

## **The quality of vineyard sites in the Mosel valley of Germany**

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### Abstract

In this paper we report the results of a hedonic study of the determinants of the quality of the wines from different vineyards in the Mosel Valley. This beautiful area has been the source of wine production for hundreds of years and has been, at one time or another, a part of several different countries. The wines are denoted by the vineyard from which they come, and sell for different prices accordingly. As a result, the price of a vineyard represents the capitalized value of the vineyard's wine quality. We make use of the fact that for taxation purposes there have been several different rankings of the quality of the vineyards of the Mosel and use these as the measure of vineyard (and wine) quality in our analyses.

We also have remarkably detailed data on the characteristics of the vineyard sites in the Mosel Valley. The Mosel represents one of the coolest regions in which fine wine grapes are grown, and the character of the vineyard site is critical in determining the ripeness and character of the grapes produced and also of the resulting wines. The best vineyards would logically have the character of a solar panel, facing toward the South with a steep slope, and with soil that holds the warmth and provides fine drainage. We determined the precise magnitudes of the effects of each component of the vineyard site on its quality, as well as how much of the variability in the quality of the sites can be explained by this hedonic model.