In the Race to Reach New Wine Drinkers Old World Taste is Losing Out

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By Lilly Knoepp

NEW YORK– Small flickering candles are the only lights in the West Village French restaurant A.O.C. The restaurant’s name is an allusion to a 1970’s French film about saving French cooking from an American fast food giant – a not so subtle clue at the deeply traditional attitude of the restaurant.

It is a piece of Old World France in New York City complete with fine wine, classic charcuterie and live French jazz.

French Jazz singer Melyssa Rose sings here every Monday night. She moved to New York just 5 months ago to pursue her singing career. Every piece of A.O.C. is a piece of her identity as a French woman.

“We are very lucky here because I think that New York City likes French people and likes French wine, because I think that these two things are the same,” said Rose, bringing her hands together to demonstrate the closeness of French people and French wine.

“They can’t choose between the two. Because French people - we are wine and cheese - we are everything,” she said.

But this old world is losing its grip on the wine industry. French wine production and consumption are falling while the New World of wine is gaining ground in both areas. Experts say that new wine making techniques and higher consumption in New World markets like the United States have changed the French wine industry.

For the French, more than just their wine industry is at stake. For many, the loss of French wine is a loss of French identity.

Not only is French wine critical to French identity, it’s also a big part of the French economy. The country’s second-largest export sector, the industry also employs more than 558,000 people, according to The French Foreign Ministry report in 2014.

To make matters even more complex, a new trade deal between the US and European Union on the horizon might soon make classical French wine as outdated as the classic tunes Rose sings.

This old world is the France that Jonathan Ducourt lives in. Ducourt is the sixth generation of Ducourt Vineyards, a large 16 chateaux business centered in the village of Entre-Deux-Mers that lies 40 minutes southeast from Bordeaux, France.
Ducourt worked as a boy tending the vines and grapes of his family’s harvest. Now with a degree in business, he has been the sales and marketing director of the company for the last five years.

It is no secret that wine consumption in France has gone down in the last 30 years. In fact, Ducourt learned all about the trend in business school.

“No, we were drinking too much wine and now we are still drinking a lot of wine but less than before,” said Ducourt.

Ducourt’s business school lessons were accurate. But even with lower French consumption, the French drink about 4 times as much wine as drinkers in the U.S.

France consumes about 11 gallons per person annually followed by fellow wine giant Italy at about 9 gallons per person. The average drinker in the United Kingdom consumes about 6 gallons per person while the United States lags behind at just about 3 gallons per person, according to the Wine Institute data for 2015. This is the highest wine consumption in the U.S. to date. The numbers have been climbing steadily since consumption was below one gallon in the 1966.

These differences in consumption reflect the amount of time the wine industry has had to grow in each of the markets. In Europe, the wine market is heavily saturated because the countries have been making wine for much longer than 500 years. The French have begun drinking less because of a range of factors including an increase in alcohol content in wine that makes it less acceptable to drink through out the day.

Comparatively, the United States is a young country that has only been a player in international wine production since the 1970s during the California wine boom. At that point, new world wine from countries like Argentina and Chile also began presenting significant competition for the old world wine industry.

The United States is already the largest wine consumer by volume and the fourth largest wine producer. If the United States population of over 300 million drank the same per capita as France then the entire wine market would expand exponentially... and that’s before other developing markets like Asia are factored in.

Because of that huge volume, the U.S. market already exerts a lot of influence on the industry. The tastes and habits of American wine drinkers are changing the way that some French vineyards make their wine.

American taste – like any taste – is based on trends. During the 1990s, Robert Parker became a household name in the wine world for his wine guide published in *The Wine Advocate*. Parker’s guide, and therefore his tastes, became the measurement system by which wine is judged in the American market. Any vintage that was given a perfect score of 100 by Parker became an immediate success.
Parker favors highly alcoholic wines that were very fruity and easy to drink. He did not directly criticize French wine but the majority of the French climate does not produce fruity wines. Those wines are found in warm temperature regions like California and Australia.

Smaller French vineyards still bowed to Parker’s suggestions, according to French wine importer Mark Lartigau. He has been in the business for the last 40 years and now owns his own importing company, BNP Distributing Company, in New York City that specializes in French wine. Lartigau’s father was French and also involved in the wine industry.

“They (some of the French vineyards) sold out,” said Lartigau. “They really, ‘Parker-ized.’ You can’t really say that it was prevalent but the ones that did were selling their soul to the devil.”

These vineyards ‘sold out’ in a variety of ways such as trying to make more fruit forward wines.

Parker’s reach did not extend to all French wine. Many have held on to their traditions despite the trends. Another trend of the time was splashy colorful labels on wine bottles but many French vineyards disavowed these as well as non-traditional.

Even though Parker was not a fan of most French wine, French wine is still on the top shelf of wine explained Lartigau.

“France is not necessarily the birthplace of wine,” said Lartigau. That designation has been given to a cave in Armenia where fermentation vats were found dating back to 4100 B.C.

“But it is the benchmark against which wine is measured,” said Lartigau. “If you are studying wine you had better know French wine.”

Charlotte Gendron, a French wine exporter for Wilm Vineyard in Alsace, France explained how serious this departure from tradition was for the French view. She does not understand how a French vineyard could change for trends.

“They spend their days and life in their vineyards so they don’t change their wines to their market... Or maybe I am being too idealistic,” said Gendron.

The vineyard Gendron works for is steeped in a very specific tradition. It is located in the Rhine region of France that has historically belonged to the French and the Germans. This gives it a certain terroir.
The word terroir is just another example of the rich history of French wine. Terroir is that certain ‘je ne sais quoi’ of French wine defined as the essence given from the soil, climatic conditions and history of each region.

Another part of this history that has been shaped by American influence, are the practices used to make wine. As new world wineries began developing in the 1970s, old world wineries began borrowing their wine making procedures such as more hygienic wine cellars and screw cap bottles instead of the traditional cork which can go bad.

The biggest difference was changing the way that the wine was made so that it could be drunk sooner. The French traditionally buy wine on special occasions such as the birth of a new child. That wine bottle is put in the family wine cellar and saved for 10 years or more.

This is not how Americans drink wine. Generally in the U.S., 85 to 95 percent of wine is going to be consumed in 48 hours.

“The wine was just undrinkable in the 60s and 70s,” said Lartigau referring to older French wine that was much more harsh – especially if it was opened before it had the proper 10 years to age.

The classic vineyards made wines whose tannins and alcohol needed this extended period to settle before being able to drink. Not many Americans own wine cellars to keep vintages for 10 years. Now through new vinification techniques such as different barrels and smaller batches the wine can be drunk sooner.

Despite these changes in some vineyards, much of French traditional wine remains the same. A battle for the remaining influence of the international wine market is currently being fought through international trade law.

France now exports more wine abroad with only about 35 percent being drunk in the country. France is the second largest producer of wine falling behind Italy for the first time this year.

As a member of the European Union, France falls under European Union trade laws. Recently, these laws have hurt French production through changes such as a lowering of subsides for French farming including wine and a move to allow more wine production. Government subsides are money given to help support industries in a country such as the peanut industry in the United States. Increased production in France became possible because the European Union got rid of the quota system that regulated the amount of wine that could be produced in each country as well as how many vineyards could be planted.

Ducourt explained that around his family’s vineyard in Bordeaux the European Union tried to liberalize planting to allow more vineyards but the European Union
uprooted the new vineyards after they realized the quality of the new wine was not as good and too much of it was being produced.

“They (The European Union) realize the only way to protect the region is to have strict control on the volume and where you plant the vineyards and there is specific terroir. You have to regulate your region,” said Ducourt. He explained that outside of each specific region there is not the same terroir, so wine made just outside of Bordeaux region is not as good.

United States trade liberalism advocates sees some laws that preserve traditional French and European wine culture as barriers to trade. Heavy regulations can make it more complicated to import and exports goods.

The U.S. joined with seven other non-EU wine producing countries (New Zealand, Argentina, Australia, Canada, Chile, Georgia and South Africa) in the World Wine Trade Group in order to have more information and power in writing their own wine trade regulations. The countries that make up the WWTG control almost a third of total global wine production while the European Union produces the other two-thirds.

“They were picking us off one by one if you like, so this was a way to get information exchanged so that we could get some collaborative views going for the like minded,” said Tony Battaglene, the current director of the WWTG and the general manager of strategy and international affairs of the Wine Makers Federation in Australia.

Battaglene has been in the Australian wine industry for over 40 years and has written much of language on the WWTG trade laws that end up as international agreements such as the wine annex in the TransPacific Partnership agreement.

Battaglene has also seen the European Union shift under New World influences.

“The pressure has been put on their own domestic producers and they have realized that they have to start competing on an equal basis. They also realized that they need to export to survive,” said Battaglene.

He explained that the main points of contention in the wine trade beyond tariffs are labeling, compositions of wines, limits on the residue of herbicides and chemicals from growing and analytical requirements. Old World wine makers used to use a lot of pesticides and chemicals to grow their grapes. Now those chemicals are heavily regulated and many new world vineyards opt for more natural solutions.

How vineyards label their wines is one of the biggest disputes. The European Union has fought to keep their historical geographic indicating names such as Burgundy, Champagne and Chablis.
For the French these names are not just words, they represent the history and culture of each place. Each use of a region also brings with it the cache of the premium wine

“Everybody wants to be able to use Champagne or Bordeaux blend it is much easier to sell something using the recognition. But there is a history behind every name. It is a collective brand that we have been building for centuries,” said Ducourt.

The EU wine regulations passed in 2005 asked that the US phase-out use of these regional names but left a loophole so that if they were already using a name prior to 2006 than they could continue to use it.

Battaglene says that beyond the geographical labels his biggest battle with the European Union has been the question of whether traditional expressions are their intellectual property. Traditional expressions are words used to describe wine such as a ruby, tawny port.

“They’re just trying to protect common English words for their own countries. We still don’t believe that there are any intellectual property rights to traditional expressions, nor does the rest of the world, so its an ongoing debate,” said Battaglene.

Currently, The TransAtlantic Trade and Investment Partnership(TTIP) between the United State and the European Union just finished their 11th round of negotiations. The negotiation process has been long but since the TransPacific Trade Partnership(TTP) between the United States and 12 Pacific nations is set to be passed by Congress soon it seems that TTIP will soon be in the forefront of the news. A trade deal between the European Union and United States would expand quotas and limit tariffs between the two entities.

Battaglene said he thinks that TTIP will not go through anytime soon but he did describe the perfect storm for the negotiations to finish: a politically tumultuous time and a need in the economy. Between this summer’s Greek economic crisis and the current migrant crisis, it seems like the clouds may already be rolling in.

For Ducourt Vineyards, this deal could have a large impact because 70 percent of their wine is exported. However, from a business perspective Ducourt does not think that the TTIP would lower the tariffs to allow more French wine into the United States.

Lartigau explained that its not really tariffs that make French wine less accessible in the United States – it is pure shipping costs.

“Just to get the wine here it’s going to cost you $25 dollars. The cost is prohibitive to keeping them here,” said Lartigau.
France’s complex system of labeling is not helping matters.

Regulations are set up so that each region is controlled by its own AOC – Appellation d’origine contrôlée.

The Wilm Vineyard that Charlotte Gendron represents is a great example. Their wines fall under three different branches of the AOC: The Alsace AOC, the Alsace Grand Cru AOC and Creámant d’Alsace AOC for each different variety of wine that they produce.

The French might buy their wine based on what AOC it belongs to but Americans purchase wine based on the brand explained Battaglene.

Lartigau disagrees. He said that when he works in his wine shop often someone going to a dinner party will ask him for help picking out a good wine. He always presents them with three options: a California wine, a petit chateau Bordeaux (a smaller castle vineyard) and something fun with an animal on the label.

They always pick the Bordeaux.

“It comes off like something classier - better and even more expensive,” said Lartigau.

This acclaim is what helps the French remain stubborn and sure that their traditional ways of wine will remain over the influx of New World wine production and the development of New World wine palettes.

For Melyssa Rose, the French jazz singer who just moved to New York City, she loves living her dream of singing in New York but there is a definite downside – the access to good inexpensive wine.

“It is a not a very good deal when you like wine in New York City. It is expensive and it is very hard to find a good wine here. Sorry for that, but it is the reality,” said Rose.

This desire to experience French culture – and drink French wine – even in the heart of New York City shows that at the end of the day no one can make wine like the French. Even if international trade laws change the Old World wine landscape stubbornly, French wine will likely remain top quality and traditional.

No matter what the New World of wines bring, the French hope that – like Lartigau’s customers – the expanding wine market will continue to long for a certain terroir and buy a nice Bordeaux.