

# VINTAGE AND MARKET REPORT

## THE 1982 VINTAGE

### BORDEAUX

The vintage produced:

3.52 million hectolitres of Appellation Contrôlée Red

0.43 million hectolitres of Vin de Table Red

0.95 million hectolitres of Vin de Table White

1.05 million hectolitres of Appellation Contrôlée White

The total of 5.95 million is some 5% below the record crop of 1979 but the production of Appellation Contrôlée wine was marginally higher. AOC red production was 6% above that of 1979, whereas white was 12% below. The conversion from red to white production may have slowed, but it still continues. To put it into a clearer perspective, if compared to the 1962 crop, which was also considered large at the time, whereas red AOC production has increased by 144% white has decreased by 55%.

### The weather and the quality

Seldom has it been possible to identify two periods of fine weather which have contributed so much to a vintage. A magnificent spell of fine, dry weather at the beginning of June provided ideal conditions for a successful flowering which set a large quantity of fruit as well as setting an early date for the vintage. Just three months later an exceptional spell of heat during the first twenty days of September provided a degree of maturity which has rarely been matched. Had the flowering been a week later, as it usually is, the grapes would have been picked in the heavy rain of October. Had the weather not been exceptionally hot in early September the large number of grapes would certainly not have reached such maturity.

Perhaps the sensitivity of the "vintage" process is best illustrated by the fact that from June to mid October the all important rainfall pattern was almost exactly the same in 1982 as in 1980. Neither were exceptionally dry. Neither were exceptionally wet, until the beginning of October when, in both years, the heavens opened. In 1982, because of that fine weather back in June, the grapes were safely in by the time the rain came. In 1980 they were not. The difference was 135 millimetres of rain which fell from the beginning of October to the end of the 1980 red wine harvest. Rather more millimetres fell in October 1982 than in 1980, but thanks to the early flowering, persecuted Sauternes was the only area greatly affected. Those two weeks of sun in June, a difference in average temperature of 2.7 °C, has resulted in one year being hailed as great whilst the other is rejected.

### Red quality

How great the quality is, it is still too soon to judge. What is becoming clear is what they are not. They are not like 1945 or like 1961. Both of these years were exceptionally dry, which 1982 was not, and the yield was very low in both those years also. As a result the wines had a high dry extract and concentration of character which the 1982's do not. It was not as hot as years such as 1949 and 1947 but it was similar in both temperature and rainfall to 1959. Rather warmer but also rather wetter than 1970, another year of high yield, that was probably the most recent year when musts approached such high sugar levels. "The colour is excellent, the wines have an immediate character and balance and considerable length. They are in no way tough but they have a lively freshness and consistency of young claret that is full of hope for a long life, an even development and a maturity of great elegance". That is how we rather prematurely described the 1970's in January 1971! As many horoscopes the forecast is wide enough to accomodate more than a single star, and it would not be inappropriate for the best 1982's. Sometimes there seems to be less fruit and less consistence than in 1970, sometimes more tannin, but it is certainly the vintage which springs to mind for comparative purposes, though there are considerable variations on the theme.



Much of the Merlot was picked during the exceptional heat between the 13th and the 20th of September. The grapes were often being delivered to the winery at 28° to 30°. Controlling fermentation temperatures was a real problem and some succeeded better than others. Those with a high proportion of Merlot (St. Emilion and Pomerol for example) who were able to control temperatures may well have produced some great wine with a richness that could be similar to 1959. Certainly it was not rare to see grapes coming in at 13° and above. It is also possible that like some 1970 St. Emilion the extreme richness will result in a certain lack of length.

Some Merlot, particularly in the Médoc, and most of the Cabernet was picked between the 21st of September and the 3rd of October. The heat was less intense, the weather normal for the season with temperatures reaching 20° to 23° and an occasional shower, sometimes heavy. Fermentation problems abated, must weights were somewhat lower, which is anyway normal for Cabernet. Such wines will probably not have the same intensity as Merlot picked the previous week but logically should have more Cabernet length and elegance.

For various reasons a few had not picked all their grapes by the 4th of October. Those grapes were brought in under heavy rains and were diluted.

Intensity varies not only depending on the grape variety and when the grapes were picked but to an even greater extent depending on yields. If the average yield per hectare reached 62 hectolitres there were some plots, even of red, which have reached 80 and more. Not even the exceptional September weather could successfully ripen such a quantity of grapes. Perhaps ripen is not the right word. Physically they were ripe, with sugar and acidity in good balance, but even when fully ripened grapes which are from a crop of such a high yield lack intensity of character. Throughout France 1982 illustrated well that sugar content alone does not guarantee quality. Bordeaux was no exception. There is a mass of wine which can be described as "a thin red line". Good colour is their chief virtue but afterwards there is an absence of fruit as well as any other form of relief or contour. Sometimes there is an excess of tannin.

If quality varies in any given year it is seldom that a vintage provides a range so wide as is becoming evident in 1982. There are certainly some exciting wines which, with their exceptional ripeness, will fully justify the interest already being shown in them but there are also many disappointments due sometimes to the lack of temperature control but more often to exaggerated yields. At the time of writing few of the top chateaux are yet available for tasting. The best owe their reputation to the fact that they have understood their responsibility and presumably can be relied upon to exclude from their blend those vats which are issue from plots which have overproduced.

#### White quality

Yields are of less importance for white wines, but the importance of temperature control is greater. In order to make wines with the maximum of lively fruit growers have learned to pick their grapes earlier than they used to. With the intense heat of early September grapes passed from almost ripe to overripe in a few days. Growers were obliged to pick in the heat, grapes were being delivered at 30° and only few were sufficiently equipped to bring down the temperature to 20° and to hold it there during fermentation. The result is that it is difficult to find white wines with enough character. They are usually clean and healthy, but tend to be a little dull.

The martyrdom of the growers of Sauternes and other sweet producing areas continues. Conditions were magnificent until the end of September and if the heat at the beginning of that month and the showers during the last two weeks had been followed by an average amount of sunshine some great wines would certainly have been made. Instead the torrential rain washed away the budding botrytis and all but the bravest picked in appalling weather. Some claim to have been able to



make some good vats after the rain eventually stopped, most say that they had picked some before the rain and even if the botrytis was not well developed the exceptional heat had provided the grapes with a sugar content that has rarely been attained. But without the magic of botrytis character is lacking here too. High quality whites, whether dry or sweet, will again be the exceptions in this year of Nature's munificence.

### The Market

The twelve months to the end of the viticultural campaign at 31 August 1982 was not a bad year for Bordeaux, but perhaps not as good as could have been expected. Total exports were marginally down but reflect the individual buying patterns of certain countries rather than a drop in consumption. Germany bought 22% less, not primarily because there has been a severe reversal of the increase in demand for red wine (down 6.6%), but because in spite of their own production the country is a large importer of cheap white wine. With the small 1981 crop in Bordeaux they looked elsewhere and they imported 35% less white wine from Bordeaux. Exports to Sweden and Norway crashed dramatically because these monopolies buy heavily in favoured vintages and ignore such years as 1980, which would have been shipped during this period. Sales to Britain were down by just 2%. On the other hand, there were some healthy increases too. Not surprisingly, and with the exception of Denmark, they reflect strong currencies, and look even more impressive if compared to the relative figures of two years ago:

	Increase over 1 year	Increase over 2 years
Holland.....	6.3%	26%
Switzerland.....	5.4%	53%
Denmark .....	34 %	61%
Canada .....	15 %	40%
U.S.A. ....	9.4%	46%

On the home market sales of red Bordeaux wines increased by a handsome 15.9%, whilst whites only achieved a modest 2% increase. Ironically, it was the sweeter whites which provided the healthiest increase whilst the dry, on which the C.I.V.B. has heaped lashings of promotional funds, were virtually stagnant.

It is easy to lose sight of the extraordinary developments which have taken place in the Bordeaux economy during the last ten years. In a period which has been dominated by the world's most serious economic crisis for fifty years and the start of which coincided with a collapse of the local market that many thought would blow Bordeaux apart, production of the basic category of red Bordeaux (Bordeaux et Côtes) has increased by 60% (1982 compared to 1973, also a "large crop" at the time) and sales have doubled. We said last year that if Bordeaux kept its cool and prices reasonable it was in a good position to increase its sales by 200 to 300,000 hectos. It did just that. With prices and quality what they are in Rhône and in Beaujolais it is very likely that the increase in red Bordeaux sales will accelerate during the present campaign. Current figures confirm this. During the first five months of the 1982/83 campaign (to 31 January 1983) sales by growers have increased by no less than 24% compared to the same period a year ago. It is probable that total sales of "Bordeaux et Côtes" for the year will get close to 1,900,000 hectolitres. At that rate of sale it will require crops almost as large as that of 1982 (2.2 million) to keep up with demand. Fortunately the campaign started with a stock which represented 30 months requirements. This, and the lower production costs resulting from higher yield, should provide a sobering influence on prices and allow sales to expand to the maximum of their potential. It is an exciting prospect.



In the more expensive categories of "Médoc and red Graves" and "Libournais" (St. Emilion, Pomerol and their satellites) the development has been less spectacular, but generally satisfactory. In Médoc and Graves planting continues. The 1982 crop was 45% up on that of 1973, sales were 55% ahead, though this is less satisfactory than it appears as most of the progress took place from 1976 to 1978. Since then they have stagnated, whilst production continues to increase. In the Libournais there is little scope for increasing the area under vine. The 1982 crop was rather smaller than that of 1973, there has been some exaggeration in pricing and sales are still running well below the level of 1976 to 1978.

Within these figures is hidden the healthy performance of the top chateaux. Here too there have been some profound changes. Much of the corporate investment which characterised the early 1970's has been replaced by private investment. This is particularly true in the U.K., where most of the trade has become as shy as has the Bordeaux trade of holding onto the purchases it scrambles to make. There are exceptions, of course, but the collapse of 1975 has left deep scars which where they are healed, are not yet forgotten. Only in the U.S.A. does there still seem to be a tendency for companies to buy too much and then to dump. This is no doubt partly explained by its remoteness from other major markets which greatly hinders the fluidity of the trade, and this is accentuated by the antiquated laws which create such problems for even trading from one state to another. Also, of course, the rise in the dollar continues to make older vintages, paid for with devalued dollars, look less rewarding when compared to replacement costs of younger vintages paid for with strong currency. 1978's bought "en primeur" were generally paid with dollars which were worth about F 4.20, 1979's with dollars at F 5.40 and 1981's probably around F 6.60. As 1981's only opened 20% to 30% above 1978's it is easy to imagine the embarrassment of those who bought too soon. Whatever the reasons sharp palated American consumers have been able to pick up some great wines at great prices.

Back in France, with the exception of 1977, there seems to be little stock of any vintage earlier than 1979. 1978's, if they are available at all, are now offered at prices 200% to 300% above their opening level. 1979's, which opened at much the same prices, are following them up, are generally slightly below the level of 1978's a year ago, but the most sought after have at least doubled in value in the two years since the first tranche was paid for by "en primeur" buyers. 1981's, in spite of having opened 20% or so above 1979's, are at least 10% higher today than 1979's were a year ago, and increased by 30% to 80% even before they had to be paid for (except, of course, for a few, like Latour, which opened very high). All of which makes that sector of the trade which fights at the beginning of each campaign to see who can offer them cheapest look pretty stupid. A far cry from the great days of the Chartronnais when astute and perhaps braver men (aided with money at 2%) gambled their future against their judgement of a vintage. The orphans of 1977 and 1980 have of course done considerably less well but stocks of even such an unfashionable vintage as 1977 are now either low, or already sold out in the most sought after chateaux. They are at a level 30% to 50% above that at which they were originally paid for some four years ago. 1980's have put on 20% or so in their first year, which is not bad either. Both vintages have produced some excellent wines.

So where would it be reasonable to pitch 1982's? By the time this report is distributed it is likely that some of the stars will have "come out". At the time of writing they are all coyly veiled behind portentous clouds of silence. With at least four British wine merchants who, as early as January, took advertisements in Decanter Magazine to vaunt their selection of wines which they had neither tasted nor priced illustrating well the fevered excitement that exists, it would not be surprising to see some of it rub off on producers. To expect opening prices to be at the same level as 1981's is probably wishful thinking, in spite of the large crop. To expect to be able to raise prices by more than 20% without rocking the buoyant boat would be dangerous. It is to be hoped that they will open below this but if they didn't they would be at a level:

- at least 10% below current prices of 1981, and sometimes much less than that (first growths particularly),
- much the same dollar value as opening prices of 1978 and 1979,
- in sterling around 30% up on 1978 opening prices and 50% up on 1979.



Such is indeed the effect of currency changes today that a price in Francs which is 40% above opening prices of 1979 can mean an increase of 50% to the British buyer but no increase at all to the American.

In view of the way prices of 1978 and 1979 have developed since they opened such an increase, even for the U.K. market, would seem bearable. If consumers, who seem to be largely responsible today for financing the crop, find it difficult to swallow yet another vintage, it is possible that, with interest rates easing, the trade might be interested in holding onto more, and there is anyway every reason to believe that growers will be more than happy to hold some themselves in order to reconstitute their depleted stocks. All this reasoning becomes even more valid for those who believe that yet another devaluation of the Franc cannot be far away.

With a large crop of wine of a quality higher than any other area of France, prices which are reasonable and a market which is chomping to get at them, Bordeaux seems set for another busy year. As the unevenness of the quality becomes apparent it seems possible that a wide price variation could develop, with the least successful stagnating, whilst the best in all categories seem bound to move up. There is one hazard which could greatly accelerate the movement upwards - a spring frost or poor flowering. There is another which could put a severe dampener on all prices - the rumored intention of the government to increase the T.V.A. (V.A.T.) on Appellation Contrôlée wines from 18,6% to the luxury level of 33%. 57% of Bordeaux sales are still to the home market. The standard of living of nearly all the French is now falling, the state of the economy is worsening, and new severe fiscal measures are anyway expected as soon as the local elections are out of the way. If part of these is to specifically penalise quality wine it could have an immediate and severe effect on home sales. It could be particularly serious at a time when, in spite of the good performance of Bordeaux, consumption of Appellation wines and V.D.Q.S. in general is falling. Politically it would please the left wing growers of the Midi and economically it would be another deterrent to the production of quality, upon which everybody agrees the future of French viticulture must depend.

## BURGUNDY

### South Burgundy

#### Beaujolais

The most significant difference in weather between east France and the western area of Bordeaux was the much higher August rainfall in the East. 113 millimetres fell in Beaujolais during August, compared to only 28 in Bordeaux. This swelled the grapes which combined with the richer soil resulted in yields that made those of Bordeaux look modest. There are some 19,500 hectares in production which means the production of Appellation wine is limited to about 1.2 million hectos. The real production was much higher than this and some claim it reached 1.7 million. This is perhaps not the place to discuss the Clochemerlian ingenuity which was used to confound a rule book that was so much less generous than Mother Nature, but of course they abound.

The same exceptional early September quickly ripened the rain gorged grapes so the vintage took place under bright skies and a hot sun. As in Bordeaux this led to some fermentation problems but the story goes that there were sufficient grapes to scrap the first harvest if it turned to vinegar and still make a full crop with what was to have been abandoned on the vine!

Inevitably there is a mass of light, sometimes pretty, sometimes anaemic wine from the plain. There is also a certain quantity of the crop which is good, mainly in the Villages and Crus, but nobody could claim that 1982 is a great year for Beaujolais. Too many grapes and too much water. The colour is often surprisingly light for wines with such high sugar content.



At prices much the same as last year the "Primeur" campaign took place with its usual vigour and success. Since then business has inevitably slowed but at present there is no sign of the prices weakening. They are likely to do so for the bulk of mediocre wine, which is anyway quite unsuitable for export, but to remain firm for those wines which are worthy of the name.

### Mâconnais

If Mother Nature seemed to forget to provide any grapes in the Mâconnais in 1981 she would appear to have had a guilty conscience for the oversight and to have made up for it in 1982. The three Appellations of white (Mâcon, Mâcon Supérieur and Mâcon Villages) produced a record 163,212 hectos which is over four times the pathetic 38,900 hectos of 1981! The wines are good, a little fragile due to low acidity but with good fruit and style. Prices have come down to about the same average level as they were from 1978 to 1980 and supplies of Pinot Chardonnay can flow again, having almost come to a halt after the tiny 1981 crop.

At the top Pouilly Fuissé is a good barometer for the state of the American Union. Its popularity has suffered less than the reds of the Côte d'Or but sales were nevertheless badly effected when the dollar was so low. There have been some massive purchases destined for the U.S. market during recent months, which augurs well for a healthy renewal of this all important market for Pouilly Fuissé. In spite of the good, though not record, crop of 43,000 hectos it is already difficult to find any wine for sale and prices, having opened nearly 20% below 1981, have now climbed back to where they were.

### Côte d'Or

There are many who feel that the quality and reputation of Burgundy have suffered over recent years as a result of the tendency to overproduce. The average sized crop during the period 1966-1975 was 230,000 hectolitres, with an average yield of 37 hectolitres to the hectare. The previous record was 1973, when 388,745 hectos produced on 6,431 hectares gave an average yield of 60 hectos per hectare. The size of the vineyard has increased by 18.5% since then but with a quality shattering yield of 67 hectos per hectare and a production of 512,798 hectos (three times the crop of 1981) the growers of the Côte d'Or are defying their detractors - and even testing the faith of their friends. Certainly there are growers whose yield was less (in which case there are also those yields were even higher!) but far too much of the crop is diluted, light primeur type wine which can have little pretension of properly representing the prestigious -and expensive- names they bear.

Of course all is not bleak. There are growers who understand their responsibility, limit their yields, eliminate what is overproduced and who have made elegant, fine wines of real quality. Also white grapes can yield more than red without quality being effected. 1982 whites are fragile, because of their low acidity, but have fruit, character and real style. But over all the 1982 vintage is going to do more to increase Burgundy's problems than to relieve them.

If the problem has been building up to a crisis for a number of years it seems likely that just as the large crop of 1974 was the trigger in Bordeaux the large 1982 crop in the Côte d'Or will provide it there. Overall demand has fallen by over 20% in the last five years and exports to some of the largest traditional markets have fared even worse. Belgium and Holland both imported in 1982 less than half of their imports in 1977, the U.K. was 32% behind and only Switzerland was ahead -by an impressive 52%. The current campaign opens with 44 months requirements at the property and with real cash flow problems developing for many growers. Not surprisingly prices for many red wines have already tumbled to levels of the 1977 vintage. It is difficult to anticipate where the slide can end, particularly for those wines which are of poor quality. It seems likely that at last a proper differential will quickly develop between prices being achieved for what is good as opposed to those which only have their name to offer. This can only be healthy for the long term future of this great area. In the meantime Burgundy has become a good place to shop and producers even of quality wine are more receptive to would-be buyers than they have been for many years.



## Chablis

The 118,000 hectos constituted a record crop, just ahead of 1979. The low acidity which characterises the vintage everywhere and the large proportion of the crop which underwent a malolactic fermentation has resulted in the wines being less typical than some would like, but perhaps more commercial. They are not as complete and concentrated as the excellent 1981's but are pleasing wines for early drinking, perhaps similar to 1979.

The dramatic increase in production of the area continues to pose problems. Sales increased last year but not by as much as could have been hoped in a situation resulting from the small crop in the Mâconnais which put the prices of Mâcon Villages temporarily above that of Chablis. Prices have now fallen 15% and it seems likely that with the large crop in the cellars basic Chablis will remain a buyers' market for some time to come. At the top things are better. Premier and Grand Cru wines have a ready market, particularly in Paris restaurants, prices are firm and it is already becoming difficult to find wines to buy.

## THE RHÔNE

As elsewhere, the Rhône Valley produced a record crop. The production of Côtes du Rhône itself topped 2 million hectolitres for the first time (previous record 1.7 million in 1980) and with 103,513 hectos in Châteauneuf the previous record of 101,033 in 1980 was also just beaten.

As elsewhere, the quality of Côtes du Rhône particularly has suffered from the size of the crop, the August rain, and the difficult conditions of fermentation. The colour is often light, the wines have an appealing fruit but lack dry extract. They are so round that it is difficult to realise they have record degrees of alcohol. On the other hand, where the yield was not too high, there are some superb wines, particularly in the top appellations such as Châteauneuf-du-Pape. Ripe, full bodied and generous they are all a fine Rhône should be.

The very high prices of Côtes du Rhône are beginning to have an effect on sales, which slipped by about 10% last year. However, it still requires a large crop to replace the 1.8 million hectos which left growers' cellars during the last campaign. The fact that 1982 provided such an exceptional quantity has certainly eased a position which was illustrated by the fact that at the end of August there was only 3.5 months requirements left at the growers. With prices still well above those of Bordeaux it seems likely that demand will ease further this year. This will probably put a pressure on prices, particularly for the mass of not very successful wine, and if the 1983 crop is at least of average size supply and demand should find themselves in balance again, perhaps at prices well below those at present being asked.

Châteauneuf is a different story. Sales increased by some 16% last year, but are still far from a record level. Stocks are comfortable, prices have remained unchanged for five years and with the quality of some of the 1982's it must provide one of the most attractive shopping centres in the country.

## CONCLUSION

Though the total French crop was not of record size the quantity which claims to be of Appellation Contrôlée quality was 18% higher than the previous record holder of 1979. Much of it is of a quality which is quite unsuitable for export markets, and it is questionable whether some of it is worthy of Appellation status at all. At the same time there have also been produced some wines of exceptional quality, mainly in Bordeaux. This wide variation of fortunes is less due to mediocre weather conditions, which it is true some areas suffered during August, than to a size of crop which, for red wines particularly, proves that beyond a certain limit of yield quality suffers, even when weather conditions are favourable. It is this that makes the vintage unique. Overall the weather was good, reaching a zenith throughout France at the beginning of September which sent sugar content and excitement soaring. Suddenly the problems of the vintage were transformed from being those classic to a temperate climate where grapes have the potential of retaining all the complexity of flavour but often have problems in reaching full maturity to those of a hot climate where ripening is not a problem. Because it tends to be lacking, sugar content has for so long been a barometre of quality that the euphoria was easy to understand. Thanks to superb weather just before picking, the miracle had occurred. The massive crop had reached full maturity and record sugar contents would produce great wines. But the realities of Nature are as cruel as those of an economy. In more ways than one France was reminded in 1982 that it is dangerous to rely on miracles to defy realities.

With the mass of wine available keeping a restrictive pressure on prices, the trade can do its job of seeking out the best value. It is likely that prices for lesser qualities will weaken in many areas but will at least maintain their current level when wines of real quality are offered. This is particularly true in Bordeaux which should be in for a record year's trading.

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