

Barry O'Brien leaves LCBO Auction

After 17 years, Barry O'Brien has left the LCBO for a career outside the business completely.

Barry had led the Vintages auction since its inception in 2002 along with Ritchie's Auctioneers.

In late 2009 Ritchie's declared bankruptcy and the LCBO internalized most of the logistical aspects of the auction and partnered with Waddington's to hold the live auction.

Since that time there have been a series of staff changes including the departure of John Yoxall at the beginning of this year and now O'Brien.

At the moment the auction is being managed by Christine Carducci who is listed as the Vintages Auction Coordinator since moving from a Product Consultant role in 2013.

Since 2002 the Vintages auction has sold between \$2M-\$2.5M in annual sales. In 2013 they expanded the offering with a mid-year online auction. This online expansion may have ceased as none has been planned for 2014 and it's back to a once a year live event.



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Coravin

How can a new technology possibly change the way you consume old wine?

About 5 months ago I was alerted to a new wine technology called Coravin. A little late to the party I must admit as the device was brought to market in the fall of last year. However, I was intrigued by the possibility and immediately ordered one.

If you haven't heard, Coravin is a device that allows one to "access" a wine without pulling the cork or exposing it to harmful oxygen. It was invented by an MIT grad named Greg Lambrecht whose primary business is medical instruments. Specifically, devices that can extract blood or spinal fluid from a patient doing as little damage as possible to the tissues around it. Starting to see the segue? Lambrecht, a wine aficionado, was about to become a father for the second time and his wife was no longer able to help him consume a bottle of wine. He therefore began thinking about methods of extraction along the lines of his primary business.

Fast forward to 10 years later and Coravin is launched after many prototypes and testing. The device injects a hollow hypodermic needle through the capsule

and the cork to access the wine. The bottle is then tipped and the user presses a lever which pushes inert Argon gas into the bottle forcing wine through the needle at a 1:1 displacement ratio. The needle is then removed and the cork, having elasticity, reseals and leaves the bottle a few ounces of wine lighter with no exposure to oxygen.

So in theory it sounds amazing but how is it in practice. As I anxiously awaited the arrival of my new toy I researched more and found two particularly telling reviews by Jancis Robinson and Robert Parker. In summary, Jancis was unable to distinguish the accessed from the non-accessed with identical wines she had chosen. Parker (in a very interesting video on YouTube) chose an extremely delicate 2003 white Ermitage that had only 3" left having been accessed numerous times since 2007 and most recently by Parker himself 6 months before. Lambrecht inserts the needle, pours about 4oz and Parker exclaims "Fresh fruit....this blows my mind!"

Only time will tell how long accessed wine will continue to evolve and produce as-new

Burgundy 2014 Vintage in Jeopardy

Brutal hail storms that ravaged most vineyards between Aloxe Corton and Chagny have dashed the hopes of many wineries who are coming off two poor vintages. Losses of 40 to 80 percent are being reported with Pommard and Beaune being two of the hardest hit. The majority of vineyards are not insured against hail and after 3 consecutive years it may be the reason a number of Domaines are changing hands.

In response many vineyards have deployed anti hail nets which are tent like structures that cover each row of vines. However, the Burgundy marketing board has declared that this tactic is not allowed as it's use is not stated anywhere in AOC texts. That which isn't expressly permitted is therefore forbidden.

The concern also stems primarily around the uncertainty of the effect of the sunshine and wind on the vines and the possible changing of the terroir. The French appellation body INAO is suggesting that much testing is required before it can present a ruling.

Coravin cont..

that the Coravin is a significant game changer. I sat with our Cellar and Operations manager Peter Griscti who has a Bachelor of Oenology and Viticulture to get his take on the product and discuss possible applications. These are some we came up with:

- **Testing client wines before sending** – We have had requests from a number of clients to take a sample of certain wines before delivering them. It can be so disappointing to open a special bottle at the table only to discover it corked or long past its prime. We can now assist clients in this regard and eliminate that possibility.
- **Wines prone to issue** – The first that comes to mind is white Burgundt from the late 90's, early 00's. I've brought these to dinner parties on numerous occasions only to discover them to be prematurely oxidized. While I wouldn't want to open a bottle before leaving the house, the concept of accessing it before opening it at the table holds obvious appeal and a little less stress of being the guy with the bad bottle.
- **Wider array of wines by the glass in restaurants** – No restaurateur wants to open a great old wine and only sell a single glass before it goes off. An Enomatic machine can cost thousands of dollars and will preserve a wine "up to 4 weeks" according to their website. Now a restaurant could theoretically sell their finest wine, by the glass, over months or even years without compromise. Akin to a few hundred dollar shot of Louis XIII, how about a couple ounces of 1982 Lafite?
- **Drink a vertical instead of a bottle** – A great client of mine recently acquired a 1945-2001 vertical of Mouton-Rothschild which begged the question, "Will you actually be drinking that and, if so, how?". His response was a delightful "one night we'll have the 60's, one night we'll have the 70's....but we will be drinking them". While it's great to have a group of friends worthy and capable of drinking a decade of wine in a sitting, it's now possible to share that same experience over multiple nights, with fewer people, consuming less.
- **Checking for maturity** – Wines develop at different rates based on factors including cork quality, storage and initial shipping conditions. Consider a special bottle you may have been saving for some time and the trepidation around opening it too early or too late. Now you can access an ounce and if it's at the maturity you desire, open and consume. If not, put it away for a while longer.
- **Checking after a cellar incident** – We've had a few clients lately return to their cellar after an extended absence to discover a higher than normal temperature due to a faulty cooling system. The wines are now prematurely "aged" at a rate of 2 to 56 times but how much depends on the exact temperature and time at that temperature. A wine that should last another 20 years might be gone after 5. The Coravin allows the collector to check wine that has been affected to see if it's time to start popping corks.

Coravin is available online at coravin.com for US\$299 which, after shipping to Canada, comes to US\$343. UPS then takes a fee at the door (what happened to free trade!?) so consider this US\$375 all in. We recommend adding the thinner vintage needle for another US\$30 which is better for older corks and just pours slightly slower. We would also recommend loading up on argon canisters as the cost to ship can be a large percentage unless done in bulk. At the moment the system and its accessories are only sold online. Should that change (and we have inquired) we'll surely purchase in bulk and make them available locally.

HDH leads strong auction market

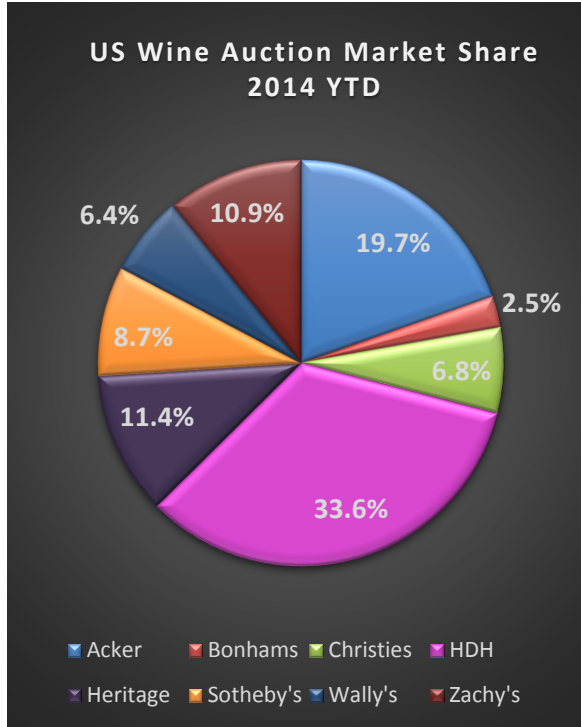
The first half of 2014 has kicked off what appears to be a very strong year for wine sales at auction with an estimated growth of 22% across the eight major houses in the US. The US has also climbed back on top in terms of overall sales with \$73M against Hong Kong's \$60M. Paul Hart, CEO of Hart Davis Hart, attributes this to "a return of core U.S. collectors, improved economic conditions and signs of slight decline in the Asian market".

For their part, HDH has vaulted into the lead of all the major houses by a wide margin with 33.6% marketshare from \$24.7M in sales YTD which represents a 23% growth rate over 2013. That's over 60% higher than their next closest rival Acker Merrall Condit who recorded 19.7% market share. HDH also reported an impressive 99.99% sell through rate, in line with their history of the last 3 years.

Hart also commented that the largest growth they're seeing is from Latin America and Brazil specifically with an average growth per year of 54% over the past two years. As expected however, the US is their largest market overall with Asia being their largest international market.

According to Liv-ex however, the market, while busy, is not holding up as well in 2014. The Liv-ex 50 is down 10.6% YTD and the Liv-ex 100 is down 9.0%.

The Liv-ex Fine Wine 50 Index tracks the daily price movement of the most heavily traded commodities in the fine wine market - the ten most recent vintages (excluding En Primeur, currently 2001-2010) of the Bordeaux First Growths. The 100 Index represents the price movement of 100 of the most sought-after fine wines on the secondary market.



Not surprisingly, the highest volume in trades regionally were dominated by the blue chip producers, as follows:

Bordeaux:

1. Lafite Rothschild
2. Mouton Rothschild
3. Petrus
4. Haut Brion
5. Latour

Burgundy

1. DRC
2. Leroy
3. Ponsot
4. Armand Rousseau
5. Joseph Drouhin

California

1. Screaming Eagle
2. Harlan Estate
3. Sine Qua Non
4. Colgin
5. Opus One

Eye On It

Interprovincial Wine Shipping Law hits 2nd Anniversary

Bill C-311, an amendment to the Importation of Intoxicating Liquor Act, received royal ascent in June 2012. Since that time it has been amended again to include beer and spirits. In summary, this gave a citizen the right to bring an unlimited amount of alcohol (or "cause to be brought" – courier) from another province provided it is for personal use.

So has this bill made a difference? Depends where you live. Here are a few examples from each province:

ON – The LCBO does not recognize the federal bill and states a "policy decision" that says it is not allowable.

PQ- The Quebec government rejected the bill formally and will only allow 9L of alcohol from another province if a citizen is carrying it with them.

NL – Fedex is currently in court having been charged by the NL Control Act for illegally transporting and storing "contraband liquor", namely wine from BC

AB – The AGLC has moved to reverse progress on their direct to consumer shipping laws by amendments which state a product must physically accompany the consumer upon entry into the province.

BC and MN – Only these two provinces have embraced the letter and spirit of C-311 by allowing full and unrestricted importation of products from other provinces.

Interestingly, s121 of the Constitution Act guarantees a free trade zone within Canada for Canadian products and the response of the majority of the provincial alcohol boards are in direct violation of this section. It's unlikely that any province could successfully enforce their "policies" in court but a challenge would be time consuming, expensive, and few if any have the desire or interest to fund such a case....except maybe Costco...

Worldwide Collector Briefs

Kurniawan sentencing delayed, will assist Koch

Convicted wine counterfeiter Rudy Kurniawan was originally supposed to be sentenced on May 29th, which was postponed until July 17th and has now been postponed again until this month. The delay seems to stem around the total of counterfeits that are/were in circulation which the prosecution claims is more than US\$30M but the defence claims is much less. Quest Software founder David Doyle argues that he alone lost \$15.1M to Kurniawan. These figures are important as government sentencing in a US fraud case takes total losses into account for sentencing.

In another twist, billionaire Bill Koch agreed on July 27th to settle his lawsuit against Kurniawan for \$3M and for Kurniawan to meet with Koch representatives to discuss “everything he knows” about wine counterfeiting to aid Koch in his personal quest to end the practice.

Upcoming GTA Wine Events

Moet Hennessy Reception and Dinner

On September 11th at 7:15pm, Moet Hennessy’s Canadian General Manager Stephane de Meurville will be hosting an event at The Grand Salon in the Trump International Hotel downtown Toronto. For \$195 (available through Vintages) guests will enjoy wines including Krug, Domaine Chandon, Cheval des Andes, Numanthia and Termanthia.

Toronto Vintners Club – 2004 Bordeaux

TVC is holding a 2004 Bordeaux tasting on September 16th at the Faculty Club. Wines being poured that evening include Lagrange, Leoville Barton, Branaire Ducru, Langoa Barton, Duhart Milon, Malescot St. Exupery and Pichon Baron. Details and ticket information can be found on their website at www.torontovintners.org

Tawse Winery Cheese and Chardonnay

On August 10, 17 and 24, join Tawse at the winery to taste three unique chardonnays paired with cheese from Upper Canada Cheese Company. Sessions take place at 12pm, 2pm, and 4pm. Cost is \$10.00 per person (FREE for Wine Club Members). No reservations are required.

With the exception of Ontario wineries, collector events are light throughout the summer. There will be sufficiently more in our Q3’14 issue of Wine Collector.

Featured Wine Quarterly Pick



Malivoire '11 Chardonnay Mottiar Vineyard

Many people know Malivoire for their incomparable Old Vines Foch, for which they seem to have made a name for themselves; but thankfully Foch is not the main focus of this winery. Since it opened its doors in 1997 Malivoire’s focus has always been the Burgundy and Beaujolais varieties, namely Pinot Noir, Chardonnay and Gamay. They were also one of the first to realize that a single vineyard offering was worth its weight in gold, as well as an intriguing and interesting wine to make. One of the best in recent memory is this Mottiar vineyard number.

This one spent 10 months in older oak barrels, with 4 months on lees. Aromas of peach and vanilla mix with mineral for an alluring nose – the palate is creamy with vanilla, baked toffee apple and that mineral note also comes along for the ride; and there’s plenty of acidity to balance the creaminess. Only after I tasted the wine did I learn the Chardonnay was made using a Dijon clone (usually a sign to me of an interesting Chard), so there’s no wonder I really liked this one.

Price: \$29.95

Rating: ****+

Available: online or winery

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Iron Gate - Private Wine Management

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