



PDOs and Terroir : The Complexities of Wine and Place

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My focus...

- Why did PDOs originate?
 - They way they developed.
 - A focus on champagne.
- What is the relationship of PDOs to terroir?
- What can we say about PDOs and terroir for modern British consumers?
 - Some findings from a research project.
- Trivia question:
 - Where was the first country in which a comprehensive system of appellations (i.e. more than one) was created with a legal framework?



Why did appellations develop?

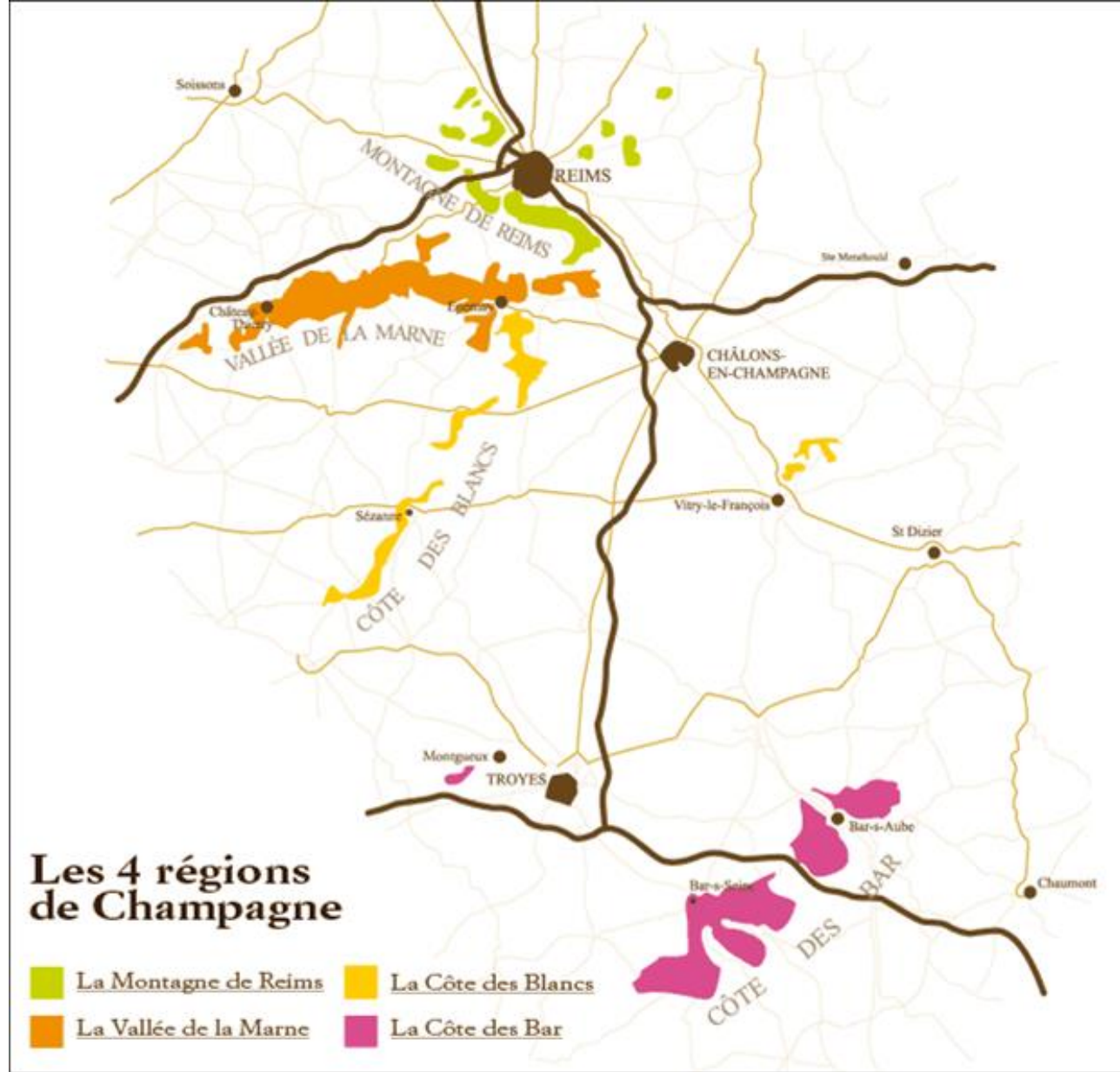
- I used to think it was the legal framing of the notion of terroir; but not so.
- A battle between vignerons (land) and negociants (brand).
- Protecting a reputation against fraud.
- Economic power could be gained by limiting who has the right to a place name.
- Also the ‘flight from the land’ – the need to establish national and regional cultural identity.
 - Wine became bound up in folklorisation...
 - ...and regional economic development...
 - ...with tourism and regional products

How did appellations evolve?

- Customs that are local, fair and constant.
- Quality and reputation (negociants could buy into this)
 - Eradication of unacceptable varieties.
 - Specification of how wines should be made.
- Place
 - This can be large, medium or small.
- *Typicité*
- Terroir
 - A negative term
 - Camille Rodier in 1920
 - Joseph Capus –1947
 - The move to quality as distinctiveness based on place.



The growth of the PDO in Champagne



The contrasting case of Burgundy...

- A confusing system. 84 Appellations.(plus *Denominations Geographiques Complementaires*)
 - Regional.
E.g. *Coteaux Bourguignons, Bourgogne, Bourgogne Aligote*
 - Sub-regional.
E.g. *Bourgogne Cote de Nuits, Macon, Chablis*
 - Communal.
E.g. *AC Gevrey Chambertin*
This may include *lieux dits*
 - Premier Cru. A recognised single vineyard wine within a commune
E.g. *AC Gevrey Chambertin Clos St. Jacques*
There can be blended premier cru wines in single village.
 - Grand Cru. A vineyard with its own Appellation status.
E.g. *AC Clos de Beze*

The impact of Europe on PDOs

- The foundation of the EEC (and later the EU) had two significant effects:
 - It institutionalised the French approach to wine labelling, and applied it across the member states.
 - Initially France, Germany and Italy, then other producing nations as they joined.
 - It ensured that and indicated place as the fundamental designation of wine was written into bilateral treaties around the world.
- It also wrote in PDOs into intellectual property agreements under the World Trade Organisation

How useful are PDOs?

- PDOs are based – in principle – on geographic criteria which unify a wine region.
 - They are not fundamentally based on administrative boundaries.
 - The criteria vary
- They can protect distinctive products from unfair competition.
 - Thus they have economic value for producers
- Do they help consumers?
 - How highly involved are consumers?
 - As a generality, possible the seal of a PDO gives the comfort of a legally-backed security of origin
 - As a specific, do consumers of Languedoc wines get the difference between AOC Languedoc, AOC Corbieres and AOC Corbieres-Boutenac?

The English terroir project

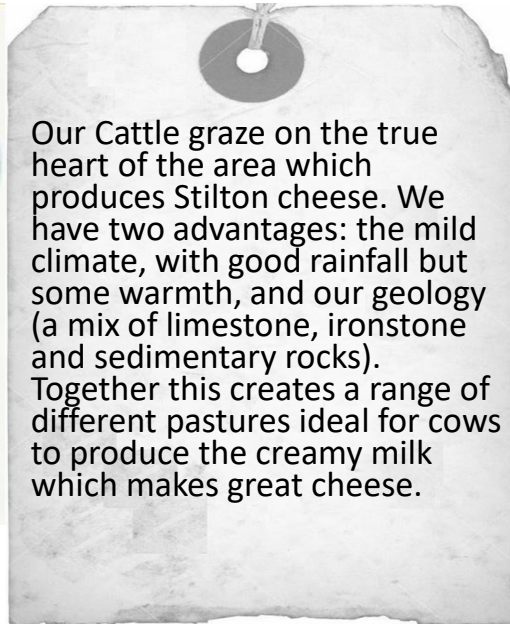
- This study forms much of a larger transnational study applying discrete choice experiments.
- Investigating views on a broad range of 'terroir related' ideas.
 - Land, place and landscape, artisanality, production method, PDOs, retail placing.
 - Focused on cheese, charcuterie and wine.
 - Included a series of cues about the product and 'stories' around place and production.
- There was a quota sample of 550.

An example of the choice sets



BELVOIR

£ 2.10



LEICESTERSHIRE

£ 2.40



Initial results

	Coeff.		SE	WTP (£)
ASC No choice	-2.499	***	0.296	
Origin				
Nation (reference level)				
Region	0.173		0.106	0.19
Village	-0.370	***	0.094	-0.42
Collective brand				
None (reference level)				
PDO	0.363	***	0.094	0.41
Private label				
None (reference level)				
Tesco	-0.097		0.080	-0.11
Terroir story				
Site (reference level)				
Territory	0.500	***	0.093	0.56
Production	0.184	**	0.093	0.21
Family	0.291	***	0.121	0.33
Price	-0.890	***	0.131	

**p-value<0.05

Segmentation – three groups

	LC1			LC2			LC3		
Size (%)		43.2			40.5			16.3	
	Coeff.		WTP	Coeff.		WTP	Coeff.		WTP
ASC No choice	-7.549	***	-4.55	-6.566	***	-3.70	-3.061		-0.96
Origin									
Nation (reference level)									
Region	0.326		0.20	-0.032		-0.02	0.130		0.04
Village	-0.084		-0.05	-0.817	***	-0.46	-0.483		-0.15
Collective brand									
None (reference level)									
PDO	2.276	***	1.37	0.256		0.14	1.400		0.44
Private label									
None (reference level)									
Tesco	0.948	***	0.57	-1.178	***	-0.66	-0.374		-0.12
Terroir story									
Climat (reference level)									
Territory	0.715	***	0.43	0.562	***	0.32	0.364		0.11
Production	0.064		0.04	0.634	***	0.36	-1.880		-0.59
Family	1.348	***	0.81	-0.322		-0.18	-0.169		-0.05
Price	-1.660	***		-1.775	***		-3.203	**	



So?

- For a well-known product like Stilton a PDO adds value.
- But how well-known is the core product?
- How specific should a PDO be?



The qualitative research

- Respondents were asked what 'terroir' meant to them.
 - This was after the main survey
- This split comments into four categories based on the respondent's apparent knowledge including non- or incorrect responses.
 - The single largest class of response was 'don't know' (49.82%).
 - The second largest class showed some (limited) understanding of traditional definitions of terroir (30.36%)
 - Another class (9.09%) made a much more complex link suggesting not just an ecosystem but that the environment directly shapes style.
 - The last class (10.72%) offered an entirely 'wrong' definition.
 - Nine suggested that it was a (small) dog (terrier) and 21 that it was to do with horror.

Thematic Categorisation

- This process analysed the words actually given. Nine groups were initially created for this group of respondents (n=217):
 - good, natural/nature, place/area, territory, earth/land, climate, environment, ecosystem, crop.
- Place generally (including area or territory) (n=60)
- Climate, environment or ecosystem (n=59).
- Earth, soil or land (n=79).
 - This could relate either to place generally or ecosystem more specifically

So what?

- This was qualitative and descriptive research
 - Its main purpose will be to help clarify the data from the discrete choice experiments.
- However, it also highlights that there is no general (positive) awareness of some concept designated as terroir.
 - This can be compared with France
 - 7% gave a wrong definition (though still related to land etc.
 - 3% didn't know.
 - 65% gave a limited definition
 - 25% made the much more complex link
 - In Italy less than 30% said that they could not define terroir.
- Some of the most accurate definitions were cut and pasted from Wikipedia!

Thank you for your attention!

