


# Five wine trends to watch for in 2018

 By [Roland Peens](#)

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The South African wine industry is experiencing one of its most exciting phases in history. Overall wine quality has increased dramatically over the last five years, international recognition is at an all-time high and the consumer is now spoilt for choice, with a wealth of new producers, varieties and styles.



Roland Peens, Director, Wine Cellar

Though winery input costs have risen and the continued drought may mean a significant drop in yield, the battered rand has helped exports and aid profitability. South African wine offers tremendous value locally and abroad, but premium South African wines are surging in price, widening the gap to everyday beverage wines.

So, what are some of the emerging trends in 2018?

## 1. Premium rosé

Rosé could not be more trendy and the growth of the premium rosé category continues around the world. It has, however, taken some time in South Africa as we have had to shake off the semi-sweet, poor quality, bright pink image. Rosé can be a by-product of red winemaking in order to make reds more concentrated. It can also be a blend of left-over red and white wines. The category of premium rosé is, of course, quality focused and when done well, rosé can offer the freshness of fine white and the depth of a light red.

The south of France is famous for its rosé from Bandol and Provence, some of which can age for decades. Serious rosé is gaining popularity in South Africa and more producers are figuring out how to produce and market exciting wines. The talk of the town is the Jean Roi Cap Provincial Rosé 2016 from L'Ormarins. It's a blend of various varieties including a large Cinsaut component from the Swartland. Light salmon in colour, there is a lovely depth of florals, citrus, and a savoury and textured finish.

## 2. Sauvignon Blanc is back

Sauvignon Blanc has been hurdled by Chardonnay and Chenin Blanc as the leading white varieties over the last decade in South Africa. Usually offering a crisp acidity, tropical flavours as well as green pepper notes, South African Sauvignon Blanc, however, can be rather watery, offering less excitement than other varieties. But, older vines, lower yields and more authentic winemaking can make for serious, long ageing versions.

Bloemendal Suider Terras Sauvignon Blanc 2015 is arguably SA's best, produced from a 35-year-old heritage block, high up in Durbanville. It is powerful, richly textured and has the structure to age a decade or even two. 2017 is also quickly being regarded as the best vintage of Sauvignon Blanc in the last decade, so expect your favourite "Savie" to have an extra gear this year.

## 3. Drought will affect prices

Three years of drought in the Western Cape is going to severely impact yields in 2018 as water quotas are slashed and the vines struggle to keep up production. This will not only decrease volumes but also push up costs in years to come. Expect entry-level wines to become more expensive as stocks are diminished and the drought continues. Economically and politically this is a major concern as large volume wineries operate at marginal profitability levels.

## 4. Buy the great vintages en primeur

As entry-level wines will be affected by the drought, SA's premium wines will also be affected, but in a different way. Lower yields and smaller berries make for more concentrated and perhaps better quality wines. Farming and production costs will, however, continue to push SA's premium wines up faster than inflation. With relatively small volumes of South Africa's top wines, especially gaining a huge international following, demand will be bigger than supply.

The model of en primeur (wine futures) or buying pre-release, will become more popular for the highly-demanded great vintages. **Buying pre-release** not only allows you to secure your purchase early but also speculate on the price if you think it may appreciate on release. As the quality of the fine 2017 vintage gets realised, expect there to be strong demand to buy 2017 en-primeur already in 2018.

## 5. Online retail boom

South Africa is still behind in online retail with mature markets like the US or UK buying five times more of all goods online than SA. As the internet gets faster, transactions more secure and e-commerce more efficient, **expect to buy more of your wine online**. It is great to peruse the bottles on a shelf, but expect lower prices online, more information, no lugging of heavy wine boxes, shopping in your nighty and of course, no parking issues...

## Predictions for the industry and how South African wine will fair internationally in future

Like many other South African industries, wine will continue to struggle in South Africa on a number of levels. Employing around 250,000 people and contributing to 1-2% of GDP it's an important industry that is battling profitability, inequality, skills shortages and now drought. With little government support and competition from a number of countries, we will have to improve our marketing and efficiency in order to keep our foothold in the international market. South African consumers still have it easy however as supply still exceeds demand. South Africa offers arguably the best value wines in the world and spectacular quality at all price points. On your next trip to Europe, this should be evident as you try to buy a nice bottle in a restaurant under R300...

## Notable changes in consumers' tastes

Consumers are for the first time open to experimenting with new varieties, styles and flavours. The world is bigger than Chardonnay, Sauvignon Blanc and Merlot and there are a lot more exciting wines out there today than 10 years ago.

Another big change is that consumers want to know the backstory behind the wine. Where is it made, how is it made and who are the characters behind the wine. These questions are similar to the revolution happening in cheese, beer, coffee, meat and many artisanal products in South Africa. It's an exciting time. We want wine to be authentic, sustainable and delicious.

## **The future of wine investment**

This is happening on two levels. Well-stored vintage SA wines are reaching new heights in terms of rarity and prices. Meerlust Red 1978 went for an astonishing record price of R16,000 per bottle on the Nederburg Auction this year. Unfortunately, dodgy bottles stored in your grandfather's cupboard don't count.

Secondly, recently released premium wines are appreciating year-on-year at astonishing levels, well above inflation. Not only are new vintages climbing in price, but fine reds of five to eight years of age are becoming seriously sought-after and therefore more expensive. For the first time, there are wine investors speculating on new releases. This is good news for the industry, but bad news for collectors hoping to pick up bargain lots.

## **What's next for Wine Cellar?**

Online is set to gain more traction in South Africa and we are hoping to offer our wine selection to a larger audience, especially at the every-day wine level. We also see big potential in investing in fine SA wines, with an exciting offering coming up in that space shortly.

## **ABOUT ROLAND PEENS**

Roland Peens is the Director of Wine Cellar - Fine wine merchants.

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