

Louis Fabrice-Latour, president, BIVB

The seventh Louis Latour to head up this 200-year-old family firm talks to **Andrew Catchpole** about prices, innovation and the need for premiumisation

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What has changed in the 18 years since you stepped up to be the head of Louis Latour?

There were big personalities then and it was less corporate. People used to be in the wine trade because they loved the product and many of them had family in the business. Nowadays, you have people who have been to business school, who have worked for big companies, and then join the trade, which is good. It has helped the trade to make money, so long term we are more profitable. But it has changed the profile.

How is Burgundy doing in the UK?

The customs export figures show Burgundy was up in the UK in 2016, this is more the high end, but it is good. The export of French wine in volume and value [to the UK] was down 6% and 7%, while Burgundy was up 10% in value and 6% in volume. Burgundy was the only French wine region, apart from the Loire, which was up, so we have had a great year.

How is business for Maison Latour?

Now is a good time for Maison Latour. When prices go up people take fewer risks, so if you have a strong image, a strong brand, then people want to be assured of what they are paying for. When prices were low, people say “look at this, it’s cheap, let’s take a risk”, but this doesn’t happen so much when prices go up. People buy from major negociants or growers.

Does this mean that only the larger and more famous names are benefiting from the price rises?

In 2011 and 2012, a lot of growers were saying “why should I sell to negociants like Latour when I can bottle myself?” But now we’ve reached a price that is so high that many smaller producers without a strong name are saying: “You know what, at that price I’m not able to sell [my wines], I have to wait three years, it’s a big risk and an expensive one.” So there is wine for people like us who can pay the highest price that they have seen in their lifetime. You can source some really top-quality wines made by really good people.



Latour:
strong support

Is this fundamentally changing Burgundy?

Our biggest challenge at the BIVB, with prices going up and up, is to convince many growers – more those at the entry level – when they sell, to go up in price. Because they are selling too cheap in their cellars and villages. If we are to premiumise, everyone should be on the same plateau and we should all premiumise.

Given the high prices generally, it might seem extraordinary to many to hear of a need for premiumisation in Burgundy...

The entry point might be quite high, but don’t forget that for people from Mâconnais or Bourgogne Rouge prices are not much higher compared with 20 years ago. For us to convince the UK trade that Mâcon should be above £10 is difficult. We need a good price for the growers. It is expensive to make good wine and the cost of Bourgogne Rouge, Mâconnais and Beaujolais is higher than before. And this is why we have to premiumise the entry level as well.

How much of a threat to Burgundy’s entry point are similarly priced wines from countries such as Chile, which have cheaper production costs?

Ten years ago we were very concerned about competition coming from all over the world. But that has helped us to make better wine at the entry level. Burgundy is 1% of global production and our objective is to make the best wine we can in Burgundy – we’ve had three great vintages in a row and I would say we are much healthier than we have ever been before. Our mission is to look at ourselves.

What needs improving?

We are looking at ways of coming back to the yields we had 20 years ago. The average age of the vineyards is far too old, we have problems with disease, and this is why, even someone on more of the business side like me, spends more time with growers than travelling. Our obsession is not to sell, but ask how we can allow the growers to make decent quantities to break even.

Tell us more about your Les Pierres Dorées Burgundy wines from Beaujolais?

Our Pinot Noir from the very south of Beaujolais, where we have limestone, is a revolution, because we are the first to plant on a big scale, with 20ha, and we will be planting more. There is some controversy, but we should keep having new ideas. This will come under the new appellation Côtes de Bourgogne and the wines have just arrived in the UK.

What are the main aims of the BIVB at the moment?

We have a €10 million budget and try to invest in the big subjects of Burgundy, such as replanting the vineyards. And we are launching our own Cité du Vin – 73% of growers and negociants voted in favour in December, so we have strong support. The next step is to start building. I think this will be really good for Burgundy and we will also explain why Burgundy became a UNESCO World Heritage site, why this is important to understand the region. 