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BORDEAUX AND BURGUNDY VINTAGE AND MARKET REPORT

BORDEAUX

We pointed out in our last report that the increased sales throughout the world of Bordeaux wines in conjunction with the failure of 1954 to produce a satisfactory quality had left Shippers' stocks so low that purchases of the 1955 vintage were made before the vines had flowered. Since that time, June 1955, conditions have continued to encourage and finally to force Shippers to pay higher and higher prices. Early purchases were justified by a successful flowering, the subsequent summer was to all appearances perfect, and it began to seem likely that 1955 would be wanted not only to fill the gaps in Shippers' cellars, but to satisfy a prospective extra demand for what promised to be an unusually fine vintage. Purchases of wines "on the vine" continued with increasing regularity and at higher and higher prices up to the vintage late in September. By that time, the First Growths had doubled in price since June, and lesser Growths had increased by 50% in the Classed Growths and 25% to 33% in the Bourgeois categories. The first reports of the quality of the 1955 wines were disappointing and buying at the record prices established fell off. Growers held back, waiting for still higher prices, buyers began to wonder whether the quality justified the prices. This situation held up to the time of the February frosts, during which the vines were subjected to temperatures between 15°C and 20°C below freezing. Without any doubt, there was here a grave menace, not only to the 1956 vintage but to the life of the vines and consequently to the next six or seven vintages. Buying of 1955's was resumed and prices climbed during the next two months another 10% to 20% above the already inflated February prices. During this period, it became possible to taste critically the 1955 wines and to discover that some had every appearance of great wines, the majority were above the average of the last five years, and some not very successful. As April advanced, it also became possible to discover that there was something definitely wrong with the vines. It was appreciated that the spring had been cold and that vegetation in general was retarded, but in some areas there was no sign at all of any sap movement; elsewhere a few buds appeared and died; and in the most favoured regions a fairly normal budding was recognised, generally with some exposed areas in all vineyards failing to show signs of life. That, at the moment of writing (April 25th) is the position. Pomerol and Cérons appear to be unlikely to produce any wine; as do parts of St. Emilion, some of the best White wine areas on the left bank, and isolated parts in other areas: we have counted the buds at Château Climens with a moderately clear eye and a compassionate heart. The Médoc appears to be the least affected. Whether the warm weather, when it eventually starts, will

produce any pleasant surprises, remains to be seen. At present, the last few days have been warm but night frosts are still discouraging the struggling vines with vindictive nips. The worst hit owners in these areas will be thankful if the main stem of the vines produces shoots enabling them to prune down to the main stem, and produce wine from a matured plant in two years' time. Many fear they will have to pull up their vines and replant, surviving the expense with Government help. This would mean six or seven barren years followed by three or four years of reduced yield and quality until the new plants become fully productive. Under these conditions, many growers refuse to sell their remaining stocks of 1955. There are no statistics available to show how much of the crop has been sold, but it is probably an under-estimate to say that of fine wines—that is wines generally sold in the United Kingdom between £30 and £100 per hogshead—60% are now in Shippers' hands.

If the worst fears are realised, the very high prices at present being asked by those growers with stocks still to sell, and willing to sell, may be maintained. They are roughly equivalent to a shipping price of £100 per hogshead for the most sought after Classed Growths, excluding the First Growths, and to £60 per hogshead for good Bourgeois Growths, that is to say, an increase of 50% to 60% over the opening prices of 1953's in the U.K. We believe that the best to be hoped for is Bourgeois and Classed Growth wines at about 33% above f.o.b. prices of 1953's—equivalent to about 15% on duty paid prices of medium priced wines and to 22% on expensive categories. The cheaper categories from £22 to £30 f.o.b. may be available at an increase of about 25% only. The First Classed growths have already been sold in the U.K. at 100% above the opening prices of the 1953's, largely because of demands made by wine merchants in the U.K.

We think it unlikely that the low price levels of 1953, uneconomic as they were for the grower, will be repeated. Two over-riding factors control the situation: in the first place the reduced value of the pound sterling; in the second the increased mass prosperity, both in U.K. and, from the wine demand point of view far more important, in France. The ordinary Frenchman is no longer satisfied with his "gros rouge," but demands "vin d'appellation." France consumes 87% of the Bordeaux production. We are in the middle of a period of necessary change in which, at the moment, under the influence of temporary conditions in the vineyards, the pendulum has swung a little beyond its mean. It is reasonable to hope that in time, under the influence of normal vintages and provided the franc and the pound, which run in double-harness, retain their present world value, prices for all except the First Growths will settle between 33% and 40% above original 1953 prices f.o.b. These percentages represent double the effect on duty paid prices for medium priced wines. Today, quite naturally, the wines traditionally in demand, i.e., the First Growths and the best known names amongst the Classed Growths, command the biggest increase in price. The moment has perhaps come to look for quality rather than for names. It is still possible to buy, amongst the 1955's, wines of better quality than have been seen since the 1949's at an equivalent of only 10% to 15% above opening 1953 duty paid prices.

1955 Vintage

The best, of which there are only a few, are somewhat similar to 1947, the majority are probably bigger than 1953, have more character and finesse than 1952 and a better colour. The White wines appear to be very complete with finesse and typical of their districts. Qualities in Red and White vary with the time of vintaging, and the skill applied to the control of the fermentation, which was not always easy.

1954 Vintage

These are light wines, in some cases suitable for consumption during the next two years. Possible stop-gaps to allow merchants' stocks of 1952 and 1953 to acquire some age. Under the influence of present Bordeaux conditions, the comparatively few useful 1954's are at about the same prices as 1953.

1953 Vintage

These have turned out very well indeed. Most have just been bottled or are now being bottled. Those still available in cask at anything like original prices certainly offer a first class investment today. They should be bottled during the spring and early summer. Some of the fine White wines are exceptionally good.

1952 Vintage

Are developing well and quickly in bottle. They are scarcely yet ready to drink, but should show great improvement in twelve months' time. There are still a few Classed Growth Sauternes available and well worth bottling now.

1950 Vintage

These are largely in consumption. They have proved true, refined and satisfying Clarets. They are good to drink now.

BURGUNDY

Burgundy is booming. The rise in price started two years ago and has not been as spectacular as in Bordeaux. It has continued steadily. The 1955 prices are in general 20% to 25% above those of 1953. The U.K. in 1955 took about 7% of all the exports of Burgundy, being 4th in the list of export customers, both in quantity and value. U.K. imports show a slight fall over the last five years, whereas most other countries have increased theirs. The most spectacular increase is in the U.S.A., which has imported larger quantities every year since 1951. The 1955 imports of Burgundy in the U.S.A. are double those of 1951, and now amount to about two-thirds of those of Great Britain.

A large part of the 1955 vintage has been sold to shippers at very high prices and, as in Bordeaux, growers are reluctant at the moment to sell their remaining stocks. Frost damage appears to be much less than in Bordeaux. There is some anxiety about the yield of the 1956 vintage but no expectation of permanent damage to the vine stocks. Ruling prices have been created by the steady demand, the lack of stocks of old wines and the insistence of buyers on traditional names. It is worth while remembering that the total production of Pommard in 1955 was about 2,900 hogsheads, Beaune about the same, Nuits St. Georges 3,200 hogsheads, Gevrey-Chambertin 3,400 hogsheads, Corton 1,000 hogsheads: small quantities for a world demand. The traditional areas have no monopoly of quality. There are good wines made in other areas and we recommend some attention to these in the selection of future shipments. There is no doubt that one factor, apart from currency depreciation, is likely to have a permanent effect on Burgundy prices, and that is the rapidly increasing demand from the U.S.A. for bottled wines bearing traditional names. It means that growers otherwise obliged to sell their wines when ready for bottling can now conserve their stocks in bottle as a protection against further currency inflation.

1955 Vintage

Burgundy was not favoured with a fine summer like Bordeaux. The wines are generally complete and well made with a good flavour. But they are light in body and often light in colour. Many can be bottled with advantage at the end of 1956; only amongst the finest have we seen wines that will benefit by the full two years in cask. Some wines of Beaune, Pommard, and Volnay suffered in a severe hailstorm in the late summer and have the distinctive taste caused by damaged wood. The White wines also generally need bottling early. Some have a very attractive flavour and a finesse that could be conserved by early bottling to produce the type of fragrant refreshing wine appreciated in the U.K. In view of the suitability for early bottling of both Red and White wines, we recommend an early selection in order to obtain the fuller bodied amongst the Red wines and the best amongst the White. Once again attention to Beaujolais growths is likely to help solve the difficulty of finding suitable wines at suitable prices.

Older Vintages

Bottled stocks in France of older vintages are very scarce and very expensive. They are in demand in the U.S.A. The 1950's are developing very well and are more likely to be found in U.K. cellars than in Burgundy. The same applies to 1949 and 1947, the relative merits of which are becoming less and less important, since both are likely to be consumed before reaching their best.

1952 are developing quickly and going into consumption already.

1950 : Possibly at their best now in all except the very finest categories. All are soft, pleasantly flavoured, and can be drunk now. The White Wines are of a high quality.

1949 : Fast disappearing from the market. Well advanced, well flavoured, and often with an outstanding bouquet. Probably also mostly at their best now except in the top categories.

1947 : Even more scarce than 1949's. In general, the wines are more solid than 1949's and perhaps with less charm. We still believe it better to conserve any remaining stocks of good wines of this uneven vintage and to sell first the 1949's and 1950's.

RESUMÉ

Prospects for 1956 are obviously poor in view of the state of the vineyards and the delayed spring. It has happened before that a late spring has produced a fine vintage, we can only point out the probabilities. A somewhat higher permanent price level seems inevitable under conditions of an increased world demand from a more prosperous mass of consumers. The increased prices of the most reputed names, both in Bordeaux and Burgundy, is out of proportion to their quality.

At the moment of going to press (May 7th) night frosts are adding to the damage by affecting those buds that have appeared, and the warmer day temperatures have so far done nothing to alter our estimation of the permanent damage done by the February frosts.

SICHEL & CO.