

Reinventing The Wines of Hungary



Hungary's wine history dates back over 2000 years; wine was being produced when the Romans conquered the area in the first century A.D. It has been an important part of Hungarian culture, both in terms domestic consumption and as an export product, ever since. Moreover, Hungarians are quick to point out that their famous dessert wine – Tokaji Aszu – was produced from botrytized grapes a century before Sauternes.

But, mention Hungarian wines to some US consumers and they remember the swill produced during the period of Communist occupation (1946-1990). That government was only interested in obtaining hard currency and forced winemakers to produce mass quantities of what a former editor of Hungary's leading wine magazine called "dishwater." Quality control was non-existent; little, if any, funds were expended on technology, and refrigeration was unknown. The wines spoiled easily and exports to the West decreased to almost nothing.

What a difference a decade makes. After 1989, there was a rush by entrepreneurial wine makers (many of whom had fled to Italy, France or the US) to rejuvenate the domestic wine industry. Foreign investment helped fuel this movement: state-owned vineyards were quickly acquired; production equipment and technology, along with vine stocks, were significantly upgraded; and good, if not great, wines were soon being produced and exported.

Exports of non-dessert table wines to the US (mostly in the \$5 to \$10 range) seemed to have plateaued until Nimrod Kovacs entered the scene. Kovacs, who escaped from Hungary in 1971 at the age of 20, was educated in the US and returned to Hungary as president of a cable company. Embarrassed that he was unable to serve high quality Hungarian wines, he decided to rectify the situation. His solution was Monarchia, a company which has helped to raise the bar by identifying and encouraging innovative winemakers and creating a sophisticated marketing organization to showcase premium wines.

Monarchia, which is fashioned after the classic *négociant* model, has re-energized the Hungarian wine community. The *négociant* system allows vintners to sell casks of completed wine to brokers who then bottle and market the wine. Monarchia has entered into partnerships with some of the country's best wine makers from the premier wine regions and works closely with the winemakers to create new blends, encouraging them to produce wines in various price ranges.

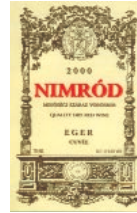
Most of the major international varieties – Cabernet Sauvignon, Merlot, Chardonnay, Cabernet Franc and Sauvignon Blanc, as well as indigenous varieties such as Furmint, Kadarka and Olaszrizling – are cultivated in ideal terroir. They are especially enthusiastic about a local variety called Kékfrankos (known as Blaufränkisch in Austria and Lemberger in the US). Related to the Pinot Noir, the grape produces rich and silky wines with a smooth texture, depth and a scented aroma.

The company's chief wine maker, Tamas Pok, works with the various producers on clonal selection, production methods, yield and technique. The results are world-class wines that can hold their own in any blind tasting.

Their business plan concentrates on only a few producers from the 22 wine regions and brings to market the best the country has to offer. In order to simplify name recognition, all of the wines, regardless of producer or region, carry the Monarchia label with appellation, varieties and winery information on the back label. Monarchia's goal in the US is to reach all wine drinkers, not just Hungarian-Americans. They have set three distinct price points. The regular wines sell in \$12.99-17.99 range; their "Gold Selection" runs around \$22 to \$33 and the Platinum wines (to be introduced next year) retail around \$55.

The wines of Hungary in general, and Monarchia specifically, offer an opportunity for increased profits. While the sale of Hungarian wines will initially require some effort on the part of sales or wait staff, the rewards can be worth it. Many wine drinkers are looking for new experiences and have grown tired of Chardonnay, Merlot and Cabernet. Here is an opportunity to offer wines from a region with a long and illustrious wine history – at highly competitive price points. In addition, these wines come with a story, one that will appeal to many of your customers.

Monarchia's representative in the US, Monika Elling, is willing to work with on and off-premise establishments as well as wine societies and clubs to promote Monarchia wines. For further information please contact with her: Global Marketing Director, Monarchia Wines, 88 East Main St. Ste. 211, Mendham, NJ, 07945. www.monarchiawines.com, info@monarchiawines.com, telephone: 908/879-1965



tasting
corner

By Jonathan Levine

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