

Champagne

Tom Stevenson

Champagne houses renege on their promise to stop trading in *sur lattes* among themselves.



TOM STEVENSON

According to the chairman of one house, the demand for *sur lattes* was so strong in the first two months of 2004 that the price rose by 7 per cent over that period to peak at €8.50, despite a supposed ban being implemented on 1 January 2004. When each bottle costs, on average, €1.50 to disgorge, dosage, label, and case up, and some champagnes were being retailed for less than €10 at the time, it is clear that these *sur lattes* are not being sold as buyer's own-brands or supermarket fantasy labels. Only *grandes marques* have sufficient premium to make a profit on such expensive *sur lattes*. Yet, in March 2003, as revealed in *Wine Report 2004*, the Union des Maisons de Champagne (UMC) voted "unanimously to ban all *sur lattes* transactions among *négociants* as from 1 January 2004".

If the UMC vote was unanimous, why would any of its members wait for a signature on a piece of paper? Why not just keep their word? As the head of one house told me: "The houses agreed for the regulation to be promoted, but as long as it is not in force, they're free to do as they please. It's like cheating on your fiancée before marriage: it is not adultery, just indecent. You should know about *Champenois* morality by now...."

TOM STEVENSON has specialized in champagne for 25 years. *Champagne* (Sotheby's Publications, 1986) was the first wine book to win four awards, and it quickly established Tom's credentials as a leading expert in this field. In 1998, his *Christie's World Encyclopedia of Champagne & Sparkling Wine* (Absolute Press, revised 2003) made history by being the only wine book ever to warrant a leader in any national newspaper (*The Guardian*), when it published a 17th-century document proving beyond doubt that the English used a second fermentation to convert various wines, including still champagne, into sparkling wines at least six years before Dom Pérignon even set foot in the Abbey of Hautvillers. Tom's annual Champagne Masterclass for Christie's is always a sellout.

Free-market threat

The Syndicat Général des Vignerons (SGV) engaged itself in a hectic schedule of meetings to brainwash growers on an almost daily basis during the first three months of 2004. Philippe Feneuil, *président* of the SGV, and Patrick le Brun, his heir apparent, attempted to sell the flawed proposals of the Cap 2004 Commission. This working party was set up to find a solution to Champagne's perennial problem of supply and demand (see Opinion). With sales of almost 300 million bottles and a maximum sustainable yield for a fully planted Champagne region of 310 million, there is very little room to increase sales. Simply to maintain these sales, the houses, which own just 12 per cent of the vineyards yet sell 70 per cent of all champagne, need to purchase two-thirds of the grapes that growers harvest every year. Until 1989, an interprofessional contract strictly regulated this by rationing each house with a proportion of grapes based on its previous year's sales, as well as dictating the price per kilo that must be paid. But the market was liberalized in 1990, and the Bricout-Delbeck affair (see last year's *Wine Report*) was seen, by some, as a manifestation of the excesses of a free market.

Grapevine

- **Vins sur lattes will act** as a 'safety valve' for houses and growers who opt for the cartel's closed market, according to Patrick le Brun, who should be president of the SGV by the time this edition of *Wine Report* is published.

- **Laurent-Perrier** has taken over the Château Malakoff group, which includes Beaumet, Oudinot, and Jeanmaire, plus 50 hectares (ha) valued at between €500,000 and €700,000 per hectare. The Michelin-starred La Briqueterie was part of the deal, and there is much discussion in-house about whether this should remain or be sold on.

- **The Lombard family** has sold Cazanove to the privately owned Rapeneau group (GH Martell, Mansard-Baillet, Château de Bligny). Well-placed sources say losses from *sur lattes* deals with Bricout/Delbeck forced the sale.

- **The low-profile** but unstoppable privately owned Alain Thienot group (which includes Joseph Perrier and Marie Stuart, as well as its eponymous brand)

took over Malard (George Goulet, Gobillard, and Malard) and moved more into the limelight by purchasing Canard-Duchêne from LVMH. Jean-Louis Malard remains in day-to-day control of his old company in addition to being made chairman of Canard-Duchêne.

- **So many rumours** surround the collapse of Daniel Prin (Binet) that it is difficult to discern the truth. Some say that Binet had debts running to millions of euros and this was the precursor of Bricout's trouble, while others claim that Bricout owed Prin a lot of money. Even more intriguing is the rumour that Marie Le Pen, the daughter of you-know-who, would take over Binet. It is said that this rumour was started by the National Front party itself.

- **Taittinger's new Prelude cuvée** is a non-vintage blend of exclusively grand *cru* wines from Avize and Le Mesnil-sur-Oger for 50 per cent Chardonnay, and Bouzy and Ambonnay for 50 per cent Pinot Noir.

The SGV wanted a return of the interprofessional contract, but the EU no longer permitted such restrictive practices and has also outlawed price fixing, so Cap 2004 was set up to seek an EU-friendly solution. This involved forming a non-profit *groupement de producteurs* in which growers would pledge an agreed proportion of their crop. They would then contract with the houses who had agreed to buy only from the *groupement* at a fixed price. Those growers who decided not to supply the *groupement* would be able to sell only to houses that are not contracted to purchase from the *groupement*. At SGV meetings throughout the region, growers were given the impression that this insidious cartel was a done deal and that they were either in or out. Under such pressure, the show of hands, it is said, was often more than the requisite 80 per cent minimum, but many growers changed their minds in the following days, as they discussed the implications with one another.

There was a lot of public posturing by Feneuil and Yves Bénard, *président* of the UMC, who were billed as some sort of dynamic duo on a mission to rescue Champagne, but although Bénard publicly supported

Cap 2004, I do not think he ever thought it stood a cat in hell's chance of taking off. He was playing the diplomat because he knew that, whatever happened, from this proposal to a completely free market, the future of Champagne would depend on a good working relationship with the growers. Thus he had to appear to go the extra mile. I am not sure that even Feneuil believed it could work. Was it a coincidence that the hectic schedule of village meetings occurred just before he was to retire from the SGV to take up politics? The Cap 2004 Commission definitely believed in it but does not understand that a minority free market cannot live side by side with a majority cartel. The free price would soar, making it impossible for small and medium-sized houses outside the cartel to compete. One by one they would fall by the wayside, to be picked up and asset-stripped by the bigger brands. Perhaps this was part of the SGV's strategy and the reason why the LVMH and Vranken groups were thought to be solidly behind Cap 2004. But it would require a unanimous vote by the UMC, including those who would be left outside the cartel, which would have been suicidal, hence Bénard's scepticism.

Grapevine

- **Philipponnat** has sold the old Abel Lepitre building, and is now building new facilities in Mareuil-sur-Aÿ, which will be operational for the 2004 harvest. Charles Philipponnat explained: "This will enable us to carry out all vintage operations within an 8-km (5-mile) radius of our vineyards, in one single location, much to my relief. It is a big step towards ever-increased control of quality. The *cuvée* will also include space for up to 500 barrels. Clos des Goisses is already 35–45 per cent wood and will stay that way; vintages are 15–20 per cent wood and will increase to about 30–35 per cent; non-vintage is 5–10 per cent and will increase to 20–25 per cent. We shall ferment, then keep reserve wines in all barrels, thus wooding up to 2,000 hectolitres."

- **Champagne has just requested** INAO to study whether its vineyards should be expanded. The idea is not to expand outwards, but to see whether any of the holes in the lacework of vineyards that currently comprise AOC Champagne deserve to

be planted. Some villages simply did not apply for AOC status because none of their inhabitants was interested in viticulture at the time. Yet some of these villages have slopes that are intrinsically superior to those of their AOC-classified neighbours. The expansion of AOC Champagne is therefore a very good question, but now is the wrong time to ask it. This question should have been addressed 10 years ago, when there was a slump in sales and the *Champenois* could not be accused of cynically expanding the AOC to fulfil the demands of a growing market. The findings of this special INAO commission will not be known until 2006/7.

- **Young Dominique Demarville** has almost single-handedly rescued the quality and reputation of Mumm since becoming *chef de caves* in 1998 (and being primarily responsible for making the wines since 1996). He has been justly rewarded by a promotion to wines and vines director, responsible for viticulture and vinification at both Mumm and Perrier-Jouët.

Grapevine

- **Jean-Marc Pottiez** gets the last laugh. Pottiez was head-hunted by Nicolas Feuillatte in 1994 and almost quadrupled sales in seven years, but the growers thanked him by giving him the boot. Apparently he had spent too much of their money in the process. How sweet then that he should land the top job at Jacquart, which used to be a bigger brand than Feuillatte, and Pottiez will take great delight in making sure it regains the lead.

- **New winemakers appointed** include Michel Fauconnet, who has been Alain Terrier's deputy at Laurent-Perrier for the last 20 years and took over as *chef de caves* in early 2004. Although Terrier has stepped down from this post, he remains in overall charge of grape supplies for the group and has been promoted to Laurent-Perrier's board of directors. He has also been made chairman of the recently acquired Château Malakoff. Jean-François Barrot has retired from the post of *chef de caves* at Ruinart, to be replaced by Jean-Philippe Moulin, formerly the technical

director at Mumm and Perrier-Jouët. Odillon de Varenne has moved from Deutz to Henriot, while Michel Davesne, who made his name producing excellent vintages at Champagne Palmer; took his place as *chef de caves* at Deutz.

- **Jacquesson** turned the NV concept on its head when it replaced its old non-vintaged Perfection Brut with Cuvée No. 728, which aims to make the "best possible Champagne" each year, rather than maintain a consistency of style. The 728 is 2000-based, thus the 2001-based will be 729 and so on. It would have been much simpler had they started with Cuvée 2000, 200, 00, or suchlike. The first few years might be easy for devotees to work out, but they will soon have to get out a calculator to add 1,272 (if they can remember) to the *cuvée* number to work out the base year.

- **Piper-Heidsieck** has launched no fewer than four new wines: Brut Divin (Chardonnay), Rosé Sauvage (low dosage), Cuvée Sublime (*demi-sec*), and an NV version of its classic Cuvée Rare.

Opinion:

The root of Champagne's problems

The reason champagne sales have a cyclical history, going from boom to bust and back to boom again, is due partly to achieving worldwide fame when the Industrial Revolution created new money, and partly to the intrinsic imbalance of vineyard ownership. The pop of a champagne cork and liveliness of its bubbles captured the imagination of the nouveau riche and suited their celebratory lives. They quickly made champagne the most chic drink in London, Paris, and New York, doubling its sales. Ever since, champagne has been inextricably linked to success, thus extremely sensitive to the mood of consumers. This makes fluctuations in sales inevitable, and any well-organized industry could cope with that (as champagne has been doing by emphasizing that it is a wine first, thus building up more regular consumption). But these fluctuations will always be a factor, and the imbalance of vineyard ownership creates tensions in supply and demand that convert what would otherwise be relatively harmless fluctuations into damaging booms and busts.

It should be possible for houses to buy vineyards directly. In theory, there is nothing stopping anyone buying any land in France, but in practice, Champagne's stricter adherence to certain controls ensures that the growers maintain their 88 per cent ownership of the vineyards, despite selling only 20 per cent (30 per cent including cooperative sales) of all champagne. The only way for a house to acquire more vineyards is to take over ailing companies that owned land prior to the *Contrôle des Structures*, which forbids any firm from farming more than 15 ha, owned and rented. Such restrictions in a supposedly free country are astonishing, and for Champagne they have encouraged the industry's polarization, since fewer companies attempt to grab a larger share of the same slice of the cake.

There is nothing wrong, and everything right, with a house having the right to buy or rent vineyards, but as long as they are prevented from doing so, the more pressure will be placed on supply and demand at the most crucial moments. So deep rooted is the *Champenois* attachment to their *patrimoine* that few families would consider relinquishing ownership, but I cannot imagine the *Champenois* ever allowing those who would sell to do so. Thus the imbalance in ownership will remain and the cycle from boom to bust will continue, and the *Champenois* must now realize there is no one else to blame but themselves.

Vintage Report

Advance report on the latest harvest

2003

Picking commenced on 25 August (21st in the Aube), thanks to the pan-European heat wave – the earliest Champagne harvest since at least 1822, when records began. And with 50 per cent of the potential crop destroyed by spring frosts, it was also the smallest harvest since 1981. The second crop, from buds that developed after the frost, was substantial. Although this is a common phenomenon in Champagne, the second crop rarely ripens – and almost never on a region-wide scale. It is known in *Champenois* dialect as the *bouvreu* ("for the birds"). I have known only two ripe second crops – in 1989 and, to a lesser degree, 1990 – but neither was of the scale of 2003. Although the variation in quality was noticeable, the cream of the second crop was often just as ripe as the first harvest, but with distinctly superior acidity.

The grapes were exceptionally clean (Champagne normally being prone to rain at harvest time and thus a high incidence of rot) and, as might be expected, very ripe (10.6 per cent on average), but there were concerns over low acidity and disproportionately high pH readings. In fact, the pH readings were the worst ever. Generally, the pH for champagne should not be more than 3.0-something and, providing the grapes are physiologically ripe, the lower the number the better. But whereas the average for each of the last three decades has been good, and going in the right direction – downwards (3.07 in the 1970s, 3.06 in the 1980s, and 3.04 in the 1990s) – the last five years have averaged a worrying 3.13, with 2003 hitting no less than 3.28, with some wines as high as 3.7! However, the recent trend to high average levels is far more disturbing than individual wines of often higher pH because, as the best wines of Champagne's ripest, low-acid vintages (1976, 1959, 1947, and 1929) have demonstrated, if the high pH is in harmony with all the other properties in a base wine, the potential exists for a champagne of extraordinary quality. Having tasted a number of 2003 *vins clairs*, it is obvious that some truly special champagnes will be produced, albeit mixed in with a motley crew of the weird and ugly. The *vins clairs* of Jacquesson best reflected 2003's sumptuous richness, while Krug and Roederer displayed exceptional acidity for the year. Considering the small size of the crop and proportionately greater scarcity of Chardonnay, it is understandable that a number of houses might not release a standard vintage, but any producer who has not done his or her best to make a small volume of pure 2003,

even if for in-house use only, will live to regret it. Especially if 2003 is an indication of what Champagne might expect on a more regular basis from global warming and they have no library bottles to learn from.

Updates on the previous five vintages

2002

Vintage rating: 85–90

This is without doubt a vintage year and a very special one too, marked by the *passerillage* that reduced the crop in some vineyards by up to 40 per cent and endowed the wines with the highest natural alcohol level since 1990 (which itself was the highest since 1959). It is definitely a Pinot Noir year, with Ay–Champagne the most successful village. There are some fine Chardonnays, but in general they are less impressively structured and lack acidity. Not that the Pinot Noirs are overblessed with acidity. Low acidity is a key feature of this vintage, with *vins clairs* tasting much softer than their analyses would have us believe.

2001

Vintage rating: 35

Dilute, insipid, and unripe. Anyone who declares this vintage needs their head testing.

2000

Vintage rating: 80

Virtually vintage-quality ripeness, but more of a good non-vintage year. However, there are a lot of *Champenois* who believe that 2000 is a magical number, so we can expect more declarations from this year than it really deserves. Even so, good, even great, champagne can be made in almost any year if the selection is strict enough, and with so many 2000s likely to be marketed, there should be plenty of good bottles to pick from. Some special wines, like Clos des Goisses and Jacquesson Dizy 1er Cru Corne Bautray, will be great.

1999

Vintage rating: 80

Vintage-quality ripeness but the worst acidity and pH levels Champagne has seen for a couple of decades. Some very good champagnes will no doubt be made through strict selection, but with fewer producers likely to declare, the number will probably be much lower than for 2000. Chanoine's new vintaged Tsarine Rosé and Drappier's Grande Sendrée are the only 1999s with true finesse encountered so far.

1998

Vintage rating: 85

The 1998s and 1997s are not dissimilar to the 1993s and 1992s respectively, which means this vintage is in theory not quite as good as 1997. But although 1993 was not as good as 1992 on paper, the former actually produced significantly more superior champagnes than the latter, so who knows which way 1998 will swing? Indeed, some of the 1998s are already quite impressive, and a number of *Champenois* winemakers rate this vintage above the 1997s.

GREATEST WINE PRODUCERS

- 1 Krug
- 2 Pol Roger
- 3 Billecart-Salmon
- 4 Louis Roederer
- 5 Bollinger
- 6 Deutz
- 7 Jacquesson
- 8 Gosset
- 9 Pierre Gimonnet
- 10 Vilmart

FASTEST-IMPROVING PRODUCERS

- 1 Mumm
- 2 Bollinger
- 3 Duval-Leroy
- 4 Bruno Paillard
- 5 Pannier
- 6 Mailly Grand Cru
- 7 Philipponnat
- 8 Vve Devaux
- 9 Moët & Chandon
- 10 Vilmart

NEW UP-AND-COMING PRODUCERS

- 1 Henri Giraud
- 2 Serge Mathieu
- 3 Fluteau
- 4 Bruno Paillard
- 5 Audoin de Dampierre
- 6 Chanoine's Tsarine range

BEST-VALUE PRODUCERS

- 1 Charles Heidsieck
- 2 Serge Mathieu
- 3 Henri Mandois
- 4 Duval-Leroy
- 5 Alfred Gratien
- 6 Bruno Paillard
- 7 Lanson
- 8 Louis Roederer
- 9 Drappier
- 10 Piper-Heidsieck

Grapevine

- **Billecart-Salmon's** new single-vineyard champagne, Le Clos Saint-Hilaire, was spoiled only by its lack of dosage. I am surprised it is still not understood in some quarters that not only does champagne need at least a little sugar for the Maillard reactions (which contribute to the complex aromas produced after disgorgement), but it is also essential for ageing with grace and finesse. Drink on purchase; do not age.

- **Paul Vranken** surprised his critics by selling more Pommery in 2003 without dropping the price. The consensus was that, in order to meet bank repayments for the purchase of Pommery, he would have to cut prices, but sales increased 14.2 per cent in volume, compared to 18.2 per cent in value.

GREATEST-QUALITY WINES

- 1 **Vieilles Vignes Françaises 1996**
Bollinger (€325)
- 2 **Dom Pérignon 1996**
Moët & Chandon (€95)
- 3 **Cristal Rosé 1996**
Louis Roederer (€300)
- 4 **Brut Vintage 1988** Krug (€150)
- 5 **Cristal 1996** Louis Roederer (€150)
- 6 **Cristal 1997** Louis Roederer (€150)
- 7 **Noble Cuvée Blanc de Blancs 1996** Lanson (€80)
- 8 **Gold Label 1996** Lanson (€27.50)
- 9 **Comte de Champagne 1996**
Taittinger (€100)
- 10 **Amour de Deutz Blanc de Blancs 1997** Deutz (€95)

BEST BARGAINS

- 1 **Gold Label 1996** Lanson (€27.50)
- 2 **Cuvée Rare NV**
Piper-Heidsieck (€35)
- 3 **Mis en Cave 1998 NV**
Charles Heidsieck (€25)
- 4 **Brut Millésime Grand Cru 1996**
Pommery (€25)
- 5 **Brut Millésime 1996**
Guy Cadel (€14.30)
- 6 **Brut Rosé 1997** Deutz (€50)
- 7 **Tsarine Rosé 1999**
Chanoine (€29.95)
- 8 **Cuvée Victor Mandois 1998**
Henri Mandois (€19)
- 9 **Millésime 1996**
Collard-Chardelle (€17.10)
- 10 **Blanc de Blancs 1998**
Louis Roederer (€55)

MOST EXCITING OR UNUSUAL FINDS

- 1 **Gold Label 1996** Lanson (€27.50)
Like gargling with razor blades, this is the most definitive and the best-value 1996 on the market.
- 2 **Joyau de Chardonnay 1989**
Boizel (€49) *Rare to find such mature blanc de blancs*

commercially available, especially when it is impeccably preserved.

- 3 **Millésime 1996** Collard-Chardelle (€17.10) *A stunning find from hitherto unknown grower, not least because it has extraordinarily rich, huge flavours and massive acids for its 50 per cent Meunier content (plus 25/25 Chardonnay/ Pinot Noir). Great potential complexity, and it has the focus and finesse, too.*
- 4 **Brut Cuvée No. 728 NV** Jacquesson (€25) *Guaranteed not to be consistent! See Grapevine, p.33.*
- 5 **Réserve Brut NV** Michel Lorient (€12.50) *Not up to Jacquesson's Le Clos 1998 but superior to its Le Clos 2000, this is the best pure Meunier champagne I have tasted in the past 12 months.*
- 6 **Brut Sélection NV** Pehu-Simonet (€12.50) *The huge mouthful of fruit is the result of being vinified in used – not new – oak.*
- 7 **Rosé Sauvage NV** Piper-Heidsieck (€20) *A riot of fruit with a luminous pink colour!*
- 8 **Grand Siècle Alexandra Brut Rosé 1997** Laurent-Perrier (€220) *Why jump from 1990 to 1997? Because Alain Terrier made far too much 1990 and it has only just sold out. This might not be as great a vintage in general terms, but this cuvée is superior to the 1990 Alexandra and has a better-balanced dosage.*
- 9 **Divin Blanc de Blancs NV** Piper-Heidsieck (€25) *Not many pure Chardonnay champagnes are fruity guzzlers that are ready to drink as soon as they hit the shelf, but Piper's first blanc de blancs is precisely that.*
- 10 **Brut Blanc de Blancs NV** Petit-Camusat (€12.50) *A pure Pinot Blanc rarity.*