

WHO'S WHO IN BRAZIL

Trying to untangle the emerging market of Brazil isn't easy, but the Brazilian wine trade helpfully obliged by answering the questions put to them by Simon Tarmo. The answers reveal not only who is who in Brazil, but also how the market itself operates.

In line with fellow BRIC countries Russia, China and India, Brazil is becoming an increasingly important wine market, in terms of both consumption and production. Although consumption is still very low at just under two litres per head, Brazil currently consumes around 340-350m litres of wine per year, making it Latin America's second biggest consumer by volume, behind Argentina but ahead of Chile.

While this is only around 10% of the levels of the global consumption leaders,

2002-2008. The two biggest import players are currently Chile and Argentina, which have taken advantage of South America's MERCOSUR regional trade agreement in recent years to deliver mostly good quality offerings across all price levels, capturing significant market share along the way. While as recently as 2001 Italy had the largest slice of the Brazilian import market, with around 25%, in just six years Chile and Argentina have jumped well ahead into first and second places, with 60% between them.

while all non-South American imports will be priced at three to four times their FOB price, meaning even the most basic, mass brands start at around 30 Reals (\$15).

Brazil's restaurant scene does not help, with corkage prices usually very high when Bring-Your-Own is available at all, and with most wine lists displaying hefty mark-ups.

Best Importer

With such a high proportion of foreign wine in the market there is no shortage of



Marcelo Copello, author and journalist, plus the first Brazilian to have a wine column in Europe.

Most influential wine journalist



Guilherme Corrêa currently works with Best Specialist Retailer winner, Enoteca Decanter

Best sommelier

Brazil, with a population of just under 200m and an economy in a phase of solid, stable expansion, is in a good position to jump up the rankings over the coming years. Even conservative estimates have the country consuming at least double its current volume by the end of the next decade, with more optimistic observers placing Brazil inside the top five wine consuming countries by volume by 2025.

Market Overview

With its viticultural industry still trying to prove itself to its own people, imports make up around 75% of the 'fine wine' category. Although the 'table wine' category, which is dominated by cheap local offerings, still accounts for two thirds of total consumption, the fine wine slice has expanded significantly in recent years on the back of a developing wine culture. For example, imports grew 220% in volume and 300% in value from

Chile currently leads the charge with 34%.

Apart from a number of respected sparkling brands, Brazilian wines have a mediocre status locally, despite significant local and foreign investments over the last decade. Still, with the likes of Cinzano, Chandon and Martini improving standards, there are now some very drinkable still wines available at or below the prices of equivalent Chilean and Argentine offerings. The big issue now is how to change the market's perception.

Despite the country's warm climate, red wine is far more popular than white by a ratio of more than three to one, with rosé growing in popularity. The typical Brazilian wine consumer is over 30 and from a higher income bracket, due in large part to the inflated cost of wine in Brazil, caused by oppressive wine taxes. The entry price for reasonable quality national, Chilean or Argentine wine is around 20 Reals (\$10),

specialist importers in Brazil, making the result in this category all the more impressive. Almost every respondent chose Sao Paulo-based importer Mistral, which boasts a selection of around 2,500 wines from the most prestigious regions of 15 countries. Mistral prides itself on having many of the world's best wines in its stable, and although the prices reflect this focus, the market has undoubtedly decided that the commitment to quality outweighs all else. Mistral is owned by prominent wine personality Ciro Lilla, who bought the then much smaller company in 1993.

Best Supermarket

While a number of Brazilian supermarket groups have clearly intensified their efforts with wine in recent years, this is by no means the case across the board and many individual stores and even entire chains continue to offer very little in the way of

wine. That caveat aside, the groups that do make an effort are increasingly investing in well-organised, prominent wine sections with regular sampling opportunities and information displays.

Another point to make is that many of the key supermarket chains in Brazil are present in only a few of the country's 26 states, and often just one, making a definitive selection more difficult. In general, groups present in the country's biggest wine consumption markets of Sao Paulo and Rio de Janeiro, and to a lesser extent Minas Gerais, Brazil's second most populous state, were those to appear amongst the selections.

While gourmet supermarket Verdemar, with just three outlets in Minas Gerais's capital Belo Horizonte, gained a number of votes for its impressive international selection, this can partly be put down to the fact that it is by far the best wine offering in the

Given the entry price levels and target market for fine wine in Brazil, it is not surprising that most are sophisticated affairs featuring small restaurants, tasting areas, bars and gourmet sections, while also offering regular degustation events and appreciation courses – almost unheard of up until about five years ago (outside of wine appreciation groups and associations).

All retailers indicated fit the mould described above, with the Enoteca Decanter chain, owned by respected importer Decanter, taking the prize.

The first Enoteca Decanter store was established in Belo Horizonte in 2005, complete with restaurant, educational space and gourmet food area, and four more have been opened since then, two in the country's biggest market of Sao Paulo. Others gaining recognition include Le Tire-Bouchon in Sao Paulo, a big, stand-alone store inaugurated

in 2005 in the upmarket Higienópolis region, L'Orangerie in Rio de Janeiro, another solo venture incorporating a substantial delicatessen, and the best importer winner Mistral, which, surprisingly, has never put much effort into

developing or marketing its four retail offerings in Rio, Sao Paulo, Belo Horizonte and Brasilia.

Best Sommelier

Apart from a couple of differing opinions, this was another clear decision, with Guilherme Corrêa, the reigning champion of the Association de la Sommellerie Internationale's best sommelier in Latin America title and third place-getter in the Americas (behind Canadians Élyse Lambert and Véronique Rivest), picking up almost all votes. Corrêa, from the state of Minas Gerais, graduated from the Associazione Italiana Sommeliers in 2000 and currently works with Best Specialist Retailer winner Enoteca Decanter.

Best Restaurant Wine List

Sao Paulo is the centre of gastronomy in Brazil and this was reflected in the majority of responses, with two of the most well-known

restaurants in the city, Fasano and Figueira Rubaiyat, picking up joint honours. Fasano, the most awarded restaurant in Sao Paulo, offers refined Italian cuisine in the upmarket Jardins region and boasts a wine cellar in which "the most splendid châteaux have just been joined by traditional Barolos and Brunnellos prospected personally by the sommelier (Manoel Beato) and Rogério Fasano on visits to Piemonte and Toscana". Figueira Rubaiyat, also in Jardins, is generally considered the best restaurant with a varied menu in the city and features around 950 labels from the Old and New World offered at reasonable prices, thanks to a sensible mark-up policy.

Outside of Sao Paulo, Terzetto Ristorante, offering contemporary Italian cuisine in the famed Rio de Janeiro suburb of Ipanema, gained a number of votes, as did Belo Horizonte's French-inspired Taste Vin, which allows diners to select wines directly from its on site wine shop. Brasilia's Dom Francisco, with a 20,000 bottle cellar incorporating around 1,000 labels, was also mentioned.

Best Journalist

A few names vied for the victory here but in the end Marcelo Copello, who in 2003 became the first Brazilian to have a wine column in Europe through his involvement with Portugal's 'Revista de Vinhos', came out on top. Copello is the founder of Adega Magazine and website www.mardevinho.com.br, as well as the author of three books. He prides himself on not having any commercial relationship with importers, vineyards, stores or any other wine trade enterprises.

Most Influential Wine Person

Things came full circle for the final category as Ciro Lilla, owner of Best Importer winner Mistral, came in ahead of a couple of other contenders. No doubt Lilla's achievements in taking Mistral to the forefront of the industry, largely by securing contracts with many of the world's iconic producers, form the foundations of his success. Lilla has also published the well-known title *Introduction to the World of Wine* (in Portuguese).

Honourable mentions must also go to Sao Paulo-based journalist Jorge Lucki, who also ranked highly in the Journalist category, and Marcio Pinto de Oliveira, a winner of multiple wine industry awards in his home state of Minas Gerais and organiser of the annual "VinhoFest" event. ■



Ciro Lilla, owner of best importer Mistral and publisher of *Introduction to the World of Wine*.

Most influential wine person

city, which otherwise lacks the bigger chains from Sao Paulo and Rio. Delta Supermercados, another smaller group with five locations in the west of Sao Paulo state, also received a number of mentions, as did Rio's Zona Sul chain, but at the end of the day Brazil's biggest home grown supermarket player, Pao de Acucar, was victorious.

Part of a larger company with three different supermarket brands, Pao de Acucar has close to 200 stores in a number of states and offers good prices and a solid selection, albeit mainly consisting of Chilean, Argentine, French, Italian and national producers.

Best Specialist Retailer

Just as supermarkets have been improving their approach to wine, the specialist retail sector has developed significantly in recent years on the back of an influx of new specialty stores and chains country wide.