

Ep 59 Fine Wine Investment with Attorney Somm John Jackson (...)

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SPEAKERS

John Jackson, Janina Doyle



Janina Doyle 00:07

Welcome to Eat Sleep Wine Repeat, a podcast for all you wine lovers, who, if you're like me just cannot get enough of the good stuff. I'm Janina Doyle, your host, Brand Ambassador, Wine Educator, and Sommelier. So stick with me as we dive deeper into this ever evolving wonderful world of wine. And wherever you are listening to this, cheers to you.



Janina Doyle 00:30

Hello, all you lovely people. So I bring you another episode and this one is going to be quite different, because we're not looking at a wine region or any grapes, but instead on investment, fine wine investment, I wonder how many of you are holding back any wines to see how they age and benefit later in life? Or is anybody actually putting any aside to possibly sell? Now of course, the fine wine investment world is massively dominated by Bordeaux wines. But certainly the rest of the world is opening up and massively increasing, which makes things a little bit more exciting. But one thing to remember is that collecting is not actually just for the rich. Now, for example, there are wine merchants. In fact, John, my guest does mention one of them in London, that's Berry Bros and Rudd, along with another one, which is Lea and Sandemans that I know offer investment plans, and they're anything from even £50, £100 a month, and they will handle your investments. They're super reputable. And with things like investment plans, you're often invited to events or wine tasting. So of course you can further your knowledge in fine wine investment and of course, try the wines most importantly. And don't forget investing in wine, the profits are capital gains tax free, what is not to love. If you are interested to see the top 100 most sought after wines, you can go to Liv-ex, which is the fine wine 100 index. So it's tracking those wines. And actually apparently since 2003 the prices have trebled. Although, since 2011, things have dropped down by about 15%. As always, it might not be crazy volatile, but with investments, it's not always smooth sailing. But certainly go and check out that website because if you're not sure what the hell you would even invest in, that is certainly a good place to start. Now just to get us all in the mood, I decided to look up and see what were some of the most expensive bottles ever sold. So I bring these to you get ready for this.



Janina Doyle 02:41

So in 2018, a bottle of DRC Domaine de la Romanée-Conti which is the top Burgundy, sold for \$558,000. Now to give you an idea of why that's sold so highly, there are only 600 bottles made and also that vintage was the last vintage where they were using the older vines before they started planting younger vines. Another wine, back in 2000. They sold a bottle of Screaming Eagle 1992. So this is from Napa Valley, the most expensive cult wine there for \$500,000. And that quite simply, it was the wineries first vintage. Then if we go over to Bordeaux, one of the first growths, there's only five of them, Château Mouton Rothschild, their 1945 vintage sold, this is in 2006 for \$310,000. Now the reason for that, this was apparently one of the smallest Bordeaux vintages since 1915. And they had a really terrible late spring frost and actually the grapes got super, super ripe. So an amazing vintage as it turns out, and with hardly any of it around. They also put a V on the label to symbolise victory because it was the end of the war. Now to finish off, one more, a Champagne. I'm really not sure how this would taste. This is the Piper-Heidsieck 1907. And not sure when it sold, but it's sold for \$275,000. And the reason for that, it was part of a shipwreck from 1916. So in the late 90s, 200 bottles were found at the bottom of the ocean. So let me introduce to you my guest. He is a litigation attorney in Dallas, Texas. And I came to know of John through Instagram. So his handle is @attorneysomm and he gives amazing tips, amazing wine advice on fine wine investment and talks in loads of detail about the amazing wonderful wines that he's drinking. And I thought, well, I've wanted to invest for a really long time, but haven't quite got round to it. So why not ask somebody with amazing experience that can guide us on our journey. Now, before I go to the chat with John, don't forget, there is a competition running, you have to the 30th of August 2021. To write a review of this podcast on Apple podcasts, all the information is in the show notes. And a winner will be picked and you will get a virtual tasting, including, of course, the wines with me. So guys, don't be shy, be creative with your literature and get involved. Right, are we ready to invest? Let's go over to the chat with John now.



Janina Doyle 05:47

John, thank you so much for joining me. I'm very excited to learn the skills and everything you know, so I can start investing properly. Are you ready to teach me everything?



John Jackson 05:57

Absolutely. My pleasure. Thanks so much for having me today.



Janina Doyle 06:00

Now, first of all, before we get into that, I have to ask you, what I asked everybody, which is how did you get into wine? Obviously, you're an attorney. I mean, it goes with the territory, right? Drinking delicious wines. But did you like wines before even studying to get into law? How did it happen?

J John Jackson 06:18

Sure. It actually happened relatively late. And so certainly in college and law school, I would have alcohol socially, but it was more beer and cocktails, things of that nature. Certainly once I started practising law, there was more opportunity to drink wine at work related events, and so I would start tasting it. But again, it was more entry level wine and nothing really special. But what happened was one of my colleagues is a pretty prominent attorney here. And I was working on a case with him. He was doing a lot of work for clients like Oprah Winfrey, and so he had very big clients. And I was working on a case with him, and we had a business dinner. And he had just come back from Napa. And then at the dinner, he had ordered a special bottle of wine. It was an Opus One. I never tried anything like that before.

J Janina Doyle 07:10

And that was the, that was the introduction into fine wine, right?

J John Jackson 07:15

It was and so I was just kind of blown away and had no idea that wine could taste like that. And so within six months, I had gone to Napa myself, and then it kind of progressed from there.

J Janina Doyle 07:25

And that's how you got the bug. Okay, that's amazing. Do you know what one of my first wines was an Opus One. I worked as a Sommelier in in London, in a New York style Steakhouse. And so the wine list was super Napa Valley focused. And so some of my best introduction to wines was, you know, Harlan Estate, you are like, uhhhh that's... It's a pretty nice place to be. And Robert Mondavi's and all those things. So I totally understand. Okay, so by the way, anyone listening? Obviously, we're going to have wonderful wine investment advice. But I guess as well, we should just point out if people want legal advice. I mean, you lost me. I looked you up. And it started mentioning on the website, things like litigation and infringement. And I was like, I don't know what any of this is, but I'm sure you do. So you're a partner at Jackson and Walker, right?

- J** John Jackson 08:13
Yes. Yeah. And I'm located in Dallas, Texas. We have offices throughout the state of Texas, but we do work nationally. And a lot of what I do is data privacy counselling. Okay, cybersecurity and the like.
- J** Janina Doyle 08:25
Well actually we need that. Yeah.
- J** John Jackson 08:27
Exactly. Yes, for sure. Especially with the the GDPR, which I'm sure you've heard a lot about.
- J** Janina Doyle 08:33
I'm gonna pretend, yes.
- J** John Jackson 08:36
And then also things like patent infringement, litigation, trademarks, copyrights, things of that nature.
- J** Janina Doyle 08:42
Well, you're going to be kept very busy. And then obviously, in between that we should also point out, are you still studying your diploma WSET, you're a student still?
- J** John Jackson 08:49
I have one exam left.
- J** Janina Doyle 08:51
Oh, is that the big one?
- J** John Jackson 08:52
It is, yes. It's D3. Unit 3.



Janina Doyle 08:56

Bring it back to my diploma days. Okay. When is Unit 3 happening?



John Jackson 08:59

It's the end of October. So I've got a few months yet, but it's nearing the end of my online course. So it's getting down to the wire, but I think I'm on track.



Janina Doyle 09:08

My advice to anybody studying their diploma, when you have to write the written questions, and you need to write about whatever region just say, you know, the terroir is rather varied. Lots of clay and gravel soils were the little outcrops of limestone, and the chances are you might be right.



Janina Doyle 09:25

I think I think it works. I'm sure you know, more than that. You'll be absolutely sorted. So, right. You tasted your Opus One, you taste a little bit more Napa Valley wines, it went from there. And then obviously you got the wine bug and at some point you decided to invest. So, I mean, did you start investing with Napa wines?



John Jackson 09:25

Thats good advice.



John Jackson 09:44

Sure. Well, it started more just trying to build a personal collection. Okay, wines for personal consumption. And I've actually done my own videos and such about about wine collecting and some of the mistakes that I've made and advice for others and one of them mistakes I made, I was so focused on Napa and California, that the first few years when I purchased, they weren't necessarily all collectible wines. But I did purchase way too much of one particular variety, one too much, you know, way too much California. And then two or three years later, I discovered France and Italy and some other areas that I liked as well. And then at that point, my cellar was imbalanced. And so I think it's important to probably do as much exploration as you can before you start committing substantial funds to a collection, just because you don't want to end up in a situation where you, you lack diversity, you know, certainly they talk about in terms of investments being

diversified. And the same is true with respect to your wine collection.



Janina Doyle 10:43

Yeah. So in terms of now, the fact that you have diversified and you've been doing this for how long? How long, have you been purchasing wine and investing in it?



John Jackson 10:53

Probably seven or eight years?



Janina Doyle 10:56

Okay, how many wines do you have even? Do you have a no?



John Jackson 11:00

I would say it's kind of a dual tracks. I still have a sizable amount that I purchase just for myself for consumption but there is also some for investment.



Janina Doyle 11:08

Yeah. Okay. And how do you decide? What are you going to drink now? And what do you think is worthy of investment? What are you thinking? How are you making that decision?



John Jackson 11:17

That is, I think one of the most important things for people to do is to decide their their goal and their objective, okay, if they're really interested in investment, then that really, really focuses the types of wine that you'd want to purchase in how you go about it. Because a lot of times, what people will do is they'll have a collection, and then they'll go to resell it. But they'll find that there's not so much interest because the provenance is somewhat questionable in the eyes of an investor. And you know, they don't have the original wooden cases. And it's not the top notch blue chip first growth wines, like Bordeaux, for example, or other highly collectible wines. And so, when you're talking about really purchasing something with an eye towards investment, in return on your investment, that's probably what you want to focus on would be original wooden cases of blue chip wines, like first growth Bordeaux, some of the top Burgundy, like DRC, and the Loire, you know, things of that nature. You know, Vega Sicilia in Spain. But it's going to be a very, very small list of names relative to the overall universe of wines.



Janina Doyle 12:22

And also you mentioned about the box, if you look on lists, people will see OWC won't they. Original wooden case. So that's what people should make sure, if they're going to buy it, that it says that really, to help with investment.



John Jackson 12:38

Exactly, that will make the the resale a little bit easier. And probably make sure that you don't get, you know, take a little bit of a haircut or a discount when you go to resell those wines.



Janina Doyle 12:48

Now, in terms of storage, of course, you can store wine in your home, you could build a cellar, you can buy fridges and set the temperature. And obviously, if it's a smaller collection, it's easy to do, or, you know, you can pay to put it in storage, but in terms of for investment purposes, when they start saying, you know, how the wine has been stored, etc. Do you think again, it makes a lot more sense to make sure it's in proper storage? Or do you think it would matter? Would it be okay, if you had it in your own cellar as long as the, you could verify that the temperature and the humidity was good? Would it make a difference? Do you think?



John Jackson 13:22

Possibly, I think certainly the better approach would be to have it in a professional warehouse, or a place that specialises in that. And some people may do a little bit more due diligence and insist on that. Certainly, if you have an elaborate setup at your house, and it's capable of accommodating a large collection, and you can show photographs and such, then it might be okay. But it would definitely be a little bit easier for you. And you probably have less hassle when you went to sell them if it was with a professional storage facility.



Janina Doyle 13:52

But then also with private wine storage, they can be really accessible in terms of you can order wines, can't you from specific wineries, and then that winery can get it sent directly to the private wine storage. So you could be anywhere in the world. Right? And they can handle a lot of that as well. can't know.



John Jackson 14:08

Exactly. Yeah, so you don't have to worry about being home to accept the delivery, and it is a lot less hassle on on many levels.



Janina Doyle 14:15

Do you find that they're very expensive, though? Or actually really not in the long run if you're in the investment game, it's hardly anything?



John Jackson 14:22

I would say. I mean, it can be depending on how much you have. But it's, yeah, thinking in terms of percentages of your investment, it would be relatively modest. Just because when you're talking about buying, you know, cases of 12 original wooden cases of some of the top first growth Bordeaux, for example, or Burgundy, that's going to be a large amount of money. And so the per bottle charge for storage would be relatively modest, although not completely insignificant.



Janina Doyle 14:48

Now you say purchasing say 12 bottles at a time. Do you always buy in 12? Or do you think actually for somebody starting out it would make a lot more sense to buy three bottles or just six bottles.



John Jackson 15:01

Sure, I think I don't always buy 12, I often times buy three. And in fact, that's one of the things that I like to recommend to people is that they, especially if they're interested in potentially consuming some of the wines themselves, rather than just reselling all of them. Certainly, with the amount of time you need to age some of these wines. If you're ageing wines, for 10 years, for example, before you start drinking them, which is not at all uncommon for Bordeaux, and you buy 12 bottles a year, every single year, you'll quickly have 120 bottles of just that one wine, before you could even start tasting them and so I think you'd need a massive storage facility to accommodate all that.



Janina Doyle 15:43

You just need to drink quite quickly.



John Jackson 15:45

But that's definitely something to keep in mind. And so that's why it's important to know your objective, if you're just tasting or if you're just purchasing so that you can have some nice wine and if it goes up in value, you might sell it, then definitely I would recommend probably three. But if you're really hardcore into investing, and you know, where you're gonna want to turn the wine and it's just for investment purposes, then maybe the case would be appropriate.



Janina Doyle 16:10

Okay. And in terms of choosing your wines, you've already said for serious investment, just stick with you know, the first growth, Bordeaux's, I guess the cult wines from Napa, you've already said, you know the Vega Sicilia's. But do you listen to wine critics? Do you see what points of being given to top wines? Or do you think oh, no, I'm not interested, I'm going to just follow different trackers, or I'm going to make my own mind up based on my own palette. What are your thoughts there with wine critics?



John Jackson 16:39

Sure, again, I think it's important to keep in mind your objective, if it's something for personal consumption, then I tend to place less weight on that. And, for example, there's one or two of those, those critics whose palates align more closely with mine. And so I tend to rely more on those especially for personal consumption. But for investment, I think it is something that you have to keep an eye on, just because it has such a significant impact on the market for the wine. So it's definitely something to keep in mind. For example, during En Primeur for Bordeaux, oftentimes what will happen is, is the spring following the the harvest, the wines will be tasted by the journalist and the wine critics and they'll get their scores. And those scores will heavily impact the pricing in the market for the wines and so especially during that time period, like April to June, the month or after the harvest is very, very important to study those scores and try to get an eye towards where the market might be heading.



Janina Doyle 17:38

Okay, so it is worth putting a little bit of time into investigating as well. I suppose that would be the same for vintages as well. We know in the wine industry, some of the top Bordeaux's, you don't really want to be drinking them for maybe 20 years. But if it's not a great vintage, it's not going to have that age ability. So I presume you would say as well, not to be putting any money unless you are aware of its age ability and its vintage, right?

J John Jackson 18:06
Absolutely. Again, if it's purely for investment, you're gonna want to focus on the strong vintages and not spend a lot of money on on kind of dark horse or off vintages.

J Janina Doyle 18:17
Unless it's for yourself maybe.

J John Jackson 18:19
Exactly, yeah, they're good, good values and things that you can enjoy earlier. And they're they're great to buy for personal consumption, but you wouldn't want to invest a lot of money in those vintages.

J Janina Doyle 18:30
And where are you getting your wines from? Are you part of winery clubs? Are you going to auctions, you know, again, somebody that's a complete novice is like, hey, I want to start investing. Where are they going to get their wines from?

J John Jackson 18:41
Sure. I think it would depend on their market I know in in London, certainly. I think it is it Berry Brothers Rudd, is certainly a well known establishment. And so we have comparable places in the United States and in places where I can get futures, things of that nature.

J Janina Doyle 18:59
Oh, I'm just gonna point if anyone who doesn't know futures, that's basically upcoming vintages where they're not bottled. You don't quite know what the wine might finish as but of course, you get it at a better price. So yeah, sorry, carry on futures.

J John Jackson 19:13
Right no and that's really big for for Bordeaux. I know we'll talk about that a little bit more later. But for Bordeaux, one of the big events each year is the En Primeur. That's the wine futures process. And so that's just going on now. It started probably in June with the sales and then April and May with the evaluation by the critics and journalists. And so right now, for example, they're selling futures of the 2020 vintage of Bordeaux,



Janina Doyle 19:38

Which, well, we know we're going to talk about vintages I think we Bordeaux in a bit. I think I might leave that one. Now I have a question, as you're not officially in the wine industry. For someone like myself. There is potential for me to be invited to a lot of these En Primeur tastings and get involved quite easily. But as somebody who's not in the industry, is it as easy? How do people get to go and taste En Primeur? Can they taste En Primeur?



John Jackson 20:02

So I actually might be an exception just due to my social media presence. I did attend an event in Dallas an En Primeur event, a while back. And so I think I'm starting to be included a little bit more of those. Maybe I'm a little bit of a hybrid. But I think it is difficult because for the most part that's open to the trade. And so I think for the, for the individual, it's probably a situation where they'll need to monitor the articles, I know, certainly, things like Wine Spectator, and Bloomberg, and a lot of the media will cover the events. And we'll report on the vintage and some of the findings and recommendations from the wine critics. So I think, to the extent you can't taste them yourselves, it's important to just do the research and be mindful of, of what the reporting is suggesting for that particular vintage or for the certain producers.



Janina Doyle 20:55

Yeah, okay. And I mentioned winery clubs. Are you part of any winery clubs? Is it worth it?



John Jackson 21:00

I started out doing a lot of that, especially with the California wineries and yeah, maybe a little bit in Oregon. But I actually have a problem now where I have much more wine than I have storage space.



Janina Doyle 21:11

Terrible problem!



John Jackson 21:13

Exactly, yeah, it adds up quickly when you start getting recurring shipments from a number of places, and your space goes quickly.

J Janina Doyle 21:20
So you kind of sign up and say, Hey, I'm happy for you just to send me XYZ, and it just kind of keeps on coming. It's like a subscription

J John Jackson 21:27
That's how it worked initially. Right. And then since then, you know, I quickly got out of the habit of doing that. And then I started doing more of the, the mailing list where you at least have the discretion, either say yes or no. So you have a little bit more control over it. And some of the higher end wines are more a mailing list, rather than wine club.

J Janina Doyle 21:46
Okay. But then with a mailing list. Often you can't buy the cult lines or the top wines unless you buy at least a minimum of their baby wine, right? A lot of the time!

J John Jackson 21:59
Sometimes. It depends on the particular producer. But, like with Harlan, I think you can buy just the big one.

J Janina Doyle 22:05
Okay, that's interesting. Again, I'm not part of any mailing list. I like to drink wine, but not, I don't tend to like to buy it. Anyway, so if you've got all these wines, and quite a lot of wines, what do you use to track the wines? Are you using an app or specific software?

J John Jackson 22:25
Yes, I use CellarTracker.

J Janina Doyle 22:28
Yeah, yeah. Probably the most famous one, right. There's also eSommelier and VinoCellar, but I've never, I've only ever seen CellarTracker. So how does that work for you CellarTracker?

J John Jackson 22:37

Sure. I actually prefer the app a little bit more than the software. And the app is something called corkz, C O R K Z.



Janina Doyle 22:47

Ah okay, right? Fine. They're connected. Ok.



John Jackson 22:49

I'm not sure if it's actually CellarTracker or not, but at least integrates with my CellarTracker and it's compatible with it. So I can access it through that. And that's typically what I use because, I use my phone so much more than my computer these days. I'm usually on the go. And then that way I can access it whenever I need to.



Janina Doyle 23:05

Now what happens if you have something investment? And it's in storage? And actually you decide you really want to drink it? How quickly can you get hold of that bottle out of storage? Would they have to deliver it to you that bottle? Or would you have to go there and get it?



John Jackson 23:18

They could deliver it but I'm usually there once or twice a week anyways, so I was just



Janina Doyle 23:24

You local hang out!



John Jackson 23:25

Exactly. Because the place where I store mine is, it's a little bit like a country club for wine drinkers. So we have, yeah, we have memberships and then we'll just go there and hang out and drink wine and..



Janina Doyle 23:37

Oh, that's fun. I don't know. Well, I was gonna say, I don't know if we have that in England. I mean, I haven't heard of anyone talking about anything that cool but, and as I said, this

is actually quite new to me. I have my wine fridge downstairs. That's it. You know, what do you think is the ideal temperature for storing wine? I mean, I, oh wait, you're gonna do Fahrenheit, aren't you? So I say 12. What's 12 degrees Celsius, do you know? Should I google?

 John Jackson 24:02

We might need to convert it. For me it would be 55 degrees Fahrenheit.

 Janina Doyle 24:08

Okay. 12C to F. Let's see. 53.6 and you're 55. So, yeah, probably. Well, yeah. Okay, so between 12 or 13. Okay, good. We're agreed. And from what I believe, as long as there's at least 50% humidity, you're kind of good, but actually too much humidity, like if it's way too high 80%/90%, then it can start damaging all the labels and peeling them off.

 John Jackson 24:33

Right. You can get mould on there, too. You can get mould growth and you definitely won't want anything like that if you're going to try to resell the wine later.

 Janina Doyle 24:40

I've heard a really good way to keep the wine labels in tip top shape is to wrap it in clingfilm. Not the most glamorous but nice and simple.

 John Jackson 24:48

It does work well.

 Janina Doyle 24:48

Do you do that does work?

 John Jackson 24:50

I don't but I do think it's a good idea.

- J** Janina Doyle 24:53
Do you want to know another one I heard? Turns out I'm an expert now. No. I read stuff. I just don't do it. Using extra strong hold hairspray.
- J** John Jackson 25:02
Oh, really?
- J** Janina Doyle 25:02
Hmm. What do you think of that?
- J** John Jackson 25:04
I haven't heard of that one but...
- J** Janina Doyle 25:06
Investigate with it, when you go to your wine storage club next, ask anyone if they using extra strong hold hairspray.
- J** John Jackson 25:12
Okay, the extra hold is critical?
- J** Janina Doyle 25:16
I say, the reason I say that is because that's what I read. Again, you're talking to somebody that just remembers it and has zero experience. So I'd actually quite like you to go and investigate this for me.
- J** John Jackson 25:25
You'd have to buy the hairspray too, so I'm not, I'm not big on hairspray.
- J** Janina Doyle 25:32
Yeah, well, I'm assuming you probably don't need it. But it's not very expensive. And actually, if you think about it might be a cheaper option than clingfilm itself and quicker.



John Jackson 25:40

That's true, you can just spray it down and move on.



Janina Doyle 25:42

I know exactly. So many options. Now, okay, obviously, we've talked about the first growths and wines that are going to be very, very expensive, but you obviously, for your personal drinking, are not going to be drinking, well let's talk in dollars, you're not going to be drinking \$150 wines, 300 pound urgh pound, DOLLAR... \$300 wines. So you must be drinking, let's say \$30 wines, \$40 wines. So do you have some favourites that you like drinking that are slightly more affordable, that one could crack open on a Saturday night?



John Jackson 26:20

I do, if you're looking in Bordeaux, for example, I really like Château Lagrange. That's one and they have a second wine. Les Fiefs, that's also a very, very good value. And so that's definitely a producer I enjoy. But the one thing that we do, to make the whole process more affordable, but you have to try very, very nice wines is we have a wine tasting group. So we'll schedule regular events in so I could contribute one wine, but then there'll be seven of my friends there, they'll each put one in as well. So you could put in a more expensive wine. And then you only have to pay for the one but then you can try up to eight.



Janina Doyle 26:58

That's a very good idea, I suppose that also is a really good idea for people who actually not only want to taste a variety, get to know different wines and see what their palate enjoys. But I suppose also aged wines. Because in theory, if you're talking about ageing wine, so it's not just for investment, a lot of people want to buy wines hold them back, and they might want to enjoy them in 10/15 years time. But actually, maybe you don't like aged wines. You might think you do. I appreciate all wines from working in the wine industry for such a long time. I do appreciate all, but my palate, I do prefer wines with loads of fruit. And actually as it ages too much, and it starts getting a little bit thinner. And it's a little bit more barnyardy, maybe more mushroomy, more savoury more of that tertiary notes, when that's too much. Some people adore it. And no, I want the fruit. So, you know, there's definitely a happy balance. For me, I wouldn't want wines that are too old, but I've drunk some wines that are pretty well aged and people are loving them. So you know, I suppose a club gives people the opportunity to see what do they really want.



John Jackson 28:02

That's sure and that's another example of why it's important to do a bunch of tasting before you start devoting significant resources to to your collection or to investment because you definitely want to know your own palette very, very well before you make significant purchases, just so that you know that, you know, if worst comes to worse than the investment doesn't pan out. You can always drink it and you want to make sure that you enjoy it.



Janina Doyle 28:23

Absolutely, though, that makes a lot of sense. Do you buy everything duty paid delivery? So for people that would be often the initials DPD. Or do you actually buy some wines in bond?



John Jackson 28:35

Typically with delivery for me.



Janina Doyle 28:37

Yeah, okay, just because it's easier, and it's done. And then as soon as you want to drink, it's all sorted. For anybody who doesn't understand in bond is obviously, I assume, actually, it needs to be put in a bonded warehouse, it would have to be a special storage facility. Again, this is a slight little guess. But it means obviously, you don't have to pay the duty until it actually gets sold. So you do save, obviously, a certain amount of money, but you will be able to drink it until you pay the duty. So you were like, let's just keep it simple.



John Jackson 29:03

Exactly. And in many of those instances, sometimes the purchaser may never even see the wine, it could just stay in bond and then they could even have the option to potentially resell it before they accept it.



Janina Doyle 29:13

Yeah, that is true. But of course if I suppose if you're if you're planning on drinking it, then yeah, it might be easier just to pay duty paid delivery and it's ready to go in your facility in your storage and you can drink. Now I find it so interesting for anybody who is wanting to go to auction houses, I don't know if you have these in America we have, actually you

definitely have Christie's that's one of our most famous ones.



John Jackson 29:34

We do. We have auction houses as well. Yeah.



Janina Doyle 29:37

Is Sotheby's in America as well?



John Jackson 29:39

It is. Yeah, both in New York.



Janina Doyle 29:41

Yeah, but we have them in England. There's Bonhams, There's Chiswick auctions, there's Seckford wines. Are there other big ones that you guys have for our American audience that are listening?



John Jackson 29:49

Sure. So Hart: Davis Hart, H A R T. Davis Hart in Chicago. That's a big one. They do a pretty good job with their auctions for sure, so. And then of course Christie's and Sotheby's and so forth.



Janina Doyle 30:03

Plenty of places keep your eye out and actually I often for anybody who's interested you said about reading, thedrinksbusiness.com as well, they're always talking about what's being sold in Christie's. And what's, what job lot is coming up what collection and stuff. So you can kind of keep track of that, if that excites you. Well, certainly I, I like being signed up to drinks business because they've always got some news about whatever fine wines or cult wines or something that's going on. So, are you signed up to thedrinksbusiness.com?



John Jackson 30:27

Not yet, but I'll definitely have to take a look at it.



Janina Doyle 30:28

Yeah, I mean, it's just more news. I mean, again, it depends if you've already got another, you know Harpers news. But I think it's quite nice, daily you get an email with everything that's going on, and mostly wine related, but they will throw in some beer stuff and they will throw in a little bit of spirits here there and whatever. But yeah, always news and who's bought what house. And of course, you know, you mentioned Bordeaux. I mean, some new investor, Bordeaux houses are constantly being sold out there, somebody new owns some other new Chateau. It's always, ever evolving and changing, right? New investment.



John Jackson 30:57

It is definitely, you know, lots of news to keep up on for sure.



Janina Doyle 31:05

Now, just like the other episodes of this week, I have cut John's episode. So tomorrow's focus will be a little bit more towards Bordeaux investment. And then of course, Bordeaux, the region in general. Now, as we're talking about Bordeaux, I want to talk about La place de Bordeaux. Because it's something that several people have asked me before in the past. What is it? Well, it's not actually a place, it doesn't actually exist. It is a distribution system, selling the top wines from all around the world. But in fact, it doesn't actually sell directly to a consumer. It's very, very interesting. It's one of the world's oldest marketplaces. And this dates back centuries and centuries. So basically, the Bordeaux producers, they would not sell direct, as I mentioned. So they would sell to a middleman, known as a courtier, or a broker. And it was their job. And it still is, by the way, it was their job to understand the market, the economy and work out basically what the demands will be of the wines and then communicate this back to the Châteaux. So the Châteaux will then set their prices. The wines are sold super quickly through these brokers, through these courtiers. And they, then have to go to the negotiations, which also known now pretty much as wholesalers. So they go to wholesalers, and they sell the wines to them. So it's this amazing network that really allows wines to get all over the world. It is certainly seen as a little bit of an old fashioned system, but it works and I can't imagine it going anywhere soon. So now what used to be all Bordeaux wines. However, back in 1998, the first non Bordeaux wine was introduced that was Almaviva, which is a Chilean wine, a collaboration between Mouton Rothschild and Concha y Toro. Following that in 2004, Opus One was listed and this is a collaboration again Mouton Rothschild but with Robert Mondavi. So this is a Napa Valle wine. Now following that you've got super Tuscans. Masseto, a life changing Merlot, there's Antinori's Solaja. There's also Ornellaia and then going all the way down to Australia, Jim Barry's The Armagh, is also listed in La place. So I mentioned that just because a lot of people ask questions about what it is, but also, if you

get to know that, that'll also give you a little indication of what are some of the top wines in the world. So perhaps you'll find that useful. Now I've got a great wine quote to finish off today, which I think really speaks to fine wine investment. And it's by Jean Anthelme Brillat-Savarin. I hope I pronounced his name right. He was a French lawyer, politician, but known as also the author of physiology of taste. And he says:



Janina Doyle 33:57

"Burgundy makes you think of silly things. Bordeaux makes you talk about them, and Champagne, makes you do them."



Janina Doyle 34:06

Well, let's make sure we have all three of them. Thank you to all of you guys for listening. As I always say please do share this podcast with your wine loving friends. Subscribe, if you haven't done already. I'm hoping you're going to be writing a review. And until the next episode of Eat Sleep Wine Repeat. Cheers to you.