

STIRLING WINES: Italian Reds

Trevor Stirling +44 20 7170 5087

trevor.stirling@bernstein.com

Introduction. Italian Reds is not a reference to the Refounded Communist Party but rather to the amazing diversity of red wine that is produced in Italy. Indeed, arguably this very diversity is a major barrier to even greater success on export markets. Each region has its own palette of grape varieties and taste profiles, with lots of potential for consumer confusion. In contrast, the two great fine wine areas of France – Burgundy (nearly all Pinot Noir) and Bordeaux (primarily Merlot and Cabernet Sauvignon).

Indigenous or International. This has given rise to one of the great controversies in Italian wine – to stick to Italian varieties or adopt the International varieties. Some of these varieties are not new to Italy – Merlot has been grown in the Veneto since 1855. However, what is new are the new export oriented plantings in Tuscany and throughout Italy. For what it's worth, I think that much of Italy is too hot for these cooler climate grapes (though there are several notable exceptions which I discuss below). Indeed, we may well find that Syrah, indigenous to the hot south of France, becomes the most successful imported variety

Tradition, Innovation and Bending the Rules. Along with the debate about varieties, there has been much heat about how the wines are made. For instance, in Barolo there has been a huge fuss about how long the grapes should be macerated, what type of barrel they should be aged in (big, old, Slovenian oak barrels or new, small French oak) and how long the wines should be aged before release. Initially, ridiculously tight rules about what grape could be grown where lead to some 'Super-Tuscans' being labelled as *Vino da Tavola* (table wine) rather than DOC (the Italian equivalent to Appellation Contrôlée). The rules have become more flexible over the years (e.g. allowing up to 20% of 'foreign' varieties in Chianti to give structure to the indigenous Sangiovese). However, industry rumours are that quite a few producers are being very 'flexible' in how they interpret the rules!

Concentration vs Balance. In my book, the best Italian wines are the ones that retain some sense of that much over-used French word 'terroir' (probably best translated in this context

as typicity). I don't buy Italian reds because I want a look-alike of a Napa Cabernet. (However, I can understand the temptation of the producer to produce something that will get high Parker points and a price tag to match.) Italian red wines are above all great food wines. In general that means that they have high levels of acidity and often a herby twist that goes perfectly with olive oil and tomato-based sauces but can seem harsh and astringent if tasted on their own. In the same way, although a big tannic wine may go very well with a bistecca Fiorentina, such a wine would overpower most pasta dishes.

Geography. Last but not least, Italy has an incredible variety of sub-climates, from the Alpine splendour of Alto Adige/Süd Tyrol to the almost North African heat of Sicily. This has a huge impact on the appropriate choice of grape and the profile of the resultant wine. So let's set off on a whirlwind regional tour of Italy.



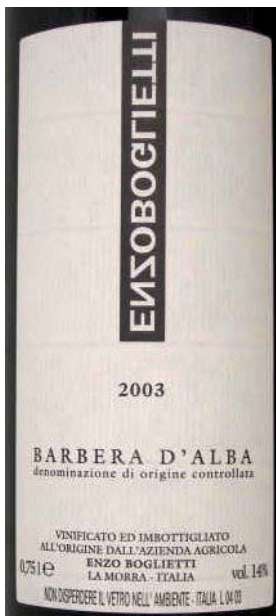
Piedmont in NE Italy, heart of the former kingdom of Savoy, is home to two of the most famous and expensive Italian reds - Barolo & Barbaresco. Both these wines are made from the Nebbiolo grape, named after the foggy weather that prevails in winter. Old-style Barolo (see above) needs at least 10 years before its ready to drink. Newer style wines are approachable after 5yrs. Aldo Conterno for me

STIRLING WINES: Italian Reds

combines the best of both worlds. His top Barolo – Granbussia – is made in a classical style but technically flawless. However, he is not afraid of modern innovations such as new French barriques for other wines, including his Barbera – Conca Tre Pili.



Barbera is the 'everyday' red grape of Piedmont. It is high in acidity and flavour but low in tannin. As such, it makes for a perfect marriage with new oak to make a really savoury, fruity, full-bodied wine. There are many excellent Barbera's from the regions of Asti and Alba, that represent very good value for money (approx £10) and are widely available. One of my favourites is from one of the best of the new generation of producers – Enzo Boglietti



Before leaving NW Italy, one of the jewels of the region comes from the valley of Valtellina, in the north of Lombardy, right beside the Swiss border. Here they use Nebbiolo grapes which have been partially dried (see Amarone below) to make a divine wine called Sforzato, or Sfursat in local dialect. Nino Negri is the biggest producer

in the region and makes an excellent Sforzato called 5 Stelle.

Trentino/Alto Adige is the most northerly region of Italy and was governed by Austria until 1918. Indeed, the northern part of the region (Alto Adige) is also known as Süd Tyrol, and German is more widely spoken than Italian. Here the cool continental climate is perfect for Pinot Noir. One of the best producers is Hofstätter, who as well as using the Italian name Pinot Nero labels his wine with the German name Blauburgunder. He uses judicious quantities of new oak and his wines are midway in style between Burgundy and New Zealand. A treat for the Pinot-ophile and once again very good value-for-money at approx £10.



The most famous red wines of the **Veneto** come from the area of Valpolicella. In its basic guise, this is a light, inoffensive wine, made from Corvina and Rondinella grapes. However, the same grapes, in the same region, can produce one of the most intense red wines in the world – Amarone. The enormous difference between these wines is due to a drying process the Italians call *appassimento*. Historically, the grapes were laid on straw mats until partially raisined, crushed to give a very concentrated substrate and then fermented. Today, the grapes are increasingly dried in slatted packing cases, in mechanically ventilated sheds. But the end effect is the same: a dense fruit bomb which the Italians describe as a *vino da meditazione*, a wine to sip after a meal and meditate. Tomaso Bussola is probably the best of a new generation of wine-makers in the region. His TB wines are the top of the range, not cheap at approx £40 per bottle, but the sublime expression of Amarone.

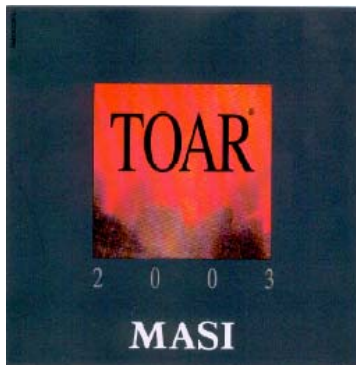
As well as Amarone, the region is making increasingly impressive wines from regular grapes. Most of the major producers make a

STIRLING WINES: Italian Reds

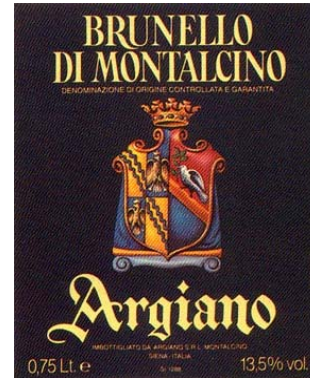
ripasso wine. This is a regular Valpolicella but fermented on the skins/lees of the Amarone grapes to give extra body. Allegrini, another of the top producers, make a premium still wine from only Corvina grapes called La Poja.



Last but not least are the wines of Masi. Although they are the largest producer in the area, quality is high across the board. One of my favourites is a still wine called Toar, based on Corvina and Rondinella with the addition of obsolescent varieties such as Oseleta. A really full-bodied, velvety wine for approx £10 per bottle.



Tuscany is probably the most famous wine region in Italy. The classic grape here is Sangiovese and its most famous traditional expression is Brunello di Montalcino. There are many high-quality producers but a personal favourite is Argiano. Although quality is very high, Brunello is very sought-after and the wines can certainly not be described as cheap at a little under £30/bottle.

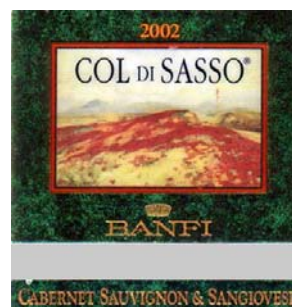


Chianti comes from one of six regions between Florence and Siena, the most famous of which is Chianti Classico, with its famous *gallo nero* (black cockerel) symbol. Legally, Chianti Classico must be at least 80% Sangiovese, with up to 20% of 'foreign' varieties such as merlot and cabernet sauvignon. However, there is also a long (illegal) tradition of trucking in tankers of intense Southern wines such as Negroamaro from Puglia (see below) to add backbone to Chianti. Nevertheless, the wines of the top producers such as Fontodi, Felsina or Isole e Olena are truly world-class.

Other Sangiovese-based wines from Tuscany which are less well-known than Chianti but often better value-for-money include: Vino Nobile de Montepulciano and Morellino di Scansano

But there's more to Tuscany than Sangiovese. The most famous of these are the so-called Super-Tuscans, often based on Bordeaux blends, which sell for similar prices to Bordeaux 1st growths, including Sassicaia (the first and probably the most famous Super-Tuscan) and Ornellaia. These are well-made luxury wines selling at luxury prices.

However, for a much more modest price, the very large but reliable house of Banfi make a blend of Cabernet Sauvignon and Sangiovese called Col di Sasso for approx £8/bottle



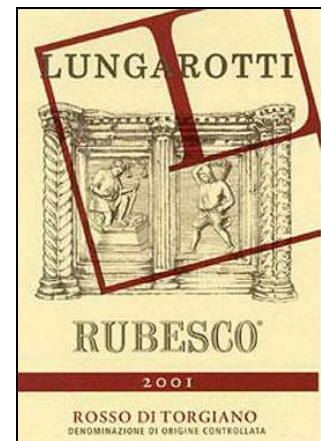
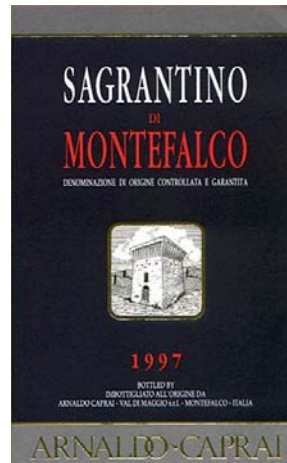
STIRLING WINES: Italian Reds

My last comment on the subject of Super-Tuscans relates to grape varieties. As I mentioned above, most emphasis to date has been placed on Bordeaux varieties. But these grapes come from a relatively damp maritime climate. I think that there is more long-term mileage for Italian producers to produce world-class Syrah. In this camp I would include a Syrah from Fontodi called Case Via. This is another personal favourite: ripe dark fruit, creamy smooth tannins, voluptuous wine at a little over £20/bottle.

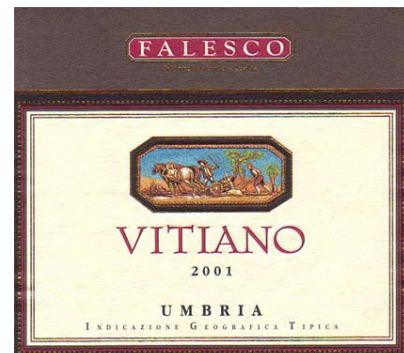
The wines of the **Abruzzo** have never hit the same heights as Tuscany or Piedmont. However, there are some very honest wines made from Montepulciano d'Abruzzo and the region's best wine is probably Rosso Conero. In **Molise**, the indigenous Tintilia grape is increasing its profile – though I have not personally tasted the wine.

Umbria, sandwiched between Tuscany and Rome, has a number of hidden jewels. The first of these is a wine made from the Sagrantino grape in the town of Montefalco, near Perugia. The pre-eminent wine-maker here is Arnaldo Caprai, with an entry-level Rosso di Montefalco (£15/bottle), a mid-range Sagrantino di Montefalco and a reserve wine '25 Anni'. Here is someone else's somewhat Over-The-Top tasting note for the 25 Anni: "Deep, dark purple-blackness fills the glass. Wild cherry and leather dominate the nose, accompanied by a hint of black pepper and tobacco, elegant soft and velvety body, spice and vanilla flavours. Very complex and long on the finish, with polished and sustaining tannins." It doesn't get much better than this anywhere in the world, but it will set you back approx £50/bottle

Lungarotti is another iconic winery from Umbria. Their classic wine is called Rubesco from the Torgiano DOC. It is a 70% Sangiovese wine, more full-bodied than the equivalent wines from Chianti, reflecting the hotter climate in Umbria, widely available especially in the USA and a snip at approx £10/bottle. Or try his reserve wine Monticchio for just under £20/bottle.

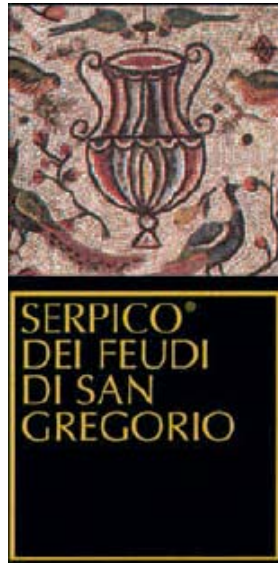
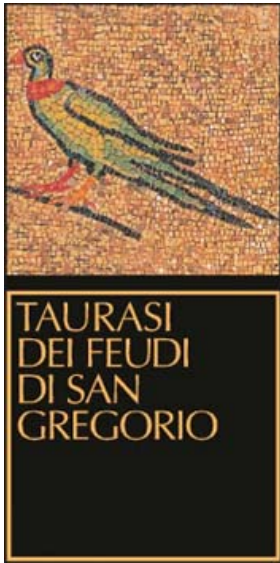


Possibly the best known winery in **Lazio** is Falesco, owned by Ricardo Cotarella. His flagship wine is a 100% Merlot, called Montiano which regularly gets 90+ points from Parker and represents very good value-for-money at approx £20/bottle, if you like them big and bold. He also does a Sangiovese/Merlot/Cabernet Sauvignon blend called Vitiano which is even better value-for-money – the 2005 costs less than £10/bottle and got 89 points from Parker



Campania & Basilicata, respectively the shin and instep of Italy, do not have a tradition of high quality wine. In "Anything But Chardonnay Part II", I wrote about excellent 'new' white wines based on old Greek grapes; the same phenomenon exists for red wine in the shape of the Aglianico grape, a corruption of the Italian word for Hellenic *Ellenico*. Its most famous manifestations are Aglianico del Vulture in Basilicata and Taurasi in Campania. The same winery that I featured last month, Feudi di San Gregorio does a regular Tuarasi and a 'super-Aglianico' called Serpico.

STIRLING WINES: Italian Reds



Spain from the 14th to the 18th centuries, before it became a vassal kingdom to the House of Savoy. The dominant red grape on Sardinia is Cannonau, the same grape as the Spanish Garnacha, also known in French as Grenache. The two best know producers are Sella & Mosca and Argiolas. The latter produce an excellent Cannonau blend called Turriga which sells for over £30/bottle. But there are also many lower-priced excellent Cannonaus – one to look out for on Italian restaurant wine lists.

Puglia, the heel of Italy, is best known for shipments of bulk wine, often used to give some reinforcement to wine from elsewhere in Italy (see above) or used as the base for ultra-cheap reds for the German market. However, over the last few years, Puglia has started to develop its own fine wine tradition based on its native grapes: Primitivo (related to Zinfandel) and Negroamaro. Salice Salentino is normally a good value for money DOC wine, with Vallone probably the best producer and Candido the most well-known. Vallone also make an excellent ‘super-Puglian’ called Graticciaia, based on Amarone-style partially dried grapes.



Sicily & Sardinia have very different wine traditions. **Sicily** used to (indeed still does) vie with Puglia as the biggest producer of bulk wine in Italy. But it is steadily re-inventing itself as a producer of good quality, middle-of-the road wines from both indigenous grapes such as Nero d'Avola and from international varieties. Tasca d'Almerita is one of the top producers, with their reserve wine Rosso del Conte.

Sardinia has a very different wine tradition, reflecting the fact that the island was ruled by



Salute!

STIRLING WINES: Italian Reds

Disclaimer: NOT A RESEARCH REPORT

While this opinion piece is issued by a Sanford C. Bernstein Analyst, it 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.