

Endowments, production technologies and the quality of wines
Is it possible to produce wine on paved roads?*

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April 2001
(First draft)

Abstract

We use a database that was collected by Muriel Monzak and Andras Monzak in 1992 (see Ginsburgh, Monzak and Monzak, 1994) on natural endowments and production technologies of over 100 vineyards from the Haut-Médoc region, to study whether "quality" assessments made by Parker, by Bettane and Desseauve and by consumers (based on prices obtained at auction between 1980 and 1992), can be "explained" by more than subjective tastes. This contrasts with the usual hedonic approach pioneered by Ashenfelter which relates the quality of various vintages to meteorological variations (temperatures and rainfalls in specific growth and maturation periods or moments).

To explain quality assessments, we use variables describing endowments (land characteristics, exposures of vineyards) and technologies (from grape varieties and picking, to bottled wines). Since the latter are correlated with endowments, we use instrumental variables which affect technological choices, but have hopefully no effect on endowments. We show that technological choices affect quality much more than initial endowments.

* We are grateful to Orley Ashenfelter for his suggestion to rework on the Ginsburgh, Monzak and Monzak (1994) paper, as well as to Marcelo Fernandez and Etienne Wasmer for fruitful discussions on instrumental and less instrumental variables and for comments on a previous version.