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Bordeaux’s Wine Market Wanes

The traditional en primeur model confronts falling demand, pricing pressures, and the need for reform

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The Bordeaux wine region is undergoing a significant transformation, challenging the prestige it has long enjoyed as one of the world's foremost wine-producing areas. Beyond the recent climate challenges, including mildew caused by heavy rains and unseasonably low temperatures this spring, the en primeur sales model has become a focal point in debates about the region's economic viability and global image. This system, where wines are purchased before bottling and delivery, was originally intended to provide producers with capital. Over the decades, it evolved into a

commercial and social spectacle, drawing thousands to Bordeaux every spring.

However, the en primeur system now faces a crisis of confidence. A decline in prices and demand for Bordeaux's grand crus signals a shift in the international market. According to Liv-ex, a leading wine exchange, the Fine Wine 50 index—which tracks the prices of Bordeaux's five First Growths, including Lafite Rothschild, Margaux, Mouton Rothschild, Haut-Brion, and Latour—has dropped by 24% in the past two years and sits 9.2% below its level from five years ago. In contrast, regions like Burgundy and Champagne have seen wine values rise, underscoring Bordeaux's waning competitiveness.

Shifts in global consumption habits are partly to blame. Demand for red wine, which constitutes 88% of Bordeaux's output, has fallen over the past two decades. The International Organisation of Vine and Wine reports that global red wine consumption dropped by 15% between 2007 and 2021. Meanwhile, white wines have seen moderate growth, though their share of Bordeaux's production remains small.

The en primeur model has also drawn criticism for a lack of transparency and its reliance on multiple intermediaries, such as négociants and courtiers, which inflate prices for end consumers. Emmanuel Cruse, director of Château d'Issan in Margaux, has suggested that the system needs reform to allow producers to connect more directly with buyers. Currently, en primeur pricing is concentrated in a brief period, making it difficult for merchants to handle the simultaneous release of multiple brands.

Financial pressures on producers are compounded by adverse climate conditions that have affected both the quantity and quality of recent harvests. Gavin Quinney, a British producer in Bordeaux, noted that mildew has been a recurring issue in three of the past four years. Additionally, extreme heat waves, such as the one in 2022, have further reduced yields. In response, some producers have considered skipping certain vintages or significantly reducing production.

Despite these challenges, few believe en primeur will disappear entirely. Fiona Morrison, co-owner of Thienpont Wines and a producer in Pomerol, emphasized its value as a networking event for the wine industry. However, she acknowledged the need for Bordeaux to modernize its image, which some perceive as overly traditional

and corporate. Ella Lister of Wine Lister argued that the solution goes beyond lowering prices, suggesting that Bordeaux must reposition itself as a dynamic and appealing region for new audiences.

Some prominent châteaux are exploring alternative approaches. Château Latour abandoned the en primeur system over a decade ago, opting instead to sell directly to key customers. In Pomerol, Petrus employs subscription methods to manage its limited production and maintain exclusive buyer relationships.

Meanwhile, excess inventory has put pressure on négociants, who have traditionally supported châteaux even in years of lower-quality vintages. While some, such as Mathieu Chadronnier of CVBG, express confidence in the model's financial stability, rising inventory costs are becoming increasingly burdensome and may prove unsustainable in the long term.

Bordeaux now finds itself at an unprecedented crossroads. The average 22% price cuts for the 2023 en primeur releases represent an effort to rekindle buyer interest. However, the anticipated lower quality of the 2024 vintage, as forecasted by producers, may hinder these efforts. Ultimately, Bordeaux's future hinges on its ability to adapt to global market demands while preserving its historic essence.