine list where France is still king. And rightly so, says Reid. “At the very top end it is very hard to beat wines from France, particularly on the whites.”

It is why, agreed the panel, that when you get in to the £50, £60, £70 and £80 price ranges that France dominates on white wines.

“At certain price points like those, then people will go to France first,” says Wilkinson. It has, though, a lot more growing competition from both the Old and New Worlds for red wines at those prices.

Czinki at the Northcote agrees that the New World was certainly making its case at both the lower and higher ends of the wine list for their fruit forward, easy drinking styles. “We sell far more New World than Old World wines for easy drinking. But at the higher end it is France where customers will often look to,” he confirms. “But California and Australia are also competing very well with France now.”

Zito agrees: “When people come here for dinner they are looking for a traditional wine to go with their meal. So they are looking more at Bordeaux and Burgundy.”

Wilkinson says on-trade buyers and leading restaurants should look more at cash margin than gross profit at the higher price points for French wine. That is how they can ensure they are offering their customers the best value, whilst also ensuring a good margin for themselves.

All roads lead to France

For a national distributor like Boutinot, then it is impossible to overstate how important France is to its business, explains Wilkinson.

“France is by far the most important country in the world in terms of production, volume and value.”

But with one caveat. “France produces some of the best wines in the world. And also some of its worst,” adds Wilkinson.

Opportunities for Languedoc-Roussillon

Turning to the Languedoc-Roussillon, the panel agreed there was still so much potential for the region. Providing the right wines were offered to the UK.

Wilkinson explains why: "Twenty years ago no-one was buying wines from the Languedoc-Roussillon, but it is now France's answer to the New World. Its wines are varietal driven and at good price points. It is also ideal for those who want to discover new wines."

Stephenson says it is the price versus value equation that attracts so many wine buyers to the Languedoc-Roussillon. "But you are also going head to head with the wide choice of wines now coming out of Spain," he stresses.

But when they get it right, like with top level wines from the Minervois, they are hard to beat, adds Stephenson. "They just produce amazingly structured wines from there."

Reid is very excited about the wines now coming out of the Languedoc-Roussillon. "Over the last five years we have seen a big change and a lot more suppliers who are customer focused and not production focused. They are much more in tune with the UK market. It is about value and choice."

The sheer scale and choice available from the Languedoc-Roussillon also gives it a clear advantage, adds Reid. "There are so many wines to choose from and they can then help fill gaps on lists," he says.

Marie-Annick Consola from Les Vignobles Foncalieu says it is pleasing to hear, but also the result of a lot of hard work and a great deal of listening to what the trade is looking for. It was both a challenge and an opportunity, she says, for producers in the region to make both classic style wines that offer great value for money, but also offer new and different things, like Les Vignobles Foncalieu's new Albariño wine.

It is potentially why Les Vignobles Foncalieu, she suggests, as a major co-operative has an edge over lots of its competitors in that it is able to buy grapes from producers right across the Languedoc-Roussillon.

Which is why she was so keen to take part in this debate. Being able to hear first-hand what UK buyers are looking for means she is able to go back to France and talk to their growers about the types of wines they are looking for and are interested in buying. "We want to be able to change things and offer you different wines," she explains.

Wilkinson believes there has been a marked change in the attitude of many growers and producers, particularly in the Languedoc-Roussillon. "It's more of a business now than before. Some of that old arrogance has gone and been replaced with a good business focus on what they need to do."

But the Languedoc-Roussillon still has more to do to take a larger share of the casual dining and pub sectors. "It is there that the Languedoc-Roussillon can offer the choice in varietal wines to compete against the New World."

Keeping on top of market trends and demands is hugely important, says Stephenson. "Just look at Prosecco and Pinot Grigio and how much market share they have taken in recent years," he says.

Newton picked up on the fact that with rosé, France and noticeably the south and south west of France were still seeing growth whereas other countries were losing out.



Varietal over country

Newton at CGA says France needs to ensure it is doing all it can to promote its varieties as well as its regions. “Varietal first is how most people are now choosing which wine to drink,” he says. “The country where the wine is from is not as important as it was. So they are not looking for a French Chardonnay, but a Chardonnay. This is particularly the case in casual dining restaurants.”

Stephenson says he merchandises Hangingditch by varietal first. Grouping together wines from different countries under that single varietal. “It is what my customers are looking for,” he says.

It means he is also able to sell what might be regarded as more adventurous wines. “I have a Roussanne, Chardonnay blend from the south of France that sells very well because it is in the Chardonnay range and people can find it,” he explains.

Which is why packaging and label design is now so important. “The wine has to stand out much more on shelf than it used to,” says Stephenson. He adds: “People are now far more confident about the style of wine they want to drink.”

Going varietal first means France is well placed to win with classics like Chardonnay and Pinot Noir. Which, Stephenson argues, have become like brands in their own right in regions like Burgundy.

It is not always the case, says Newton, for what were once seen as French only grape varieties, like Viognier. These are now being made very successfully around the world, he adds. But he was also quick to stress the impact France’s varietal approach to Vin de Pays has had. “It is opening people’s eyes and widening their knowledge,” he says.

The varietal approach to wine buying is perfect and typical of the UK wine consumer, says Czinki. “The UK is such a great place to work as people are so open minded about the wines they drink. In France, for example, you only drink wine from your region. You have no idea about the wines available anywhere else in France, never mind the world.”

Reid believes wines by the glass is the way to go for France overall. “It allows people to branch out from their normal style of wine and discover new wines,” he explains.

Key conclusions

- French wine overall is vital to the success of the premium on-trade with growing demand and interest from consumers in all regions.
- France is particularly important to the premium on-trade in that it can offer great value at all price points on a wine list.
- Vin de Pays and varietal-led wines are key growth areas as consumers increasingly look at grape first rather than country.
- Premium French white wines are particularly well placed to capture more share of wine lists and buyers are interested in seeing different and challenging blends.
- Competition amongst premium red wines is more difficult with better value in many cases coming from across the New World.
- Pricing and supply will be an issue going in to 2017 on the back of a bad 2016 French harvest and the weakness of sterling. French producers need to work closely with UK buyers to find a sustainable way forward.



The Wines Tasted

During the debate the panel of buyers had the opportunity to taste wines from across Les Vignobles Foncalieu's range to help illustrate the style of wines now being made in the Languedoc-Roussillon. They formed an important part of the debate.



Albariño 2015 Vin de France

100% Albariño (Ex cellar €3.70, RRP £28)

This is the first Albariño release from Les Vignobles Foncalieu after a few years experimenting to get the blend right. Made from six and seven year old vines in the Minervois area. Here the emphasis is to bring out the freshness and mineral characteristics of Albariño and the wine is adapted to suit different countries needs and taste profiles, explains winemaker, Jean-Michel Sire. The panel were agreed that the wine had a good mouth feel, and overall taste, but that it needed a little more acidity. Reid says this would make a good by the glass option. "We are trying to find more interesting wines to offer by the glass and go beyond Pinot Grigio," he says. He also picked up the fact it had more South American notes to it than a typical French wine, but was in a familiar Burgundy bottle. "That really helps it." Wilkinson said he would like to see more crispness in the wine.

Le Versant range

The Le Versant range has been introduced by Les Vignobles Foncalieu to demonstrate the best style of wine it can produce for a single varietal in the Languedoc-Roussillon. Aimed at the middle market it acts as a flagship for the different grapes and varietals used including Sauvignon Blanc, Chardonnay, Viognier, Merlot, Grenache rosé, Pinot Noir, Cabernet Sauvignon and a Syrah blend.



Le Versant Viognier 2015 IGP Pays D'Oc
100% Viognier (Ex Cellar €3.00, RRP £20)

The Viognier was picked out by the panel for its delicate freshness, which comes from its north facing vines grown on elevated slopes to give the grapes the best possible exposure to the weather. Sire says the importance here is to really help the grapes express themselves and bring out the unique characteristics of Viognier. "This is a really well made wine," says Reid, but both he and Wilkinson felt it also needed a little more acidity to help its overall structure. Stephenson agrees that the wine has both freshness and carries the true Viognier taste profile, but would also like to see a touch a more acidity.



AOP Corbières Château Haut Gleon Blanc 2014
60% Roussanne, 40% Grenache Blanc (Ex Cellar €9.00, RRP £50)

This again looks to demonstrate how signature grape varieties can bring different but complementary profiles to a wine. The Roussanne spends six months in French oak, and the Grenache Blanc the same amount of time in stainless steel tanks. Aimed more at the premium end of the trade, this is a wine made for food, says Consola. Here the bottle shape of the wine went down as well with the buyers as the wine. "This is a fantastic wine," says Reid, "and it looks great too". But he was a little concerned about the price for his customers as it would come in at just below Premier Cru Chablis at around £35. "This is a very nice wine," agrees Stephenson, "it's also got good packaging. Which helps at the high end. This would have to be £19 to £20 in my shop." It was, though, one of his stand-out wines from the tasting. Goutorbe also liked the wine, and says it would be good for a tasting menu and food pairings. But also feels it might be a little too expensive. Zito feels the wine has just the right level of oak and feels it would have good ageing ability.



Le Versant Pinot Noir 2015 IGP Pays D'Oc
100% Pinot Noir (Ex Cellar €3.35, RRP £25)

This is a difficult wine to make, as the grapes, grown on south facing vines, can often struggle to grow and mature, says winemaker Jean-Michel Sire. It comes mainly from vines in the Beziers regions. A good classic style of Pinot Noir is the collective response from the buyers. Reid likes its fruit character, whilst Zito says this style of Pinot Noir does very well in the restaurant.



Syrah/Viognier Rouge 2015 IGP Pays D'Oc
80% Syrah, 20% Viognier (Ex Cellar, €2.95, RRP £20)

Again here the emphasis is on trying to show the UK trade something new, unusual and different from the Languedoc-Roussillon, says Consola. Like its Albariño. For winemaker, Jean-Michel Sire, the emphasis here is to produce a wine that has "complexity and freshness" that is true to the fresh and spicy notes of the Syrah and the floral and sweet rich characteristics of Viognier. "We are always looking for freshness in our wines. Here we have some French oak and tobacco notes on the wine," he explains. It goes down well with the panel, who like the fact that they are being shown something different and new, but that still has its DNA very much in the Languedoc-Roussillon. Reid describes it as a "very classy wine".



Carignan Old Vines 2015 IGP Coteaux d'Ensérune

100% Carignan (Ex Cellar €2.75, RRP £20)

This wine is made from vines aged between 30 to 50 years and on limestone, gravel soils with very limited yields. Again Reid is blown away by the quality of the wine as well as the label and design. "There is a little touch of green there, and without that this wine would be fabulous," he claims. Wilkinson says the value for money you can get in the Languedoc-Roussillon is there to be seen in this wine. "It has nice fruit characteristics. I like this style of Carignan." Czinki finds it a particularly interesting wine and again was happy to see different, more adventurous wines from the Languedoc-Roussillon.



Atelier Prestige Le Lien 2013 AOP Minervois

80% Syrah, 20% Grenache Noir (Ex Cellar €9.90, RRP £50)

This wine has been made to demonstrate the complexity that comes from combining the Mediterranean and cool ocean climates. It is one of the stand-out wines for Stephenson, who is already a big fan of the top wines being made in Minervois. He liked how the long finish, worked with the initial sweetness of fruit on the palate. It is also one of the winners from the tasting for Reid. Zito says he has had a lot of success with Minervois wines on its list and picked this out as his winning wine from the tasting. "This is a very well made wine," says Wilkinson. Czinki again sees this as excellent food and pairing wine. "It is also a good wine to have on the list for people who do not want to spend a lot of money on a Bordeaux," he says.



Atelier Prestige L'Apogée 2013 AOP Saint Chinian

85% Syrah, 15% Grenache Noir (Ex Cellar €9.90, RRP £50)

The buyers were agreed that this was a region, Saint Chinian, they were keen to promote and explore, even though it can be hard for customers to understand. Consola concedes it is a less well known area of the Languedoc-Roussillon. She explains: "We want to show what co-operatives in the Languedoc-Roussillon can produce with wines like this." This wine, for example, has taken seven years to develop as Les Vignobles Foncalieu has worked with more growers and encouraged others to get involved. "It took a lot of commitment from them," she adds. It has been well worth it, says Reid. "This is as good a Saint Chinian wine that I have ever tasted," he adds. "It has got good tannins and beautiful fruits. It is brave to put them forward." Goutorbe agrees: "It is very well made and I think it is a reasonable price."



Château Haut Gléon Rouge 2013 AOP Corbières

60% Grenache, 25% Syrah, 15% Vieilles Vignes de Carignan (Ex Cellar €8.50, RRP £45).

This wine comes from a mixture of soils and rocks including calcareous marl and Triassic limestone and is aged 12 months in French oak. Reid says this is a "really polished wine. It has been very well put together and it has a lovely peppery nose". Zito finds it to be an "elegant" wine "good structure" and nice balance of "old and black fruits". Stephenson also likes its structure and the fact it is clearly such a carefully made wine.

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Written and edited by Richard Siddle

Design by www.gigantic-creative.com

The Buyer would like to thank The French restaurant for hosting the debate at their venue at the Midland Hotel in Manchester