Bordeaux, Asia quantified

3 Jan 2011 by Jancis Robinson

I am generally loth to publicise individual companies' trumpeting of their results, but the following end-of-year report from the leading member of the pack of fine-wine traders based in London but increasingly dependent on Asia for turnover, is surely worthy of consideration. I have tried to fillet it of sales pitch and football references and retain only the sobering statistics. Chief conclusions are that in this sector of the wine market Bordeaux continues to reign supreme. (When last May we asked Purple pagers to nominate the three regions they were most interested in, these were the results:

Bordeaux 56.1%
Burgundy 57.7%
Rhône 42.1%
Italian 33.4%
Champagne 18.6%
German 14.5%
Spanish 12.8%
New Zealand 12.8%
Australian 11.7%
California 10.2%
Alsace 8.9%
Languedoc-Roussillon 8.7%
Loire 8.2%)

Note too how flat American demand is for these sort of wines. There was a time when the US was a prime market for London's fine-wine traders.

Now read what Stephen Browett, owner of Farr Vintners, has to say about last year's business:

2010 has been an amazingly successful year for us (our best ever!) with sales more than doubling from 2009's figure of £83 million to £169 million. This massive total was helped, of course, by record demand during the extraordinary 2009 en primeur campaign (which brought in sales of £62.8 million), our unique "Great British Cellar" sale from a leading UK collector, Asian demand for Lafite and its siblings and our recent hijacking of an enormous parcel of young Bordeaux that was destined for the USA but which was shipped instead to us in the UK and which we are now offering at knock-down prices.

It does seem that, as much as the team here love Burgundy, the Rhône Valley and other wine regions, there is an insatiable appetite for the great wines of Bordeaux. Our end-of-year statistics reveal that Bordeaux really is the core of Farr Vintners' business. Customers might be interested to see a breakdown of our sales by wine region, first by volume and then by value:

Sales by Volume
1. Bordeaux 79.94%
2. Burgundy 6.31%
3. Champagne 3.64%
4. Rhone 3.07%
5. New Zealand 1.89%
6. Italy 1.07%
7. Australia 0.73%
8. Germany 0.60%
9. Vintage Port 0.58%
10. Spain 0.50%

Sales by Value
1. Bordeaux 87.20%
2. Burgundy 5.88%
3. Champagne 2.28%
4. Rhone 1.48%

5. Italy 0.75%
6. Australia 0.39%
7. Spain 0.37%
8. Germany 0.29%
9. Vintage Port 0.24%
10. New Zealand 0.21%
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In 2010 our top ten best selling wines were all from Bordeaux and, in order, they were:

Sales by Volume
1. Pontet Canet
2. Lynch Bages
3. Lafite
4. Cos d'Estournel
5. Cantemerle
6. Mouton Rothschild
7. Latour
8. Montrose
9. Duhart Milon
10. Leoville Barton

Sales by Value
1. Lafite
2. Latour
3. Mouton Rothschild
4. Margaux
5. Haut Brion
6. Cos d'Estournel
7. Petrus
8. Pontet Canet
9. Lynch Bages
10. Carruades Lafite

It's hard for us to believe that sales of Carruades Lafite out-performed, for example, Cheval Blanc but this is a testament to the huge importance of the Chinese market and its current massive demand for a relatively small number of high profile Bordeaux "brand names". It is expected, and hoped, that as the Chinese market becomes more educated and sophisticated, there will be less emphasis placed on the "chosen few" and demand will grow for a broader selection of wines. Our advice to customers who find current market prices for Carruades Lafite, Duhart Milon and Lafite itself too high to stomach, is to sell while the bubble is full. It may not burst, but will it deflate? Who knows...

Certainly sales to the Far East have been enormous in 2010. All together we sold wine in over 50 different countries in 2010. The UK and the Far East continue to dominate as sales were weak in the USA and completely collapsed in Russia. The figures were :

Sales by Volume
1. UK 48.15%
2. Far East 36.09%
3. France 6.52%
4. USA 3.36%
5. Rest of the world 5.88%

Sales by Value
1. Far East 49.27%
2. UK 40.60%
3. USA 3%
4. France 3%
5. Rest of the World 4.13%