

# Rebuilding French Wine

Anti-French sentiment fades as sales increase

At the height of the U.S. anti-French sentiment in 2003, Robert Smith, master sommelier at Picasso in Las Vegas' Bellagio Hotel, was serving a well-heeled customer. "The guy said he was really mad at the French but he loves Burgundy. I said 'you can't blame the growers, they're farmers,'" recalls Smith. "He ordered a 1996 Marquis D'Angerville Volnay from the Clos des Ducs vineyard for \$285."

The 120-seat restaurant has a 1,400 bottle wine list (\$30 to \$16,888), of which 40 percent are French wines with a large concentration of red and white Burgundies. A popular seller is the 1998 Vincent Girardin Puligny-Montrachet Champ Gain, a lightly oaked white Burgundy, priced at \$119 a 750-ml. bottle. Red Burgundies from the Gevrey-Chambertin appellation are popular, notably those from producer Denis Mortet. They range from \$120 to \$175 a 750-ml. bottle. Picasso's highest priced French wines are the 1945 and 1947 Château Mouton Rothschild, priced at \$16,888. Its lowest priced French wine is the 2000 Château de Grezels, a full-bodied Malbec blend from the Cahors region in Southwest France, for \$38.

Picasso's resilience was a bright spot in a year in which French table wine shipments experienced an 11-percent decline (according to the Department of Commerce), as Americans retaliated against France's lack of support of the U.S. war with Iraq. While collectors continued to buy the Burgundies and Bordeaux, lower-priced French wines bore the brunt of U.S. dissatisfaction. However, in 2002, France had dropped to the No. 3 spot in the imported wine rankings, with Italy holding at No. 1 and Australia moving up to No. 2.

by Jean Deitz Sexton

## SALES PICKING UP

The first half of 2004, however, is showing signs of a warming trend. "Last year the French wine category only exported 6 million cases," says Jean-Charles Boisset, president of French wine producer and importer Boisset America, the U.S. division of the French wine producer and importer Boisset La Famille des Grands Vins, which acquired Marie Brizard Wines & Spirits USA last year. "In 2004, we anticipate French wine imports to reach the normal track record of 9 to 10 million cases." A combination of wines from the south of France and the Rhône and pre-sales of the 2002 Burgundy vintage are fueling the recovery, he says.

"Very few people talk about the anti-French issue anymore," says Nicolas Gailly, managing director of Barton & Guestier (B&G) in Bordeaux. Gailly notes that there are many other challenges. "We have increased competition from the Australian wines," he says. "The economy has been relatively soft, and the exchange rate of the Euro versus the American dollar doesn't help either."

In February B&G, imported by Diageo Chateau & Estate Wines, launched new, bolder labels that showcase the brand and its popular varietal line, priced at \$6.99 a 750-ml. bottle. "The American consumer wants a fair value," says Gailly. "They want a little more fruit and a little less oak than a few years ago. We feel we have the right recipe."

Producer Georges Duboeuf lost 30 percent of his U.S. business between February and August 2003, but sales picked up with the shipments of Duboeuf's 2003 Beaujolais Nouveau in time for last Thanksgiving, says importer Bill Deutsch, chairman of W.J. Deutsch & Sons Ltd. This year, Duboeuf is launching reserve Chardonnay, Merlot and Shiraz wines in colorful, shrink-wrapped packaging that will retail for \$8.99 a 750-ml. bottle. They are geared toward the "young Americans who like upfront fruit concentration, soft opulent tastes and not over-oaked wines," Deutsch says.

Although retailers did not run programs, features or displays on French brands, "there was still a pretty healthy pull from the

consumer," says Delphine Boutier, marketing brand manager for Maison Louis Jadot, imported by Kobrand Corp. "The strength of the brand transcends French sentiment," says Boutier. Maison Louis Jadot and Kobrand are actually owned by the same American family, descendants of R. Kopf, founder of Kobrand, she notes.

"Mouton Cadet lost less in sales than some of the other brands," says Olivier Lebreton, president of the U.S. subsidiary of Baron Philippe de Rothschild SA. "We have been in the States for 50 years. Our loyal customers are coming back." The Bordeaux producer recently launched a new reserve wine—the 2002 Mouton Cadet White Bordeaux Grave, priced from \$13 to \$14 a 750-ml. bottle. "We believe there is a demand market for a high-quality white which is not Chardonnay," he says.

Retailers appear ready to again support French wines. "We have a large promotion coming up for Reserve Maison Nicolas and Sam's Clubs," says Gene Schaeffer, vice president of Luneau, importers of the Reserve Maison Nicolas brand. "It's the first big promotion since the French boycott." The program, which was launched in May, is a permanent national program which bundles two bottles of the 2003 Merlot or 2003 Chardonnay for \$9.88; normally a 750-ml. bottle sells for \$5.99 to \$6.99, says Schaeffer.

## THE 2000 VINTAGE

The coveted 2000 Bordeaux vintage and connoisseurs' loyalty are also helping to drive the recovery. "Last year people boycotted French wines but they didn't seem to boycott the 2000 French Bordeaux, the best vintage since 1961," says Schaeffer.

Even in the conservative heartland, French wine drinkers kept buying. "We saw no point in being reactionary and pulling things off the shelves," says John Draney, owner of the two location Omaha Wine Co. in Omaha, Nebraska. "We actually ended up with a stronger year, particularly in Loire Valley and Alsace wines." Popular French sellers are the 2000 and 2001 Hippolyte Reverdy Sancerre for \$17.50 a



LEFT: Barton & Guestier wines are being made with little more fruit and less oak to appeal to the American palate. ABOVE: Rémy Amériquet's Christian Holthausen says that the quality of the grapes in AOC wines is improving.

750-ml. bottle and the 2002 Zind-Humbrecht Pinot Gris from Alsace for \$26. The lowest priced French wine is the 2001 Andre-Michel Bregeon Muscadet from the Loire Valley for \$13. The highest priced are the Domaine de la Romanée-Conti Burgundies, all vintages, for \$300 a 750-ml. bottle.

"I'm selling more French wine than ever before," says Chan Lakhani, owner of the three-location chain Gulf Discount Liquors & Wine in the affluent Coral Gables, Florida. His customers have sought the 2000 vintage, "one of the best years they ever had," he says. "Our sales increased 30 percent over the last year and we see the trend continuing. In 2004, French is still selling very well." Popular sellers are the 2000 Les Forts de Latour of Bordeaux, priced at \$75 a 750-ml. bottle, and the 2000 Carruades de Lafite, also from Bordeaux, priced at \$59.99 a 750-ml. bottle. The store's lowest-priced French wine is the 2000 Château Cofran from the Médoc region of Bordeaux for \$22 a 750-ml. bottle; its highest priced is the 2000 Pétrus for \$1,500.

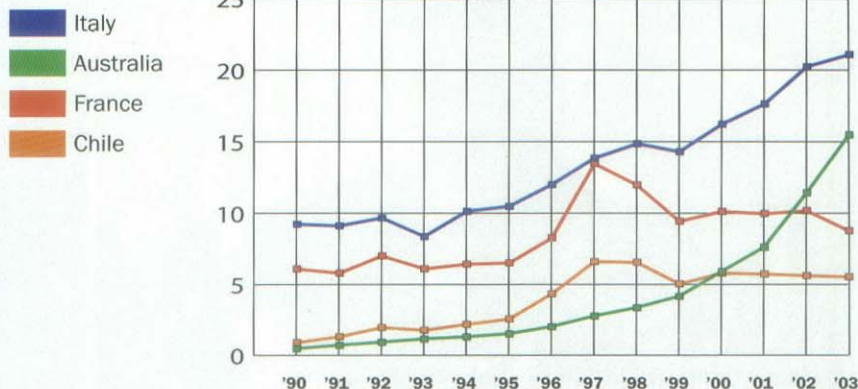
#### REGIONS GENERATING EXCITEMENT

Regions such as the Languedoc, Alsace and the Rhône are sparking consumer interest in French wines as producers offer a changed flavor profile that more closely matches American's tastes. Appellation d'Origine Contrôlée-labeled (AOC) wines are also getting more attention, coupled with a growing consumer interest in varietals. "There is a lot more focus on the Languedoc-Roussillon area," says Christian Holthausen, associate brand manager at Rémy Amérique, importers of the René Junot brand. "The quality of the grape growing there has increased dramatically over the past 10 to 15 years and we are now able to compete aggressively with the Australians and Californians."

Laurence Rouanet-Julien, U.S. brand manager for the Vichon and Toques et Clochers brands, says, "People who are always looking for new wines like the AOCs in Languedoc. They have the feeling they can discover something new." Both brands are from the Limoux based Les Vignerons du Sieur d'Arques winery. Sieur d'Arques Wines Inc. is seeking a new importer partner for the Vichon brand, which it purchased from Robert Mondavi. The brand is currently imported by Hand Picked Selections on the East Coast and Paramount in New York. According to Rouanet-Julien, Sieur d'Arques has changed Vichon's flavor profile to

### Imported Table Wine Shipments\*

(Millions of nine-liter cases)



\* Excludes bulk.

SOURCE: IMPACT DATABANK ©2004

reflect American tastes by taking on a more international style. They softened the tannins and lessened the oak influence, thereby moving away from a more oaky, heavier California style. "For example, part of the the Chardonnay that makes its way into the Vichon blend sees wood, but not the entire wine, so it is not overpowering. We wanted a more subtle style that would appeal to French and worldwide palates alike," says Rouanet-Julien.

Making French wines more approachable for the American palate is starting to seem like somewhat of a trend. Boisset has also changed the taste profile on some of its wines. "We hire younger winemakers who are in sync with what people want to drink today," says Jean Charles Boisset. In general, he says, French wines are changing. "The taste profile of wines in the \$6 to \$15 range is more fruity, more intense and concentrated compared to the way French wines were made before."

"Alsace has been trending up for last four to five years," says John Draney of Omaha Wine Co. "They are picking slightly riper fruit and driving the alcohol up, which is a California concept. They don't use any wood that gets in the way and they manage to keep good acidity. We like the Pinot Gris and Gewürztraminer."

#### VARIETALS

Aware of French wines' highly confusing labels, some producers are also helping to lead the way to more consumer-friendly labeling, particularly for increasingly popular varietals.

"We're doing more business now in varietals than in the Vin de Table wines," says Jonathan Shiekman, president of Parliament Wine Co., a division of Admiral Imports, own-

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**ABOVE:** In Las Vegas, Picasso's Robert Smith has combated the anti-French sentiment. **RIGHT:** Robert Bohr of Cru in New York says Burgundy is the most versatile red wine with food.

ers and importers of the Languedoc's Chantefleur brand. "The Languedoc is one of the few regions in France producing very high quality value wine and varietals. The French government has relaxed some of the production laws so we are able to produce a little bit more." He plans to ship a total 400,000 cases of Chantefleur worldwide in 2004. Currently available is the 2003 Chantefleur line of Chardonnay, Cabernet Sauvignon and Merlot, priced from \$4.99 to \$5.99 a 750-ml. bottle and at \$9.99 a 1.5-liter bottle.

"The trend is toward varietals," says Rémy Amérique's Holthausen. "We are not AOC so we can't list them on the front of the label. We are listing them on the back. We are really starting to speak about varietals through shelf talkers and store displays."

"People buy our brand because it says the varietal right on the label. It is easy for a consumer to know what they are drinking," says Luneau's Schaeffer. "With our Reserve Maison Nicolas they are buying a fighting varietal."

Vichon's Rouanet-Julien says that the company wanted the labels to be as clear as possible for the U.S. consumer. "We are aware of the difficulty with complex French labels," she says. Vichon's labels are very clean with the varietal clearly showcased on the front, according to Rouanet-Julien. "American consumers prefer to have the brand name and the grape on the label rather than a lot of information they don't even know about," she says.

French wines are getting new closures as well. Reserve St. Martin is hoping to lead the way in screw caps instead of corks. "These new generation [of] closures preserve all of the fresh fruit character of the wines and guarantee consistency," says Martin Sinkoff, managing director of Martin Sinkoff Selections, a subsidiary of Pasternak Wine Imports. "For people who don't finish a whole bottle at

home nothing is more convenient than a screw cap, and for restaurateurs who want to pour by the glass, they're terrific. We are one of the first French brands to go 100 percent to the new closure." Sinkoff is attempting to educate the trade about the screw cap, which some on-premise accounts perceive as low-end, he says.

#### A FOCUS ON BURGUNDY

While consumers explore other regions, some of the traditionalists never leave Burgundy. At New York City's Cru, a restaurant that opened in late June, 1,000 of the 2,700 selections on the wine list are from Burgundy. "Burgundy is the most versatile red wine for food," says general manager and wine director Robert Bohr. "It does not have too much extracts or tannin or alcohol that most of the time obfuscate fine flavors in food." The 80-seat formal restaurant serves modern European cuisine. The lowest-priced French wine on the list is the 2001 Domaine Bellivieres from the Jasnieres appellation for \$28, while the most expensive is the 1870 Château Lafite for \$13,000. Bohr offers 50 wines by the glass (\$8 to \$50), about 40 percent of which are French. They include the 2000 J. F. Mugnier from Chambolle-Musigny, priced at \$18 a 6-ounce glass and the 2002 Domaine Roulot Bourgogne Blanc, priced at \$14 a glass. Sparklers will include the multi-vintage blend Krug Grande Cuvée for \$28 a 5-ounce glass.

#### FUTURE MARKETS

As the anti-French sentiment wanes and sales pick up, French wine producers remain optimistic. "The French people are not giving up on the American market," says Jean-Charles Boisset. ♦