

## Laura Catena: “We can’t be tempted to produce cheap, bulk wines”

Bodega Catena Zapata’s Managing Director insists on the fact that Argentina has to focus on selling high-end wines abroad. She believes it is necessary to study vineyards in depth and work on the next 100 years to come. She tells us about her experience with the Catena Institute.

If Argentina viticulture was a monarchy, there is no doubt that she would be part of the “noble” wine country. Laura Catena, Nicolás Catena’s daughter, holds one of the most prestigious surnames of the Argentinian wine industry.

Presently, as Managing Director of Bodega Catena Zapata, she is obsessed with positioning Argentina as a high-end producing region. She insists on the fact that it is necessary to work with a long-term vision, for the next 100 years to come.

### **How do you evaluate today’s business environment for Argentine viticulture?**

The truth is that we no longer have a double-digit growth in exports that we did in previous years. However, we are doing very well in export sales of high-end wines; wines with retail prices from \$40 USD to \$200 USD per bottle.

### **Does this generate an interesting volume of sales?**

The sales volume we can produce is limited by the vineyard size. We can only produce 200 or 300 cases from a specific vineyard or lot.

A French chateau produces between 20,000 and 30,000 cases per year, which is a very interesting volume. You have to bear in mind that you make more money selling high-end wines.

### **So the bet is to focus just on the high-end?**

This has been our business approach from the very beginning, to focus on the high-end. If you compare what we used to do in the 1990’s with what we are doing now, you will see that our strategy has not changed.

Basically, we have always tried to demonstrate that Argentina can produce world-class quality wines along with the most prestigious wine regions in the world. This has always been my father’s vision.

Argentina can compete with the best wine regions of the world. And that is what will allow us to sell premium wines at higher prices worldwide.

If we manage to convince the world that Argentina produces quality wines on par with the best wines in the world, we will be able not only to sell large volumes of wine, but also our wines can be sold at higher prices, which is good for business.



On the contrary, if we are not able to convince the world that our wines are as good as the best in the world, we will fail, and the world will see Argentina as just as another wine option, as if our wines were just a mere commodity. You can look at what’s happened in Australia, for instance, and other parts of the world where wine has become a commodity and they just can’t raise their prices. We can’t allow this to happen in Argentina.

### **Do you think that Malbec sales abroad have diminished?**

I think that Malbec sales continue to do very well in the U.S. In fact, Nielsen has confirmed a 9.7 % increase of Argentine Malbec sales in the U.S. during the last 52 weeks in the \$15-\$20 USD price range.

Regarding Malbec sales in general, we have seen a 6.8 % increase in dollars and a 7 % increase in volume during the same period.

**What would be the strategy to continue growing in the export markets?**

In order to continue growing, we must continue opening bottles of our best wines so that people can taste and get to know our wines. It is necessary to travel abroad and organize tastings.

We can't stop, we must continue doing this because our work has just begun. We should not fool ourselves into overestimating the recent success of Argentine wines abroad, but we must continue spreading the message about our quality, because we have it.

I always tell people at the winery that our goals are not long-term, but for the next 100 years to come. The future is that we will be known as one of the best wine producing regions in the world; we can't stop until we get there.

**Catena has planted vineyards and is doing research in what we might call "non-traditional areas" such as La Pampa or La Rioja, what are your expectations for these areas in the future?**

We are planting vineyards in several regions of Argentina. However, right now the most important job we are doing is studying the Adrianna Vineyard in depth. The Catena Institute is doing extensive research in this vineyard; our goal is that it becomes the most studied vineyard in the world.

We want to get to know each and every plant in our vineyards and the type of wine that each plant can produce. We believe that we will find answers when we investigate our vineyards.

I believe that the most important job we need to do in our country is to understand each of our vineyards thoroughly, like the French in Burgundy and Bordeaux, who have worked their vineyards for 400 years. A lot needs to be done in Mendoza to get to know our vineyards in detail.

We are also experimenting with new regions, since we want to experiment with new varieties and new flavors and the truth is that Argentina has a lot of interesting regions.

In La Rioja we are interested in a very high altitude place that we think can produce a similar good quality as the high mountain regions in Mendoza, but that's probably just what we will see in 20 years. There are other regions to explore.

**Why did you decide to buy more than 1.000 hectares in Mendoza Eastern Region?**

When my grandfather, Nicola, settled in Mendoza he chose the Eastern region. We are a family business with several wineries, although my focus, and my father's in particular, is to dedicate ourselves to the high-end, we produce other qualities as well.

Eastern Mendoza is a very warm, but very stable region, except for hail – I think it's an optimal region for the production of quality at large volumes. If we can obtain good quality and large volumes as well, the region might benefit a lot.

Besides, we love this region since it was our first; in fact we are working a lot in this region. I believe Eastern Mendoza can produce good quality and we will try to demonstrate it.

**What's your vision of Argentina's domestic market?**

We see average priced wines in the domestic market are not doing well and sales volumes have decreased. However, high-end wines are doing well.

In other words, we could say that we are not doing very well on the domestic market, but I think that the export market is more interesting. But half of our business is in the Argentina market, so we can't afford to overlook it.

**Do you think Argentina's economy has reached a turning point?**

Inflation and the constant raise in costs make it difficult to start a business. I would rather be focusing today on producing great wines before thinking about negotiating prices.

Plus, the present economic crisis creates instability for people. People are finding it hard to make ends meet. It really is not ideal. Even though I have a positive vision about Argentine viticulture, I believe that today we are at a crossroads; we can either move forward or stagnate.

In general, Argentine numbers are not up, and we are at a crucial moment in which we have reached every country and where we have to go out and show the world our high-end wine and work hard to be able to sell them, so to do that we need to invest.

**Do you think that under the present circumstances Argentina will still be able to invest?**

Well, I think we need to find the conditions to invest. The wineries need to continue reinvesting in quality projects. Chile is doing a great job, they have people working all over the world.

Argentina has a lower investment, but we are competing with very good producers abroad, therefore we definitely need to reinvest in quality in the vineyard. We cannot be tempted to produce cheap, bulk wines.

We need to continue with the work that we've been doing. Wines of Argentina, under the leadership of Alberto Arizu and Susana Balbo, has focused on the high-end. It would be great if they could afford to invest more money in promoting our wines abroad

**PROFILE**

Laura Catena combines her two passions in life: medicine and wine. At 46, she is Catena Zapata's Managing Director. With a strong wine heritage, she formally entered the world of wine in 1999 when she founded Luca Winery, although the year before she began working as the director of Development and Research department at Catena.

Meanwhile, in the field of medicine, in 1988 she graduated from Harvard in biology. She continued her studies at Stanford where she received her medical degree.

She specializes in emergency medicine and is part of a permanent staff of the California Pacific Medical Center in San Francisco, where she specializes in pediatric emergencies. She is also the author of "Vino Argentino, An Insider's Guide to the Wines and Wine country of Argentina," published by Chronicle Books in 2010.