

ESTABLISHED 1883



ALLAN SICHEL LTD.

# SICHEL & Co.,

34, NICHOLAS LANE, LOMBARD STREET, LONDON, E.C.4.

TELEPHONE NOS.: MANSION HOUSE 8494-8495.

BORDEAUX OFFICE AND CELLARS: 19, QUAI DE BACALAN.

BORDEAUX, October 1956

## BORDEAUX AND BURGUNDY VINTAGE AND MARKET REPORT

### BORDEAUX

The process of rationalisation in the Bordeaux Market has been complicated by the disastrous conditions in 1956.

As we have pointed out in previous reports, prices of Red Bordeaux wines in particular have been too low since the war to enable growers to pay their way. By 1955 the demand, encouraged by low prices, had begun to be firm enough to assure a fair price to the mass of growers. Opening prices of 1955 wines were higher than 1953's but reasonable and unlikely to interfere with consumption. In the early part of 1956 however, the vineyards suffered from frosts so severe that large areas of vines were killed and will have to be uprooted. Much larger areas had their crop destroyed although the plants survived to bear fruit in 1958. It is considered that one year will be needed to produce the young "wood" which bears ripe fruit in the following year. A few areas like the Médoc have been let off lightly, but even here the damage is visible to any passing motorist. It is impossible to estimate the crop with any accuracy—our guess is a deficit of some 40%. Some favoured areas in the Médoc hope to make as good a quality as in 1954.

Shippers started buying the 1955 crop in August 1955 onwards. Between the time of the frosts of February 1956 and the time when the seriousness of the damage became evident, towards the end of April, prices rose but still remained reasonable; when the full disaster was revealed after the flowering in June, panic buying started and prices soared. The bad weather, gradually reducing hopes of quality of whatever wine was made, did not reduce the crisis: some fine weather in August and September halted the rise, but at the time of writing, cold nights and occasional rain at the beginning of October, before the vintage has started, have sent prices to prohibitive levels.

The Bordeaux grower, like all tillers of the soil, has quite enough to do to fight the natural hazards in producing fine wine at an economic price. He cannot decide, in the long run, the price at which he will sell. This is decided by consumers all over the world, and by their representatives, the shippers. Whilst it seems certain that the permanent level of prices will never again be as low as it was in the period ended by the 1953 vintage, it seems equally likely that it cannot be as high as the grower's price today in Bordeaux. We believe that all shippers recognise this fact and that they will find means to reduce the impact of the present crisis on their customers to an acceptable minimum.

The position in the White Wine areas is not as intense as in the Red. Exaggerated prices are being asked at the moment by growers, but there is a good deal of wine available and prices have probably not increased by more than 50% as against 100% for Red Wines.

We believe the need of the British wine merchant is for good wine to sell between 6/6d. a bottle and 12/- a bottle, with a restricted sale for the finer wines at higher prices. A vast choice of excellent wines costing from 63/- to 96/- per dozen is available for bottling, all of which will improve in bottle and on their merits fetch higher prices after a few years' development. These are the wines which thirty years ago were the backbone of the Claret trade, wines which opened a wide field of individual selection to every wine merchant and helped him to build his reputation as a connoisseur. These are the Bourgeois wines of Bordeaux which now are beginning to come back to their rightful place. The Classed Growths, the aristocrats of Bordeaux, must be reserved for the higher price categories, from 15/- a bottle and upwards—there are not enough of them to supply a popular world demand. In their place are some two thousand Bourgeois wines to maintain the reputation of fine Claret at low prices. Possibly the Claret at 6/6d. may have to be abandoned for the moment. It will come back. Classed growths that have become too expensive will have to be replaced by lesser known names and certain districts that have suffered badly from the frost of February will have to be replaced by more favoured districts. This is a mild problem compared with the one that confronts the dispossessed growers of the devastated areas.

#### 1955 Vintage

These are good wines, often big and full bodied, very ripe, mostly ready for bottling in twelve months' time. In character and quality we consider them to unite the body of the 1952's with the finesse of the 1953's, and therefore to be often better than either of these two vintages. Many of the best wines have already been bought by merchants in the U.K. and other countries for shipment during the second half of 1957 or later. It seems certain that this vintage will have to cover bottling requirements of importers up to spring 1959. All the First Growths are fine, big, and complete. Opinions vary about the best: our own choice is the Lafite.

#### 1954 Vintage

A few wines of this vintage have impressed those who have seen them this autumn by their softness and pleasant flavour. They are, however, light wines, useful as a stopgap, and should be bottled this autumn.

#### 1953 Vintage

Long, elegant, true Clarets. Now all bottled or about to be bottled this autumn. They should develop quickly and well in bottle. The White Wines are equally successful.

#### 1952 Vintage

Unfortunately already going into consumption both in France and abroad. They are developing well, are full flavoured, soft wines that could do with another four or five years in bottle before being looked at. The White Wines are good, sound and solid.

### 1950, 1949, 1948, 1947 Vintages

Stocks are negligible and prices very high. All have fulfilled their early promise. Some of the 1950's are ready for drinking now. The 1949's and 1947's both generally need a few years longer to develop. The 1948's have made a lot of progress during the past twelve months. They can be drunk now.

### BURGUNDY

The position in Burgundy is worse even than in Bordeaux. Although the February frosts killed very few vines and next year's vintage is not compromised, the shortage of wine this year is acute. Burgundy escaped the worst effects of the frost, but conditions during the rest of the year have been as bad as they could be. Long drawn out and uneven flowering in damp, cold weather, large areas devastated by hail in July, followed by floods and a lack of sun, except for fifteen days or so in September, followed again by cold and rain. The effect on prices is immediate although it is likely to be less permanent than in Bordeaux. At the beginning of September stocks unsold in the vineyards of the Côte d'Or amounted to some 103,000 hectolitres, mostly of course 1955 wines, against an average of 98,000 hectolitres. A reasonable amount, it may be supposed, and slightly above the average. An unknown part of this reserve, although lying in the country, is sold to shippers, a further part is destined for bottling by the growers.

The grower sees no possibility of having any good wine to sell this time next year. If he does not find himself in actual need of cash, he prefers to have wine in his cellar rather than money in the Bank, because he is still very frightened of inflation. If he needs money, he will sell just enough wine to cover his needs. Shippers, on the other hand, find themselves with very reduced stocks and a need for good wines to follow the quickly-sold 1953's. During the first eight months of 1956, exports jumped to 192,000 hectolitres from the 125,000 hectolitres exported in 1955 during the same period. Let it be understood at once that these figures refer to the whole of "La Bourgogne" and include the Macon and Beaujolais areas, where 900,000 hectolitres of wine were produced in 1955. They can therefore not be compared with the "stock" figures given higher up which refer only to the Côte d'Or. Here 154,000 hectolitres (69,000 hogsheads) of wine only were made in 1955. Burgundy shippers whose sole source of income is derived from shipping Burgundies, have therefore an irresistible need of wine, whilst Burgundy growers with a deep-rooted suspicion of the value of francs, have an immovable objection to changing their wines into money. Eventually the demands of the purveyors of bread and garlic and other expendable delights, necessary to the grower and of even less permanent value than the franc, will force the grower to turn a little wine into a lot of cash, but so long as he can sell one or two hogsheads at a time at virtually any price he likes, there will be no change in prices. The shipper with the irresistible urge to buy may well find during the next twelve months that his expensive stocks have enabled him to please and conserve his customers but lose his money. This in the long run is an untenable position for even the most generous-hearted shippers, who will have to refuse to pay growers' present prices for new wines. The grower can afford to sell at lower prices, therefore prices will sooner or later come down either from lack of demand from shippers or accumulation of stocks in the vineyards. The most exaggerated prices are amongst the classic districts. The time has undoubtedly come for the wine merchant to guide his customers firmly towards wines offering the best value. These are seldom those with the best known names.

#### 1955 Vintage

The 1955 wines have developed satisfactorily. Some of the White wines are exceptionally good. The best amongst the Red have good flavour, finesse and bouquet, show their breeding clearly, and are probably in quality about as good as 1953. They should be ready for bottling by the Spring of 1957. There is a selection to be made according to time of vintaging and methods of vinification. In view of the shortage and the fact that most of these wines will benefit from early bottling, we recommend British merchants to buy their 1955 this Autumn for Spring shipment.

#### 1953 Vintage

1953's are now mostly in bottle. Complete wines, about the same weight as 1955, sometimes fuller they are likely to make excellent bottles by about 1960. White wines are very "fin," well balanced, of good flavour and lively.

#### 1952 Vintage

Bigger than the 1953. They are coming round quickly, and are often being sold already both in France and the U.K. They need three or four years yet to show their best.

#### 1950 Vintage

We like very much. The wines of this vintage are lighter in flavour, but are often more complete in composition. They are drinking very well now and will go on improving for four or five years.

#### 1949 Vintage

Bigger than all the above. By today's standards very good wines possessing good bouquet. We would give them 17 out of 20 marks.

#### 1947 Vintage

Those that have survived are complete big wines that need longer in bottle. Sounder flavour and less superficial than 1949's. We give them 19 out of 20.

#### RESUMÉ

There can be no doubt that a great change has come to the Bordeaux and Burgundy markets in Great Britain, but although these changes have created some difficulties, they are by no means insurmountable difficulties. In general, the degree of co-operation that exists between growers, shippers and importers should enable consumers to obtain good wines at prices increased by no more than the general cost of living.

The 1955 vintage, in both Bordeaux and Burgundy, affords importers an opportunity of planning their stocks over the next two years at acceptable prices.

SICHEL & CO.