



The Premium for Organic Wines

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Summary

Organic production techniques are an increasing, though minor so far, part of agriculture, and organic wines are increasingly produced and appreciated. Nevertheless, the market for these wines is still thin, and not all organic wines are sold as such.

From the production side, organic techniques are usually more costly than regular ones, which would command higher selling prices. From the consumer side, organic products are considered more healthy and more environmentally friendly, which in turn commands higher prices. Though, many other factors may influence market prices. Also, given the thin market, discovering the appropriate marketing channels can be a hard task.

Using a unique dataset consisting in a total survey of organic farms in Piedmont, this paper will analyse the determinants of the premium for organic wines, exploiting the information on prices for grapes and wines sold as such or as regular by organic wine growers.