

The Grupo Codorníu/WSET Scholarship Trip

5th- 8th April 2011

Does the Grupo Codorníu have a sparkling future?

The mere mention of the word Codorníu conjures up images of chilled sparkling wine fizzing up to the top of a long flute to celebrate another party or just to have some fun with friends. But, does it make you think of a crisp verdejo from Rueda, or a Gran Reserva (a blend of malbec, cabernet sauvignon and tannat) from Lujan de Cuyo in Mendoza? Well, maybe not...

Only vaguely aware of Grupo Codorníu's investments outside the cut and thrust of the sparkling world I was intrigued to find out more about the other interests of Grupo Codorníu and whether they represent viable stable mates to Cava today and whether they will do so in the future. Over four days on the road with the Codorníu team I was about to learn more.

History

For over 450 years the Codorníu name has been associated with winemaking when, as early as 1551, Jaume Codorníu was first documented as handling rudimentary winemaking tools. The family name and direct ownership remained until 1659 at which point Anna de Codorníu married Miguel Raventós, and the spiritual baton passed on from the Codorníu family to the Raventós family, where it remains today. It was not until 1872, following a visit to the Champagne Region that the first Codorníu sparkling wine was made. Josep Raventós Fatjó, investigated, and was inspired, by the Champanoise Method, and subsequently set about introducing the traditional method to Codorníu. However, it was not until his son, Manuel Raventós, took over the business in 1885 that the company's future was pinned on sparkling wines. Manuel Raventós decided that the company should focus exclusively on the production of sparkling wines using the traditional method.

The vision and the determination of Manuel Raventós laid the foundations for this great global business of today. Even when phylloxera wiped out much of the Penedes region in 1877 he was undeterred and persevered with the replanting of the vineyards with grafts from healthy plants. It was he who, in 1885, planned the building of the enormous new winery to cope with an almost (at the time) unimaginable volume and he who decided to build the winery away from key transport links but importantly right next to the vines, thus ensuring less damage to the grapes between vine and winery. By 1914 the volume of production had grown threefold under Manuel Raventós to over 300,000 bottles and he realised that his biggest challenge would be the sourcing the sufficient quantities of quality grapes. The answer was to take control of the supply of grapes and this would be done through his incredible project started in Lleida in 1914 (see below – visit to Raimat). Manuel Raventós was a man of unparalleled foresight and vision, he laid the foundations on which his family was able to grow and expand its sales of sparkling wines all over the world.

While the sparkling wine business continued to grow right through to the 1980s the company started to diversify outside Spain and outside sparkling wines from the early 1990s. An investment in California in 1991 saw the introduction of Codorníu Napa and a venture into the production of sparkling wines in the United States. By 1999 however the focus of this business started to move away from sparkling wines and the business name was changed to Artesa and emphasis was placed on great wine making and more premium still wines. Bodega Bilbaínas, a major Rioja estate was acquired in 1997, and the construction of the Legaris winery commenced around that time. By the end of the 1990s the group established its seventh winery, in Mendoza, Argentina, and appropriately

named it, Septima. Additional investment were made in taking control of the Bach (D.O. Penedes), Nuviana (Huesca), and Scala Dei (D.O.C. Priorat) to complete the current portfolio of the group.

Observations from trip

1. Legaris Winery, D.O. Ribera del Duero

Arriving at the Legaris winery in Ribera del Duero feels as though you are docking at a space station. Following a careful drive along the approach road you are greeted by a structure of sleek modern shapes, curves, pillars and glass and surrounded by silence. Inside is no different, with a vast reception area, high ceilings and a genuine "art gallery" feel about the place. Legaris is a relatively young modern winery, constructed in 1999, producing its first wines in 2003. The tour around winery set off a number of thoughts: "why is there a theatre with such a large seating capacity? why so much space? such long corridors? why is the production area only visible from above and then only through a glass screen?". I was beginning to feel like a tourist, especially when led out on the expansive balcony with the perfect view of the 13th century castle of Peñafiel.

The region of Ribera del Duero is relatively flat but at relatively high altitude. The Legaris vineyards, some 93 hectares, sit at approximately 700m above sea level, experiencing very hot summer days and cool nights. Frost is a permanent challenge threatening for two thirds of the year. The tempranillo grape thrives here, on the dry chalky soils, and the region can produce wines of intense colour, high acidity, amazing concentration, and a high level of tannins, all with plenty ageing potential.

At Legaris the philosophy in the vineyard of head winemaker, Jorge Bombín, is one of minimal intervention to reduce the use of chemicals. Technology plays its part here with the weather station, frost control systems, and Regulated Deficit Irrigation, and integrated pest control all having important roles. The winery has a capacity of 1 million litres and production sits at about 500,000 presently. One point that caught my attention, and again repeated at another winery during this trip was the reference to the use of 21 different barrel suppliers. This, for me, although excessive, suggests that plenty of experimentation is under way within the group.

As for the wines, the first surprise was that Legaris produces and markets a verdejo from Rueda. The 2009 vintage was a bright pale lemon, youthful with a medium plus intensity of passion fruit, dry with medium plus acidity, and medium body and alcohol with intensely flavoured tropical fruits. This was a good wine with balance between fruit and acidity on a long length. Why a verdejo? This became clear to me later on the trip.

From the local D.O. we tried the Roble 2009 (3 months in American oak), the Crianza 2007 (12 months in a combination of American and French, old and new), the Crianza 2008, and the Reserva 2006, all of which were good wines. My pick of the day though was the Reserva 2005. A deep ruby, developing with medium intensity of black fruits, black pepper and liquorice. Dry with medium plus acidity, medium plus rounded tannins, medium alcohol, a full body and medium plus flavour intensity of dark black fruits with savoury notes, spice and liquorice on a long balanced finish.

Overall Legaris is a mid-sized winery, offering good wines, making use of modern technology and demonstrating innovative techniques, but I could not stop thinking that his place was more about the tourist than the actual wines themselves.

2. Bodegas Bilbaínas, D.O.C. Rioja

Bought in 1997, Bodegas Bilbaínas marked a major strategic shift for Grupo Codorníu. Here is one of the largest estates and wineries in the Rioja region, one of the pioneers of the region with over 100 years of history. The first winery was established in 1859 by the French company Sauvignon Frères et Cie family, French producers that had fled Bordeaux during the phylloxera crisis at that time. The winery was set up initially to produce wines for export to France and its location right next to the

railway station in Haro, complete with an underground passage linking cellar to station, is clear evidence of where all the wine was intended to go to. In 1901 the winery was acquired by businessmen from Bilbao who bought land around the winery and built a new winery in 1904, Bodegas Bilbaínas was born. With its heritage, scale and the prestige of "Rioja", Bodegas Bilbaínas would appear to be a natural fit for Grupo Codorníu. The foundations of Bodegas Bilbaínas are very similar to those of the Codorníu winery.

Entering Bodegas Bilbaínas is no outer space experience, this is more grand chateau than (space) shuttle. Right at the outset of the visit the history of the winery and its early evolution was impressed upon us. Very quickly though and then we are off to the vineyards, some 250 hectares, located all around the winery (Manuel Raventós would have approved). Apart from 10 hectares of viura and malvasia most of the remainder of the vines are tempranillo (90%) and some graciano (10%). Here we see the interplay of old vineyards with modern technology. The use of satellite mapping (vine vigour and harvest maps detail the vegetative status of rootstock at any given moment allowing sub-zone precision viticulture) to assist with vigour, and pest control (by pheromone diffusers that control moths by sexual confusion) are both explained. Sustainable agricultural practices are in place and some of the vineyards are in the process of being certified as organic. As explained at the Legaris winery all the vineyards are quality classified in accordance with Codorníu standards: A, B or C

The most enjoyable wine of the visit was the La Vicalanda Gran Reserva 2004, its intense developing aromas of dark fruits and liquorice, dry with medium acidity, a medium level of integrated tannins on a full body with plenty of flavour intensity and great concentration of dark fruits, blackberry, vanilla, sweet spice, toast and earthy notes. A perfect balance of fruit, acidity and tannin on a long complex finish. We did however have one other treat before we left: an iconic "work in progress" wine made from 100% graciano. This was absolutely divine.

Overall impression of Bodegas Bilbaínas was one of fine heritage, of scale, of modern technology, innovation and flexibility (to meet market demands), and with one eye on developing further the wine tourism opportunity.

3. Raimat Winery, D.O. Costers del Segre

Perhaps it was the stay in Raimat castle the night before, or perhaps it was the selection of old photographs of a dry desolate land before any vines were planted, or perhaps it was the town of Raimat, there only as a result of the vineyard project. I do not know what it was, but I was sure that the visit to Raimat was going to be like no other. This was indeed the case and the thing that really hits you about Raimat is the scale, it is just huge, the vineyards run to 2,245 hectares. It is the largest family-owned single vineyard in Europe. For some this may not seem too grand but you have to put yourself in the shoes of Manuel Raventós all those years ago in 1914 when he first started the project. Clearly a man of great vision Manuel Raventós foresaw the potential of Codorníu's sparkling wines, if only the supply of quality grapes could be made available. The answer would be to find or establish vineyards of sufficient scale to meet the future demands for Cava. Raimat would prove to be the solution but first Raventós had to convert what was effectively a desert into agricultural land. This he set about doing through a major soil re-structuring and by taking advantage of a canal project linking Catalonia and Aragon. By the time the canal was constructed Raventós has changed the nature of the soil and he was able to establish of dams, ditches, irrigation systems and reservoirs. The controlled introduction of water into Raimat tamed the inhospitable conditions and the vineyards were established.

Today Raimat still operates as the major source of grapes for the Codorníu winery but it has also evolved into a large wine producing business in its own right. Raimat considers itself at the forefront of viticultural innovation in Spain and the visit confirmed the, by now, familiar hallmarks of Grupo Codorníu: satellite imaging, precision viticulture, pest control, and sustainable agriculture. Other notable features of Raimat, not evident elsewhere on the trip, were the use of Partial Root Drying (the

first in Spain), plantings of albariño, the introduction of screw caps (also a first for Spain), and the protection of bird fauna throughout the Raimat marshes.

The winery itself is a pretty lavish affair with a very modern glass and pillar fronted entrance (thinking Legaris here) and the main body of the winery is built into a hill, with a vineyard on its roof. The older part of the winery dovetails neatly into the modern building and the architecture closely resembles the inside of a church or a cathedral. Here at Raimat you feel the coming together of the heritage of Codorníu with the modern innovative approach required of today's Codorníu.

The wines are all clean, fresh and well made with both the albariño 2010 and the chardonnay catching the eye. However the star performer of the day was the chardonnay from barrel which was cloudy, medium plus intensity and bursting with youthful aromas of green and stone fruit. Dry, with medium plus acidity, and soft juicy apples and apricots, and touches of vanilla oak on a medium body with a rich texture, showing balance between fruit, acidity and oak and with a long finish.

You cannot escape the scale of this place and the pioneering presence of Manuel Raventós. This is large modern winery yet it is quite something when you realise that the land was acquired in 1914 and the first vintage of Raimat's own wine was not produced until 1978. Finally, bumping into a large group of visitors confirmed once again that large scale wine tourism seems to be a regular feature at the Grupo Codorníu sites.

4. Scala Dei Winery, D.O.C Priorat

Moving from Raimat to Scala Dei is just like turning the clock back. From one of the largest commercial producers in Spain with ultra modern equipment you move into an altogether different world at Scala Dei. Here is a small winery dating back to the 13th Century making handcrafted wines with traditional winemaking techniques, using small concrete tanks, punching down, and using water to act as the wine press (first wood is placed on top of the grapes in the concrete tank, then a large water tank is placed on top of the wood and this is then slowly filled up with water to press the juice out). Scala Dei has over 40 different vineyards spread across the ancient steep and rugged terraces of Priorat ranging in size from 0.2 hectare to 2.5 hectares. The soils consist of licorella (a rare combination of slate and mica which reflects the sun but retains heat and water) and clay. Garnacha performs best here, although cariñena is more widely planted in the region. The vines, tended and harvested manually, have very low yields of no more than 5 hectolitres per hectare. The old vines, the manual labour, the traditional techniques, the low yields, and the unique soils all combine to produce a limited volume of premium wine of great complexity, power, and fruit expression, all coming with a premium price tag.

The wines at Scala Dei more than exceeded my expectations with my favourite being the Cartoixa 2006. This is a blend of garnacha 50%; cabernet sauvignon 20%; cariñena 20%; and syrah 10%. Clear and bright with a deep ruby core, medium plus intensity, developing, with lots of dark fruits, raisins, prune and liquorice. Dry with medium plus acidity and soft well integrated tannins, medium plus alcohol on a full body with high level of flavour intensity. Packed with dark fruits with minerality from the licorella showing through, vanilla, black pepper, toast and liquorice all adding to the complexity of this wonderful endless wine.

Scala Dei is like no other winery we visited but I could not stop wondering why this winery was acquired by the group. While it does have heritage and it produces premium wines from the only D.O.C. outside Rioja, it does not have scale, it is not modern and it is not set up for tourism. The business rationale for keeping this winery within the group remains unclear to me.

5. Codorníu Winery, D.O. Cava

The final visit of the trip was to HQ, to the incredible buildings and gardens at Sant Sadurní D'Anoia. I can only describe the guide round the old winery, the gardens, the museum, and the 30km of underground cellars as flawless as we followed a well trodden route and listened to the well rehearsed history of the winery and the Raventós family. A treat enjoyed by more than 20,000 visitors a year.

This is where it all comes together; this is where the soul of Grupo Codorníu proudly sits and is on show to all of those who come (and pay) to visit. The foundations and the core of the business are all visible here: heritage, the great pioneers, scale, innovation, quality control and excellent wines.

My favourite Cava was the 100% Pinot Noir: clear bright salmon pink with small bubbles with long persistence, medium plus intensity, youthful, and brimming with aromas of red fruits, cherries, strawberries and toast and brioche. Dry, with medium plus acidity, a delicate mousse, low but talc-like tannins, light alcohol, medium body and medium flavour intensity of soft red fruits. Balance of fruit and refreshing acidity on a medium plus length.

Conclusion

The trip to 5 wineries in Grupo Codorníu has given me a different perspective to the business while emphasising (in 4 out of 5 cases) the key pillars on which the business has been built and on which it will continue to thrive in the coming years. It is my view that Grupo Codorníu is all about scale, quality control, new technology, and innovation with a large measure of heritage thrown in. The rock of the business is clearly the Codorníu winery and I do not doubt that Codorníu will continue to be a dominant force in the global market for sparkling wine; the group will have a sparkling future. However, the move in the 1990s to invest outside Spain and to invest outside sparkling wine has placed the group in a highly competitive global market place and it must make its mark at this broader level to seal its position as a leading global wine player in the future. The steps it has taken to diversify away from and grow outside Cava are in the main, taking the group in the right direction, but there are a couple of questions that I am still struggling with: does Scala Dei really have strategic fit?; and does the family today see Grupo Codorníu as a sparkling wine company or global wine company? On the latter question I guess probably both, but success will only continue in the long run by moving firmly into one camp or the other.

At the moment it appears that the diversification strategy has slowed up a little and perhaps a true global player would have moved or would be moving to add wineries in, say, France, Italy or Chile to the group. Many good things are happening in the group though: employees at all the different wineries are able to share information and learn from each other, they are able to pool their experience, and work on joint projects. At the sharp end of the business, in the sales channels, the broadening of the portfolio has got to be the right approach. Such an approach allows the sales person to add a malbec or a verdejo, maybe next time a rose from Rimat, on the back of a Cava relationship; or the still wines may open doors that the Cava could not – this all makes perfect sense. Wine tourism is booming and Grupo Codorníu is no slouch in taking advantage of this growth area. With 20,000 plus visitors a year (most paying) to the Codorníu winery alone this is very healthy top line revenue. You cannot fail to be impressed by Grupo Codorníu, but, when reflecting on this fabulous trip and after meeting all those wonderful friendly and helpful people, my mind keeps going back to all those years ago when one man had a vision and the determination to deliver that vision. It seems to me that Grupo Codorníu is waiting for the next Manuel Raventós, the next visionary, with revolutionary plans to steer the group through the next one hundred years.

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