

MAISON SICHEL

SICHEL

U.K. Importers
H. Sichel & Sons Ltd.
4 York Buildings,
Adelphi, London, WC2N 6JP
Telephone No. 01-930 9292



19 Quai de Bacalan,
Bordeaux.
Telephone No. 29.23.08
29.52.20

BORDEAUX, February, 1973

1972 VINTAGE AND MARKET REPORT

BORDEAUX

In past reports we have always given pride of place to nature, with a report on the weather conditions and the quality and quantity of the recent vintage. So many unnatural factors today dominate the scene that it seems right to acknowledge the fact, reverse our practice and discuss man and his money, before nature, her grapes and wine.

The Market

Depending on the appellation prices for 1972 Bordeaux wines are, with the exception of cheaper white wines, from 300% to 400% higher than 1970's. We pointed out in our last report that 1971's which seemed expensive at the time (though generally rather less than half the price of 1972's) were not unreasonable; if the increase was spread over the last nine years it represented an average annual cumulative increase of only 8% per year. The current explosion brings the average annual increase over the last ten years to some 15%. Can this be justified? We think not, but if not how and why has it happened? The movement started in the early summer of 1972. The flowering was exceptionally late, prospects for 1972 therefore seemed poor and growers, with little stock, preferred to keep what they had not already sold and increased their asking price considerably. Shippers, many of whom still had reasonable stocks, reacted in two ways. Some decided to stick it out, convinced that prices would have to return to a more normal level early in 1973. Others, anxious to maintain the volume level of their stocks bought at the apparently inflated level calculating that if they averaged out their cost price with their stocks of earlier purchases of 1971 and 1970 the difference in cost would not be too great. At the same time they increased their selling prices to a level which terrified themselves and horrified their customers, but which in no way reflected the vineyard increases of the previous nine months. As late as October 1972 a survey resulted in the conclusion that during a period when vineyard prices had increased by 200% to 300% shippers selling prices for the same wines had increased by 30% to 50%. Their role has always been to level out excessive price variations and they were still hoping to be able to replace their stocks at reasonable cost once 1972's were available.

During the last months of 1972 it became clear that as far as growers were concerned the new prices had come to stay. In spite of considerable efforts by shippers and the more perspicacious grower leaders to install reason and stability, anarchy took over. Not unreasonably growers who had sold their 1971's at the beginning of the campaign only to see their neighbours often selling less good wine at double the price nine months later, were not going to be had again. Furthermore many, as a result of 1970 and 1971, have money in the bank for the first time and, having been forced to sell early in previous years in order to cover their cultivation costs only to see prices rise constantly later in the campaign, prefer to create some stock rather than swell their bank accounts or mattresses with uninflatable francs. Also recent tax reforms have had the result of creating an advantage to some growers to limit their sales. The French allergy to tax is well known and even those not affected by this reform hesitate to sell when such a large percentage of their selling price will go the "Inspector".

In the meantime down on the "Quais" many shippers found they were virtually out of stock. Customers abroad as well as in France had been well aware of what was going on, had made the most of shippers prices well below replacement cost and layed heavily into them. Possibly some shippers had even sold short and anyway there were enough who had to buy at any price to

create a market at the staggering level mentioned above. It is not a market of willing buyer and willing seller, but one of desperate buyer and reluctant seller. It is a market where buyers, fearful that unless they buy they will have nothing to sell, are aware that they have no control over the supply position but are at the mercy of growers, the vast bulk of whom for years have been deprived of prosperity and who once they have sold sufficient to cover next years production costs can cut off the supply completely. Up to 1971 in an average year a grower of Bordeaux Rouge even if he sold his entire crop probably had to borrow money to finance the production for the following year. Today he can finance 1973 by selling only half his crop. In Saint-Emilion or the Medoc he only needs to sell 25% of his crop. Perhaps a first growth could cover its costs by asking shippers to pay for their samples.

Nobody is pretending that this position is a happy one or a healthy one. It worries even growers but it is a consequence of a free market, a partially artificial restriction of supply, increasing demand and the well-known human factors of greed and lack of discipline in a rising market. As they say in France "L'appetit vient en mangeant".

What is necessary for prices to fall? Either an increase in supply or a decrease in demand, but probably both. As has been mentioned above growers will not generally need to reduce their prices in order to sell because they have no financial need to sell. The only exceptions might be those whose quality was not sufficient to find a buyer during the first flush of activity and who will need to raise some cash later in the year. Most shippers have by now probably bought sufficient to be able to go into battle, and certainly, except for those now financed by large international groups, they have neither the financial resources or inclination to create large stocks. Activity during the winter and spring is therefore likely to be slight, particularly if there is a real slow down of demand from export markets. This will presumably depend on whether importers and merchants revalue their stocks to present replacement cost or whether they make the same mistake (?) as did shippers in the last six months of 1972, average out their cost price and only pass on a small proportion to the consumer. If they do that they will have to replace those stocks and the effect of reduced demand could only make itself felt in Bordeaux in a year or so. If there is a sudden drop in demand, if growers do want to sell again in the spring, if they then cannot find any buyers and if the flowering goes well this year it does seem possible that prices could crack in the early summer. If 1973 produces a large crop and if growers still have a large proportion of their 1972's in stock a storage problem would help to force more wine onto the market. If shippers had been able to sell little of the 1972 they had bought and were in no hurry to buy 1973 the crack could become considerably larger.

The present tension is basically due to a lack of stock. This in turn can only be the result of prices not having been sufficiently high to balance demand to supply. From this situation it is easy to understand the development of speculation — by growers and buyers — accentuating further the shortage of stock and the market being thrown out of balance. This is the present state of the Bordeaux market. Nobody can believe the present level is the right one but the right level cannot be found until stocks have been reconstituted. In time the supply position will be improved by increased production resulting from new plantations, conversion from white wine to red in certain areas and the conversion of vines at present producing *consommation courante* in the Appellation area to "noble" vines entitled to the Appellation. It is itself a remarkable reflection on the past price level in Bordeaux that each year over a million hectolitres of *vin ordinaire* are produced. These are largely produced on land entitled to Appellation Contrôlée but where it has not been economically worthwhile for growers to plant quality vines and thereby restrict their yield. If prices of basic Bordeaux wine maintain an economic level there would seem to be a considerable potential of increased production through converting a large proportion of the 33,000 hectares at present producing *vin ordinaire* to the production of quality wine. Furthermore, Bordeaux must be one of the few quality wine growing areas in the world where there is less land under vine cultivation than at any other time this century. At the beginning of the century some 135,000 hectares were being cultivated, immediately after the second war the total was much the same, with 97,000 hectares producing Appellation Contrôlée and 38,000 hectares producing *consommation courante*. Today there are only 69,000 producing A. C. and 33,000 producing *consommation courante*, making 102,000 hectares in all, or 25% less than during the first half of the century.

If a foreigner is asked the first image that springs to mind concerning Britain it is almost certainly the Royal Family. Similarly the image of Bordeaux is the great chateaux. Both are

invaluable assets but are equally unreal as economic representation of their environment. It is an indisputable fact that the mass of Bordeaux growers are only now emerging from almost fifty years of hardship. If the present euphoria has temporarily transported them beyond reason they can hardly be blamed. When a new balance has been found it can only be hoped that the level will be such that they are given the confidence to convert entirely to quality production, and plant those areas that are at present lying fallow. If this is to be so prices of Bordeaux Rouge must not fall much below Frs. 3,000 per tonneau. Today's price is Frs. 4,000, 1971's opened at Frs. 2,100 and 1970's at 1,350. We doubt that the present level can be maintained but it does now seem possible that there will be a reorientation of demand that will keep the price at an economic level. There are indications that Bordeaux is heading for a period of democratisation, that prices of top growths have reached their ceiling and will tend to stagnate, that consumers who in the past have drunk Medoc and Saint-Emilion will now drink Bordeaux Rouge and that these added sales for Bordeaux Rouge will first have the effect of maintaining their price at an economic level and secondly reduce the difference in price between these basic wines (which make up some 50% of the red Bordeaux production) and those of the middle category. There is little doubt that this would be more healthy, more just and more truly reflect relative values.

But before this new balance is achieved the trade is faced with an immediate problem of supply and it is perhaps time to consider what these wines of 1972 are that pretend to be worth two to three times more than 1971.

1972 VINTAGE

The Quantity

The vintage produced:

- 1.6 million hectolitres Appellation Contrôlée Red
- 1.0 million hectolitres Appellation Contrôlée White
- 0.9 million hectolitres Vin Ordinaire White
- 0.4 million hectolitres Vin Ordinaire Red

This may be considered an average sized crop. As far as appellation contrôlée wine is concerned, it is 500,000 hectolitres more than 1971 but 700,000 hectolitres less than the record breaking 1970 crop.

The Quality

Though the flowering is of more importance to quantity than quality the time at which it takes place is important to both, though for opposing reasons. An early flowering is dangerous for quantity because of the risk of bad weather before it is complete and consequent "coulure". It is promising for quality because it means the vintage will also be early and the grapes therefore ripen in the longer and warmer days of August and September rather than having to brave the hazards of October. The flowering has rarely been as late as it was in 1972. Ideally it should be over by the end of June or even before, but in 1972 it dragged on into July and was about three weeks later than normal. Conditions were good, there was little coulure and Bordeaux was heading for a reasonable sized crop but a very late vintage. July was dry with plenty of sun and average in temperature, August, all important for the sugar content, below average in temperature, not on the whole wet but with two days of heavy rainfall in the middle of the month which in fact probably did more good than harm. September was sunny and dry but with temperatures well below average and it was beginning to seem impossible that the grapes would ever ripen. They certainly showed little sign of it at the end of the month when normally they should have been ready for picking. But nature never fails to complete her cycles and it was really a question of whether the autumn rains would start, rot set in and a disaster result, or whether October would be kind and make it possible to pick healthy grapes even if they were not rich in sugar content. October was kind, the vintage ultimately got underway on the 12th and continued for the rest of the month. Conditions for it were excellent.

In the records of Monsieur Daniel Lawton, Doyen of the Bordeaux wine world and mine of information on its history, there are only two vintages since his records begin in 1795 that started as late as 1972. These were 1816 which he describes as "Détestable", and 1932 — "Exécrable". Promising for 1972. In reality there is no question of 1972 qualifying for such adjectives. Perhaps although equally late other conditions were different and certainly wine making skill has greatly increased. It has become clear in recent years that the only real disaster is rot. Healthy grapes produce healthy wine and if a wine is healthy and made with care it is never bad.

The problem in 1972 was not rot but, because of the late start and lack of heat, an immaturity and high acidity. The sugar content was reasonable and though the acidity dropped dramatically during the last half of October it was still higher than normal when the grapes were picked. It is here that modern knowledge and skill proved vital. Knowledge made it clear that there was a high proportion of malic acid and skill made it possible to provide the conditions under which the natural malolactic fermentation could take place and reduce the acidity further. Grapes which had 8 to 9 grams of acidity still at the beginning of October had fallen to 6 to 7 when they were picked, and where the malolactic fermentation had been successfully completed the wines now have a perfectly normal and healthy 4-5 grams.

Inevitably the wines are on the light side, though less so in Saint-Emilion and the Côtes de Bourg where the higher proportion of earlier ripening Merlot has given the wines a fatness which is generally lacking in the Medoc. Some were picked too soon and are thin, others have not completed their malolactic fermentation and are at present acid. The quality is therefore variable but except for perhaps 25% of the crop which was badly made 1972 has produced light but elegant red wines with character which reflects well their origin and have balance and length. They are not as good as 1971 or 1970 but, because the grapes were healthy, we think they are certainly better than 1969.

At last there are signs that Bordeaux is learning how to make elegant light dry wine. Often they lack acidity but this year there was no question of that, conditions were ideal for their production and good wines have been made. On the other hand, sweet white wine needs very different conditions and although many were patient and extended their vintage into November the concentration of sugar could not be achieved and the wines lack fat and real quality.

By no stretch of the imagination can it be claimed that in relation to recent price levels the wines of 1972 can by their quality justify the prices being asked. Neither can it be claimed that in relation to present sales the quantity is so small that there will not be sufficient to supply the market. They are grossly overpriced. The dominating facts are that shippers have run out of stock and that growers are in no hurry to sell. On the other hand, it does seem clear that increased demand will have some permanent effect, that Bordeaux has entered a new period of prosperity the likes of which have not been seen since before the first World War, that a new balance must be found and that it will take at least twelve months to find that balance.

1971

Classic claret. Restrained, slow to show themselves but with great breeding and character they are now beginning to take shape and will generally be ready for bottling in the spring. We would not be surprised if a number prove superior and longer lived than their 1970 counterparts.

1970

Still have all their fruit and charm. Certainly the most reliable and regular vintage since 1966. The fruit of ideal conditions their only possible long term handicap could be the size of the crop resulting in a lack of firmness, which could tell on their stamina. This will be academic as they are certainly good for another fifteen to twenty years and will be largely consumed before this possible weakness becomes apparent. Classed growths should be given at least ten years in bottle.

1969

Never a great vintage, but absorbed by a thirsty trade after the failure of 1968, the lack of ripeness and the effect of rot are now apparent. Not a "bad" vintage but often unhealthy wines which lack character and charm. Some should be drunk now, others will improve with another two to three years in bottle. A stop-gap vintage between 1967 and 1970 which seemed expensive at the time and whose greatest merit was to end in "nine". Some can be listed now to give 1966s and 1967s a chance to develop their full quality.

1967

Though the quality is somewhat diluted as the result of a large crop they have character, style and balance. Not great fruit but reliable and pleasant wines which should be drunk before 1966s. The best need another four to six years but they do vary and others are now ready for drinking.

1966

Complete, long with perfect balance and great character. Many wines of the vintage are truly great and will live for twenty years or more. Methods of vinification vary, however, and now is the time to taste one's stock and decide which should be hoarded away. Wines of this quality are not on average produced more than twice a decade.

1964

Continue their rather uncomfortable progress. Those made with a proportion of rotten grapes are superficial and unsatisfactory but those vintaged early, and at those properties where the owner had the strength of mind to separate those grapes affected by the autumn rains, they are each year gaining in definition and character. They have body, will continue to develop for many years and the best wines of the Medoc should be kept another ten years at least. Saint-Emilion are more regular in quality (because they were vintaged earlier) but, as is normal, are maturing more quickly and are generally now at their best.

1962

Pleasing, clean wines with great character and charm. Saint-Emilion should generally be enjoyed now, some Medocs are approaching full maturity whilst others will benefit from another five years in bottle.

1961

Patience. There are some disappointing wines which are now at their best but the great wines of this exceptional vintage must be forgotten about for another ten to fifteen years. As in 1945 they must be considered beyond normal standards. The very dry summer and the small crop resulted in wines of such concentration that it will need many years for their rugged, and often tough, constitution to mellow into elegance and distinction.

OLDER VINTAGES

1960s should now be enjoyed. 1959s suffer the irregularity of other hot years where the vinification was particularly difficult. The best should be given at least another ten years. There are some very pleasing 1958s which are now at their best, but the majority are now tired. 1957s continue to progress surprisingly. They are casting off their tannin, revealing character and even some charm. Most 1955s and 1953s should be drunk now. Very pleasing wines but, except for those chateaux which traditionally produce wines with exceptional body, they are now fully matured and some are tiring quickly. 1952s remain disappointing but show little sign of age. They should reveal themselves one day. 1950s are often delightful and generally now at their best. Some have great character. 1949s will go on for many years. Another hot summer but those that were well made have balance and are gaining in elegance and finesse. 1948s are perhaps now at their excellent best. A year that has remained in the dark and if ever any do appear under the auctioneers hammer they probably fetch less than they are worth. All is relative, after all, 1947s are emerging from their awkward stage, many are showing great character and will continue to develop for many years. So too, of course, will 1945s some of which are majestic but others of which are still tough. The best will see in the new millennium without difficulty.

BURGUNDY

Côte d'Or

The Pinot ripens more easily than the Cabernet, the summer was rather warmer in Burgundy than in Bordeaux and on the Côte d'Or the 1972 vintage is better in quality and quantity than it is in the Gironde. The wines are not as full bodied as 1971s but perhaps more so than 1970s. What is more important is that they have character, are healthy and with excellent balance. It is a large crop of 332,000 hectolitres, which puts it even above that of 1970 (305,000) and over double that of 1971 (153,000).

With the rare privilege of four consecutive good years (it is the first time it has happened since 1947 to 1950) the trade was confident that prices would at least remain stable and perhaps even drop. The trade, once again, was wrong. Prices are some 20% higher than last year — the

increase is greater for some appellations, particularly white wines of Puligny, Chassagne and Meursault. Well over 50% of the crop is already sold. The reason is quite simply one of acute shortage of stock accentuated by continuing increase of demand (exports are some 20% up on last year) and the fear of buyers that the law of averages must be against there being a fifth good consecutive vintage. Quite reasonably the trade has therefore wanted to create some sort of stock of quality wine.

The situation is quite different to that of Bordeaux. Firstly because prices have not exploded but only slightly exceeded their average rate of increase during the last ten years. Secondly, the rate of increase having been regular and demand having continued to increase there is no reason to fear that this increase will create any revulsion on the part of consumers. Thirdly, the production is so very much smaller. If the general appellations such as Bourgogne Rouge and Bourgogne Aligoté are discounted the total Côte d'Or production of red and white wine is very much the same as that of Saint-Emilion alone or that of the Medoc region alone. The whole of the Côte d'Or produces less white wine (again, discounting Aligoté) than is produced in the single area of Sauternes. Furthermore, and fourthly, the Côte d'Or is fully planted so there is no possibility of increasing production of quality wine. It is therefore a firm and healthy market where the main preoccupation of buyers is to find sufficient wine, of a quality that justifies the price, to fulfil a steadily increasing demand.

Chablis

Chablis produced some 40,000 hectolitres — again, almost exactly the same as Sauternes and Barsac. This is 50% more than was produced in 1971 but 40% less than in 1970. As we have often pointed out in previous reports the courage and dedication of growers in this area have to match extraordinary difficulties almost every year. Often it is spring frosts that drastically reduce the quantity. This year it was vintage frosts which prevented full ripeness being achieved and badly affected quality. The spring was as late as elsewhere, the summer no warmer and October colder. Shortly before picking started the acidity content was still higher than the sugar content. Then there were several nights of frost which cut maturation completely and growers were obliged to pick grapes which needed another two weeks of warm weather if they were to have fully ripened. With such a high degree of acidity it is difficult for the malolactic fermentation to take place. Only a few have completed it and many have not even started. In those cellars where it is completed the wines are surprisingly good, and improving daily as the cold weather also helps by encouraging the formation of tartaric acid crystals which fall, are eliminated and further reduce the acidity.

Because most of the wines have not finished making themselves, and are extremely acid as a result, it is even now difficult to form an opinion of what the general quality will be. Certainly where the malolactic fermentation has taken place the quality is acceptable. The wines are clean and balanced, though inevitably somewhat stunted as the result of the lack of maturity. Those that have not started their malolactic fermentation are unbelievably acid and it will be important that this is achieved in the months to come.

The efforts to maintain prices at a reasonable level are as heroic as those to make good wine. The climate is as unsympathetic to the one as it is to the other. Growers here have already seen prices tumble, are aware of the dangers of increasing too fast and are willing to take a long term view and go a long way towards ignoring what is happening elsewhere and organize a planned market expansion coupled with the possibility they have of expanding the production. At present there are 1,000 hectares in production, this is likely to be increased by 25% in the next ten years and could be further expanded to double the present area. But it is not easy to keep your head when it is clear that there is not enough wine to satisfy demand, which itself is increased by your efforts to be reasonable, and you are daily being offered higher prices by outside buyers who have no interest in the long term prosperity of the area. Growers agreed with their most important traditional customers that the correct price for 1972 should not be more than 10% above that of 1971. They are so far resisting irresponsible offers above this level, should be highly commended for doing so, and it is to be hoped that it can be maintained. If it is Chablis certainly remains better value than any other white Burgundy with the exception of Macon, the crop will quickly be sold but the market will remain healthy and growers will be able confidently to plant their fallow land.

Beaujolais

Another large crop of over a million hectolitres, although until the excess production has been tasted and accepted as Appellation wine, only some 800,000 are so far classified.

As everywhere else the vintage was exceptionally late. Happily most areas do not have to contend with a supernatural race to get their wine into bottle whilst it is still blessed with the bloom of embryonic youth. Nothing is more delicious than fresh young Beaujolais but if in a year of normal maturity it can — just — be prepared for market by the 15th November it is not possible in years when the vintage should start at least two weeks later than normal.

Either growers are tempted to pick their grapes too soon in order to have the wine ready for the great day, and consequently the wines have an even greater acidity than normal, or they delay picking in order to obtain the greatest possible maturity but then have only one month between picking and bottling to achieve the same degree of stability as other red wines by natural processes only attain in nine months or so. This can be done but not without crushing the character of the wine. Stability was not important when young Beaujolais was only enjoyed between Lyon and Paris but it is important to foreigners who cannot guarantee that the wine will be consumed before it has time to referment or throw unsightly deposits. To some, Beaujolais Nouveau being consumed in London or New York is as incongruous and out of place as Hoola dancing on a cold night in Piccadilly Circus — but it is to others none the less attractive. Perhaps in the interest of United Europe and Transatlantic relations Beaujolais Nouveau could become a moveable feast and not be unnaturally fixed to the same date each year. The only alternative would seem that with a true Clochemerlian sense of proportion in late years calendars are put back a week or so.

Anyway, the quality of 1972 Beaujolais should not be judged by some of the Nouveaux which found its way to the market. As elsewhere the malolactic fermentation has done a great deal to reduce the acidity and even if the wines do not often conform with the misplaced foreign image of full bodied dark wines they do often have the light fruity charm, enlivened by a relatively high acidity, which is typical of true Beaujolais.

It is difficult to justify the price increase of over 25%. Exports which now are responsible for some 50% of the market, are only about 5% up on those of last year, consumption in France continues to drop as prices increase and there are signs that some of the largest importers are also beginning to find resistance. Sales are down in Germany and stable in Switzerland (which still takes 35% of Beaujolais exports) and the Benelux. Only the United States show a substantial increase but that country still only takes some 18% of exports, well under 10% of the production. It was thought at the beginning of the campaign that the shortage of Beaujolais Nouveau had created an artificially high price level, forcing many distributors to fight for a limited amount of wine and this within a short period of time. However, prices have held, in fact increased slightly, and with probably 70% of the crop already sold there seems little chance of prices falling. It may well be, however, that prices have now reached a ceiling and will remain relatively stable for the next year or so. Unless, of course, we suffer a particularly short crop.

Mâconnais

Another large crop with 158,000 hectolitres of white wine (of which Pouilly Fuissé represents 35,000) and 64,000 hectolitres of red.

The quality of the white wines is good; better than that of the reds, which, with their normal tendency to be acid, are particularly so this year.

The Pouilly Fuissé market is a strange one, entirely dominated by the United States which, it is estimated, takes 80% of the production. Prices increase each year, so far there is no sign of this discouraging the concentrated demand, and this year's further jump of 20% is not likely to cause any sudden resistance. As soon as growers release part of their crop for sale it is immediately bought up.

Some of the demand for white Burgundy seems to be rubbing off on Mâcon Blanc, not only on the French market where it remains the only white wine of the area which natives can afford, but also on export markets. In the last month it has enjoyed a minor price explosion but it is the only white Burgundy which was still readily available at the end of the 1971 campaign and the current increase can possibly be put down to panic buying rather than real shortage. This type of Mâcon Blanc — increasingly marketed as Pinot Chardonnay — becomes the first wine we have been able to quote in this report as offering good value. Certainly they too have increased but not unreasonably and in future years we would expect a more reasonable balance to be found between these wines and those of other white Burgundies. In other words as others reach a ceiling, which presumably one day will happen, Mâcon will absorb some of the demand and continue to increase.

Rhône

Here too it was a large crop of 1,400,000 hectolitres. Of this Châteauneuf du Pape produced 71,000. It is interesting to note that although the total production was much the same as 1970 and 1971 Châteauneuf produced 20,000 hectolitres less. This is unfortunate as it is here that prices are under the greatest pressure. The phenomenon is in many ways similar to that of Bordeaux. Prices relatively low and stable for many years suddenly, and for no apparent reason, taking off; shippers hesitating to pass on the full increase so demand continues to develop, growers, now believing that they can hold the world to ransom, increase the price even further but at the same time, with money in the bank for the first time, withholding supplies from the market. Is there a market for Châteauneuf du Pape at prices which have now reached a level above 400% that of the 1970 vintage? We think it is slightly exaggerated but not entirely ridiculous. Although in France it is looked upon as a superior Côtes du Rhône abroad it is considered an only slightly inferior Burgundy. It is a similar situation as Pouilly Fuissé in relation to Mâcon Blanc and wines of the Côte d'Or. Certainly there will be little demand in France but with the shortage of Côte d'Or, and the impossibility of increasing production there, the ever increasing demand could possibly absorb Châteauneuf at prices not much below the present level.

Côtes du Rhône has increased also, but by a mere 50%. This is less due to a dramatic increase in exports than to the French, deprived of Beaujolais and other wines they used to be able to afford, concentrating their demand in this area which is still by far the most reasonably priced supplier of Appellation Contrôlée red wine in any quantity. It is just half the price of Bordeaux rouge and Beaujolais and we fully expect its present level to be maintained.

The quality is good, a little light but, as elsewhere, with a good clean character and balance.

CONCLUSION

True balance of demand to supply will not be reached until prices have reached such a level that at the end of one campaign at least nine months stock remains unsold in growers hands. This will bring stability, will remove the disturbing influence of speculators and will mean that the success of a shipper will revert to that of his skill in selecting wine rather than having a fat bank account enabling him to dominate the market by mere financial power. It will mean that wine is again sold according to its quality and value rather than according to its name.

In Burgundy prices have been chasing demand for years and still show little sign of overtaking and controlling it. In Bordeaux, after years of stability, the same process started two years ago but only after vineyard stocks had been exhausted. Now with one enormous jump it looks as though prices will dominate demand, that stocks will be built up and very likely that prices will then retreat a few steps. If this does happen, and vineyard stocks are maintained, the market will be a healthier place than it has been for some years.

In the meantime there is an enormous job of reorientation to be achieved by the trade — particularly in the U.K. where, with the introduction of Appellation Contrôlée, all the price increases mentioned above can be multiplied by 50%. There is no doubt that by dividing up the production into commercially uneconomic units of name this system creates artificial values. Shortage of supply has the economic effect of increasing prices, but nobody can claim that it has any effect on the quality of that wine. There can never have been a time when there was such a need for enterprising merchants to search out good value and guide the public away from those wines that cannot justify the premium attached to their name. There is still plenty of scope even within France, where, as far as export markets are concerned, there are virtually untapped resources in such areas as Corbières and Corsica, quite apart from the possibilities that, Appellation Contrôlée or not, a well selected Bordeaux Rouge can be as good as a Médoc, a Mâcon as a Pouilly Fuissé or Côtes du Rhône as a Châteauneuf du Pape. Ultimately it is the purchasers down the line of distribution culminating in the consumer himself who decide the price of wine, not the producer.