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Consumer Countries/Markets

Russian wine market rocked by smuggling scandal

The Russian wine market is in the midst of another high-profile wine scandal, as the Russian Federal Customs Service investigates the stream of elite and premium wines entering the country illegally.

According to Vladimir Markin, an official representative of the Investigative Committee of Russia, a criminal scheme has been operating to smuggle expensive wines to high-end restaurants in Moscow and St Petersburg, as well as to private individuals. These wines have entered the country illegally, and no customs duties or other fees have been paid.

Russian law enforcement agencies are considering conducting searches of Russia’s leading wine distributors. For their part, leading importers such Rusimport, WinLand and Alianta Group have denied participation in any such scheme.

The volume of illegal wine has not been disclosed, but media reports have suggested the smuggling could be worth as much as $3.34m.

The Russian Federal Customs Service, has announced plans to significantly tighten the control of wine imports to Russia.

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Has all the value gone out of California wine?

by Wine Curmudgeon Posted On 12 Aug 2016

There has been value in wine, even in these dark says, almost everywhere in the world save for Bordeaux and Burgundy. You just had to keep looking. But I’m finding it harder and harder to find value in California. Instead, there are $17 high-alcohol Zinfandels that all taste the same; $15 too fruity red blends with cute labels that all taste the same; $12 white wines wearing fake oak disguises that all taste the same; and too much wine costing less than $10 that tastes like it was made without any regard for quality — and that all tastes the same.

This doesn’t mean there isn’t quality, because California can produce the best wine in the world at any price.
How did this happen? Ten years ago value was common in California. Since then, though:

- Land prices have skyrocketed. Higher land prices mean more expensive wine, even if the quality of the grapes isn’t any better.
- Consolidation, which has shifted producer focus from wine quality to wine marketing. This is the difference between “How much is this wine worth?” to “How much should we charge for this wine, given where it is in our portfolio?”
- Price increases, as producers make up for all the price increases they didn’t take during the last decade.
- Pricing based on styles. This is where a producer will charge more for a cheap wine made to mimic a more expensive wine, because the cheap wine will still be less expensive than the expensive wine. It just won’t be a value, but we’re not supposed to be smart enough to figure that out.

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