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## **The Integration of Environmental Aspects into the Activities of Operators of Distribution (The Case of Bordeaux Wine Industry)**

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The pressure exerted on the environment by grape growing is very strong compared to other crops. Grape growing is particularly known to consume a lot of pesticides and is considered as a pollutant activity (20% of the pesticides used on 3% of the French cultivated areas; Aubertot et al., 2005). Producers have to face a growing social demand in terms of environmental protection and natural resources management. Their objective is no more to produce lots of products cheaply but they have to conceive green lucrative products. At the same time, reducing significantly the use of pesticides is difficult in grape growing because there are several brakes (permanent crop, absence of genetic solutions and alternatives that may allow significant reduction of the most damaging attacks, high stakes for quality winemaking; Bazoche et al., 2008). In spite of vine growers' consciousness about the environmental risks, and their efforts, the diffusion of environmental innovations is too limited. Consequently, the winemakers are increasingly called upon to adopt innovations in order to mitigate the negative impacts of their activities.

Demand pull is very important for firms to determine their technological response to environmental pressures. According to several empirical studies, customer demands and public pressure are essential drivers for environmental innovations (Florida, 1996, Popp et al., 2007, Horbach, 2008). However, showing that consumers are willing to pay, under certain conditions, for environmental-friendly wines is not sufficient enough, it has also to be perceived by the grape growers. This requires that the various ways of distribution through which wines are marketed are able to back up to the growers a part of the value that the consumer has agreed to pay. During a research program<sup>1</sup>, mainly based on the Bordeaux wine area, the objective of a multidisciplinary study was to determine which public or private interventions are needed to reduce the use of phytosanitary treatments in viticulture. A part of the project aims to explore the opinion of the operators in the wine industry about environment-friendly practices (distribution stakeholders particularly).

The purpose of this communication is to analyze the potential value of such practices according to the operators of distribution in wine industry. From a survey on the relationship between market prices in grape growing and the environment, and interviews of the main part of the actors of wine industry in Bordeaux, we have tested in a first time the overall market sensitivity to the environmental dimension. Then, we analyze the capacity of differentiation of the main circuits and the different ways in integrating the environmental dimension used by these actors (specifications, certification, etc.). The main lessons learned from the study is that market stakeholders pay rather low attention to the environment in the activities of the grape growers, due to an inexistent potential market value for environmental-friendly practices. Therefore, the increase of environmental-friendly practices in grape production should not rely only on private demand, but seem to require more public interventions.

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<sup>1</sup> The results presented here come from the multidisciplinary research program "Agriculture and Sustainable Development (ADD) Wine and Environment" funded by the Agence Nationale pour la Recherche (2005-2008): "What public and private interventions to reduce the use of pesticides in grape growing ? "