

BURGUNDY

France's 'other' great region, Burgundy has nothing in common with Bordeaux either in style of wine or indeed how the market works. This is a region of farmers, working with single grape varieties, Pinot Noir for red and Chardonnay for white, very little in touch with the ups and downs of the international market place – as long as they can sell their crop.

Burgundy boasts 100 appellations in a pyramid of ascending quality: 23 regional, 44 village (including *premier cru* vineyards) and 33 *grand cru* vineyards. The total area under vine is 27,700 hectares producing 200 million bottles of wine. 60% is white wine, 32% red or rosé, 8% sparkling (*crémant*).

There are approximately 4,000 different producers of which 1,300 produce wine in bottle under their own labels. There are 250+ merchant houses (*négociants*) and 23 co-operatives, the latter mostly covering the less expensive appellations of the Mâconnais, Chalonais and Chablis.

Burgundy has been a two speed market in recent years, with no link between the struggles of those producing wines from the most minor appellations such as Mâcon Villages or Beaujolais, and those with good holdings in the famous villages of the Côte d'Or. At the lowest end there has been a vicious circle of decreasing bulk prices forcing producers to cut corners, arguably further damaging the quality and image of their product. There is a clear parallel here with the top and bottom of the Bordeaux market mentioned in the previous section.

Demand for the finer wines has held up well and it is probable that *grands crus* (1.4% of production) will become significantly more expensive in the medium term future

Despite recent global economic uncertainty, the price of vineyard land has continued to rise quite sharply. Recent transactions for village Meursault have reached €60,000 per *ouvrée*, a specifically Burgundian, historic measurement of land, or €1.44m per hectare. One hectare produces approximately 6,600 bottles of wine per annum. The reason for the continuing high price of land is the availability of external investors keen to be part of the dream, with funds available to enable their favourite growers to purchase additional vineyards.

Burgundy has been one of the most dynamic regions for the spread of organic and biodynamic methods of viticulture. While critics sometimes claim that the biodynamic movement is more about marketing than any qualitative reality, it should be noted that the driving forces behind the biodynamic movement have been some of the region's most famous names who had more to lose than to gain by prominently espousing such novel ideas: Domaines Leroy, Leflaive, Lafon, Lafarge, Domaine de la Romanée Conti, Joseph Drouhin and many others.

Historically the Burgundian market place has been divided between merchants, who bought grapes, grape juice at harvest or wines subsequently, and blended them according to their house style and traditions, and individual domaines responsible for all aspects of production from growing the vines to bottling the wines and taking them to market. These lines have become blurred as the major *négociant* (merchant) houses have

been purchasing vineyards to guarantee their supply lines, while successful growers have been supplementing their production by the purchase of grapes on a small scale.

The top three markets by value, representing 52% of total exports, are the UK, USA and Japan. The remainder of the top 10, apart from Canada, are European countries, followed by Hong Kong (11th), Singapore (15th) South Korea (17th), Brazil (18th), Taiwan (19th) and China (20th). By volume, Japan falls to 4th place behind Belgium while China rises to 14th, ahead of Hong Kong (16th). It is clear that Burgundy is looking to target China as a major market for the future.

Is Beaujolais part of Burgundy? Nobody quite seems to know, but currently there are moves to bring the smaller region back inside its bigger and more economically robust neighbour. Since the image of Beaujolais has become progressively more damaged in recent years, perhaps in part as a fall-out from overreliance on Beaujolais Nouveau, from the 2011 vintage it will be possible to reclassify basic Beaujolais under a new appellation, Côteaux de Bourgogne.

The leading lights of Burgundy, led by Aubert de Villaine of Domaine de la Romanée Conti, are currently campaigning for the various vineyards of the Cote d'Or, known as '*climats*' to be recognised as a World Heritage Site.

Vintage Notes

The two most recent vintages (2010 and 2009) have both produced fine wine but in quite different styles. 2009 was a large crop grown in a warm summer and harvested early, producing rich ripe wines which will be attractive to drink early but should also have staying power. 2010 was a more difficult growing season with an October harvest producing a small crop of very fragrant attractive Pinot Noir, more compact than 2009 but impeccably balanced, while the white wines have a very attractive aromatic character.



The white wines of Burgundy have not been ageing reliably as they used to do in previous generations. There are many reasons for this, some of which have been put right, but it remains the case that most white Burgundy is approachable much earlier than in the past and is unlikely to repay a decade or more of cellaring. Currently the following vintages are drinking well:

2007 in a fine crisp mineral style; **2006** with greater warmth and weight; **2004** and **2002** are both at their apogee, while **2003**, mistrusted at first because of the exceptional heat during the summer, has turned out to be much more interesting than expected. **2005s** are fine, concentrated and ready to drink now.

Contrary to recent experience with white Burgundy, the reds are demonstrating excellent keeping qualities. Lighter years such as **2004** and **2000** now need drinking up but **2007**, **2003**, **2002**, **2001**, **1999**, and **1998** are now all beginning to show very well. The greatest vintage in recent times is **2005** but this needs to be kept for a further 5 years (village wines) or much longer for *premiers* and *grands crus*. Fine older vintages include **1993**, **1990**, **1989**, **1988** and **1985**.