Wine with bubbles in it is popular the world over. Most wine producing countries have some form of it, whether it is Cava in Spain, Spumante in Italy, or Sekt in Germany. In France, sparkling wine in general is termed Cremant, while the term “Champagne” is reserved solely for sparkling wine from the Champagne appellation. In contrast, the United States allows domestic producers to label their sparkling wine “champagne,” at least as long as the term is modified by a geographic identifier, such as “California” or “Finger Lakes.” To add insult, the United States does not insist that traditional methods be followed, allowing bulk processed sparkling wine to be labeled as “champagne.” It is estimated that 70% by volume of United States’ production uses the Charmat process and retails for under $7 a bottle. Ironically, the top quality producers of sparkling wine in the United States, although using traditional methods and varieties, have elected to label their wines as “sparkling.” The result is that the U.S. market now has 3 broad tiers by price: a low priced product labeled as domestic “champagne” and produced using bulk process, a more expensive domestic product using traditional techniques but labeled as sparkling wine, and a top tier of French Champagne.

Domestic production of sparkling wine began in 1842 in Cincinnati, when a batch of Nicholas Longworth’s Catawba refermented. He spent a decade learning to duplicate the process, referring to his product as “sparkling Catawba.” Spurred by his success, other mid-west and eastern producers began sparkling wine production, and were not shy in referring to their product as “champagne.” After much trial and error, in the 1880s in California, Arpad Haraszyth used vinifera grapes to produce “Eclipse Champagne.” By the 1890s Paul Masson and the Korbel brothers were also producing “champagne.” The United States had not subscribed to the 1891 Treaty of Madrid and so domestic producers were not troubled by their use of the term, which they considered generic, but they were concerned with artificially carbonated wine being described as “champagne.” They began an intense lobbying effort and such practice was ended by the 1906 Pure Food and Drug Act. Although high tariffs increased the cost of imported wine, French Champagne outsold domestic sparkling wine by about 200%, and approximately 400,000 cases of sparkling wine of all origins was consumed each year from 1890 to 1910.

World War I and Prohibition effectively ended commercial sales of sparkling and still wine. At Repeal, the United States had to define “wine” for legal purposes and European producers lobbied to end the pre-Prohibition practice of U.S. producers using European appellations, such as Burgundy, Rhine, and Chablis to describe American products. The solution was called “semi-generic” labeling and allowed U.S. producers to use selected European appellations to describe American wines, as long as the appellation was in immediate conjunction with a United States geographic location. “Champagne” was one of the European appellations approved for use, and so “California” (or “New York”) Champagne was born. The law also approved the use of new technologies, such as the Charmat or bulk process, which had been developed in 1907 but had not been adopted in the U.S. prior to Prohibition. Bulk process allowed wines to receive their second fermentation in a large tank, rather than in the bottle, and still be labeled as “champagne,” although they did need to indicate that the resulting wine was not fermented in the bottle.
Following Repeal, approximately 75% of all commercial wine was fortified. In 1940, a little over 1% of wine sales by volume was sparkling wine. The percent had grown to 2.6 by 1960, but expanded dramatically in the 1960s to 7% by 1970, as Babyboomers came of legal drinking age. “Cold Duck,” a sweet, pink wine with carbonation proved a transition beverage for a generation that had been raised on soda pop. It was easily produced using the Charmat method, and California production grew from 2 million gallons in 1965 to 11.5 million gallons in 1970.

The wine boom of the 1970s more than doubled U.S. production and 100s of new wineries opened, focusing on quality production of varietally-labeled wines. Sparkling wine producers were part of this trend dedicated to employing traditional methods and varieties. Schramsberg was the first of the new wave, beginning in 1962, followed by Domaine Chandon in 1973. The decade of the 1980s saw 12 new producers begin in California. Many of these new firms were financed by European producers who eschewed the use of the term “champagne,” choosing to call their product “sparkling.” The U.S. consumer was now faced by an anomaly: wine labeled as “sparkling” was being offered at twice the price (or more) than wine labeled as “champagne.” The market became even more confusing in that the top of the market was dominated by French Champagne. During the 1990s, the U.S. market for wine with bubbles declined, but most of the loss of market share has been at the expense of the Charmat produced wines. The boom period from 2002-2008 saw an increase in sales of expensive wines of all types, and French Champagne, benefitted from this period of prosperity. Whether expensive wine sales will hold up in a new economic environment is anyone’s guess, but we are reminded of Champagne’s versatility by Napoleon who supposedly commented: “In victory, I deserve it, in defeat, I need it.”