



# VINTAGE AND MARKET REPORT

## THE 2000 VINTAGE

### Introduction

There is little doubt that the millennium vintage will produce some quite outstanding wines and will, overall, be judged as an exceptionally good year. With every new vintage there is the temptation to compare it with others; 2000 is being compared with 1990, 1982, 1970 and even 1945. Comparing, however, is a very difficult and risky exercise as it is virtually impossible to find two years with truly comparable weather patterns. The combination of sunshine, temperature variation, wind and rainfall provides an infinity of situations, which are virtually never replicated over any 50-year period. In any case, the weather is only one of the numerous factors influencing the characteristics of a vintage.

Personally, I think contrasting rather than comparing is a more useful exercise and, after all, Bordeaux's great strength is its rich diversity of styles, regions and, above all, vintages.

### THE QUANTITY

	2000	1999	1990
<i>Production in thousands of hectolitres</i>			
Appellation Contrôlée Red	5, 989	5, 928	4, 906
Appellation Contrôlée White	816	879	1, 102
Vin de table Red	20	21	465
Vin de table White	21	28	341
Wines sent for distillation	259	593	393
Total	7, 105	7, 449	7, 207
Number of growers	11, 760	12, 052	17, 872
Planted area (in hectares)	118, 156	116, 679	106, 263
*Average AOC yield (hectolitres per hectare)	60, 4	63, 5	63, 4

**Note:** Average AOC yield calculated as: (AOC volumes produced + volumes sent for distillation) / planted AOC area.

The figures given above for 1990 and 1999 may differ slightly from those given in previous Vintage and Market reports for those vintages. This is due to the fact that the figures used for each Vintage and Market Report are based on early statistics from French Customs and are subject to slight modification later. The discrepancies are minor.

In terms of total volume, '99 and '90 were both very large crops. 2000 was not. It was a generous harvest but not large and the reason for this lies in the difference in gross yields. In '99 the vintage was prolific and as yields exceeded legal limits, large volumes of grapes were either left to the birds or sent to distilleries. In 2000, however, yields are lower. There are four main reasons for this. Firstly, as a general rule, in the year following an abundant crop the plant undergoes a natural readjustment process which restricts its fruit bearing capacity by limiting budding potential. In addition, *coulure*, *millerandage* and mildew during flowering caused some loss of grapes in exposed vineyards and growers limited yields themselves through measures such as green harvesting. Finally, the hot sunny months of August and September dried out the soil, the vines and the grapes, reducing the size of the berries and contributing to more concentration.

In 1999 the equivalent of 593.000 hectolitres were sent for distillation and in 1990 the figure was 393.000 hectolitres. The corresponding amount of fruit had been borne by the plant throughout the vegetative cycle and the above quantities should therefore be taken into account when comparing yields from a qualitative point of view. In view of these volumes, the average yield in both 1990 and 1999 was close to 63.5 hectolitres per hectare, whereas in 2000 it was 5% lower at 60.4hl/ha. This fall in yields is, naturally, all to the good, as lower average yields contribute to more character and enhanced *terroir* expression and while the excellent 1990 vintage sometimes suffered from heavy cropping, leading to a lack of concentration in some wines, there should be no such difficulties with the 2000 vintage.

## THE WEATHER

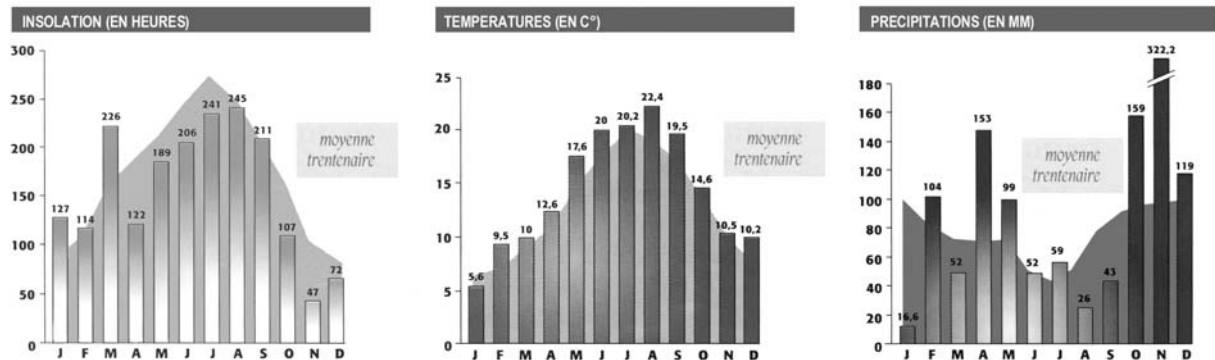
In 1990, temperatures were warm throughout the year and, except for an unlucky spell of rain during flowering, rainfall was low to normal until the end of June. July and August were very dry with more sunshine than normal and very high temperatures in August. September was average with some storms from the 20<sup>th</sup> of the month and there was heavy rain during the last 10 days of October.

In contrast, the overall weather characteristics for 2000 were :

- ◆ Above average temperatures throughout the year.
- ◆ A very wet spring.
- ◆ Unsettled weather in June and July with alternate periods of heat and rain.
- ◆ A sudden change from mid July when the weather became dry and hot.
- ◆ Virtually no rain until mid October and constant rain thereafter.

The tables below show weather readings taken at Mérignac Weather Centre during 2000 compared with the 30-year average.

Credit CIVB Infos N°261 January 2001.



A good spell of freezing cold weather during the winter would have cleansed the plants, air and soil, leaving growers to look forward to a good start to the season. Instead there were short periods of light frost, which were not sufficient for this to happen. In addition, the mild temperatures throughout the winter months allowed all the microscopic spores, the seeds of future pests and fungus, to remain comfortably dormant until they could burst back into life and proliferate with the first rays of sunshine.

April and May brought unusually high amounts of rain totalling 252 mm (the average over 30 years is 140 mm, 1990 saw 112 mm), which contributed to the risk of disease spreading throughout the vineyards in the form of severe mildew attacks. Growers had to be particularly attentive and there was a generalised move towards the use of *lutte raisonnée* pest control, whereby sprays are only applied as and when necessary. The timing of each application is very precise but this year it was particularly difficult to gauge the ideal date as virtually constant rain severely disrupted spraying programmes. Weather reports were monitored very carefully, with everyone starting work as soon as a break in the cloudy skies allowed a few hours reprieve.

Fighting the spread of mildew was everyone's prime concern from early May to mid June, although those who had applied a first treatment in April usually had a much easier time of it. At this stage mildew usually has no effect on quality though if it spreads from the leaf to the bunches, it can reduce quantity by causing the affected grapes to dry out and drop off.

The attack was kept well under control and thankfully damage was relatively light. However, had these same conditions prevailed 30 years ago it is likely that whole vineyards would have been devastated. Ten years ago the general policy was for preventative treatment, which meant everyone sprayed their vines well before any sign of possible trouble had appeared. Today, such an approach is considered excessive but, in its defence, it did reduce the risk of running into problems.

During the flowering period, ideal conditions are dry, warm weather with plenty of sunshine for a full two weeks. In 2000, a short spell of decent weather at the end of May allowed the flowering to take place almost normally, although there was some failed pollination that led to *coulure* and *millerandage*. This was especially true of the Cabernet Sauvignons which, being a later ripening variety, were hit by less clement weather after 5<sup>th</sup> June. Fortunately this was not enough to cause any significant loss and it is worth remembering that although imperfect pollination and fertilisation lowers quantity it has no effect on quality. Warm temperatures coupled with intermittent rain, however, could have spelled disaster and most properties consider themselves lucky that the flowering turned out to be quite homogeneous. The day was probably saved by a factor we don't always mention - the wind. 5 to 10 km/h winds were blowing through the vineyards, providing a suitably aired canopy to dry off the excessive moisture.

In comparison with recent years, flowering dates in 2000 were average. They were later than in 1999 and earlier than in 1996. Overall, flowering dates are certainly getting more precocious. This has been shown in research by Bordeaux University's Oenology Department. Basing its records on a constant sample of predetermined plots, the Institute has found that average mid-flower date for the 10 years 1970 to 1979 was 17<sup>th</sup> June, in the '80s, this was the 13<sup>th</sup> June and during the '90's it had moved forward to 3<sup>rd</sup> June. There really isn't anything man can do to influence these dates, nor can the reason be new clones, as the analysis was carried out on reference plots monitored by the faculty every year over several decades. The explanation, according to the Bordeaux University Oenology Department, is that there have been higher average temperatures and lower average rainfall in the early part of the year.

So, maybe the climate really is changing. If it is and if the pattern continues, will we see Bordeaux gradually producing bolder, more generous, more concentrated wines? The risk here is that the wines may then lose their elegance and complexity. The process would be less violent, less sudden and less immediately noticeable than the destruction of Afghan art by the Talibans but it would still be the disappearance of something unique.

The first two weeks of July again brought heavy rain and high temperatures. These tropical conditions stimulated vegetative growth and resulted in the vines producing long shoots and thick foliage.

If the vintage was going to live up to expectations it was high time for a change in weather. The change came very suddenly just after the 14<sup>th</sup> July celebrations and, with the exception of heavy storms around the 25<sup>th</sup> July, lasted right through to 10<sup>th</sup> October. Conditions suddenly became dry, hot and sunny. At this point, the plants had grown too quickly and they were left rather tender and unprepared for this sudden change.

August registered eleven very hot days (Temp > 30°C) bringing the average maximum daily temperature to 28.7°C. Some scorching days caused intense evaporation, drying out soil and vegetation. Vines in light soils suffered, sometimes severely, from hydric stress, which blocked their cycle during the last week of August. Fortunately, some soothing, cooler temperatures in September (average maximum temperature of 25.3°C) allowed the vines to continue to mature. The Merlots were most affected by this slowing down of the maturing process; Merlot is a more tender and fragile variety than Cabernet Sauvignon, it produces a larger canopy, has a faster rate of exchange with the environment, with a higher rate of photosynthesis and more evaporation. Consequently, during periods of drought and heat the Merlots will generally suffer more.

Throughout this semi-drought period, the Margaux appellation was probably an extreme case with only 30mm of water between 15<sup>th</sup> July and 10<sup>th</sup> September and 15mm falling in the single day of 25<sup>th</sup> August. Other areas, such as Saint-Emilion had a more even spread of rainfall and heavier soils with a greater propensity for water retention kept the plants gently hydrated, allowing the maturing process to progress gently and regularly all the way to picking time.

Conditions during harvesting were excellent. Grapes were brought in fully ripe and perfectly healthy in fine dry weather. Only the very last Cabernet Sauvignons were caught in the first showers around 10<sup>th</sup> October, but this was no cause for concern as the skins were so thick it did not result in any real dilution.

In mid October, the heavens opened up for what was to be a 3-month long downpour. The period from October-December cumulated 600 mm of rain, in other words, twice the norm. Producers of dry white and red Bordeaux looked out from their vat houses, safe in the knowledge that the last vintage of the century was safely in. For producers of sweet white wines, the situation was catastrophic.

In contrast with 2000, weather conditions in 1990 were far better during the earlier part of the year. However, the perfect weather during August 2000 made up for the bad weather up to 15<sup>th</sup> July, confirming the verity of the local saying "août fait le moût". If the 2000 vintage tells us anything, it is that when analysing the weather characteristics of any year, it is vital to look at conditions in the month of August through to picking time, as they are decisive.

## THE WINES

With such ripe, healthy grapes, vinification was plain sailing and, in general, 2000 is an exceptionally even and consistent vintage for reds. Good wines will have been made across the whole of the Bordeaux region - a characteristic 2000 has in common with the 1990.

The colour is very dark and dense, probably richer than the 1990. Fruit aromas are intense and complex and the wines are full, fat, round and soft on the palate. Full bodied and smooth, they are extraordinarily well balanced with a structure of soft, ripe tannins. Indeed, on chemical analysis, the tannin levels are very high but this does not show up in tastings, as the wines are perfectly balanced by the weight, intensity and consistency of fruit.

As with all very good vintages, 2000 was particularly advantageous for the smaller growers. The most prestigious chateaux can control production and select grapes to ensure that the best quality wine possible is made each year. Smaller, more modest growers are much more dependent on nature. Consequently, the quality of the 2000 vintage stands out all the more at the *petit château* level, where it has provided some very pleasurable wines.

At this stage of their maturation, the wines carry more depth and concentration with more assertive character than the 1990s. It remains to be seen whether the 2000 vintage will show the very great elegance, class and breed now typical of the best of the 1990s.

As mentioned previously, the Merlots suffered from a lack of water in some of the poorer soils. This has led to appealing wines with deep colour, rich, fruity and expressive aromas, though sometimes lacking a little in elegance and finesse. The best Merlot wines will be from the heavier soils of St Emilion and the northern Médoc, where they are very good indeed - rich, fat, full bodied, with smooth tannins.

The Cabernet Sauvignons did exceptionally well in the poor soils of the Médoc and Graves. They are rather less exuberant than the Merlots but they certainly have superb balance, structure and length with tannins of very fine grain, showing true class. It is likely that winemakers on the left bank will include unusually high proportions of Cabernet Sauvignon wines in their final blends.

In some cases the grapes may have got a little too "baked" during August, resulting in very generous wines with good depth and concentration but sometimes lacking a little length and complexity. This will have happened in the poorest sandy and gravelly soils where the lack of water and very hot temperatures subjected the vines to enormous stress. It has to be said that the current trend towards de-leafing (removing leaves in order to expose the berries to more sun) did not help matters. While this seemed justified in the earlier part of July, when the weather was dull and rainy, in some instances the grapes would have done better had they been protected from the blazing sun by the foliage. Under direct sunlight the grapes ripen more quickly but they develop far more character when they are allowed to mature slowly and some growers will certainly have regretted removing so much of the canopy this year. Judging when and how much de-leafing is no easy matter and considerable amount of luck is needed to get it perfectly right. Certainly one thing the 2000 vintage illustrates is the importance of moderation and prudence when it comes to adopting new techniques in vineyard management.

The grapes for dry white wines were all picked in fine weather but, although conditions for producing white Bordeaux were favourable, it was not an easy year. Excessive heat, like excessive cold is the enemy of delicate, fresh, crisp flavours. Great effort and the full use of cooling systems had to be made to bring grape and fermentation temperatures under control. Gradually, we are witnessing a situation where the expertise and investment required to produce top quality white wines is leading to the concentration of production in the hands of a few specialists who produce very high quality wines, with great character and personality.

Sweet white wine producers had a very disheartening start to the millennium, although it appears that the result is far more encouraging now than was feared when the rain started on 10<sup>th</sup> October and continued relentlessly throughout the whole of October and November. The main problem was the poor development of *pourriture noble*, which requires morning mist followed by plenty of sunshine. The development was initially difficult because of lack of humidity but from mid October there was far too much rain for the continuation of the natural concentration process. Although they show little botrytis character, the best wines are rich, dense, well balanced and complex and these will have been exclusively produced from the first *trie*. Consequently, availability will be restricted, as subsequent *tries* did not produce sufficient quality. In 1990 there was not enough humidity for sweet wines, in 2000 there was far too much.

## THE MARKET

Exports of French wines and spirits are currently worth 49 billion FF, almost equalling the previous year's record. Sparkling wines are down 16% in value (and a full 24% in volume) but this is largely due to last year's record-breaking export figures for Champagne. Predictably, shipments returned to more normal levels in 2000. Spirits are up in value, thanks to the revival of Cognac, for which exports are up by 15%. Sales of still wines, in general, are at the same level as last year. One notable success story is Côtes du Rhône, up 15% in value - their flamboyant marketing and PR programme is obviously paying off. Bordeaux remains stable at just over 8 billion FF.

### *Bordeaux and the Domestic Market*

France still absorbs 60% of wines produced in the Bordeaux area. Sales on the home market are up by 11% in volume but this was only achieved through the return of the cut-price promotions in supermarkets, where Bordeaux is on the shelves at less than 10FF a bottle. It is still a matter for concern that 12% of Bordeaux wines sold in France are distributed at low prices through discount stores. This is a practice that can only harm Bordeaux's image.

In 1990, super and hypermarkets represented 46% of volumes sold in France; today the proportion has risen to 64% to which one can add a further 12% through hard discount stores.

The biggest change in distribution in recent years is in the ever-growing space devoted to brands and own labels. France has traditionally been very attached to the individuality of estate bottled château wines. The lack of consistency of supply and irregular wine quality has obviously taken its toll and more and more consumers want the security of a brand they know and trust, that they can be confident of finding on the shelf, with little price fluctuation. However, although many companies are now devoting sizeable budgets to establishing strong brands on a national scale, few are able to sustain the cost of supporting a brand internationally.

### *Bordeaux Exports*

Bordeaux exports in 2000 were the same as for 1999 in value and up by just 1% in volume. The most competitive market is very clearly the UK, where shipments are stable in volume but 15% down in value. Given the fact that Australian wines keep gaining ground in terms of market share, volume, value and retail price positioning, Bordeaux must promote its image through extensive marketing and PR.

The 6% fall in value (-1% in volume) of exports to EU countries was compensated for by a 7% increase in the value (+7% in volume) of exports beyond the EU, illustrating a gradual shift in favour of new markets, notably Asia.

The main export destinations for Bordeaux wines for 2000 are listed below. Comparative figures are given for 1990.

	<b>Value in Thousands FRF</b>	<b>% change over 1990</b>	<b>Volume in hectos</b>	<b>% change over 1990</b>
Germany	1.202, 876	+ 116 %	474, 038	+ 69 %
Belgium + Lux	1.126, 252	+ 54 %	356, 104	+ 12 %
United Kingdom	1.074, 379	+ 67 %	345, 688	+ 54 %
USA	1.024, 867	+175 %	148, 142	+ 15 %
Japan	889, 110	+213 %	123, 043	+ 88 %
Switzerland	689, 221	+ 90 %	94, 748	+ 26 %
Netherlands	420, 951	+ 17 %	184, 429	- 20 %
Denmark	386, 787	+ 40 %	147, 096	- 3 %
Canada	285, 661	+ 78 %	76, 404	- 9 %
Hong-Kong	129, 101	+459 %	16, 475	+ 355 %
Other markets	835, 774		207, 226	
Total exports	8.064,979	+ 96%	2.173,393	+ 21%

Undeniably, the performance of Bordeaux exports over the last 10 years has been impressive; they have virtually doubled in value and there has been a 21% rise in volume. The AOC area of planted vines has increased by 16%, while the volume of wine produced has increased by only 13% over the period.

A look at the main export markets over a 15-year period and taking volumes shipped as opposed to value of exports, gives an interesting perspective. The most striking thing is that almost all countries are set on an upward trend. The only exceptions are the Netherlands, where imports are erratic in a country which is the most sensitive to price fluctuations, and Scandinavia which still has not returned to its pre 1990 levels (the year France resumed nuclear testing in the Pacific). There is still enormous potential for further presence in many markets, especially in the Far East. To gain its share of these developing markets, Bordeaux must promote its image through extensive communication.

European legislation is very restrictive in allowing new planting rights. 25 years ago 33% of planted vines in the Bordeaux area was destined to produce vin de table. Today the conversion from vin de table to AOC is close to complete (in 2000 the proportion only represents 1%) so there is now little scope left for further growth in volumes produced. There is however great scope for increasing the proportion of wine destined to export markets, spreading the distribution of Bordeaux wines more evenly throughout the world. The success of the past can be no comfort for the challenges of the future. The aim over the next 20 years should be to reverse the predominance of the home market in favour of exports. For this to become reality, again, Bordeaux needs to promote its image through extensive communication.

### *The Bordeaux Market Place*

After a competitive year 2000, the Bordeaux stage is set with almost ideal conditions for supplying large volumes of excellent wine at a good price. After the low stocks and high prices in 1998, the situation has returned to large stocks and low prices. What is more these stocks are of good quality.

Quantities available for the 2000/2001 campaign commencing 1<sup>st</sup> September 2000 amounted to 14.2 million hectolitres being 4% higher than 12 months previously and 12% more than 10 years ago. More relevant is the ratio to volumes sold. Availability has now returned to the more usual 30-month sales level. Stocks had gone down to 25 months at 1<sup>st</sup> September 97 and 23 months on 1<sup>st</sup> September 98 hence putting great tension on prices. Again the parallel with 1990 is interesting, as the availability of 12.7 million hectolitres on 1<sup>st</sup> September 1990 was the highest it had been for the whole previous decade.

Prices for wines in bulk are low, even too low. At today's prices of 7.500 FF per tonneau there can be little incentive to produce high quality grapes. A price of 8.500 FF to 9.000 FF should be the standard for good Bordeaux rouge. Prices are low because the market operates exactly as the stock exchange, dictated to by present circumstances, with no long-term strategy.

### *The Market for Grands Crus Classés*

Most 99s were put on the market at prices that were 10% - 15% lower than the previous year. In spite of what was a fairly lacklustre campaign, the overall impression was (to the surprise and great relief of many) reasonably satisfactory.

We are now about to enter the 2000 en primeur campaign. Considering the quality of the vintage, coinciding with the evocative number 2000, the still strong economies (even if the US growth rate is slowing down) and the Euro now strengthening against the Dollar and Sterling, the scene is set for price increases. The concern is by how much. Wild rumours have been flying about, suggesting ludicrous prices for the most sought after wines, but nothing will be definite for another 4 to 6 weeks.

After all, it is believed that one of the reasons pushing négociants, importers and retailers to take up their allocations of '97s, '98s and '99s was to be sure they would be entitled to a similar volume of 2000! There is little to prevent owners from taking up the temptation of fulfilling their wildest pricing ambitions; this really is a unique opportunity. It is already generally accepted that prices will go up by 10-15%. If the increase can effectively be limited to such modest proportions, wine buyers will breathe a sigh of relief and wipe the sweat from their brows, thankful that prices have been contained at such reasonable levels.

#### **If not, there are two scenarios:**

The first growths will always be a case apart. The 99s for example are now being offered in Bordeaux at prices 75% above their opening price 11 months ago and the 98s have doubled in price since they were first launched. As the 2000 vintage is going to be even more desirable, a 50 – 70% increase for the millennium vintage would not seem absurd.

However, for all other Crus Classés wines the context is different. Even if some do reach stratospheric heights, it is unlikely that this will be a generalised situation. Some top properties seem to have tested how far they could go before dropping over the edge; they are now trying to find a way of breaking their fall on the way down. Consequently, it is likely that they will be much less adventurous in pricing their 2000 vintage and could well end up being the year's best buys.

Naturally, some owners will wait eagerly for Robert Parker's marks before deciding on their offer price. Parker has apparently begun legal action against any châteaux using "Parker points" for sales and marketing purposes. Although this constitutes a response to the criticism directed at Parker for causing the top scoring wines to fetch prices which effectively put them out of reach of traditional customers, there seems to be little chance the threat will carry any weight.

In the past, high prices have usually been justified in association with low stocks and high demand. The present situation seems to be in stark contrast to this. Although it is impossible to get an overall reading of unsold stocks held by Grands Crus one has the feeling that, except for the 1<sup>st</sup> growths, there is no real shortage of availability if there is some flexibility about which wines to select. In effect, the market is being rationed by limiting the quantities made available. Stocks are only released very progressively hence maintaining those high prices. The question is, are these prices artificial or genuine? As trading does occur at these high prices, they have to be considered to be genuine. On the other hand, they are artificial because only very small volumes are sold outside the primeur period.

Are these prices sustainable or likely to collapse? Some Crus Classés do much better than others in terms of gaining value after their original en primeur release price. A 15% revaluation for the 1998 vintage is not sufficient to excite the crowds but at least prices are being held. There is no risk of a generalised collapse in the near future and the expensive vintages will certainly remain highly priced. The châteaux have the resources, the desire and the means to protect their image against devaluation by controlling supply. My personal feeling is that *en primeur* prices after the 2000 vintage will have to be pitched at a much lower price to encourage volume trading.

There is certainly a strong case for the 2001 vintage to come down in price, whatever the quality level, simply because the build up to the 2000 vintage is likely to generate so much interest, many buyers will choose to increase their orders for the 2000s even if it means dropping out later. The Grand Cru enthusiast will have to pay high prices for the 2000 vintage but if it is true that present high prices are the result of speculative purchasing there is no doubt some true bargains could appear in the next couple of years.

The main worry is the unknown proportion of these top wines that have been acquired for speculative purposes rather than for consumption by real *amateurs des vins de Bordeaux*. The recent downturn of stock exchange performance and lower growth rates around the world will lead this category of buyers to abandon wine altogether. In this case what is going to happen to the stocks lying in warehouses around the world?

### ***Wine Production and Consumption***

There is evidence to suggest that the trend of diminishing worldwide consumption has just about levelled off. Global consumption of wine amounted to 237 million hectolitres 10 years ago. In 1998 it had dropped by 5% to 224 million hectolitres. While consumption in most European wine-producing countries continues to fall (it stood at 120 litres per capita 30 years ago), it is gradually creeping up in other important markets.

Wine consumption given in litres per capita. Source: *Vinexpo Bordeaux for 1999 figures and CIVB Bordeaux for 1990 comparatives*.

	<b>1999</b>	<b>1990</b>	<b>99/90</b>
Italy	59, 5	70, 8	- 16 %
France	58, 2	73, 4	- 20 %
Spain	35, 5	46, 9	- 24 %
Belgium	26, 2	21, 1	+ 24 %
Germany	22, 9	26, 0	- 12 %
Australia	19, 8	21, 0	- 6 %
United Kingdom	19, 3	11, 6	+ 65 %
USA	10, 5	7, 7	+ 36 %
South Africa	9, 5	9, 3	+ 2 %
Canada	8, 6	9, 1	- 5 %
Japan	2, 8	1, 1	+154 %

The most exciting developments are expected in Asia, where it is obvious that the potential is enormous.

All wine growing areas will be fighting for their share of the cake. The most impressive developments from the supply side are expected from Australia, where the extended planting has allowed production to double in the decade and a further 50% increase is expected in the next ten years. Australia's challenge is now to transform those grapes into high quality wines and then find sales markets for them. Their newly released marketing plan for the decade sets out a clearly defined policy which is a true example of an industry that knows exactly where it is going and what it is aiming for.

Much has been done to improve the quality of wines everywhere and particularly for wines at the lower end of the market. The second half of the last decade saw the start of many discussions aimed at simplifying legislation to allow Bordeaux, for example, to be marketed in a way that will appeal to the new wave of consumers attracted by the “Brand Australia” style. Topics of discussion have ranged from using varietal labelling to the artificial enriching and flavouring of wines using oak chips. There is little doubt that it was very tempting to go down that route at the time. Luckily tradition, legislation and a rigid framework preserved Bordeaux from diverting its focus from its own identity. Here is an argument against excessive liberalism; in the heat of the fray it is easy to lose sight of the battle plan.

### ***Bordeaux and the Future***

Bordeaux is still in the unique position of offering a very diverse range of wines of great distinction but the successes of the past cannot be any comfort in facing up to the stiff competition ahead. The greatest challenge Bordeaux faces today is that of organising and maintaining stability, since the peaks and troughs of the pricing pendulum are the most detrimental to the trade. Price stability cannot be dictated, it has to be the reflection of a market situation and the only way of gaining stability is by encouraging further concentration in property ownership and further vertical integration between production and distribution. The average size of properties is still far too small (average 10 hectares). We need to halve the number of growers to double the average property size. We also need further integration to tighten the links between production and distribution. Growers need to have some distribution stability and distributors need some regularity in supply. Négociants need to develop closer links with the properties whose product they distribute. This will contribute to stimulate quality and stabilise prices. Such evolution is already underway and will continue to spread naturally. More and more elderly owners of small plots are deciding to sell before retirement; ambitious young growers are requiring larger properties to justify investing in modern equipment. More and more négociants are seeking regular supply contracts with carefully selected growers. More and more growers are seeking to establish regular supply contracts with selected négociants. The future is bright...

### ***Conclusion***

1990 was a very good vintage, 2000 is superior. Ten years ago stocks were high, today they are higher still. 1990 turned out to be the start of a difficult period, with several countries entering a recession. Even if performance indicators show that the US economy is slowing down and Japan is still in a difficult pass, most countries are predicting healthy growth rates for the year to come. Eastern European and Asian countries offer new challenges. Bordeaux is more focused than ever on quality and we now have an ideal basis for consolidating our structure of distribution and promoting Bordeaux more effectively throughout the world.

**Allan G Sichel**

March 2001

Our thanks to the CIVB Archive Department for providing enormous quantities of statistical data.

*Copies of previous Vintage Reports are available and we will be happy to send them to you.*

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