

Auction news



By Howard G Goldberg

Insider's advice

A US wine appraiser offers tips on wine shipping, spotting counterfeits and *en primeur*

WILLIAM EDGERTON, a Connecticut resident, has appraised and authenticated rare and fine wines since 1985. He has examined cellars whose owners are bywords in the collectors' cosmos, and testifies as an expert witness.

Edgerton published the *Wine Price File*, a compendium of auction and retail prices, from 1989 to 2005. In 2006, he established the website *Wineauctionprices.com*, which publishes prices realised in major international auctions. It seemed an opportune time to gauge his opinion on the state of wine investment.

Q *What are the negative implications for the secondary market arising from the newly powerful centrality of Hong Kong auctions and China's increasingly muscular wine trade?*

A When wines are sold by Asian owners, there are two critical issues: temperatures during storage and transport, and the possibility of counterfeits originating in Asia. I came across a container of wine, shipped from Australia to New York, which was parked on a quay in Panama for a week during June! Be cautious when having wine shipped. Pay for overnight, not two-day service. Have a data-logger or recording thermometer put in the parcel. Don't ship on a Thursday or Friday. If a Styrofoam shipper is used, have the centre joint taped.

Q *Are auction houses using sufficient due diligence to try to detect fraud?*

A For a decade, fraudulent wines have been on the radar screens of every wine professional, including those at auction houses. The days of 'we don't care about provenance – we just want our commission' are over. We've all seen how fraudulent wines cause financial distress and legal problems. It appears this message has finally been heard.

Q *With the use of microchips and other clandestine methods, can Bordeaux's top producers and others defeat or neutralise counterfeiting?*

A Microchips and other techniques are becoming necessary for every bottle of wine that sells for thousands, and will become standard practice for wines selling at much lower prices. Empty bottles provide a strong incentive for a criminal to refill the bottle.

Q *In light of the Rudi Kurniawan scandal, what advice would you give start-up collectors who wish to build cellars of depth?*

A Avoid vintages before 1961. There are many good vintages from 1990 and later to occupy one's interest and pocketbook. And I know of very few counterfeited American wines.

Q *What transaction patterns should alert buyers to the chance that fraud is potentially latent in the offerings?*

A The opportunity to buy desirable wines at below-market prices. Or wines with little or no recent history.

Q *If a would-be buyer has no educated eye for signs of counterfeiting, what*

'The days of "we don't care about provenance – we just want our commission" are over' William Edgerton

rules of thumb would you suggest?

A Avoid bottles with black specks on the label, suggesting photocopying; loose or distressed capsules not in keeping with the label's condition; vertical wine stains on the label, indicating refill; glue residue outside the label's perimeter, indicating that the label might not have been applied in a winery; and crooked labels – wineries rarely ship bottles with such an error.

Q *Should one buy en primeur?*

A For most vintages, the time for advantageous futures purchases has been in past years. These days, futures represent a much smaller opportunity to buy below market prices. Futures should be considered only in excellent vintages. Buy only the highest-rated, most desirable wines. Check and recheck sellers' credentials. Have a lawyer check the purchase agreement. Ensure there is recourse in case of non-delivery. Buy insurance if possible.

Q *What apparent tenets governing the auction market have you distilled?*

A One famous financial-market guru, asked if the market will go up or down, answered 'yes'. No near-scientific accuracy is possible.

Howard G Goldberg is *Decanter's* US East Coast correspondent