



The Independent Consumer's Guide to Fine Wines

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The Love Affair With Argentina Wines Continues

Sales of Argentina wines continue to explode despite economic hard times in the USA. It's not just about the seemingly ideal bond between the Malbec grape and Mendoza terroir. Inexpensive labor and land (roughly \$30,000 an acre compared to \$300,000 in Napa Valley) plus an ideal climate and a good water supply from the Andes make for low production costs. A recent estimate by Luis Steindl, CEO of Bodega Norton, is that production costs in Argentina are about one-fourth of what they would be in California or France. From 2002 to 2006 exports to the USA tripled and that trend has continued over the past two years. From my perspective, I hear from new importers of Argentina wines wanting to show me their wares all the time. It is estimated that one out of every four bottles produced in Argentina is sold in the USA. Argentina does not have the world's most stable currency with inflation currently taking a bite out of profits. Whether these astounding gains can be maintained remains to be seen.

Working in Argentina's favor is that most of the wine that is exported is of relatively high quality (as compared to the mediocre "critter" wines that have so tarnished Australia's reputation). That appears to be due to the well ingrained food and wine culture of Argentina. Per capita consumption is approximately 30 liters compared to 20 liters in Australia (thought to be a hard drinking nation) and 7 liters in the wimpy USA. As a result, bulk or "grocery store" wines are consumed in Argentina and what is left to export is at a premium level where the chances of a positive experience are relatively high.

Currently Malbec remains the king of grapes and Mendoza the most favored terroir. However, my recent tastings reveal the high quality of Cabernet Sauvignon as well as promising experiments with Tempranillo and Pinot Noir. The bargain priced wines made from Bonarda and Torrontes (the latter made primarily in the Salta sub-region of Cafayate) continue to carve out niches for themselves. There are hopes for fine wine, especially Pinot Noir, in the cooler, southerly region of Patagonia, but that remains a work in progress. As for Malbec, 2006 has turned out to be a great year and 2007 an excellent one in Mendoza. There are still plenty of 2005s remaining in the market and that is an excellent year as well. In short, it's hard to go wrong these days even if you choose a bottle blind-folded.

Jay Miller