

# THE SPANISH REVOLUTIONARY

## INTERVIEW WITH MIGUEL TORRES JUNIOR

While the early success of the Torres brand was created by Miguel Torres Carbó in the 1960s and early 1970s, it was Miguel Torres Junior who gained an international reputation for the company. His winemaking techniques revolutionised both the Spanish and subsequently Chilean industries and his pioneering of single-vineyard wines opened the way for many of Spain's highest profile modern examples. Meininger's spoke to him about his plans for the future.

**Meininger's:** You have built the Torres brand and expanded into the Penedes and into Chile. The most recent moves have been into other regions of Spain. Do you see this being a trend for the next generation?

**Torres:** We've had possibilities to make wine in lots of other places outside Spain, Chile and California, where my sister Marimar has her Sonoma estate, but I think that now and in the future we should focus on representing the best areas of those three places. And, in Spain and Chile, we are already developing new regions such as our higher altitude vineyards in the Pyrenees and our coastal plots in Chile.

**Meininger's:** You have made a strong stand on the subject of becoming environmentally sustainable, in the way you farm your grapes, make your wine and run the company. How far do you think it is possible to go in this direction?

**Torres:** The new facility we have just opened for our single-vineyard wines applies a large number of environmentally friendly measures, including bio-climatic architecture (the building is largely buried) and over 2,500 solar panels that should generate over 850,000kWh - covering at least all of our lighting. I want to halve our electricity bill within five years. All of the company's vehicles are now hybrids, but we can still make a lot more progress. We are now, for example, experimenting in the capture of CO2 from fermentation. Hopefully, in a few years we could actually become carbon neutral.

**Meininger's:** Despite the recent growth of the internationally-owned Campo Viejo, Torres remains the only truly globally recognised Spanish brand, and one of the very few European brands to stand comparison with the efforts of the New World. Why do you think Europe has been so bad at brand building?

**Torres:** Maybe that is because of the strong influence of the Appellations of Origin and all the constraints which are imposed on the wine producers. But I think that my father always had this vision of focusing on his brands. As early as the 1960's, he was already registering his brands in remote markets like India where there were very limited sales, and he was quite right to do so.

**Meininger's:** Spain has, until recently, been far slower than Italy in exploiting the super-premium price category. How is that changing?

**Torres:** I think that many new super-premium wines are produced today in the wine areas of Catalonia, Rioja, Ribera del Duero, Toro, Navarra, etc. We launched our Celeste Blue and Red Ribera del Dueros in 2005 and 2006 respectively and this year we introduced the 2005 Salmos, our first Priorat. Our next project is our Rioja Alavesa, which we'll be releasing at the end of the year.

**Meininger's:** Moving into Rioja, Ribera del Duero and Priorat are all moves that one might not have expected from a Penedes-focused company. Where else might you go?

**Torres:** There are no decisions yet, but we may expand to other areas in the future. We're still experimenting with blends from our Toro vineyards. It's an area with great potential. And I have great belief in the new areas we've developed in the Pyrenees.

**Meininger's:** A cynical observer once said that Spain only had two internationally recognized denominations: Rioja and Torres. Do you think there really is a future for all of Spain's smaller regions to create reputations for themselves? Or do you think there will be a growth in the use of broader regions like Cataluña and Vino de España?

**Torres:** I think that we will see both of these trends. There may still be room for some new areas to be developed, but I have no doubt that DO Catalunya and Vinos de la Tierra de España will both grow in the export markets

**Meininger's:** You have been a Spanish pioneer in introducing screw caps for some of your whites. How far will you go along that line? Have you done experiments for your top reds? And



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will you consider PET? You have expressed health-related reservations about bag-in-box.

**Torres:** Yes, we introduced screw caps successfully for our Vina Esmeralda and then Vina Sol whites and more recently brought them in for our Sangre de Toro red. Now we are experimenting with our top reds to see how they develop under screw cap. You are right in imagining we will not put our wine in Bag in Box, but I’m open to the possibility of using the new PET bottles.

**Meininger’s:** Torres is one of the few successful ‘ladder brands’ in which the same brand is used for the cheapest and most premium wine in the range. The rationale for ladder brands was that the prestige of the top wines helped to raise the image of the more modest ones. Today, the trend seems to be moving away from this approach, with companies, including some of your neighbours in Chile, preferring to create new names and labels for some of their finest wines.

**Torres:** This is a topic that we often discuss at our marketing meetings. My son has very clear ideas on this subject and you may see changes in the future. Early signs of these changes are evident in the labelling of the new Salmos and Celeste ranges, in which the Torres brand is less prominent than in the original examples of wines like Mas la Plana.

**Meininger’s:** You were one of the major speakers at the Global Warming conference. It was interesting to see that some of the French speakers seemed to be less concerned about climate change than you are, and there were few attendees from the US. Do you think the wine industry is taking climate change seriously enough?

**Torres:** Not yet. It will take time. But I think the wine industry should be leading the changes needed to face climate change. We, at least, will be making a considerable effort. We are already running a research programme to test the effects of climate change in the vineyard. Plants are grown in two different climatically controlled environments, one of which replicates the average temperature of the last ten years in the Penedes, while the other is three degrees warmer. We’re also testing the effects of drought by applying differing amounts of irrigation.

**Meininger’s:** In tasting a range of Mas la Plana wines from the first to the most recent vintages, it was evident that alcohol levels had risen from 12.5% to over 14%. Do you think that the

days of the 12.5% Cabernet/Merlot blend are over?

**Torres:** Yes, I fear that for the time being, at least the top wines will continue to have higher alcohol levels than in the past. But I’d personally still like to produce a good wine with less alcohol.

**Meininger’s:** You have spent over €2m (\$3.16m) a year on research and development and are famously generous to others in Spain with your findings. Do you sometimes think that you are doing the kind of work that is carried out in Australia by an industry-wide body?

**Torres:** It is true that a number of research papers produced by our teams (including my daughter Mireia Torres) are published every year on subjects ranging from the effect of soil types on wines produced from Grenache to composting wine cellar waste. But I have to say that, in Spain, we cooperate with several universities that also have very active research programmes.

**Meininger’s:** As a family business, you reinvest 95% of your profits. Do you believe public ownership is possible in the wine industry?

**Torres:** Of course it is possible, and the stock market is a good source for financing, but there are long term investments, like the \$1m (€633,000) we initially lost on our Chinese distribution business, and the 15 years it will take for payback on our Priorat purchase, that are a lot easier for a family business.

**Meininger’s:** You produce around 2.5m cases of wine per year. That’s a lot of wine, but a tiny amount when set alongside the giants of the industry. How large do you think Torres can grow?

**Torres:** I think we can grow in quality and in volume - probably by around 5% per year.

**Meininger’s:** You are committed to traditional varieties, but it must be difficult sometimes when you want to export to markets where Chardonnay, Merlot and Syrah are all-important.

**Torres:** Actually we have both, the classic grapes and also the Spanish and the old Catalan grapes. In fact these last varieties are among the ones we have been very successfully introducing in recent years.

**Meininger’s:** How have you handled distribution outside Spain? And which countries are doing best?

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**Torres:** We currently export to over 140 countries. I like the idea of having a financial interest in our distributors where possible. So, while we could not afford to buy distributors, we have sometimes established small alliances such as the 10% we bought of our UK agent JE Fells and our US importer Dreyfus Ashby, which we co-own with partners such as Hugel and Drouhin. We also have similar situations in Mexico, Brazil, Norway and the Philippines and a joint venture in India of which we hold 35%. Russia is already a medium size market for us, thanks to the efforts of Svarog, our agent there, and in Japan - a mature market for our wines - we are imported by Suntory. Germany is good and steady, we've always been strong in Scandinavia, and Lithuania, where we were among the first wines to be imported, is very good. Like Mexico, Russia and Spain, it's also a reliable market for our brandy. Our newest market is probably Mongolia, where we have sold 220 cases of wine and brandy.

**Meininger's:** Both the Spanish and South American markets have always been very important to Torres. Has appealing to the tastes in these markets distracted you from focusing on building sales in the US?

**Torres:** I agree that, for us, the US is our sleeping giant. We sell 100,000 cases there, compared to 400,000 in the UK. But now that we have shifted our distribution to Dreyfus Ashby we are confident for the near future.

**Meininger's:** At the Global Warming conference, you talked about the need to work for future generations and to change some of our consumption patterns. Do you think that it is perhaps time for a number of thoughtful members of the industry like yourself to get together to consider a wide range of the issues that are not being addressed - from the environment to alcohol abuse?

**Torres:** Yes indeed, this is the time for that kind of joint approach. And also for the politicians to progress in that direction.

**Meininger's:** The UK, one of the traditional markets for Torres has become increasingly promotion/discount-driven. Is this a danger for a family-owned winery like yours? Especially if you increase costs by moving into organic farming?

**Torres:** Yes, it's a big danger. Good wine has a price, and both we and the farmers need some profit to survive. In Spain, this

year, we are giving our salesmen a bonus on the profit they make rather than the volume of wine they sell.

**Meininger's:** You were a pioneer in China and have a distribution business there. But you are not currently producing a Chinese wine. Is this among your plans?

**Torres:** I first went to China in 1993, two years after my father died. We started to sell a little wine and set up a joint venture 200km to the west of Beijing, where we bottled Sangre de Toro. In 1997, we started our import-distribution business in Shanghai, which now has 105 Chinese employees and is one of the largest and most successful in China, but I have to say that we only reached break-even there a couple of years ago. I'd give credit for our success to our very good young managers. The management guides tell you never to send young guys to China, but we've done it twice, and been lucky both times! When it comes to winemaking, we keep experimenting with our friends at Grace Vineyards, one of China's most dynamic - and best - wineries, so we are still open to produce a wine of our own or a joint venture.

**Meininger's:** Viña Esmeralda and Viña Sol were both innovative white wines. Do you think it is time for a new generation of those kinds of wines to suit a new generation of drinkers?

**Torres:** Today, new wines are being created by our marketing department and they are very attentive to consumers' needs. They are coming up with new ideas all the time, including a white wine with 0.5 degrees alcohol that we are testing this year in Spain.

**Meininger's:** So what's next?

**Torres:** Apart from the larger number of visitors we are going to see at the new winery (where we take them around the facility in a little train), we've just opened our fourth Vinoteca Torres restaurant in Barcelona. We started the first in 2005 and made several mistakes: it cost a fortune. But we believed in the concept. Most people were astonished by the breadth of our range; there are 50 wines and brandies on offer. Two years ago we opened our second one in Santiago, and that was a success within two months. Now we've just launched the Torres Club, an annual prestige magazine that goes out to 25,000 people in Spain, letting them know what we are doing. My son believes that our next task lies in getting closer to the consumer. ■