# **Stirling Wines: Riesling Resurgent**

Trevor Stirling (Senior Analyst) • trevor.stirling@bernstein.com • +44-207-170-5087

## Introduction

Riesling is arguably the favourite white grape of most wine critics and yet a high proportion of the drinking public recoils with horror at the prospect of letting a sip pass their lips. So why the huge disconnect? Here are a few thoughts.

My own consumption of wine started at university with cheap, German sugar-water: Piesporter Michelsberg, Niersteiner Gutes Domtal and the infamous Liebfraumilch. Although these wines never had a hint of Riesling grape in them (they were all over-cropped Müller Thurgau), they came in the same tapered bottled as most Rieslings; and they caused lasting damage to the image of the bottle and the grape.

Further confusion came from wines such as Lutomer Laski Riesling, which was not actually made from the real Riesling grape but the so-called WelschRiesling. [Note for etymology nerds like me. In old Germanic languages, the word Welsch referred to the nearest non-Germanic foreigners, typically Celtic or Latin; hence the origin of Wales/Welsh in the English language].

Consumers are also confused because Riesling is made in such a wide variety of styles, from bone-dry & full-bodied, through off-dry & ethereal to divine sweet, stickiness.

Finally, I suggest that Riesling has been out of favour because it is quite aromatic, certainly compared to chardonnay, and does not work well with new oak (you'll never taste a buttery Riesling, reeking of vanilla). However, perhaps the new found popularity of Pinot Grigio and other aromatic varieties such as Albariño is softening consumers up. Because Riesling is definitely resurgent.

## What makes Riesling special?

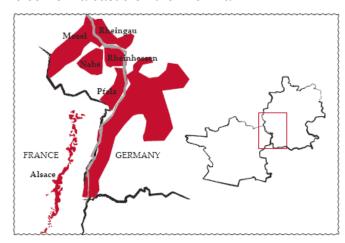
Riesling grapes are relatively high in acidity. For dry Rieslings this makes for a tartness that sometimes edges on the mouth-puckering; for sweet Rieslings, it provides a foil for the residual sugar which means that they are rarely cloying. Rieslings also tend to have a floral characteristic, which comes from a family of

chemicals called monoterpenes. Last but not least is a unique element of the aroma of many Rieslings, particularly with bottle age – petrol or kerosene. This come from a chemical called 1,1,6-trimethyl-1,2-dihydronaphthalene (TDN). Now normally, sniffing petrol is best left to teenage delinquents. However, at low levels of concentration, TDN adds to the complexity of these wines. On the other hand, at high concentrations, particularly in older wines, it can overwhelm the fruit character of the wine.

Viticulturally, Riesling has very hard wood, which helps it resist cooler climates. Hence the best expressions of Riesling tend to come at the Northern or Southern edge of the wine-growing areas, depending on which hemisphere you are in. Its yields are relatively high: for instance, the French authorities permit a higher yield for Alsatian Rieslings than any other comparable fine wine.

# **Germany and Alsace**

Riesling is inextricably linked with Germany, with the first mention of the grape appearing in 1435 in an invoice from a castle on the river Main.



Riesling is the most planted grape variety in Germany, but still only accounts for 22% of the vineyard area. 44% is planted to other white grapes (including 14% to the infamous Müller-Thurgau) and 36% to red grapes (including 12% Spätburgunder/Pinot Noir). But the pre-

Bernstein Research May 19, 2010

eminence of Riesling is relatively recent - in 1980, Riesling accounted for 20% and Müller-Thurgau 26%.

The most northerly area where Riesling is grown, and home of the exemplar of a particular style of Riesling, is the area of Mosel-Saar-Ruwer (M-S-R), named after three rivers which are Westerly tributaries of the river Rhine. This small region is home to more than one-quarter of all Germany's Riesling.

Because the region is at the northerly limit of where grapes will ripen, the vines are typically planted on the south-facing slopes of the three rivers, sometimes on hillsides that are up to 30% steep. The top names here are world famous, such as Egon Müller



and J.J. Prüm.



The classic wines of the region are unique in the world for their combination of low alcohol (often only about 8%), striking aroma and delicacy. The wines also have a unique balance of sugar, acid and alcohol. The Northerly climate preserves the natural acidity in the grapes; so a touch of residual sugar is necessary to make the wines drinkable. However, also because of the Northerly climate, the grapes typically have relatively low natural sugar. The answer is to stop fermentation part way through, leaving sufficient residual sugar for the wine to be balanced, but also limiting the alcohol content of the wine. This off-dry style of wine is not to everyone's taste and is easily

over-whelmed by food. However, they make for a wonderful light summer apéritif.

The topic of sweetness leads me on to another huge area of confusion for German wines - the complicated labels. Without getting into a lengthy academic discourse, historically German wines have been gauged primarily on sugar content - not the sugar content of the wine but the sugar content of the grapes that were used to make the wine. The ranking goes as follows, from lowest sugar to highest:

Kabinett

Spätlese (tr late harvest) Auslese (tr special selection)

Beerenauslese (tr special selection of individual grapes)

Trockenbeerauslese (tr special selection of individual, shriveled grapes i.e. botrytis-affected)

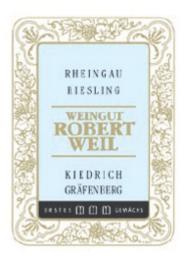
Normally, the ranking would correspond to the sugar content of the final wine. However, as taste preferences have changed, wine-makers have been creating new drier, more full-bodied styles of wine. Instead of going for partial fermentation, the wines are fully-fermented to dryness. Hence the rise of the socalled Spätlese trocken (i.e. late-harvest, high-sugar grapes, fermented to dryness). I have to admit that this is one of my favourite styles of wine. Furthermore, all the confusion about nomenclature has meant that these wines often do not command the prices that they deserve. So next time you are in a restaurant, one of Trevor's top tips for a high-quality, good-value dry white wine is to go to the German section and look for a Riesling Spätlese trocken from the Pfalz or the Rheingau (see below). These wines also go very well with (spicey) Asian cuisine.

Before leaving the subject of sugar, it is also important to point out that German Rieslings also make some of the most divine dessert wines to be found on earth, albeit largely with prices to match. The small grapes and the misty river valleys make the Riesling susceptible to botrytis, known in German as Edelfäule (noble rot). This is the origin of the term Trockenbeerauslese (dry i.e. shriveled) grapes which are individually harvested. What makes the botrytis wines of German so special is the high acidity, which balances the intense sweetness to give incredibly harmonious wines. However, unlike spätlese trocken, the world fully recognizes the amazing quality of these wines and for example Egon Müller's Scharzhofberger Trockenbeerenauslese sells for over \$3,000/bottle and up, depending on the vintage.

As well as botrytis sweet wines, Germany is also the spiritual home of *Eiswein*. These are wines produced from grapes frozen on the vine and pressed whilst still

frozen, which concentrates the sugar (and the acidity). Legally *Eiswein* has a different designation from the traditional sugar based-quality ranking but they *Eiswein* grapes should have a sugar content at least as high as *Beerenauslese*.

The Rheingau region sits to the east of the Rhine. Like the M-S-R, its best vineyards are to be found on river slopes, in this case, on the slopes of the Main and Rhine rivers between Hochheim and Rüdesheim. [n.b. the somewhat old-fashioned English word hock, referring to German wine, derives from Hochheim]. Although the Rheingau was very famous historically, its reputation has somewhat lagged that of the M-S-R although there are fine growers such as Robert Weil in this region too. The top-quality vineyards in this region are called Erstes Gewächs (literally First Growths).



Further upstream on the Western side of the Rhine is the region of the Pfalz, known in English as the Palatinate. Like the Rheingau, this area has been a source of quality Riesling since the early 19<sup>th</sup> Century. Because it is further South, the climate is warmer and the grapes ripen with higher natural sugar content. This gives wines which are more full-bodied that the more Northerly regions – one critic describes them as more corpulent. This makes the region well suited to the *Spätlese trocken* style which I raved about above. In this region the top dry wines are designated Grosses Gewächs (great growths). There are many good quality houses but two of my favourites are Reichsrat von Buhl (don't be put off by the Gothic label, these are thoroughly modern wines)........



.....and Bürklin-Wolf



Rheinhessen is the area which sits between the Rheingau and the Pfalz. The name of the town of Nierstein has sadly been devalued by being the root of the generic name Niersteiner Gutes Domtal which is still used for vast oceans of cheap insipid wine. However, there are alos top-class vineyards and producers in the area of the town itself and in nearby Bodenheim, Oppenheim, and Dienheim. Notable producers include Heyl zu Herrensheim and Gunderloch.

# **Alsace**

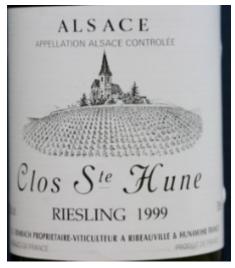
Given the strong historical linkages between Alsace and Germany [the region was historically part of the Holy Roman Empire and was gradually annexed by France in the 17th century], it comes as no surprise to find reference to Alsatian Riesling in 1477 from Duke René of Lorraine. Today, Alsace is the only part of France where Riesling is officially allowed and the region is arguably the spiritual home of the dry, full-bodied style which I described above.

There are two large benchmark producers in Alsace: Trimbach and Hugel. Both firms were established in the early 1600's and are still run by the eponymous families. Both firms make entry level négotiant wines (i.e. they buy the grapes from other growers and vinify the wine in-house) but their premium ranges come from owned vineyards, largely from so-called *Grand Cru sites*.

In my view, it's worth paying the premium to buy the better wines and I am a very big fan of Trimabach's Cuvée Frédéric Emile (produced from *Grands Crus* Osterberg and Geisberg).



Right at the top of the tree in Alsace sits Trimbach's top wine Clos St Hune. This wine is produced in a small vineyard in the Grand Cru Rosacker which has been owned by the Trimbach family for more than 200 years. Annual production reaches about 9,000 bottles, making the wine very sought after by collectors, and prices are in the £100+ range depending on vintage.



The dry climate of Alsace reduces the incidence of rot and hence the need for chemical intervention. Perhaps this is why the region has become a stronghold of the biodynamic movement which I have written about before. This is a very particular philosophy of organic viticulture which is perhaps best described as homeopathy for vines. Although I do not subscribe to the underlying philosophy, there are many biodynamic producers who produce truly top-class wines. Two of my personal favourites are Zind Humbrecht......



.....and Ostertag.



One word of caution, however. Because these producers adopt an approach of minimal intervention, they pick the grapes when they believe they are ready, rather than at a certain sugar content. This means that there can be a certain amount of vintage variation in the style of the wines, from bone-dry to off-dry.

As well as dry Rieslings, Alsace can also make sweet wines to rival Germany. The dry climate means that grapes can be left on the vine well into the autumn, resulting in delicious late-harvest wines (*vendange tardive*); and the region also produces glorious botrytis (*sélection de grains nobles* – tr. selection of grapes affected by noble rot).

#### Austria

In Austria, most Rieslings are firmly in the dry full-bodied Alsace/spätlese trocken style. A high proportion of these best wines comes from the terraced vineyards of the Wachau, along the banks of the Danube in Lower Austria. The top wines in the Wachau, made with the ripest grapes, are called Smaragd (emerald) after the small lizards that bask in the sunshine on these slopes.



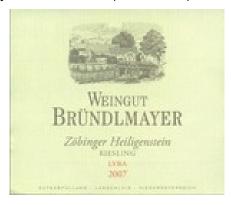
The biggest winery in the Wachau is Freie Weingärtner Wachau (FWW) which makes very solid wines.



But for a bit of excitement go for one of the wines from a top private producer such as F.X.Pichler or Nikolaihof



Slightly further down the Danube, in neighbouring Kamptal, the Zöbinger Heiligenstein vineyard is home tpo some awesome Rieslings at a slightly cheaper price than the Wachau wines. For a real treat, try Bründlmayer's Alte Reben (tr old vines)



# Australia & New Zealand

The Antipodes are not usually top-of-mind when it comes to Riesling. However, the wine industry of the Barossa Valley was founded by German settlers fleeing persecution from the Prussian province of Silesia (in what is now modern day Poland). And German names rank among the most illustrious of the Barossa growers e.g. Henschke, Lehman & Glaetzer. Pernod Ricard produces a very good grown-up brother to Jacob's Creek called Steingarten, albeit a tad off-dry.

However, it is in the slightly cooler Clare and Eden Valleys which lie just to the North of the Barossa that the most famous Rieslings are to be found. Perhaps the most famous producer is Jeffrey Grosset who produces top-class Riesling under the Polish Hill label. A word of warning on serving these wines. Like many Antipodeans whites, they are bottled under screw cap which gives a perfect seal. However, wine makers are used to adding a modest excess of sulphur to white wines to ensure that they were not affected by cork taint. Under a perfect seal this can lead to reductive, cabbagey aromas. So if you planning to serve one of these wines, open it well ahead of when you plan to serve it and if necessary decant to let the sulphur aromas blow off. I recently opened a bottle which smelt of burnt rubber, left it overnight in the fridge with the screw cap off and it was in perfect shape 24 hours later.



In recent years, Tasmania has emerged as a source of excellent Rieslings. Compared to South Australia, the colder climate makes for lighter fresher wines, with more attack.



New Zealand produces Rieslings all sweetness levels, notably from the Marlborough region where Riesling is the third most planted white grape behind Sauvignon Blanc and Chardonnay.

# **USA & Canada**

California produces sweet Late Harvest and Botrytis Rieslings but I have never tasted them and can not attest to their quality. However, I have tasted quite a few dry Rieslings from Washington State which have tickled my taste buds. Once again, the northerly climate helps preserve delicacy in the wine and the dry climate favour long hang-times. Arguably the best Washington Riesling comes from a collaboration between the giant Chateaus St Michelle winery (formerly owned by UST and now by Altria) and Mosel winemaker Ernst Loosen. This wine is full-bodied but with delicate limey aromas. To my palate, it could do with a little more alcohol and a smidgeon less residual sugar but the off-dry character makes it a great match for Asian food.



Elsewhere in the USA, a lot of Riesling is produced around the Finger Lakes of upstate New York. In the past, most of this could be classified in the same vein as the German sugar-water that I drank in my youth. But I am assured that there is a new wave of quality producers making much drier styles but most of the production is sold locally.

Because of its winter hardiness, Riesling tends to thrive in Ontario in Canada, where it makes excellent Ice Wine. The most famous example of these is probably Inniskillin, which in 1991 was awarded the Grand Prix d'Honneur at Vinexpo in France. Inniskillin was part of Vincor and is now owned by the wine-industry global leviathan Constellation. Ironically, I am pretty sure that this wine is named after the town in Ireland where I was born, Enniskillen (old spelling Inniskilling), though I have no idea how the winery came to acquire this name.





## Chile

The final stop on our whistle-stop tour of the world of Riesling is Chile. As I described in a recent edition of Stirling Wines, Chile is (together with Argentina and South Africa) one of the really hot areas of New World wine-making, with new vineyards being planted at a furious pace and quality standards advancing in leaps and bounds. As wine-making extends from its historical heartland near Santiago, Riesling seems to have founds its niche further south in the cooler climate region of Bio Bio. The Cono Sur winery which is part of the much bigger Concha & Toro appears to be leading the charge, on the export markets at least.



## **Disclaimer: NOT A RESEARCH REPORT**

This does not contain an analysis of any securities of individual companies or industries and does not provide information reasonably sufficient upon which to base an investment decision. Therefore, this opinion piece is not a Bernstein research report. Instead, the views expressed herein represent the personal opinion of the author regarding the products discussed herein. Any reliance upon any opinion, advice, statement or other information in this opinion piece is at your sole risk. To the extent there is any pricing information provided, the prices are only as of the date of the opinion piece and are not intended to represent any survey of market price. Prior to purchasing any third party product discussed in this opinion piece, you are advised to verify pricing and other information.