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Terroir Rising?*

Varietal and Quality Distinctiveness of Australia's Wine Regions

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Australia's export-led growth in demand for commercial bottled wine was based in part on producer freedom (relative to Europeans) to blend wines across the full range of varieties and geographic regions, so as to be able to reproduce year after year a consistent style for each label. Over time, however, that has led some buyers in the 'Old World' to believe Australian winemakers do not respect or exploit regional differences in terroir or, worse still, that Australia is incapable of making high-quality, regionally distinct wines. This paper examines empirically the changing extent to which Australian wine regions do in fact vary in their choice of winegrape varieties and in the average quality of those winegrapes. Its new new quantitative indexes may also provide a base for simulating the potential impacts on different regions of climate change and of adaptive responses to it. The study focuses on 30 of Australia's winegrape regions and on the top 12 red and 10 white winegrape varieties that together account for all but 6 or 7 percent of Australia's winegrape crush.

Keywords: wine economics, terroir, regional winegrape quality

JEL codes: D24, L66, Q13, Q15

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