

Les Wineries du Rhône

Castel Frères



PORTRAIT —

CASTEL FRÈRES "CONNECTED BY THE RHÔNE"

Christophe Chagnot manages the facility at Saint-Priest on behalf of the Castel Group, France's leading négociant group. The site **demonstrates their interest in the Rhône Valley and the export potential of Rhône Valley wines.**

Since acquiring négociant company Selles and moving their Rhône operation to just outside Lyon, the Castel Group have invested upwards of €15 million in the Saint Priest site. Their objective was to gain a foothold in the region, where Castel's market share is lower than in other parts of France. In terms of logistics, the site has given Castel the capacity to handle over 50 different bottle types, as many as all their other bottling lines put together. And from a strategic perspective, it turns the conventional image of négociant practice on its head. "We used to source most of our supply from bulk producers," explains Christophe. "Now our supplies are sourced as close as possible to the point of production; individually-owned wineries are our preferred choice. Our role as négociant - our core business - gives us that vital link between producer and consumer."

Generating growth

The Castel Group have identified the Rhône Valley as a potential growth area for a number of reasons. Its size first and foremost - the Rhône Valley is France's second largest AOP area after Bordeaux. And secondly, **Rhône Valley wines are**

very drinkable, popular with consumers across every market. They pair well with all kinds of food, bringing out flavours and aromas.

Then there's the the Mistral, sweeping through the vines, minimising the need for intervention; low intervention is fast becoming a priority both for distributors and consumers. However, although they own 2,500 ha of vineyard worldwide (1,000 ha in France), the Castel Group have yet to find a suitable domaine in the Rhône Valley. They are closely examining any opportunities that come to light, particularly in the Côtes du Rhône Village of Plan de Dieu, where they are already active, or close to a top appellation like Châteauneuf du Pape for added prestige.

Export growth the key to the future

30% of production at Castel Saint Priest is currently exported; the Group aims to raise that to 50%, reasoning that the group already holds a very strong position in France, distributors such as Carrefour and Intermarché are increasingly investing in their own resources, and that annual per capita wine consumption in France is stable at 40 litres and shows no sign of rising.

The Castel Group has its sights set on the emerging economies. "In Cambodia and Vietnam, China and Russia, more and more people are adopting Western lifestyles," says Christophe. "Wine is a big part of this. Although our position isn't as strong as it once was, French wine is still a go-to. China is our main export market, and there, buying French wine is seen as a measure of success and good taste. Meanwhile, in more mature markets like the UK, competition is fierce. Countries like Chile see Brexit as an opportunity to gain market share. The fall in the value of sterling has pushed the price of French wine up by 20%. Distributors have been quick to act, adjusting their wine ranges downwards to make up for price hikes. So, although we're not quitting any markets, we

**Christophe Chagnot,
Managing Director,
Castel Rhône Saint
Priest.**



Established in 1949
Employees: 125
Sales: 462,292 hl
Turnover 2016: €57 million, including €12 million to export
Brands include:
Combes de St Sauveur, Montalcour, Bouquet du Comtat



"Our role as négociant, the very core of what we do, is the link between consumer and producer."

need to diversify, and are looking to emerging markets to future-proof our business."

UMVR – providing balance

Christophe feels the UMVR should balance investments to protect the interests of producers and négociants in a way that reflects the real market situation. "It can be tempting to focus on premium wines, believing that the more expensive a product is the more support it requires. But it's just as important to be visible in the mass market." Many emerging markets have extremely high numbers of potential customers. We need to reel them in."

And Rhône Valley wines can appeal to all these countries. "It's a magnificent region," says Christophe, "It's got everything people love about France: ancient monuments, beautiful scenery and an enviable lifestyle. That's what we should focus on, highlighting all the things that connect us. And from Vienne to Avignon, that means the river Rhône.



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