



CIEE Global Institute – Paris

Course name:	Economics of Wine
Course number:	(GI) BUSI 3011 PAFR
Programs offering course:	Open Campus
Open Campus Track:	Business
Language of instruction:	English
U.S. semester credits:	3
Contact hours:	45
Term:	Spring 2020

Course Description

Wine economics has emerged as a growing field within agricultural economics but also in other fields such as finance, trade, growth, environmental economics and industrial organization. As such this course takes an immersive and experiential based approach to explore basic knowledge about the key factors in the production of wine making including relevance of a vineyard's natural environment, grape growing, winemaking, maturation and bottling using the host environment context. Other aspects covered in the course include label terminology and design, food and wine pairings and how to analyze wine to account for style and quality using a systematic approach. Basic business management for agriculture is also addressed. Students will also examine the impact of wine production in the local agri-food sector.

Learning Objectives

By completing this course, students will:

- Examine recent copyright and trademark issues and how to protect a winery name and image.
- Synthesize the key aspects of food and wine pairing for marketing wine brands.
- Analyse quality assurance and product development methodologies.
- Examine the different components of a successful wine brand to assist in creating sustainable profitability.
- Apply budgeting and forecasting as part of planning a wine business operation.
- Create a system of procedures for producing meaningful and accurate reports for a wine business.

Course Prerequisites

Students should have completed a level 2000 class in Business.

Methods of Instruction

The course will be taught using lectures, seminars, case study discussions, an individual presentation, as well as field trips to local venues, businesses or organizations. Classroom



activities will involve group work and critical discussion groups. Invited guest speakers will add to the learning objectives of this course.

Assessment and Final Grade

In-Class Exam	10%
Group Presentation	25%
Photographic Essay	25%
Wine Review	20%
Class participation	20%

Course Requirements

Important: all course assignments must be turned in on time. While students will not be penalised for submissions up to and including 1 hour late,

- **Students submitting work from 1 hour and 1 minute late up to and including 24 hours late will be penalised 15% from the assignment;**
- **Student work submitted from 24 hours and 1 minute late onwards will receive a zero (0%) grade.**

In-Class Exam

The exam will take place in the mid-session of the course. The exam will consist of 15 short answer questions and one 200-word extended response to be completed in 45 minutes exactly. The questions will relate to course content and readings. Students must correctly answer 70% of the questions.

Group Presentation

Each group will present for 15-minutes about their research findings into a local cellar door vineyard. Data will be collected onsite as part of a course curricular visit. The groups are required to submit their presentations. Work will be graded on students' ability to include multiple factors in setting up and managing a vineyard as discussed in the classes and explored in the mandatory readings.

Photographic Essay

Students will compose a photographic essay, reporting on four vineyards as case studies. Data will include aspects of geographic location, design and placement of vines and processing plants for wine production at each vineyard. Sustainability actions for growth and production to accommodate climate is also to be evaluated. The photographic component will include annotations about each photo and a 300-word report that accompanies each vineyard exposé. The total word count for the component will be 1,400 words (+/-10%), including the annotated descriptions to elaborate on what is represented in each photo. A closing 250-word reflection about 'wine as a window into place, culture and time' will conclude the submission. The total word count for the assessment is 1,750 words (+/-10%) and no more than 20 photographs.



Wine Review

Students will use a systematic and logical approach to produce a wine review of a vineyard wine tour. The review will also include a critique of the branding, promotion / marketing of the wines available, at the bottle and vineyard levels in accordance with French Wine Regulations. The report can also be enriched with the use of photos of the labels and vineyard. A students' work will be graded on their ability to evaluate the vineyard using all elements of the framework and associated evaluative language associated with the mandatory readings.

Participation

Participation is valued as meaningful contribution to tangible learning, utilizing resources and materials as part of the course. Meaningful contribution requires students to be prepared in advance of each class session and to have regular attendance. Students must clearly demonstrate they have engaged with the materials as directed, for example, through classroom discussions, online discussion boards, peer-to-peer feedback (after presentations), interaction with guest speakers, and attentiveness on co-curricular and outside-of-classroom activities.

Course Attendance and Punctuality

Regular class attendance is required throughout the program, and all unexcused absences* may result in a *lower participation grade* for any affected CIEE course. Due to the intensive schedules for Open Campus and Short Term programs, unexcused absences that constitute more than 10% of the total course will result in a written warning and the final grade for the course will be lowered by 3 percentage points.

*Students who transfer from one CIEE class to another during the add/drop period will not be considered absent from the first session(s) of their new class, provided they were marked present for the first session(s) of their original class. Otherwise, the absence(s) from the original class carry over to the new class and count against the grade in that class.

For CIEE classes, *excessively tardy (over 15 minutes late) students will be marked absent. Attendance policies also apply to any required co-curricular class excursion or event*, as well as to Internship, Service Learning, or required field placement.*

*With the exception that some class excursions cannot accommodate any tardiness, and students risk being marked as absent if they fail to be present at the appointed time.

Students who miss class for personal travel, including unforeseen delays that arise as a result of personal travel, will be marked as absent and unexcused. *No make-up or re-sit opportunity will be provided.*

An absence in a CIEE course will only be considered excused if:

- a doctor's note is provided
- a CIEE staff member verifies that the student was too ill to attend class



- satisfactory evidence is provided of a family emergency

Unexcused absences will lead to the following penalties:

<i>Percentage of Total Course Hours Missed</i>	<i>Equivalent Number of Open Campus Semester classes</i>	<i>Minimum Penalty</i>
Up to 10%	1	Possible reduction of weekly participation grade
10 – 20%	2	Reduction of final grade by 3%; written warning
More than 20%	3 content classes, or 4 language classes	Automatic course failure, and possible expulsion

Weekly Schedule

Week 1

Class 1:1 Introduction to the Course

This opening lecture will include an overview of the course's direction, introducing key emergences of wine industries that set them apart from other finance, business and agricultural economics in a French context. Students will examine, then discuss the concepts and state of key roles at play in markets in France that are identified from the webinar reading.

Readings:

Lecocq, S., & Visser, M. (2006). What Determines Wine Prices: Objective vs. Sensory Characteristics. *Journal of Wine Economics*, 1(1), 42-56.

doi:10.1017/S1931436100000080

Anderson, K. (Ed.). (2004). *The World's Wine Markets: Globalization at work*. Edward Elgar Publishing. 5, 98-109.

Class 1.2 The Production of Wine

This session will focus on the understanding of the processes of grape growing and wine making. Students will learn the implications for wine style, quality and costs of decisions



taken at each stage of wine production. A review on wine characteristics, grape types and factors for its cultivation as well of economics of vineyards will help to identify the wine production leading areas in the world.

Co-curricular outing: visit to the Musée du vin in Paris.

Readings:

Mariani, Pomarici and Boatto (2012): *The International Wine trade: Recent Trends and critical issues*. Wine Economics and Policy. Vol 1. Issue 1. Pages 24-40.

Amerine, M. A., Amerine, M. A., & Joslyn, M. A. (1970). *Table wines: the technology of their production*. Univ of California Press.

Week 2

Class 2:1 Emergence of Wine Economics

This class will discuss the emergence of wine economics from the 1980s until present day around the concepts of finance, climate, change and the role of experts in grading wine quality. Concepts about the development of the industry and quality development of the wine are discussed. We will also discuss the now well-established oenological tourism in Bordeaux and Champagne, and assess critical influences in the development and marketing of wine tourism.

Readings:

Storchmann, K. (2012). Wine Economics, *Journal of Wine Economics*, 7(10), pp 1-33.

Class 2:2 Wine Investment

In this class students will examine risk, return and diversification benefits of fine wine as an investment in time of financial insecurity. The concept of industry globalization is heading towards a movement in creating a competitive market were fine wines to include diversifying investment portfolios. In this session, the topic of return on French wines is discussed in relation to repeat sales regression methodology. Understand the major players in the market and a deeper examination on several large wine producing nations. While discussing the distinct winemaking styles, culture and business climates as well as categorizing the producers in Old World and New World categories.

Readings:

Fogarty, J.J. (2010). Wine Investment and Portfolio Diversification Gains, *Journal of Wine Economics* 5(1), pp 119-131.



Cholette, S., Castaldi, R., & Fredrick, A. (2005, January). The globalization of the wine industry: implications for old and new world producers. In *International Business and Economy Conference Proceedings*.

Week 3

Class 3:1 Cellar Door – Small or Big Business?

This class will explore the start-up and development of traditional farm buildings refurbished create the use of traditional wine cellars in the production of high-quality artisanal wines, cheeses and cured meats. Surmise the reasoning why cellar door has recently received attention and has become critical lucrative for substantial wealth and growth in the industry. Seasonal Analysis regarding traditional underground wine cellars in Spain. Review lives and careers of various Spanish winemakers are examined in the phenomenon of Cellar Door. Students interview a winemaker about their cellar door start up in *Licores Nieto de Alba* (in Madrid). They will examine an example business plan for a small premium winery.

Readings:

Cholette, S., Castaldi, R., & Fredrick, A. (2005, January). The globalization of the wine industry: implications for old and new world producers. In *International Business and Economy Conference Proceedings*.

Charters, S., & O'Neill, M. (2001). Service quality at the cellar door: a comparison between regions. *International Journal of Wine Marketing*, 13(3), 7-17.

Class 3:2 Focus on Biodynamic / Organic and Boutique Wines and Vineyards

Exploring the Viticulture is regarding the massive shift in producing wine in a more sustainable way. The emphasis that impact the alternative agricultural techniques regarding Organic and Biodynamic viticulture has on many vineyards. We will investigate the agricultural technique regarding Biodynamic and Organic agriculture and the significance such as climate change or toxicity to see how this effects economically.

Students will do comparative analysis of new agricultural developments with the growth of wine regions in their home country. They will participate in a tutored wine tasting and analysis using the WSET Level 2 Systematic Approach to Wine Tasting.

Readings:

Delma, M., Gergaud, O., Lim, J. (2016). Does Organic Wine Taste Better? An Analysis of Experts Ratings, *Journal of Wine Economics* 11(3), pp 329-354.

Szolnoki, G. (2013). A cross-national comparison of sustainability in the wine industry. *Journal of Cleaner Production*, 53, 243-251.

In-class exam.

Week 4

Class 4:1 Wine and the Natural Environment in a French Context

The geography of wine production in terms of climates and suitability of regions is discussed in terms of economic decisions for cultivators and industry viability. Wine is discussed as a window into place, culture and time. Students will research aspects of the Impact of Climate change expected in future ecosystems. Since viticulture is highly sensitive to climate change this can decrease the major wine production. The students will discuss the effects that low viticulture production will have on wine economies in geographically suitable region for wine growing.

Readings:

Jones, G.V., Reid, R., & Vilks, A. (2012). Climate, Grapes and Wine: Structure and Suitability in a Variable and Changing Climate, Ch. 7, pp 109-133, In *The Geography of Wine: Regions, Terroir and Techniques*, Dougherty, P.H. (Ed). Springer: USA.

Hannah, L., Roehrdanz, P. R., Ikegami, M., Shepard, A. V., Shaw, M. R., Tabor, G., ... & Hijmans, R. J. (2013). Climate change, wine, and conservation. *Proceedings of the National Academy of Sciences*, 110(17), 6907-6912.

Class 4:2 Climate Change and Land Use Competition

Students will survey the relevancy of climate change as a key stakeholder in the wine business. It will delve into how one Languedocian vineyard has invested in mitigated and adaptive actions on using different methodology in producing wine to address the Corporate Carbon Footprint. The controversial issues surrounding Mediterranean ecosystems, which have led to woodland expansion due to modulating effect of facilitating oncoming adverse drier conditions industry and the imprint on the wine region.

Photographic essay due.

Week 5

Class 5:1 Growing and Making Wine in a Spanish Climate

The global issues linked to sustainability challenges are discussed in terms of the repercussions on the economy of the wine industry. Students are involved in considering a case-based model that encompasses economic, environmental and social objectives in managing a cellar in the Spanish context. They will discuss these challenges using a real large-sized Spanish wine company as a case study. Students will identify critical life cycle stages of an aged Spanish wines. Students will then visit a sustainable focused Vinery in Madrid.

Group presentations.

Readings:

Department of Primary Industries. (2015). *Upper Hunter Viticulture Profile, Fact Sheet Number 5*, Resource Planning and Development. Accessed September 2017 at: www.dpi.nsw.gov.au

Gazulla, C., Raugei, M., & Fullana-i-Palmer, P. (2010). Taking a life cycle look at crianza wine production in Spain: where are the bottlenecks? *The International Journal of Life Cycle Assessment*, 15(4), 330-337

Class 5:2 Co-curricular. On their second visit to the Musée du vin in Paris, students undertake a wine tasting talk.

Week 6

Class 6:1 Wine Tastings, Competitions and Expert Opinion

Screening: selections from Jonathan Nossiter, *Mondovino* (2004).

Readings:

Elais, R. (2016). Three cheers for the Three Tiers: Why the Three-Tier System Maintains Its Legal Validity and Social Benefits After Granholm. *DePaul University*, 14(2), 209-231.

West Global (2018). Systematic Approach to Analyzing Wine

<https://www.wsetglobal.com/knowledge-centre/wset-systematic-approach-to-tasting-sat/>

Class 6:2 Wine Regulation, Reputation and Promotion

Underpinning the discussion in this class is examination of France's wine regulation. In view of this regulation, brand reputation and the influence of the regional origin of wines are explored as determinants of consumer choice. A hedonic pricing model for measuring significance of brand reputation is critiqued in view of the reputation of Bordeaux, Côtes-du-Rhône and Champagne wines on the French and international markets. The impact of globalization is also discussed in view of how wines are promoted with current regulatory requirements.

Readings:

Meloni, G., & Swinnen, J. (2013). The political economy of European wine regulations. *Journal of Wine Economics*, 8(3), 244-284.

Chalmers, N. (2018). *The Importance of Constant Brand Evolution*,

Grape Grower and Winemaker in Sales and Marketing, Wine Industry News, Accessed September 2018,



Wine Review due.

Course Materials

Readings

Amerine, M. A., Amerine, M. A., & Joslyn, M. A. (1970). *Table wines: the technology of their production*. Univ of California Press.

Anderson, K. (Ed.). (2004). *The world's wine markets: Globalization at work*. Edward Elgar Publishing. 5, 98-109

Chalmers, N. (2018). *The Importance of Constant Brand Evolution*, Grape Grower and Winemaker in Sales and Marketing, Wine Industry News, Accessed September 2018.

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Department of Primary Industries. (2015). *Upper Hunter Viticulture Profile, Fact Sheet Number 5*, Resource Planning and Development. Accessed September 2017 at: www.dpi.nsw.gov.au

Elais, R. (2016). Three cheers for the Three Tiers: Why the Three-Tier System Maintains Its Legal Validity and Social Benefits After Granholm. *DePaul University*, 14(2), 209-231.

West Global (2018). Systematic Approach to Analyzing Wine
<https://www.wsetglobal.com/knowledge-centre/wset-systematic-approach-to-tasting-sat/>

Fogarty, J.J. (2010). Wine Investment and Portfolio Diversification Gains, *Journal of Wine Economics* 5(1), pp 119-131.

Hannah, L., Roehrdanz, P. R., Ikegami, M., Shepard, A. V., Shaw, M. R., Tabor, G., ... & Hijmans, R. J. (2013). Climate change, wine, and conservation. *Proceedings of the National Academy of Sciences*, 110(17), 6907-6912.



Jones, G.V., Reid, R., & Vilks, A. (2012). Climate, Grapes and Wine: Structure and Suitability in a Variable and Changing Climate, Ch. 7, pp 109-133, In *The Geography of Wine: Regions, Terroir and Techniques*, Dougherty, P.H. (Ed). Springer: USA.

Lecocq, S., & Visser, M. (2006). What Determines Wine Prices: Objective vs. Sensory Characteristics. *Journal of Wine Economics*, 1(1), 42-56. doi:10.1017/S1931436100000080

Mariani, Pomarici and Boatto (2012): *The International Wine trade: Recent Trends and critical issues*. *Wine Economics and Policy*. Vol 1. Issue 1. Pages 24-40.

Storchmann, K. (2012). *Wine Economics, Journal of Wine Economics*, 7(10), pp 1-33.

Meloni, G., & Swinnen, J. (2013). The political economy of European wine regulations. *Journal of Wine Economics*, 8(3), 244-284.

Szolnoki, G. (2013). A cross-national comparison of sustainability in the wine industry. *Journal of Cleaner Production*, 53, 243-251.

Online Resources

<http://www.northbaybusinessjournal.com/opinion/8056787-181/3-tier-wine-distribution-change-up>

<http://www.agriculture.gov.au/ag-farm-food/wine-policy>

<https://grapegrowerandwinemaker.com/2018/04/19/is-a-redesign-needed-for-your-wine-brand/>

www.winetitles.com.au https://www.awri.com.au/industry_support/regulatory_assistance/

https://www.awri.com.au/industry_support/regulatory_assistance/

Wine tasting systematic framework: Accessed at:

<https://www.wsetglobal.com/knowledge-centre/wset-systematic-approach-to-tasting-sat/>

Wine Australia. (2018). Dealing with climate change: Accessed at

<https://www.wineaustralia.com/> <http://www.agriculture.gov.au/ag-farm-food/wine-policy>

Academic Integrity

CIEE subscribes to standard U.S. norms requiring that students exhibit the highest standards regarding academic honesty. Cheating and plagiarism in any course assignment or exam will not be tolerated and may result in a student failing the course or being expelled from the program. Standards of honesty and norms governing originality of work differ significantly from country to country. We expect students to adhere to both the U.S. American norms and the local norms, and in the case of conflict between the two, the more stringent of the two will prevail.



Three important principles are considered when defining and demanding academic honesty. These are related to *the fundamental tenet that one should not present the work of another person as one's own.*

The first principle is that *final examinations, quizzes and other tests must be done without assistance from another person, without looking at or otherwise consulting the work of another person, and without access to notes, books, or other pertinent information* (unless the professor has explicitly announced that a particular test is to be taken on an “open book” basis).

The second principle applies specifically to course work: *the same written paper may not be submitted in more than one course. Nor may a paper submitted at another educational institution be submitted to satisfy a paper requirement while studying abroad.*

The third principle is that *any use of the work of another person must be documented in any written papers, oral presentations, or other assignments carried out in connection with a course. This usually is done when quoting directly from another's work or including information told to you by another person* (the general rule in U.S. higher education is that if you have to look something up, or if you learned it recently either by reading or hearing something, you have to document it).

There are three levels of escalation establishing the seriousness of the plagiarism in question.

- **Level one plagiarism:** minor or unintentional plagiarism; leading to passable grade/failing grade on the assignment, depending on perspective of lecturer. No opportunity for resubmission.
- **Level two plagiarism:** significant plagiarism, but potentially due to poor referencing rather than intellectual property theft. This leads to a failing grade (potentially zero points) on the assignment. No opportunity for resubmission.
- **Level three plagiarism:** significant plagiarism, requiring investigation by the Center/Resident/Academic Director, and subsequent disciplinary panel.

Faculty will report any suspected circumstances of plagiarism to the Center/Resident/Academic Director immediately. Faculty can, if they deem it appropriate, require students to submit the Plagiarism Declaration Form (Appendix D) with each assignment as it is submitted.

In any case where Academic Honesty is in question while the student is still onsite at the program, and will impact the grade for the assignment in question, the CIEE Academic Honesty form (Appendix E) will be completed by the Center/Resident/Academic Director, signed by the professor, delivered to the student for signature and added to the student's permanent records. For any Level three violation, or repeated lower level violation, the Center/Resident/Academic Director will inform the student's home institution of the infraction and subsequent penalty.

