## Title

The Winegate affair and the emergence of small wineries in Burgundy

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### I want to submit an abstract for:

Conference Presentation

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### Keywords

Wine Fraud, Bordeaux wines, trust in the wine chain, Small Wine Business, Burgundy wines

### Research Question

What was the impact of the Winegate affair on small wine businesses? The aim of the study is to show how the Cruse affair has changed the industry in Burgundy

### Methods

The method used is the analysis of historical documents (press articles) to understand through a review the Cruise affair and its consequences.

### Results

Burgundy wine producers decided to sell their own bottles and move from a farm style company to a small SME in charge of vinification, ageing, selling and exporting.

### Abstract

The purpose of this research is to better understand the History of the wine scandals from the end of the 19th Century until the Winegate affair in 1973. Therefore, the underlying idea is to better understand why small estates decided to bottle their wines and retail them. This move has contributed to the emergence of small wineries and the wine-growers' switch from viticulture to oenology and sales.

Scandals have marked the history of the wine trade since the dawn of times. As production and commercial exchanges developed with the revolution of transport, especially with the advent of the railway in the middle of...
the 19th century, frauds increased. The phylloxera crisis which hit Burgundy in 1878 entailed a decrease in the production of wine. Thus, fraud was stimulated by the shortage. To make up for the loss, unscrupulous merchants put adulterated wines on the market. In as early as the 1890's, overproduction followed the reconstitution of vineyards. But the area of vineyards decreased, vines disappeared from the North of France, Normandy, Brittany... In the meantime, customers had gotten used to fraudulent wines characterized by the intensity of their color, full body and high alcoholic content. They even acquired a taste for it! Trade ended up being destabilized.

In 1895, at long last, Parliament voted a law, stipulating that wine should be made exclusively with grapes. Nevertheless, honest winemaking methods didn't prevail. In July 1914, barely one month before the declaration of World War 1, a law about controlled appellation was on the agenda of the French Parliament. Unfortunately, because of the imminence of the conflict with Germany, the debate was cancelled.

The beginning of World War 1 made it difficult for exporting companies to sell their wines to their usual markets and in the French colonies but demand on the front kept rising. The consumption of "pinard" was encouraged by the military authorities, but the wine soldiers drank was not very good. The Tommies coined the word plonk (their pronunciation of "blanc") in the trenches. Drinking it was considered a "patriotic" act and wine was eventually recognized as a victor of the war together with Marshall Foch and President Clémentemaceau. The war had stabilized the market. In 1919, Parliament voted the first law about appellations of origin but only the production area was guaranteed. No provision was made for grape varieties, yields or winemaking methods. Fraudulent practices continued. France didn't resume her traditional export markets because of Prohibition in the USA and the English-speaking provinces of Canada, quasi Prohibition in Scandinavia, the closing of the borders of Bolshevik Russia and the bankruptcy of Germany.

In 1927, a Burgundian, Raymond Baudoin founded the Revue des Vins de France which aimed to defend and promote the quality and prestige of French wine at a time when no wine magazine existed and no journalist specialized in wine. A sharp critic, he didn't hesitate to knock wines regardless of their fame. He denounced frauds, stating that no genuine Burgundy wine bearing a label prior to 1919 had been sold by a merchant. He encouraged the owners of famous plots to bottle their wine instead of selling them in bulk to négociants. Following his advice, 8 growers created a consortium in 1930 and the 8 of them sold a total of only 400 bottles!

He contributed to setting up the AOC system in 1935. The law was stricter. It signified the victory of vigneron over négociants. One year before, the brotherhood of the Chevaliers du Tastevin was founded by two négociants of Nuits-Saint-Georges who wanted to cotton onto Public Relations. The brotherhood attracted writers, artists, scientists, politicians to Burgundy and incited them to taste wines. These guests in turn became ardent propagandists. With the increasing popularity of car tourism, a new demand for wine emerged in hotels and restaurants. "Gastronomic" and wine roads were opened. It's not surprising that Michelin, the famous tire manufacturer published food guidebooks. At the end of the 1930's, at long last, excellent estate wines were served in famous restaurants.

During World War 2, the German Army requisitioned wine. A certain number of négociants collaborated with the enemy and trade was fairly prosperous. However, production was low because of the shortage of manpower and the lack of chemicals (sulphur, copper) used in the fight against pests.

When peace returned, many young people refused to take over the estate after their fathers because of the drudgery characterizing vineyard work. Nevertheless, the invention of over-the-row tractors alleviated winegrowing tasks. Good plots were neglected. Routine remained the hallmark of growers who had received no viticultural schooling. Wine was sold in bulk to négociants within 3 months after the harvest. If not, they were sold at rock bottom prices before the next vintage because of the lack of storage space.

The "Winegate" affair broke out in 1973 when customs officers found out that Midi wines were exported to the
USA under a Bordeaux label. The scandal tarnished the reputation of négociants, regardless of their honesty and geographic location. Customers stopped buying from wholesalers who, as a result, stopped purchasing bulk wines from estates. Winegrowers reacted by selling wine at the estate. Consumerism and environmental also appeared at that time. Consumers were in search of authenticity and good practices. Growers, especially in famous villages seized the opportunities offered by new lifestyles.

This paper will explain more in-depth this famous affair and its consequences on the emergence of small wineries.