

The Economics of Champagne

let me instead relate a story I heard several years ago during a tour of the Korbel Champagne Cellars in Guerneville (Sonoma County), California. The guide explained that U.S. sparkling wine producers were now prohibited from using "Champagne" on their labels, with one exception. Because Korbel was so old and used the méthode champenoise technique, they alone were allowed to keep Champagne on their labels. This was formalized in a bilateral treaty between the U.S. and the European Union in 2008. The NPR reporter completely misunderstood the legal ramifications of calling something "Champagne" when it was not made in Champagne, France.