Photography courtesy of Tesseron Cognac

GROWING GROWER COGNAC

They may be small in size, number, and market share, but like their peers in Champagne, Cognac's grower-producers are behind some of the category's most exciting releases. As **Jim Clarke** reports, however, finding a place in the spotlight is not always easy in a region dominated by big brands

For wine drinkers, there's only one Champagne; fans of fine spirits know two, Grande Champagne and Petite Champagne. Together they constitute the two most highly regarded crus of Cognac. That the name Champagne is shared by the spirit and the wine is fairly coincidental; Campania, too, owes its name to the same Latin root. But there are similarities that go much deeper, and contrasts—most interestingly, recently, being the role small producers in Cognac play compared to their peers in Champagne.

The industries in both areas have long been dominated by large players who, by and large, market their products as luxury goods. According to the BNIC, Cognac's 306 direct vendors—in effect, grower-producers, who sell their finished products to the public—accounted for only 270,000 bottles of the 205.9 million sold over the 2017–18 season. That's a tiny sliver of production compared to the role of Champagne's grower-producers, who now account for 3 percent or so of the export market. And while Champagne's large houses still dominate sales, in terms of awareness *récoltant-manipulants* punch well above their weight for those whose interest in Champagne extends beyond New Year's Eve, birthdays, or other celebratory occasions.

Whether the direct vendors of Cognac can achieve the same level of recognition remains to be seen. Cognac overall is seeing growth; those 205.9 million bottles represent a record. While there's much talk of the Asian market, North America remains the biggest market, receiving almost 90 million of those bottles. That in itself bodes well for the small producers, who are positioned to exploit the American burgeoning interest in craft spirits. While the skill and, indeed, craft of the large Cognac houses is undeniable, "craft" in its current marketing sense remains tied to size and independence. The more a producer can enjoy the benefits of economies of scale, the less it can credibly lean on "craft" as a marketing ploy.

One sees this definition of "craft" most clearly in the US Brewers Association's efforts to define its members and their products. Craft breweries were once known as microbreweries; while that's no longer tenable, given the size of many, limited total production is still a factor of membership. In addition, ownership must remain within the beer community; "independent" has been appended to the craft name. That battle is still being fought, as AB-InBev and other large, international brewing companies acquire more and more craft breweries. In the world of brandy, that ship has sailed. The "Big Four" of Cognac, representing 80 percent of exports—Remy Martin, Martell, Courvoisier, and Hennessy—are all part of multinational spirits companies.

Craft brown spirits are booming. Whiskey has largely led the way, introducing a flood of new brands, but Cognac is definitely taking part. Last year, Hennessy surpassed Jack Daniel's in retail sales and, in value terms, became the largest single spirits brand in the United States. But whereas Jack Daniel's has little whiskey brands clustering around it, Hennessy is enjoying only the company of similarly large peers. If the buzz of "craft" is providing any additional lift to grower-producers compared to the big boys, the numbers aren't showing it.

Changing the focus

To return to the comparison with Champagne, it's important to note that for a couple of decades, farmer fizz represented value; consumers could be induced to try a bottle of grower Champagne because it was, among other things, more affordable than those of the houses. That is not generally the case for direct-vendor Cognacs. "While larger houses are selling mostly young Cognacs," says Maxime Merlet, export and marketing manager at Jean Fillioux, "most of the small, family-owned estates are producing XOs and above," so their products are inherently more costly. Jean Fillioux, for example, specializes in older Cognacs, all from Grande Champagne fruit—top cru fruit and long aging times come with a price tag, and it takes market education to help consumers understand that. "You can't compare a VS 100 percent made out of Grande Champagne Premier Cru with a VS blended out of different crus. Same as for comparing a 100 percent Folle Blanche VSOP with a VSOP from Ugni Blanc only."

Today, with the grower Champagnes well established, many aren't as affordable as they once were; in fact, some of the bigger houses have been able to work with thinner margins and economies of scale to come in under them. Sommeliers and retailers are, nonetheless, promoting the growers based on the things that originally attracted them and importers like Terry Theise. Essentially, these are the things that emphasize the vinous character of the bubblies or their origins—terroir expression, for one.

With so much of Cognac sales in the hands of bartenders rather than sommeliers, the spirit's capacity for expressing terroir has not been as highly prized. Much of the spirits world earns its keep with the bartending community by working well in cocktails. A growing interest in brandy reflects this, and while they may not get unduly excited about terroir expression, brandies do contribute a vinous quality to a well-built cocktail, and brandy expresses itself clearly when mixed while still playing well with other ingredients. The problem is that the typical cocktail shows up on a menu for under $20, so a

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bartender's choices are generally limited to Cognacs and other brandies that work well but can still hit their margins.

It's not that bartenders are uninterested in small, boutique producers; as much as any sommelier, they are typically eager to feature distinctive products that set their programs apart from those of their competitors. In the US brandy world, that market is being fed by increasing numbers of domestic craft brandies, which are producing some exciting examples at much more affordable price points than the typical boutique Cognac producer. A brandy like Germain-Robin's Coast Road Reserve retails for around $70, and that's considered a top-end example. How it compares in terms of quality is up for debate, but the youngest portion of the blend is nine years old, which until April of 2018 placed it well beyond the minimum for an XO Cognac. (The minimum was then raised from six years to ten, creating a space for the Napoleon designation for brandies that only hit the six-year mark.)

It's unlikely that cheapening their brand by producing younger, cheaper Cognacs would be beneficial for grower Cognac producers—and probably not financially tenable. US brandies have a home-field advantage that small Cognac brands lack. Consciously or not, Cognac grower-producers are instead emulating the grower-Champagne playbook, relying on sommeliers and like-minded importers to spread a message based on terroir and, to some extent, technique.

Technique and terroir

The technical argument is a challenging one. The huge resources of the large houses—deep reserves of aged eaux-de-vie, access to a multitude of different vineyards—means they have a huge pool of resources to draw from. They can also use those reserves to move nimbly, introducing new products relatively quickly when needed. The skill and technical abilities of the blenders is top-notch; they can afford to hire and train the best. If there is one technical point that tends to stick in the craw for purists, it is the allowed addition of caramel coloring and *boisé* (sugar and oak chips diluted in a brandy solution) used to add sweetness and depth of color. It's a common practice but one that many houses neglect to mention when describing their production process. Certainly the increase in sales for Cognac generally has pushed producers to ramp up production, and *boisé* and caramel are easy, perhaps necessary, ways to both smooth out and deepen the color of a younger blend to keep it in line with market expectations.

Many grower-producers—including the likes of Dudognon, Daniel Bouju, and Paul Beau—do make a point of avoiding *boisé*. It's tempting to see this as analogous to the preference many grower-producer Champagnes show for no or low *dosage*, but the intent of *boisé* seems somewhat more deceptive than *dosage*, largely since it so often goes unmentioned. *Dosage*, ideally, puts the final balance on a well-made product, though it can be a tool to soften sharp edges on the wine. *Boisé* comes across as an attempt to rush the process and make a Cognac seem older and more attractive than it is. That's not to say it can't be done well—but why is it so much easier to learn a Champagne's *dosage* than to know if a Cognac has undergone *boisé*?

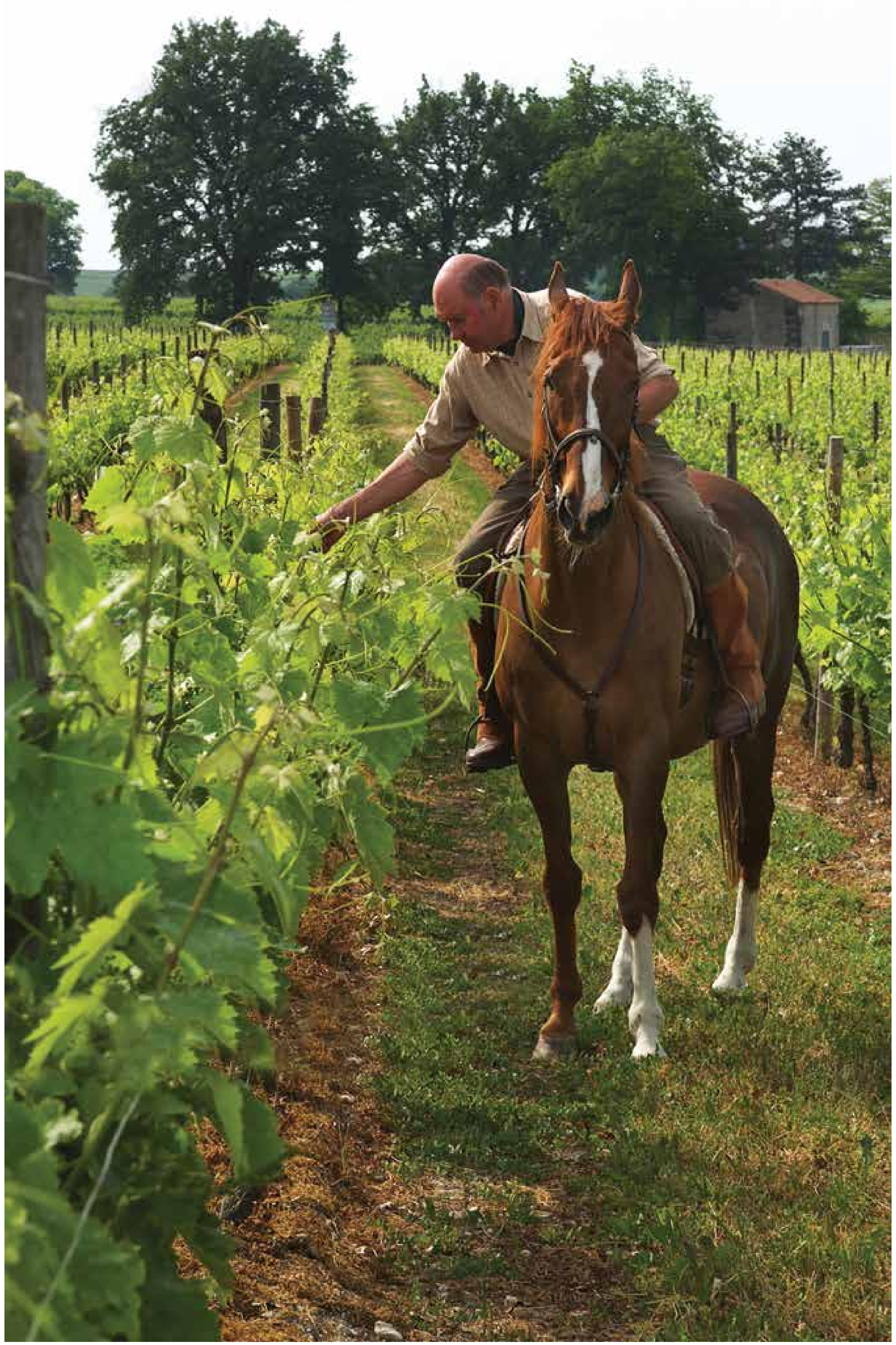
If there is a side to craft that more broadly conveys a technical value to grower-producer Cognacs, it's control. Cognac Frapin, one of the larger and best-known direct vendors, works exclusively with grapes from their 240ha (600 acres) of vineyards, all within Grande Champagne. Cellar master Patrice Piveteau says that consumers respond to the grower model, because it represents an ability to control quality at all levels of production—in the vineyard, during distillation, and during aging.

The terroir message is more clear-cut than the technical one, and more readily framed in ways that sommeliers focus on. Piveteau says, "Frapin—thanks to its Grande Champagne vineyard, the importance of wine growing at Frapin, and the distillation (that is a concentration of the wine)—is very connected [to the wine market] and can maybe be more understood by sommeliers. Frapin is close to wine." Cognac's terroir is clearly defined, with Grande Champagne and Petite Champagne at the top of the pyramid. It's no coincidence that a great many of the region's grower-producers are focused on these two regions, and on Grande Champagne in particular. These crus are not small. The two Champagnes are the second and third largest of Cognac's subregions; with 13,540ha and 15,660ha (33,450 acres and 38,690 acres), respectively, they almost equal in size the largest, Fins Bois, which covers 31,865ha (78,740 acres). The remaining three crus are significantly smaller. Nonetheless, the chalk soils do clearly distinguish the two Champagnes from the rest, where chalk begins to mix with increasing amounts of clay or sand.

If there's a challenge to the terroir message, it's that it's almost entirely framed as a qualitative difference rather than a difference in character. Grande Champagne is the best, Petite Champagne a close second, and so on down the line, more or less. The crus do all have their own character, of course, but there are relatively few opportunities to compare contrasting expressions of Cognac terroirs in a finished form. That's in stark contrast to Champagne, where a group of grower-producers like the Trésors de Champagne can convincingly stock an entire wine bar and shop around the principle of expressing terroir differences without favoring one village or another.

Many sommeliers express interest in Armagnac rather than Cognac, and the former's sales have also been growing. Armagnac's more rustic image—with less glitz and a more egalitarian spread between brands—is part of the story, but they've also conveyed their terroir message in ways that sommeliers can detect and appreciate in both qualitative and stylistic terms, despite the fact that properly speaking Armagnac is divided into only three regions, one of which, Haut-Armagnac, is scarcely worth mentioning. There are other ways that Armagnac has done a better job speaking the language

Opposite: Pascal Fillioux of Jean Fillioux, which specializes in older Cognacs. Overleaf: Frapin's Château Fontpinot and its Grande Champagne vineyards.



Photography courtesy of Cognac Jean Fillioux

of wine as well. The prevalence of Vintage Armagnacs would be one example—but to go back to the Champagne comparison, obviously sommeliers don't generally look askance at Non-Vintage bubbly.

Creating curiosity and winning loyalty

Aside from terroir, a few other distinctions have also provided points of difference for small Cognac producers. Some, such as Tesseron, maintain vineyards of minority grape varieties such as Folle Blanche and Colombard, an uncommon proposition in a region where Ugni Blanc makes up 98 percent of the plantings. Again, does Armagnac do it better? I can name several varietally labeled Armagnacs, but only one Cognac, from Jean Grosperrin—not a grower-producer, but a smaller house that, incidentally, has done well speaking to the wine community by producing separate bottlings from five of the six crus. The websites and marketing materials of small producers usually tell one story or another. Frapin, for example, emphasizes vineyard sourcing and aging, appealing to sommeliers. Other producers, including the large houses, borrow the language of other brown spirits by highlighting cask choices, speaking more of a bartender or spirit-drinker lingo.

It's hard to imagine grower Cognacs reaching the same level of cachet that grower Champagnes enjoy, but it does seem that the adage about rising tides is holding true. Larger brands are not always keeping up with demand, and in some markets, household brands such as Hennessy are seeing supply issues; some items are even going to accounts on an allocation basis. When that shelf space opens up, even if it's just for a week or two, it opens the door to smaller brands. The large companies are also shifting some of their marketing efforts to emphasize education rather than lifestyle. The hope, one imagines, is to create long-term Cognac drinkers who are willing to trade up as they age, but it also benefits grower-producers if it creates curiosity among consumers. Brand loyalty is a thing of the past in the beer world and is fading among wine drinkers and even fans of other spirits. It seems inevitable that the "What else have you got?" attitude makes its way into Cognac. The number of line extensions that major players have released over the past five years definitely marks an attempt to keep devoted Cognac drinkers from wandering and exploring other brands, but explorations and deviations are probably inevitable. Today's curious, less brand-focused Cognac drinkers are more likely than their predecessors to give new, unknown Cognacs a try.

In the US and UK, some small importers have embraced grower, or at least boutique, Cognac producers. Charles Neal, better known for his Calvados and Armagnac portfolios, features Dudognon and Giboin, which highlight terroir differences between Grande Champagne and Borderies, respectively. Younger companies like PM Spirits and Heavenly Spirits have introduced small producers to the US, and in 2017 High Ball Brands brought Fanny Fougerat's Cognacs to the UK. It's too early to say if one of these or some other passionate importer will be the Terry Theise of grower Cognac.

It will probably take someone like that, someone from outside, to give grower Cognac a true presence, because the challenge for grower Cognac begins at home. Small Champagne producers enjoy plenty of support within France; 50 percent of all Champagne is consumed domestically. This provides a market that's accessible and affordable to service—and a base of capital that Champagne grower-producers can use to market their Champagnes abroad. The BNIC says that restrictive marketing budgets and less ability to scale up production are the biggest challenges for small Cognac producers. With only 2 percent of all Cognac consumed within France, local markets offer little support for Cognac grower-producers to build up a similar base. That's unlikely to change, given the way France's drink-driving laws have cut into alcohol sales, especially for "non-essentials" like post-dinner spirits. Grower Cognac needs advocates and educators abroad if it's to prosper; it is in an advantageous position, given the spirit's current popularity, but it's yet to be seen if that will be distilled into a spirited fan base. ■

Photography courtesy of Frapin Cognac