



CIEE Paris, France

Course title:	Economics of Wine
Course code:	(GI) BUSI 3011 PAFR
Programs offering course:	Arizona State University Global Flex - Course + Internship, Arizona State University Global Flex - 3 Credit, Arizona State University Global Flex - 6 Course Credits, Paris Open Campus Block
Open Campus Track:	Business
Language of instruction:	English
U.S. semester credits:	3.00
Contact hours:	45.00
Term:	Spring Block III 2023

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 analyse 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.
- Analyze 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. None.

Methods of Instruction

The course will be taught using lectures, seminars, case study discussions, an individual presentation, as well as field trips to local 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

1.	In-Class Exam	5%
2.	Group Presentation	25%
3.	Photographic Essay	25%
4.	Wine Review	25%
5.	Class Participation	20%
	TOTAL	100%

Course Requirements

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 60 minutes exactly. The questions will relate to course content and readings.

Group Presentation

Each group will present for 7-minutes about their research findings into a local wine producer, supplier, or specialist seller. 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 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 expose'. The total word count for the component will be 1400-words exactly, 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 1750-words exactly 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 host country 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. Incorporating text and media resources, the total equivalent word count for this assignment is 2000 words.

Class Participation

Participation is valued as meaningful contribution in the digital and tangible classroom, utilizing the resources and materials presented to students 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.

Attendance

To encourage engaged learning, regular class attendance is required throughout the program. This includes any required co-curricular class excursion or event, as well as internship, service-learning, or other required field placement.

An excused absence in a CIEE course will only be considered if approved by a CIEE Center Director/Academic Director (not the Instructor), and:

- it is a self-certified absence for illness (only once per course, requires formal request before or within 24 hours, cannot miss assessment worth more than 5% of final course grade)
- a doctor's note from a local medical professional is provided
- evidence of a family emergency is provided
- it is a pre-approved observance of religious holiday

Unexcused absences include personal travel and/or travel delays, as well as missing more than 25% of a single class period (including tardiness and early departure). Assessments missed due to unexcused absences will be marked as zero. Students with over 10% unexcused absences will be contacted by CIEE staff. Students with over 20% unexcused absences will be contacted by CIEE staff, receive a formal warning letter (shared with their home institution) and lose 10% of the final course point total (e.g., a final A grade of 93% will be lowered to a B grade of 83%).

For more detail, please consult your CIEE Academic Manual.

Academic Integrity

Academic integrity is essential to a positive and inclusive teaching and learning environment. All students are expected to complete coursework responsibilities with fairness, respect, and honesty. Failure to do so by seeking unfair advantage over others or misrepresenting someone else's work as your own can result in grade penalties or disciplinary action. See the CIEE Student Academic Manual for further information on academic integrity.

N.B. Course schedule and co-curriculars are subject to change. The final duration and distribution of content and assignments will be determined and presented to students at the onset of the course.

Weekly Schedule

Week 1

Class: 1.0 Orientation Week / Introduction to the Course

This opening lecture will overview the course direction introducing key emergences of wine industries that differentiates itself from other finance, business and agricultural economics in the host country context. Students will examine, then discuss the concepts and state of play in key markets for Host country.

Week 2

Class: 2.0 Emergence of Wine Economics

This class will discuss the emergence of wine economics from the 1980's 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 and vine are discussed. The findings from the host country Government initiatives and commitment to support the agricultural sector are also evaluated.

Readings:

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

Class: 3.0 Wine Investment

In this class students will examine risk, return and diversification benefits of fine wine as an investment in time of financial insecurity. It discusses the inclusion of fine wine to an asset portfolio and the use of the General Wine Index and CAPM in identifying fine wines to include when diversifying investment portfolios. The return on Host country wines is discussed in relation to repeat sales regression methodology.

Readings:

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

Due Date for In-Class Exam

Week 3

Class: 4.0 Site Visit

This class will visit a local organization involved in the agri-food sector, notably wine production, explore the start-up and development and impact of the development of wines in the host country. The lives and careers of host country winemakers are examined. Students will examine an example business plan for a small premium winery.

Class: 5.0 Focus on Biodynamic / Organic & Boutique Wines & Vineyards

A comparative analysis of this development with the growth of wine regions in students' home

country is undertaken and the exponential interest in biodynamic / Organic and Boutique wines industry in Host country is discussed.

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.

Due Date for Group Presentations

Week 4

Class: 6.0 Wine & Natural Environment in the Host Country 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 a wine producing region as a 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.

Class: 7.0 Climate Change & Land Use Competition

In this class students will explore the relevancy of climate change as a key stakeholder in the wine business. The controversial issues surrounding land use competition with a host country wine producing region with the mining industry and the impact on the wine region are discussed. The Hunter Valley case study will provide context.

Readings:

Foley, M. (2017). Coal Battle Hangs over Hunter Horses, *The Land*, 6 January, 2017.

Week 5

Class: 8.0 Growing & Making Wine in the Host Country Climate

The global problems linked to sustainability challenges are discussed in terms of the impact on the economics 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 Host country context. They will discuss these challenges using a real large-sized Host country wine company as a case study, and compare with the Hunter Valley case study.

Readings:

Polyakovskiy, V.M. (2017). Sustainable Supply Chain Network Design: A Case of the Wine Industry in Australia, *Omega*, 66, pp 236-247.

Due Date for Photographic Essay

Week 6

Class: 9.0 Wine Tastings, Competitions & Expert Opinion

Guest speaker while on the co-curricular Vineyard Tour in a host country vineyard.

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.

Class: 10.0 Wine Regulation, Reputation & Promotion

Underpinning the discussion in this class is examination of the Host country wine regulation. In view of these regulations, brand reputation and the influence of regional origin of wines is explored as determinants of consumer choice. A hedonic model for measuring significance of brand reputation is critiqued in view of the reputation of wines in the Host country and International market. The impact of globalization is also discussed in view of how wines are promoted with current regulatory requirements.

Readings:

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

Due Date for Submission of Wine Review Assessment

Course Materials

Readings

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

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.

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.

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Foley, M. (2017). Coal Battle Hangs over Hunter Horses, *The Land*, 6 January, 2017.
<https://www.theland.com.au/story/4374792/coal-battle-hangs-over-hunter-horses/>

Galbreath, J. (2014). Climate Change Response: Evidence from the Margaret River Wine Region of Australia, *Business Strategy and the Environment*, 23, pp 89-104.

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.

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

Online Resources

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

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

Wine tasting systematic framework: Accessed at:

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