

WINE SENSE

Burgundy's Great Divide

While Burgundy is finding favor with millennials, the high end remains out of reach

In January, a major new player entered the Burgundy business when Treasury Wine Estates took over import rights for most of the former Diageo Chateau & Estate portfolio. Treasury's newly christened Treasury Chateau & Estate division represents around 15,000 to 18,000 cases across about 20 top Burgundy domaines. The transition is a major shakeup for Burgundy—a category split between luxury wines and more accessible tiers that appeal to a new generation of wine drinkers.

"Chateau & Estate brought instant credibility," says Treasury's director of imported wines Jonathan Nahrang, who also led the unit under Diageo. "It's broadening our relationships with key accounts." The wines are essentially all luxury, with prices ranging from around \$20 to \$1,600 a 750-ml. bottle.



Much of the Burgundy category skews toward luxury retailers and restaurants, but producers including Maison Joseph Drouhin (cellars pictured) have begun courting millennials with more accessible wines.

High-end Burgundy is robust, but limited by nature. "We sell out of all the wine we get," says Dreyfus, Ashby & Co. vice president John Caruso. The top wines for the company's Maison Joseph Drouhin portfolio—which averages around 100,000 cases, depending on the vintage—include the Beaune Clos des Mouches Blanc and Rouge, both extremely limited. "Everything at the famous village level and up skews on-premise," Caruso says.

"There's a finite universe of buyers who are really educated about great Burgundies," says Constance Savage, vice president of supplier relations at Kobrand Corp. The company treats its Maison Louis Jadot portfolio as two separate brands—one dedicated to high-end Côte d'Or Burgundies and another focused on Mâconnais and Beaujolais wines. Six core village labels

represent a quarter of the volume for the roughly 12,000-case Côte d'Or portfolio. The range includes around 100 SKUs, many limited to just a few dozen cases.

Such rarity bedevils even the most exclusive establishments. Aldo Sohm, wine director at Le Bernardin and Aldo Sohm Wine Bar in New York City, notes that Burgundy is by far the largest component of high-end wine sales at the three-Michelin-starred Le Bernardin. "The whole world is chasing these wines," Sohm says. Popular options at Le Bernardin include classic Grand and Premier Cru wines from Puligny-Montrachet, Chassagne-Montrachet and Meursault, as well as Chablis.

The more casual Aldo Sohm Wine Bar offers about three dozen wines by the glass, including several Burgundies (from \$18 a 5-ounce pour for the 2012 Domaine de la Douaix En Mairy Bourgogne Blanc to \$42 for the 2013 Xavier Monnot Le Limozin Meursault). The 200-wine bottle list features Burgundy heavily (from \$75 a 750-ml. bottle for the 2012 A&P de Villaine Les Clous Aimé Côte Chalonnaise Bourgogne Blanc to \$2,650 for the 2001 Domaine de la Romanée-Conti Romanée-Saint-Vivant). "At the wine bar, customers venture into Beaujolais and outside the main villages," Sohm says.

Some entry-level offerings aggressively target younger drinkers. Dreyfus, Ashby's Caruso notes that Drouhin's Laforêt label has become the brand's top volume driver. Bottled under screwcaps, the Laforêt Chardonnay (around \$18 a 750-ml. bottle) and Pinot Noir (around \$20) are intended as an "invitation to Burgundy" and target casual dining. Other Drouhin wines, like the Mâcon-Villages (around \$20) and the Saint-Véran (\$22), also attract millennials.

Kobrand's Maison Louis Jadot Mâconnais and Beaujolais range targets a broad demographic and represents around 400,000 cases. "This portfolio attracts consumers who are just starting to get interested in Burgundy," says brand director Katie Flynn, noting that the wines do well in chain retailers and national accounts. The range's core wines are varietally labeled, with a pricing sweet spot around \$15 a 750-ml. bottle. "Pinot Noir is a growing category, but when it's just labeled Bourgogne, people don't necessarily understand it's a Pinot Noir," Flynn says.

At Total Wine & More, Burgundy is showing strong growth, especially in the Northeast, Texas, California and Florida. Over 40 percent of Burgundy sales are in the \$20 to \$60 range, according to vice president of wine buying Melissa Devore.

Burgundy has a bright future as millennials discover the region and move up the pricing ladder. "Some customers don't know Burgundy and just want to try it," says Sohm. "They have the courage to open up. That's the customer of tomorrow."

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