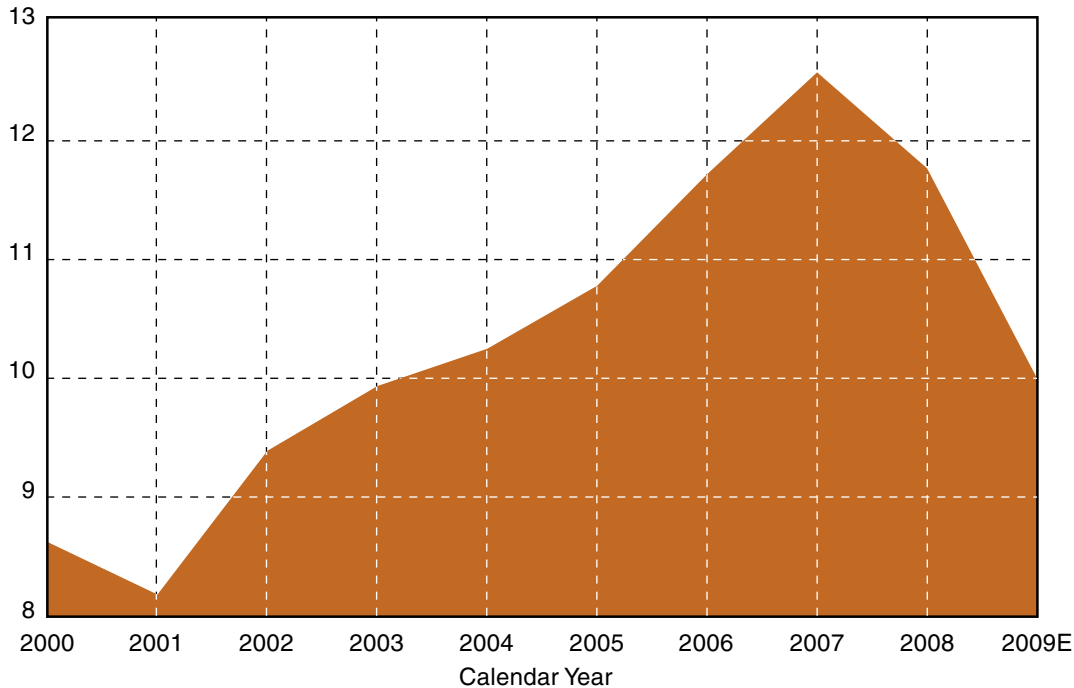


Champagne Exports Fall

Global Exports of Champagne
(millions of nine-liter case shipments)



Just a year-and-half ago, much of the talk around the Champagne region centered on an ongoing plan for expansion of the wine appellation by about 40 new villages. Since the new millennium, Champagne sales had boomed worldwide, with export volume enjoying six consecutive annual gains, and supply was becoming so limited that the appellation's governing body, the Comité Interprofessionnel du Vin de Champagne (CIVC), introduced the planned expansion of the planting area to combat a possible global shortage. Eighteen months later, a worldwide recession has instead caused a sharp fall in demand, and a build-up of inventory across major Champagne markets, according to the 2009 edition of **The U.S. Wine Market, Impact Databank Review & Forecast**. Export volume will decline for the 2nd consecutive year, and by as much as 15 percent in 2009.

Champagne is now facing its worst sales crisis since the early 1900s. Slumping global sales have increased inventory to more than the three-year supply that the CIVC considers ideal. After export volume to the United States fell 21 percent last year to 1.4 million nine-liter cases, shipments for the nine months ending September 2009 tumbled another 31 percent year-to-date. The continued decline of the U.S. dollar against the Euro has caught up with American thirst for Champagne, especially at the crucial ultra-premium end of the category. Just as the U.S. was the epicenter of the global economic downturn, tens of thousands of job losses in the financial sector blunted demand in the luxury market, leading to a slowdown in business at high-end hospitality accounts. The final quarter of 2009 may show a slight rebound, because as much as half of annual Champagne sales in the U.S. are achieved between the Thanksgiving holiday and New Year's Eve, but industry players are cautiously optimistic at best.

For more information, regarding The U.S. Wine Market, [click here](#).