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BORDEAUX, January, 1970

VINTAGE AND MARKET REPORT

1969

BORDEAUX

The Vintage

In spite of the mild Winter, Spring was late and the flowering did not generally begin until the middle of June. At first, conditions were excellent and "pleine fleur" was reached within ten days of the first flowering being spotted. Then the weather turned colder and the end of the flowering was drawn out and irregular. Generally, conditions had been reasonable, however and though there was a certain amount of coulure, it did not seem excessive. True, the "sortie" itself had been small, but those who gloomily forecast a crop 20-25% below average, were looked upon as being incurable pessimists.

Fears of a crop rather below average were compensated for in July which brought almost constant sun, temperatures above average and virtually no rain. With the large and good crops of 1966 and 1967 behind and the poor quality of 1968, everybody was agreed that what the market needed was something really good, even if the quantity was below average. August started fine too and if the latter part of that month was rather grey, the temperature was slightly above average and rainfall negligible. The vines were "suffering" from lack of water and leaves drying, and this too signified that conditions were excellent for producing wine of outstanding quality. There were mutterings of "another 1961" and even if there were some six weeks to go before the vintage was over, there did not seem to be much that could go wrong.

Then came September. It was not the worst September on record, that privilege belongs to 1965, but it ran a good second. The total rainfall for the month was 207 millimetres (September 1965 boasted 212, an average September 68 millimetres) and it rained on 23 days out of the 30. In fact three quarters of the total fell in the first fortnight and over half of it on the three days of 13th to 15th. Whatever the details, it was wet; and even though the last days were fine and October magnificent, damage had been done. It is important that for the last month or so before picking the weather is dry, so that the sugar is concentrated in the grape. Once there is a large quantity of water in the soil, instead of concentrating the essential elements, the plant pumps water, the sugar content does not increase, the acidity does not fall and the whole substance becomes diluted. The fine weather during the vintage saved a disaster but there was no longer any question of producing great wine.

However, if concentration was lacking, the fine weather of July and the satisfactory weather in August ensured that the essential elements were there. The danger was that the excessive rain in September in addition to diluting the quality, which was inevitable, would also cause the grapes to rot. If this did happen to varying degrees as far as the Merlot was concerned, the fine weather in October prevented the Cabernet from suffering the same fate and they were generally healthy. The Bordelais have learned in these recent difficult years how to deal with rotten grapes. At the first sign of rot amongst the Merlot, they started to pick, and this often a week earlier than they had originally intended. Many of those who could not get their grapes in in time abandoned once again much of their Merlot on the vine. On the whole therefore the grapes were picked healthy, if not very ripe, and under a blazing October sun.

The quality

The wines, at this early stage, usually have a good colour and often finesse. The worry is the acidity. Because their ripening was "stunted" by the rain, the acidity content tended to be high. Until recently it was accepted that wines often underwent a "secondary fermentation" in the Spring and in the old days no self-respecting buyer would take it upon himself to pass judgment on the vintage, let alone select his wines, until this "fermentation" was completed. Now it is known that this was in fact the malolactic fermentation, when the malic acid is transformed into the less potent lactic acid and the acidity content thus reduced. Also, in those "good old days" the vintage took place earlier than it does today, nobody was equipped to follow accurately the maturity of the grapes and they tended to be picked with a higher acidity content than they are today. Hence part of the reason that the wines had to be kept considerably longer before they became drinkable. In normal recent vintages, when the grapes are picked properly ripe, the malolactic fermentation in Bordeaux takes place concurrently with the main fermentation, so that by the time the grapes are pressed it is already completed and the wines are ready to taste that much earlier. Perhaps it is because of the circumstances of this year's vintage, because the grapes as a result of weather conditions were picked relatively unripe and with a high acidity content, that the malolactic fermentation has in many cases this year been delayed. Many have, as in the old days, not yet undergone it and, now that the cold weather has arrived, they will not do so until the Spring.

The result is that often the wines taste acid and rather mean. They have good colour, often great finesse but finish tough. It is possible that some will not undergo a malolactic fermentation even in the Spring. In that case they will remain tough, as happened to the 1957's. But those that do, and those that have already done so, should be fine wines, with elegance and a good balance, though a degree of the characteristic austerity of the year seems bound to remain. They will not be great wines because they were starved of sun in September, and they will not be "commercial" because they will not mature quickly, but the vintage should provide some good quality, classic claret that will eventually be appreciated by claret enthusiasts not for its charm, but for its classic reserve, its wiry stamina and its longevity.

It was again a difficult year for sweet white wine and distraught growers in Sauternes, who have not had good conditions since 1962, are beginning to wonder if their luck is ever going to turn. Great sweet wines are the most difficult to make and are the most demanding both of the weather and of the skill and patience of man. The poor September weather prevented the "pourriture noble" from establishing itself on the grapes and, as with the red wines, by the time the magnificent October weather arrived, the damage was done. Many, fearing that grey rot would beat the noble rot to it, and that they would consequently lose much of their crop, picked their grapes early in October. The result is clean, well-balanced and healthy sweet wine but with little finesse or character. Having lost too often in recent years, there were not many growers who decided to delay picking and risk losing much in quantity in the hope of producing better quality. Those few brave growers who did so, deserve to have made something outstandingly good, and perhaps they have, but at the time of writing such wines are often still fermenting and impossible to judge. An extreme example of such dedicated courage was Château d'Yquem. Their picking did not finish until 25th of November and they claim that they only finished then because they could not obtain a derogation from the law which obliges all growers to declare what they have produced by midnight on that day. The price they paid was a production of five hectolitres to the hectare (about 300 bottles per acre) as opposed to a normal production for the appellation of 25 hectolitres to the hectare. Certainly at the price the consumer pays for d'Yquem it can be argued that they can afford to make such a sacrifice, but it is nevertheless an example of faith and dedication that they did so. Many growers who did not do so would claim that even if they had, and had produced wines of outstanding quality, they would still not have been able to sell their wine at more than a quarter of the price of d'Yquem, and, sadly, they are probably right. The demand for great Sauternes seems just about large enough to sell the d'Yquem crop at any price they wish to ask, and the remainder of the world's requirements is for sweet wine, as cheap as possible, called Sauternes.

If fine sweet white wine is climatically the most difficult to produce, dry white wine is the easiest. Bordeaux tends to be too hot for the production of long elegant dry wine, and in years such as 1969 it is always the dry white wines which are relatively the most successful. It should prove an excellent year for dry Graves and for the light Sauvignon wines that many are now putting on the market.

The quantity

Those who had been qualified as pessimists when they gloomily forecast a crop 20-25% below average, turned out to have been rather too optimistic. Normally, Bordeaux produces some three million hectolitres of Appellation Contrôlée wine. This year the crop amounted to 2,100,000 hectolitres. This makes it the second least productive year of the decade to 1961, which produced only 1,800,000 hectolitres.

The Market

In recent years the Bordeaux market has found a good balance. A normal crop is three million hectolitres, sales are very much the same, and the stock, declared by all growers at the end of August each year, has amounted to some 2.1 million hectolitres each year. In other words, if the stock at the property is added to the crop each "campaign" opens with some twenty months' stock available at the property. The small crop this year only amounts to eight months' normal sales and to this, as usual, is to be added the usual eight months' stock of "old" wine declared at the property by the end of August, giving a total availability of sixteen months' stock.

This is certainly a simplification of the situation, but when stocks lying in shippers', importers' and merchants' cellars are added it can be seen that there is not an immediate shortage of wine. The position cannot be compared with that which existed from 1956 to 1961, during which period only one year, 1960, produced as much wine as 1969 and during which the average crop was only 1.7 million hectolitres.

Prices have opened high. In the cheaper categories of Bordeaux Rouge, prices are some 50% higher than opening prices of 1967, and the prices of the better categories are 30-40% higher. Whether they stay at that level will depend on the reaction of buyers and eventually on the size and quality of the 1970 crop. There has been considerable activity in the cheaper categories of Bordeaux Rouge, but little in the higher categories.

Bordeaux Rouge is influenced by a different market to the more expensive wines. Probably 90% of the crop is consumed in France and its price is closely affected by the prices of Beaujolais and Côtes du Rhône, these three appellations forming the basic diet of the increasing number of Frenchmen who are tending to drink less vin ordinaire and more wine that is entitled to an appellation. Nobody holds much stock, most of the crop is consumed within a year of having been produced. The quantity having been small in all three of these areas, there has been some almost panic buying by home merchants, fearing that they would not be able to find enough wine to service their customers for the next twelve months. It is a paradox that unlike countries which are not members of the Common Market, such as the U.K. and U.S.A., the cheaper wines from such countries as Italy, are not yet freely imported into France and growers have the advantage of a well-protected home market. But whether the credit-squeezed French consumer will be willing to pay the price, or whether he will revert to his vin ordinaire, remains to be seen. Exporters, with the help of their stocks, will no doubt do their utmost to avoid passing on the whole increase in the hope that prices might ease. They are more aware of the competition from other countries and of the fact that a 50% increase in price would have the effect of subsidizing the wines of Italy and Spain by the same amount.

The middle category of generic Médoc and St. Emilion, and small châteaux wines from these areas, is perhaps where there is the greatest room for flexibility of price. Already in this category, consumers are perhaps drinking them because they have made up their minds they want a French wine and they are therefore less susceptible to competition from other countries. The quality varies considerably in this category; there are few well-established brands or châteaux, and often it is possible to find wines of excellent quality at prices which can hardly be deemed exaggerated. It is the category too which will be receiving increasing attention from claret enthusiasts who find classed

growths priced beyond their reach. In a year such as 1969 they will need careful selection. If the crop in 1970 is large, the general level of prices may well drop, but if, when the wines can be properly judged in the Spring, there are some which taste particularly well, there should be a market for them.

The top category of classed growths is primarily an export market and dominated today by the United States. It seems likely that it is being influenced by amateur, and sometimes professional, investors who, following the shortage of old vintages and the extraordinary increase in prices on the Bordeaux market, are hoarding wine as an investment. This in turn of course accentuates the "shortage" and prices increase further. It is impossible to know how much wine is being stocked in this way but if it is significant, it is acting as an artificial catalyst to prices, and perhaps creating a bubble that will one day burst. Ultimately, the value of a wine must depend on the price the consumer is willing to pay to drink it, and if wine is being stocked in this way it is possible that when it is released to the consumer market there will be few consumers willing to pay the price.

Prices of classed growths have opened 40% higher than 1967, 10-15% higher than 1966. For the purist who bases valuation only on relative quality they are certainly overpriced. For the realist who bases his valuation on market values of other vintages and who claims that 1969 has been successfully launched as a "grande année" they are probably a safe investment, if not an exciting one. For the wine merchant, usually striving to be a realistic purist, there seems little point in taking a position until the late Spring. By then it will be possible to taste and select, and, by the end of June the flowering will be over and it will be possible to have a rough idea both of the likely size of the 1970 crop and whether the vintage will be early and consequently the chances of quality that much greater. Prices are very unlikely to increase in the meantime and it should not be forgotten that when opening prices are made exclusive of keeping charges and for payment in Spring 1970, it is necessary, at today's interest rates, to add no less than 30% to the quoted price in order to calculate the real cost price of the wine at bottling. Once again it is also worth remembering that when there are two consecutive good vintages the second is always better value than the first.

BURGUNDY

The Côte d'Or

The Vintage

Burgundy did not suffer from the heavy rain that hit Bordeaux in September. On the other hand the weather in June was worse. Constant heavy rain turned the vineyards into a quagmire, it was impossible to get tractors into the vines and spraying had to be undertaken by helicopter. July was hot, August fine for the first half but mainly cloudy and cool in the second half. September too was mixed but the fine weather returned towards the end of the month and it remained fine and warm through October for the vintage. The quality is generally good but not great. "Août fait le mout" is not easy to translate neatly but it accurately paraphrases the fact that the guts of a wine depend on the weather in August, and lack of sunshine and heat then almost inevitably results in the wines being light. They seem similar in shape, and finesse to 1967's though many claim the colour and body are rather fuller than that vintage. There is the usual enormous variation from one grower to another, but it is probably fair to say that it is a good year with wines tending to be on the light side but generally with good balance and sometimes with considerable finesse. The whites, less dependant on August sunshine, seem rather better than the reds, and it is possible that some of these will turn out to be very good indeed.

The Market

The average crop in the Côte d'Or over the last twenty years has amounted to 175,000 hectolitres. About one third of this is of "lesser" appellations (Bourgogne Rouge, Bourgogne P.T.G., Aligoté, etc.), which leaves about 120,000 hectos of "grand vin". Most of the better communes, such as Pommard, Nuits-Saint-Georges, Gevrey Chambertin and Beaune, produce in the region of 10,000 hectolitres each, 4,500 hogs-

heads or 110,000 cases. In relation to anybody's personal requirements this might sound plenty, but with demand for fine wine booming throughout the world it does not go far.

Prices have increased regularly, if not spectacularly, over the years. Each increase has seemed likely to be the last, and reaction has been that if prices increase further sales will become affected. But demand has continued and prices have continued to rise.

Quantities available being so small and the demand so great, it is not surprising that the market is sensitive. But in recent months this sensitivity seems to have become near hysteria. True, the crop in some communes of the Côte de Beaune is below average, but overall the total crop amounts to some 190,000 hectolitres, which is a good average.

But prices have exploded. Perhaps because of the poor quality of 1968, perhaps because buyers expected the crop to be smaller or perhaps because the vintage was cracked up as being "great" before the musts had finished fermenting. Whatever the reason, and probably it is a combination of all three, present prices are some 50% higher than 1967's were at an equivalent time. In fact, for a brief week, when the market opened in the middle of October, prices were "only" 10-20% higher on 1967's but the demand was so immediate and overwhelming that growers started to ask prices at which they were confident nobody would buy, preferring to keep their wine at least until the fermentation was complete. To their astonishment even at these prices buyers were plentiful and within three weeks the present extraordinary level was reached. Then came the Hospice de Beaune sale, which growers like to look upon as a barometer for the market in general. Having been told by desperate buyers that at prices 50% higher than 1967's they were already killing the market, there were many contented grins on the faces of Burgundian vignerons when prices at the Hospice were often 100% higher than 1967. Since, the market has been in a state of stunned and perhaps a little embarrassed paralysis.

How much of the crop has been sold is difficult to judge. Many put the figure as high as 70%, but this hardly seems possible. That there has been considerable activity is however undeniable and enough has been sold not only to put a price on the 1969's, but also to make it necessary to increase prices of older vintages. There might well be an easing of prices in the Spring and it is also possible, in fact probable, that 1970, will be cheaper, but the fall is unlikely to exceed 15% and this still leaves a large gap between today's prices of older vintages and replacement cost.

Perhaps the effect of these increases will be to lessen demand or at least to stop the increase in demand which has caused the rupture of stocks and the resulting increase in prices. Many Burgundy drinkers will find that they are no longer willing to pay for their bottle of Nuits-Saint-Georges or Pommard. As this price explosion coincides with the approach of Appellation contrôlée in the U.K. it is inevitably going to be felt in that market more than in any other. The retail price of a bottle of Appellation contrôlée Nuits-Saint-Georges is likely to be 30/- to 40/-, and if this means a restaurant price of over 50/- it seems inevitable that demand will fall.

A happy consequence of increased prices and limitation of demand might in turn be a general improvement of quality, and if this is so it will have been worthwhile. With demand running ahead of supply, quality has become of secondary importance; there has been a certain market and growers have known that they would sell at a good price, whatever their quality. If, through increased prices, a better balance can be created between supply and demand, perhaps a buyers' market will develop, and quality improve. A great Burgundy is worth 35/- a bottle, a poor Burgundy is not worth 25/-.

Like classed growth clarets, the fine wines of the Côte d'Or should always be good. If they are, a limited clientèle will pay the price of their limited production. They are not wines for the new mass market. If only one American in ten wanted to drink fine Burgundy and if each drank one bottle per year, they would alone have consumed the whole crop!

SOUTHERN BURGUNDY

Beaujolais

A plaque on a wall in Chénas reads "La mendicité est interdite dans la commune de

Chénas" (Begging is forbidden in the commune of Chénas). To whom it is addressed is not clear; it is doubtful that the citizens of Chénas need to beg, so presumably it is a warning to outsiders. If it applies to buyers of wine, many shippers have risked in these last few weeks finding themselves purging their crime behind the bars of Chénas prison.

Some 800,000 hectolitres of Beaujolais were sold during the last twelve months, and the crop this year is only 700,000. As soon as the grape picking started, it was realised that the crop was even smaller than expected. Immediately, shippers precipitated themselves into the vineyards. Very quickly growers realised they would be short and prices started to rise. Having opened at prices some 30% higher than the opening prices of 1967 within a month of the vintage they had increased a further 20%, and it was estimated that 75% of the crop was already sold. Having sold most of their crop almost before it had finished fermenting, growers became more intent on keeping a reserve stock than on cashing in at the high prices. Shippers on the other hand had still covered their likely requirements and realising that the crop was anyway not large enough to cover everybody's needs, ignored the warning of the town councillors of Chénas and are to be seen to this day, throughout Beaujolais, begging from door to door in search of precious 1969 Beaujolais.

The quality is good. Not perhaps with as much fruit as the French like in their Beaujolais, but the wines have excellent colour and a firmness that makes them the more suitable for export.

Even at these relatively high prices, there seems little doubt that the wines will find a ready market at consumer level also. Good Beaujolais fits so ideally the modern wine drinker's requirements and is so unique in its style that perhaps it is not too fanciful to imagine its attaining a new place in the hierarchy of wine and gaining recognition as fine wine, rather than merely the cheap end of the Burgundy spectrum. Certainly a fine Fleurie, Juliénas, Brouilly or other "vin de cru" is still excellent value when compared with wines of the Côte d'Or.

POUILLY FUISSE AND MACON

A normal crop in Pouilly Fuissé produces only 25,000 hectolitres; this year's crop is 20,000 hectolitres. As in Beaujolais, the Pouilly Fuissé crop is generally sold within the year and there is virtually no stock of older vintages either in the hands of growers or of shippers. Unlike Beaujolais, which is sold throughout the world, a large proportion of the Pouilly Fuissé crop ends up in the United States. For some inexplicable reason it is a name that has "caught on"—inexplicable because it is after all a name that does not lend itself to the Anglo Saxon tongue—and even if each of the 200 million population is not a Pouilly Fuissé drinker, a total production of three million bottles does not go far. If, as is the case, the production cannot be increased, the inevitable consequence is that prices rise. Prices for 1969 opened 50% higher than 1967's and have now risen a further 10%. Even at this astonishing level, it is difficult, in fact virtually impossible, to find growers willing to sell. How much of the crop is sold is difficult to judge; growers seem to have kept a fair proportion up their sleeves, but with a certain sale and a limited quantity, there seems little chance of prices falling.

Unlike Beaujolais, it seems likely, and it is certainly to be hoped, that the consumer will kick when faced with such an enormous price increase. If importers and merchants can steer their customers away from Pouilly Fuissé and on to good Mâcon Blanc, the bubble will quickly burst and prices for future vintages return to a level more in keeping with the merits of the wine.

The Mâcon Blanc crop is 66,000 hectolitres which is only slightly below normal. Prices opened only 10% higher than 1967's and this increase is absorbed, on most markets, by the franc devaluation.

The quality of both Pouilly Fuissé and Mâcon Blanc is good. The wines have an excellent balance and length and should develop extremely well.

A normal crop of Mâcon Rouge is about 60,000 hectolitres; the 1969 crop produced 43,000. Prices opened some 50% higher than 1967's, which was also a small crop. Perhaps most people look upon Mâcon Rouge as a cheaper form of Beaujolais. In fact the wines have little resemblance to Beaujolais, lacking their fruit and generosity. The difference is accentuated in 1969, at present they taste hard, light and rather acid. Many have not completed their malolactic fermentation and will soften in time, but at

the prices at which they will have to be sold, they are hardly cheaper than Beaujolais. The small crop will doubtless be absorbed by people intent on keeping Mâcon Rouge on their list, but it is unlikely that the vintage will provide new enthusiasts for this wine, either amongst those looking for quality or amongst those looking for a bargain.

CHABLIS

In 1968, Chablis produced some 35,000 hectolitres; in 1969, 20,000. There is no area so susceptible to variation of quantity (in 1967 when most people had a good crop Chablis, as a result of frost and hail damage only produced some 20,000 hectolitres) or so susceptible to price fluctuation. The table below shews clearly that the cost of wine follows other laws than that of the cost of production or the cost of living:

Taking as a basis the vineyard price of Chablis as 100 in 1958, prices have evolved as follows:

1958	100	1964	93
1959	136	1965	90
1960	144	1966	90
1961	162	1967	118
1962	114	1968	114
1963	72	1969	250 to 325

It is the good old law of supply and demand that wins again. 1956 severe frosts, a shortage develops and prices rise steadily to a peak in 1961 (also a small crop). But at that peak consumers resist, demand falls and prices fall sharply. Prices then stay reasonably steady for seven years and it takes seven years for the area to build up demand again and to win back customers who were frightened off by prices from 1959 to 1961. Then, between 1967 and 1969 two small crops out of three and the third is of poor quality; prices explode.

It is nobody's fault. Growers when offered a high price are unlikely to refuse; shippers faced with increasing demand and with little stock, when faced with a shortage of supply are bound to offer high prices in order to be able to maintain supply to their customers; merchants too will be reluctant to remove Chablis from their lists until sales figures prove that it is too expensive, and consumers . . . ?

As with Pouilly Fuissé, it is to be hoped that consumers will resist and if they do, prices of future vintages will be more reasonable.

The wines are excellent, perhaps the most successful of all 1969's. They often have the green tinge of colour, which is supposed to characterise Chablis but which is rarely seen; they have considerable character and excellent balance.

RHONE

Côtes du Rhône

The crop amounts to 678,000 hectolitres, compared to 625,000 in 1968, but to a normal crop of some 1,100,000. In other words, it is the second year running that has produced little more than half a crop. Prices are 25% higher than 1968, or 40% higher than 1967. In fact, prices have behaved in a similar way to those of Bordeaux Rouge and are at a very similar level. In spite of the increase, Côtes du Rhône is still relatively good value, and we would expect sales still to be able to expand at this level. This partly because on the home market there might well be a degree of "fall out" of Beaujolais drinkers unwilling to pay the increased prices, partly because it is a wine ideally suited for export at present badly distributed and badly known abroad, and partly because when Appellation contrôlée becomes a factor in the U.K. there are going to be many current consumers of Burgundy and Châteauneuf du Pape looking for a similar style of wine at a reasonable price.

It was not a particularly successful year in respect to quality. The wines are good but seem to lack the concentration and guts that make the great years in this area.

CHATEAUNEUF DU PAPE

A normal year produces about 80,000 hectolitres. The crop this year was 62,000 hectolitres compared with 54,000 in 1968. Prices are some 20% higher than 1968 (which were much the same as prices of 1967 and 1966) and Châteauneuf du Pape is still

excellent value. With Burgundy prices at their present level, it is surprising that Châteauneuf du Pape has not increased more and we would expect to find an increasing sale for it over the next years. As Côtes du Rhône it is an ideal wine for export and particularly for northern climates.

Similarly to the Côtes du Rhône they lack a little body and fullness but are nevertheless of a quality that should make them extremely useful.

TAVEL

A normal crop is some 20,000 hectolitres, the last two vintages have each produced under 15,000. At the time of writing the crop has been virtually sold out at prices 20% higher than 1967.

The year has produced wines with elegance, length and a good deal of style. It is a good year for Tavel.

CONCLUSIONS

The market is faced with generally a small crop of wine of reasonably good quality. Following the poor quality—and in some cases small quantity—of 1968 this has caused a price explosion.

In some cases these price increases can be expected to be temporary, and in others permanent.

In the small production areas (Chablis, Pouilly Fuissé particularly) an inevitable increase and shortage has resulted in a degree of panic buying, but virtually the whole crop has been sold. A fall in price for future vintages will depend on consumer reaction.

In Burgundy enough of the crop has been sold to ensure an inflated price level for the vintage. Future vintages may be cheaper, but it might be to everybody's benefit if instead there was a general improvement in quality.

There is a certain increase in large production areas such as Beaujolais, Côte du Rhône and Bordeaux Rouge, but it is generally not excessive and it is expected that the market will absorb them and that they will be permanent.

In the finer areas of Bordeaux, prices have probably opened too high to tempt anybody to invest until it is possible to formulate an idea at least of the size of the 1970 crop.

SICHEL & CO.