



THE NEW CONQUISTADORS: ARGENTINA'S BOOMING VINEYARDS

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Foreign investors are queuing up for a share of Argentina's booming vineyards.

By Gideon Long

How many people, at some point, have idly dreamt of owning a vineyard and producing their own wine? Somewhere in Tuscany or La Rioja perhaps, somewhere sun-kissed and picturesque. For most, the dream remains just that, but for some, it is becoming an increasingly affordable reality, not in Europe, where land in the prestigious wine-producing regions remains expensive, but 7,000 miles away in Argentina.

Mendoza, in the far west of the country, where the flat expanse of the pampas rises abruptly into the Andes, has long been the centre of the Argentine wine industry. Until recently, it produced cheap plonk for local consumption, but it is fast emerging as a major wine region to rival the best that Europe can offer. Its signature malbecs are finding their way to the world's finest restaurant tables and, in Mendoza itself, boutique vineyards and designer tasting-rooms are all the rage.

Foreigners are buying into the boom. An acre of land here costs a fraction of the price you would pay in the Loire Valley or around Bordeaux, and there's plenty of it.

Nigel Cooper is a Briton who recently bought 10 acres in the Uco Valley, a sublimely beautiful area some 40 miles south of Mendoza city. He grows malbec, cabernet sauvignon, syrah, merlot and torrontes in the shadow of the Andes, and hopes to produce about 20,000 bottles of good-quality wine a year once his vines reach maturity.

Mr Cooper acknowledges he's no expert. "I'm a consumer," he says. "I just like wine." But he has been advised by some of the top vintners in Argentina, including Santiago Achaval, whose Mendoza winery – according to the industry bible, Wine Spectator – produced four of the five best wines ever to come out of Argentina.

Mr Achaval is a consultant to Vines of Mendoza, a company that helps foreigners set up their own vineyards. The company's CEO is Michael Evans, an American who came here on holiday in 2004 and chose to stay.

"I fell in love with the place, the wines and the people and decided to give life here a go," says Mr Evans, a former technology company executive from Washington. "I felt there was a significant business opportunity here although at the time I wasn't sure what it was. I saw the growth of the area, the wineries opening up, and I tasted the quality of the wine, And I believed then as I believe now that Mendoza will take its place among the top two or three wine regions in the world." Vines of Mendoza offers a turnkey service. Not only does the company sell you a plot of land, it advises you what grapes to grow, plants your vines, organises the harvest, produces your wine and helps you export it. It even helps you design personalised labels to stick on your bottles. The company has sold more than 50 plots in the Uco Valley to enthusiasts from the United States, Canada, Britain, Ireland, Spain, Australia and elsewhere.

"About 80 per cent of our owners are hobbyists," Mr Evans says. "They're passionate about wine, they want to learn about it, they want to invite their friends over to taste their wine. They're the kind of people who'll have a picture of their vineyard on their desk at work in New York or in London, and when they're having a tough day they transport themselves to their vineyards."

The company charges £40,000 an acre for a minimum plot of three acres. That includes the planting of the vines and maintenance for the first two years, until the first grapes are ready for harvest. Mr Evans reckons a similar service in California's Napa Valley would cost around six times as much, and says the relatively cheap start-up costs have attracted a middle-income clientele to Mendoza.

"Our owners are not the super-rich, the ones with yachts and jets," he says. "Those people, if they're interested in wine, are more likely to spend \$10m on a vineyard in Napa. Our owners tend to be well off, but they're not the fabulously wealthy." Mr Cooper, a 52-year-old who used to work as a New York banker, admits it can be risky doing business in a country as volatile as Argentina, which he describes – with a good dose of British understatement – as having "a somewhat mottled past".

He adds: "There are always concerns about investing in a foreign country and obviously this recent economic plunge is a worry to us. But, ultimately, it's a hobby. If it goes under, it goes under, but I don't sense that's going to happen."

The early signs are promising. Vines of Mendoza produced its first harvest this year and the grapes were so good that Nicolas Catena, a doyen of the Argentine wine industry, bought most of them for his own use. Mr Achaval has also used part of the harvest in his 2009 Quimera blend, likely to be one of Argentina's most highly regarded vintages.

Mendoza's red wines tend to be full-bodied and potent. The grapes grow at high altitude, up to 2,500ft above sea level, and are thick skinned and dark. Rainfall is scarce, but snowmelt from the Andes provides ample irrigation. The area also enjoys 300 days of sunshine a year, yet is constantly cooled by the chill winds that blow in off the mountains.

The city of Mendoza itself has undergone a transformation as the wine industry has blossomed. The centre is packed with stylish restaurants and, this being Argentina, the steak they serve is tremendous, especially when complimented by a glass of malbec.

"The place has changed even in the short time I've been here," says Mr Evans. "The number of tourist-focused wineries has doubled and where there used to be just one big hotel there are now four. A lot of people are moving in from abroad. It's an exciting place to be."

If there is one drawback to Mendoza it is its distance from the rest of the world. Buenos Aires is 650 miles away and from there, London is a 14-hour flight. No wonder then, that many of the foreign vineyard owners in the Uco Valley visit their land only a couple of times a year.

But for those who develop a taste for the place, there is always the option of building a holiday home among the vines, as Mr Evans plans to do. "We've set aside an area to build a small place so that whenever we go out to our vineyard we

can sit and relax and look over it," he says, with an evident sense of excitement. "I'd like to do that."

In the pink: Mendoza's grapes

The most widely grown grapes in Mendoza are the pink-skinned criolla grande and cereza, but the star of the region is undoubtedly the red malbec, which flourishes in the high vineyards of the Uco Valley and Lujan de Cuyo, which is also home to the first winery established by Moet and Chandon outside the Champagne region for sparkling wines. Bonarda, a little-known variety from Piedmont and Lombardy in north-western Italy, similar to barbera, is not greatly respected locally but is acquiring a growing name abroad. Further down the slopes, cabernet sauvignon grapes are a success as are tempranillo and chardonnay.