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harvey steiman at large

An Australian Turnaround?

Signs point to renewed interest as Wine Australia touts diversity

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It looked as if it were just going to be another trade tasting, a collection of importers sampling familiar wines to the trade. Wine Australia, which promotes Aussie wines around the world, expected about 150 sommeliers, retailers and wine media to the event in San Francisco Monday. More than 350 accepted the invitation.

The buzz there was palpable. Imagine, San Francisco sommeliers, notorious for seeking the most obscure wines they could find, excitedly sipping Margaret River Chardonnays, Hunter Valley Sémillons, even a Mornington Peninsula Dolcetto. And yes, Barossa Valley Shiraz. In recent years, as Australia's fortunes took a hit, one could hear crickets chirping at this annual event. Not this time.

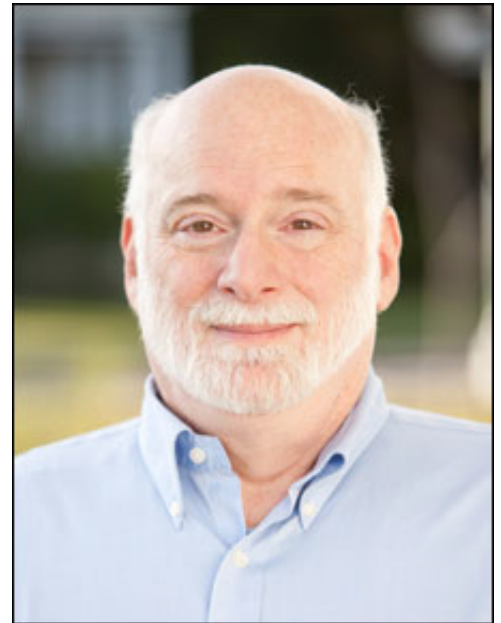
The Aussies are doing everything they can to respond to a triple whammy that derailed what seemed like an express train only five years ago, when they were close to dominating imported wines in the U.S. They still export about 18 million cases to us, which is nothing to scoff at, but the headwinds have been brutal. A global economic crisis made wine drinkers wary of buying any unfamiliar wines. The perception grew that Australia sent us nothing but cheap wines for guzzling, except for overpriced, overblown Shiraz. And then Australia's currency unexpectedly got stronger than ours, in some cases erasing any profit margin at all for selling here.

The message from the tasting, titled "Next Chapter," couldn't have been more clear. The range of styles in Australia is a lot wider than most casual observers know. Having been exposed, on repeated visits to Australia, to the extensive selection available there, I can attest that, even at the peak of Australia's popularity here, we mainly saw a relatively narrow slice of this range. Wine Australia is diligently getting wines in the glass in front of sommeliers, retailers and wine media to reflect this regional and stylistic diversity.

That's what seems to be resonating with these U.S. gatekeepers, at least the ones I talked to at this event.

I was particularly taken with one small importer, Mark Huddleston. A former sommelier at top Los Angeles restaurants including Providence, Jar and Gordon Ramsey, Huddleston started his import business last year. He began with small-production wines from France, Austria and Italy. Because his godfather was born in Melbourne and pined for Yarra Valley Pinot Noirs, Huddleston made an exploratory visit and fell for the crisp, vibrant wines he tasted in Victoria and New South Wales.

"I loved the coffee, cedar, white pepper and spice character in the Pinots," he said. "It's not at all what I expected." He



Harvey Steiman

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thought he should find light, wimpy wines, but the character of the wines he tasted drew him to see what else there was. Of all things, he found a sales winner in Hunter Valley Sémillon, a category notorious for gum-tingling acidity that repels as many wine drinkers as it attracts. His secret for selling it? "Oyster bars are big in L.A., and they just love the way these wines go with oysters."

The number of Australian wines I've reviewed has been shrinking perceptibly. In response to the economic headwinds detailed above, some importers who specialized in Australia have dropped some Aussie brands and diversified to producers from other countries. Others have simply closed up shop. Importers who trimmed their portfolios now seem to be adding new labels, some of which were on display at the tasting. Alongside the sunny, generous Barossa Shiraz and Grenache wines, I tasted a unique, lighter style Grenache from Ochota Barrels in McLaren Vale, a silky and vibrant Shiraz from Punt Road in Yarra Valley and a Rutherglen Durif of breathtaking purity and finesse from All Saints, a winery revered in Australia but historically rare or impossible to find here.

"We've added 13 new producers," bragged Ronnie Sanders of Vine Street Imports, a longtime stalwart of Australian wine. "This new generation of wines and winemakers in Australia is exciting, and the somms are starting to figure it out, too. It's always tricky getting past the gatekeepers to the consumer, and that seems to be changing for the better."

Later, I got a slightly different take from a couple of veteran winemakers, each with more than 40 vintages under their belts: Iain Riggs of Brokenwood (Hunter Valley) and John Duval, ex-chief winemaker of Penfolds whose eponymous winery produces wines from Rhône varieties in Barossa Valley. He also makes wine in Chile (Pangea) and Washington (Sequel, with Long Shadows).

Astonishingly, they both believe that the exchange rate pressure has actually been good for top-end wines. "The low-end wines have come up in price, or take a loss," said Riggs. "Basically, it has taken the focus off the low end," said Duval. In other words, the perception that Australia is nothing but cheap juice has lost ground in wine drinkers' minds.

The Aussie dollar currently trades at \$1.06, from 25 to 75 percent higher than it was for two decades, basically fluctuating between 60 cents and 85 cents until 2011. Some producers and importers have swallowed the margin of difference rather than raise prices here, especially in wines up to \$12, so as not to lose market share. Others have had to increase their bottle prices, making the wines look like less of a value than they were. High-end brands such as Brokenwood and Duval can still look good in a category where a difference in price of \$5 matters less.

The other bright spot Riggs and Duval see is a new generation of wine drinkers in the U.S. who approach Australia without prejudice. "When you describe to them the style of wines Australia was exporting to the U.S. 10 years ago, they look blankly at you," said Duval. "They only care about what's happening now."

The new generation of Aussie winemakers is making a difference in that perception as well. "The young guns are giving it a go at a more elegant expression, using whole-cluster fermentations and other techniques, emphasizing individual vineyard sites, all to make their wines more distinctive," Duval added.

To be sure, not all the wines I tasted at the Wine Australia walk-around were so exciting. There was a Dolcetto that had me muttering that the variety is supposed to be aromatic, isn't it? Some of the Pinot Noirs were indeed weak. A couple of off-dry Rieslings had charm but didn't seem like a great improvement over the existing Aussie style of bone-dry and tight, but at least it offered variety.

The overall message was that any pigeonholes we may have used to house our impressions of Australia may need rethinking. And that's a good thing.

Member comments 3 comment(s)

Angela Medeiros Slade — Washington, DC — January 18, 2013 10:55am ET

Thanks Harvey. We are really happy with the turn-out. The seminars were also overbooked, with 42 seats filled and people standing in the back.

Onwards & upwards...we've got lots more work to do to showcase Australia's next chapter.

Cheers, Angela Slade

Regional Director, Wine Australia