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BORDEAUX AND BURGUNDY VINTAGE AND MARKET REPORT

BORDEAUX

Prices and Devaluation

Neither the cynics nor the optimists are entirely right. Here are a few figures. If 100 is taken as the index for prices of 1953 wines at the vineyards, the following table shows subsequent changes:—

	<i>Opening prices of 1955</i>	<i>Prices of 1955 after frost of Feb. 1956</i>	<i>July, 1957</i>
Red Bordeaux	120	150	160-200
Dry Whites	100	120	170
Sweet Whites	100	130	140

In other words, before devaluation took place in August 1957, there had been a rise of from 40%-100% in prices of wines. The variation depends on demand and frost damage. Since devaluation there has been no rise in Franc prices attributable to devaluation. The four first growths, according to present information about prices to be asked for the 1957's, have risen exactly 100%. The other 100% rises have taken place in the hard hit Pomerol and St. Emilion areas, and near 100% in the almost equally hit Graves area.

The full value of the devaluation of the Franc is 20%. It is reduced on an average by 4% or 5% because of the cancellation of certain other subsidies paid to exporters. These are based on the Social Insurance and Pension contribution paid by individual firms. They are very high in France and are related to the percentage of export business to total turnover. This cancellation, therefore, hits different firms to a varying extent. The effect of all this on the price of 1955 wines is that a net reduction of say 16% in the value of the Franc is applied to an increase in the price of wine of 20%-50% in March 1956—the average normal time at which shippers made their purchases of 1955's. If shippers are prepared to ignore the present replacement prices, one might reasonably expect to see the following picture. White wines to remain about the same price as they were in January 1955. Red wines in general to increase about 30% over prices of 1953—that is over prices of the red wines being sold in January 1955. Devastated Pomerol and St. Emilion areas must be given a little more margin and the prices of the first growths are controlled by a different set of natural laws. Many farsighted shippers refusing to be influenced by the panic prices ruling in the vineyards since February 1956 have based their prices on their own estimate of the permanent replacement value of their stocks. This "permanent" replacement basis has been brought much nearer by the one swift act of devaluation. However, even with the help of devaluation, those shippers who have so far not raised prices since January 1955 will be unable to maintain their present prices for Bourgeois and classed growth Claret and white Graves unless the

present scarcity value of these wines in France is brought down by a reduction in the demand at home and in certain export markets, or by a large and good crop. Demand in the British market may be expected to be reduced by recent British fiscal measures.

1957 Prospects

Vary daily according to the ever changing weather of this thoroughly unsatisfactory summer in Bordeaux. There is no doubt that quantity has been markedly reduced by spring frosts in May and by dull, cold weather at the flowering period which caused a lot of arrested development in the fruit, and of loss of fruit properly formed. The remaining grapes, however, are healthy and would benefit greatly from continual hot September sun--benefit sufficiently to make of 1957 the best vintage since 1953. At the moment of writing, this hot September has not completely materialised. Prices of the 1955 remaining in the vineyards vary daily with the weather. There is at present no risk of vineyard proprietors making a loss on this particular vintage. Equally, except for the most favoured, there is rarely a possibility of making a profit on 1956 or 1957. Price prospects for 1957 therefore, depend entirely on the demand which in France, customer for 80% of Bordeaux wine production, is steady, firm and valiant.

1956 Vintage

Cannot be considered as a vintage in the sense that the wines of this year can be laid down for an eventual development in bottle. There are, however, a minority that can be bottled this autumn or winter and sold about 1960, 1961, as very pleasant, aromatic, easy Clarets. Wine merchants will know better than we can how to present such wines to the public. If older vintages have been sold out before 1955's are ready, the 1956's offer a possibility of selecting wines that will fill the temporary gap with honour.

1955 Vintage

A vintage for which today in the autumn of 1957 we may all be profoundly thankful. The wines are complete with possibly less finesse than 1953 but more than 1952. For some reason which we have been unable to discover (or even evolve a satisfactory explanatory theory) some wines of this vintage appear to have a tendency to lose fruit in cask. We record this tendency as a matter of accuracy in assessing the characteristics of the vintage—we do not wish to exaggerate its importance. We have recently purchased some 1955's which are just as fresh and generous in their character as the 1953's were at this stage of their development. An eminently satisfactory vintage which can be bought still with confidence and a weather eye open for any that show signs of drying up.

1953 Vintage

We are much impressed with the development of this vintage in bottle. The wines are long and complete on a level which might have been considered light before the year, but which we believe exactly satisfies the taste of today. They can often be drunk now with great pleasure whilst at the same time seeming to promise refinement and even increased perfume in three or four years' time. Worth drinking and worth laying down.

1952 Vintage

A vintage still restrained in character. Its reputation in Bordeaux is now less good than 1953. We believe this to be a fair representation of the character of the wines as they show at present, but we believe that many 1952's are more complete in composition than their juniors and that they will in some cases surpass the 1953's in flavour, more often in constitution, although perhaps not in bouquet, and that in the majority of cases they will acquire a finesse and liveliness better defined than that which they are showing at present. At the lowest estimate this is a sound vintage of well constituted typical Clarets.

1950 Vintage

Is, as we had hoped, often ready for consumption. Eminently satisfactory wines with clean and clear flavour, and true bouquet of their various soils. They are graceful, rather light, but remarkably complete wines which will often still improve and never die suddenly. We do not know, as it happens, any that are yet on the decline, but believe that when they do come to the end of their life, they will fade gracefully and gradually.

Older Vintages

The 1949's can undoubtedly generally now be drunk with the knowledge that they are unlikely to get much better. To our great regret and some surprise we find it impossible to discover enough 1947's to bring our knowledge up to date. Theoretically, they should be a little behind the 1949's and needing a certain amount of care in selection. We still think the best of the 1947's will out-class the 1949's. The best of the 1945's, the finest of all post-war years, should be looked at again in 1967.

BURGUNDY

The price crisis in Burgundy is far from over, but it is further advanced towards a solution than is the crisis in Bordeaux. Probably because in Burgundy the present situation started to build up earlier and reached its peak about a year before Bordeaux. It is still unfortunately true that the Burgundy crisis, whilst based on the same fundamental factors as Bordeaux—that is, excess of demand over supply—is more influenced by the practical operation of the Appellation d'Origine regulations than is Bordeaux. That this should be so is inevitable since the Burgundy names known to the public are comparatively few and produce little wine compared with the Bordeaux vineyards. Wine merchants will undoubtedly have noticed the large increase in "Brand" names which individual shippers now recommend to their customers as wine unaffected by Appellation Contrôlée laws and showing the best value obtainable in Burgundy. Under present circumstances, this system is inevitable but, in common with all established Burgundy shippers, we could wish that the circumstances were different. If we say the crisis is further advanced towards a solution in Burgundy than it is in Bordeaux, it is because in some cases absurdly excessive demands made by growers having been resisted by shippers for something like six months, have now been reduced to a level less exaggerated but, unfortunately, still far too high. Last year we suggested that a partial solution to the problem by which merchants are faced under these circumstances might be found in intelligent attention to Beaujolais, Macon wines, and to wines from the Côte du Rhône. To a large extent this suggestion is still practicable, but it should be borne in mind that the Côte du Rhône has in the first place suffered by bad weather in 1957, and in the second benefited already by scarcity conditions in the Côte d'Or; both of which causes have had the depressingly same effect of sending up the prices of Côte du Rhône wines such as Châteauneuf du Pape. In Beaujolais the same causes have operated with notably less effect, and we have no hesitation today in directing attention towards good wines from the Beaujolais district made in 1955. They still offer a choice of noteworthy, full, aromatic soft wines which the merchant can offer to the public with normal profit at 10% per bottle.

Prospects 1957 Burgundies

Hit by May frosts: that is to say fruit reducing but not vine-killing frosts and later discouraged by poor weather at time of flowering. We believe, after examining the vineyards, that the production will be small. Quality, as in Bordeaux, depends on hot September, this at the moment of early September at which we write, has not materialised. The irritating summer, no sun, no rain, no heat, has left the grapes healthy but meagre. They might yet produce a satisfactory wine depending on the September sun. Whatever happens there will not be a good plentiful supply of generous full bodied wines of names known to the public to buy in 1957. Wine merchants will undoubtedly find the solution to the problem. We have indicated above certain possible lines to follow.

1955 Burgundies

Our whole stock of these wines is now in bottle in London, and is quoted on our current list. We regret that we are unable to offer the vintage in cask, but after careful consideration and tasting decided in the spring of 1957 to bottle our whole holding in order to give the wines an opportunity of developing their best characteristics. Our prices have been influenced by this unusually early bottling. Considerable bottle stocks are at the disposal of our customers. The wines are "racé"—that is, typical of their districts, clean and uncontaminated—pleasant and easy—well constituted on a light level; likely to develop a very attractive bouquet and to mature quickly. Probably at their best between 1960 and 1962.

Other Vintages

Have possibly little practical interest, but we would like to record that on the Côte d'Or, Chassagne Montrachet, Puligny Montrachet, and Meursault, we find the 1950 and 1953 vintages very attractive.

Chablis

It seems unlikely that Chablis will make more than 400-500 hogsheads in 1957. It is a district which is continuously devastated by frost. It is the district which because of the character and of the quality of its wines became in the United Kingdom the best known of all white Burgundy districts. The hazards and permanent difficulties of production in Chablis are such that a few years ago the perfectly justifiable price of Chablis reached a level at which the consumer could not buy. And yet, if it is successful, it still makes the most acceptable dry white wine of any in France. Such is the accumulated devastation of bad years that owners abandon their vineyards to weeds and pop-corn, without the possibility of selling them and only the most courageous continue. The district is small. The production per acre is the smallest in France. At its best today, it could produce 8,000 hogsheads for the whole world. Despite all this, Chablis, whose wines suit the British palate better than any other, can be bought at about the same price as Chassagne Montrachet and Meursault. We have a very limited stock of 1955 Chablis available, but we believe that they offer an exceptional value in dry white French wines.

RESUMÉ

There are two main problems for consideration by wine merchants:—

1. The volume of demand for good wine and its price level.
2. The "permanent" replacement prices of stock already in cellars.

The first question we are not competent to answer, but must leave to our friends in the distributive trade. Suffice it to say that the consumer will be asked to pay

9/-	for his	7/6	wine
11/- to 12/-	..	9/-	..
15/- to 16/-	..	11/- or 12/-	..

First growths to lay down will retail at about 30/- per bottle. With regard to the second question, the "permanent" replacement value of stock, it is our belief that given good and plentiful vintage such as another 1950 or 1953 or 1955, wines will be available to importers at about today's shippers' prices for 1955's. That is to say, at about 20% below today's vineyard prices for 1957's. Until the Franc is steadied and the world becomes convinced that the £ sterling is stable, there will be continual fluctuations in the prices of all primary commodities.

SICHEL & CO.