Deliverable

ORWINE

SIXTH FRAMEWORK PROGRAMME

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SIXTH FRAMEWORK PROGRAMME

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Disclaimer

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Abstract

In the last years the market for organically produced wine has developed significantly. But until now only few data are available about the actual organic wine market and market needs as well as future market trends. Therefore, the conduction of a trans-national study was seen as necessary within the ORWINE project. The aim of this market study was to get a clear picture about the national structure as well as the development and the potential of the domestic and international organic wine market. This report gives the results and main trends concerning organic wines markets of the first step of this study: status quo analysis from experts' survey and literature analysis and operators' market survey with qualitative and quantitative data. The second step of the study will be end, in December 2007, more interviews will be led with operators from other countries: producing European countries and European and non European consuming countries.

Au cours de ces dernières années le marché des vins biologiques s'est fortement développé. Bien que dans quelques pays, quelques études existent sur le développement du marché du vin bio, il n'y a pas eu d'étude globale explorant de façon approfondie le marché actuel du vin bio et ses besoins, ainsi que ses futures orientations. C'est pourquoi, la conduite d'une étude trans-nationale sur ce sujet, paraissait indispensable dans le programme Orwine. Cette étude, première partie. L'objet de cette étude est de donner une vue d'ensemble de la structuration et des potentiels de développement du marché des vins biologiques. Ce document donne les résultats et les principales tendances issues de la première étape de l'étude: analyse globale de l'état du marché des vins biologiques à partir de dires d'experts et de données bibliographique et résultats quantitatifs et qualitatifs issus des enquêtes menées auprès des metteurs en marché. La seconde partie de l'étude se terminera fin 2007, de nouvelles enquêtes seront menées auprès d'opérateurs d'autres pays.

Der Markt für ökologisch erzeugte Lebensmittel hat sich in den letzten Jahren signifikant entwicklet. Daten über den Markt für ökologisch erzeugter Weine sowie die Bedürfnisse und Veränderungen des Marktes in der Zukunft sind nur in geringem Umfang verfügbar. Aus diesem Grunde wurde eine länderübergreifende Marktstudie im Rahmen des ORWINE Projektsdurchgeführt. Das Ziel dieser Marktstudie sollte ein klares Bild der nationalen Strukturen, der Entwicklung und des jeweiligen Potentials des Marktes für ökologischen Wein geben. Der Report gibt

einen quantitativen und qualitativen Überblick über die Marktsituation sowie Trends basierend auf einer Expertenbefragung, Literaturauswertungen und einer Befragung ausgewählter Händler.

Executive summary

Introduction

In the last years the market for organically produced wine has developed significantly (Hamm et al. 2004). Main importing countries like United Kingdom, Germany, Switzerland and the Scandinavian countries have started to import more and more organic wines, mostly from the Mediterranean Countries.

The market development of European organic wines is influenced by the realities of the global wine market. As a result, the organic wine sector is also confronted with the current debate, on which type of wines is requested by the market, as well as the opposition between “modern/ technological” and “classical/ traditional” wines.

Although in few countries some figures about the development of the organic wine market do exist, until now no trans-national studies were undertaken so far about the actual organic wine market and market needs as well as future market trends. Therefore, the conduction of a trans-national study was seen as necessary within the ORWINE project for supplying the needed market background to the regulatory recommendation that will be developed by the project

Methodology

The aim of this market study was to get a clear picture about the national structure as well as the development and the potential of the domestic and international organic wine market.

In order to investigate the potentials and needs of the market, consultations with experts and traders were made in each of the countries which are covered by the consortium: Italy, France, Germany and Switzerland. The focus was both on retail chains and specialized wine firms, which already trade organic wines.

In the first phase of this task took place in 2006, two approaches were chosen in order to investigate the market needs: on one hand, interviews with the main market operators from the four countries involved in the consortium were led **(operators’ market survey**) and on the other hand, this data were completed with expert surveys and literature analysis (**status quo analysis**) to give an overview about the development of the organic wine markets.

In the second phase, other surveys will be conducted in the second half of 2007. They will concern new market’s operators of countries from the consortium but will also be extended to consuming countries like the UK, Netherlands, Denmark, the USA, and other producing countries like Spain, Greece or Portugal. The results of this second qualitative survey will be included in the final report (December 2007).

Main results of the first step of the market study

Concerning the organic market development (for all major products), a general increasing growth trend can be observed in the four study countries, connected to the increasing demand of consumers for organic food and the development of organic farming in most of the European countries. Nevertheless, the growth rates and the market evolution can strongly differ from one country to another. If organic wines are sold in the same channels as conventional wines, the relative importance of each differs. While most organic wines are sold in specialized organic shops or through direct sales, conventional wines are mainly sold in supermarkets and even discounters.

It was difficult to get complete and precise qualitative information. Several of the traders did not respond to the quantitative questions or gave incomplete answers. But although the data are not sufficient to be representative of the whole organic wine market sector, their analysis show interesting trends and give at least an indication of the structure of the organic wine market.

For all traders (organic specialized or not), the red wines represent the most important volumes traded, except for one operator (figure 1).

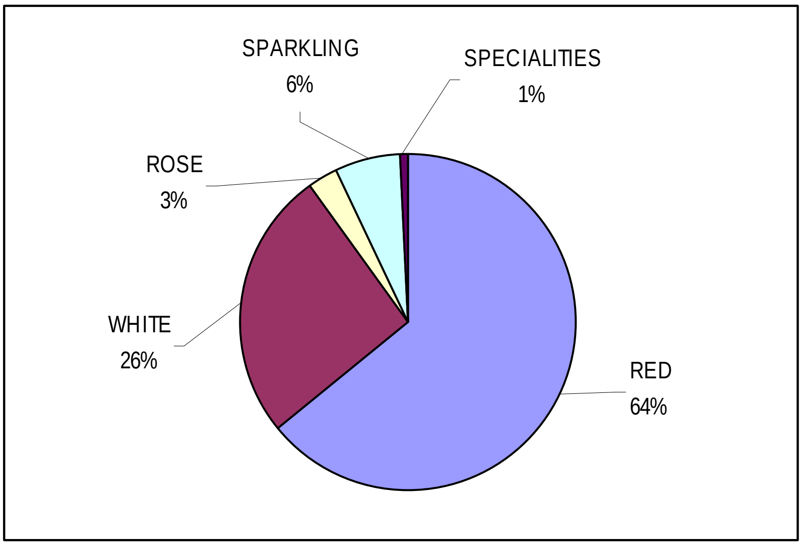

Figure 1: Types of organic wines traded

Most operators surveyed in the case-study countries reported an increase in organic wine turn-over, over the past five years, with only a single operator reporting decreased turn-over. The increase varied from 5% to 90%, with a total average of about 18% for all countries combined. We can therefore observe an overall strong increase in the organic wine trade. Growth projections for 2008 indicate the same trend. The most relevant companies in the case study countries expect a rise or continuation in their present rate of organic wine sales growth. These projections vary from 6% to 20% with a mean of about 13%.

These results can only be considered as a trend, since it is based solely on estimations provided by operators, which sometimes seem to be highly approximate. Still, these results are reason to be optimistic about the future of organic wine commerce and production.

The importance of import and export markets of wines varies considerably between the case study countries. Some countries are strongly oriented to export such as Italy and France. Other countries are more importers of wine like Germany and Switzerland. These trends apply also for organic wines. (See report D 2.5: numbers and origin of producers who export). Imported organic wines come almost exclusively from the European Union, the three main countries of origin being Italy, France, and Spain. Their order of importance varies according to the operator. Greece and Portugal are mentioned as well. Wines are either imported already bottled, or imported in barrels or other containers and then bottled by the operator. Bulk importation accounts for 50 to 100% of the volume purchased. According to operators, 50 to 100% of the total volume also consists of wines with official “appellation d’origine” certifications. Because of the low number of responses on this topic, however, this cannot definitively be called a general trend.

Two major wine consumption trends are observed for the domestic organic and conventional wine market: a decrease in main European producing countries like France, Italy and Spain and an increase or a stabilization in consuming countries: northern European countries, Japan, USA. For organic wines the consumption trend is totally different with a general increase in all countries, even if it is higher in consuming countries of Northern Europe than in producing countries.

Four potential obstacles to the development of the organic wine market, in the case study countries, emerge as most significant according to the wine traders surveyed:

- Low consumer knowledge about organic wines and organic wine production. This lack of knowledge seems to concern wine production in general. This factor received the highest score in three countries (Italy, Switzerland, and Germany) out of four (in France it ranked fourth).
- Problem of B to C (Business to Consumer) marketing. This was ranked the third most significant obstacle in Switzerland, Italy, and Germany, but seems to be less important in France.
- Strong competition between conventional wines and organic wines. When quality is equal, organic wines are less competitive because of their higher price. This is particularly true in France, where it was cited as the single most important obstacle to organic wine market development, and in Switzerland, where it was ranked third.
- High prices of organic wines. An important factor in France and Switzerland, where it ranked second, but less important in Germany and Italy.

Concerning organic wine consumption, the main consumer trends -even if there are some differences among the four case-study countries- in the analysis of the results are the following:

- a wine consumption trend strongly oriented to young and fresh wines, round and tasty wines, and organic and local wines. These trends vary in the country-by-country analysis;
- cuvee wines, speciality wines, wines from resistant and new varieties, labelled wines and dry wines should remain as popular as they are today;
- tannic tasty wines, woody wines and old wines show a projected decrease in consumer preference by 2008. This trend is confirmed in country-by-country analysis.

Discussion

Some general comments can be made on the structure and on the results of the first survey conducted from mid of 2006 until mid of 2007.

First of all, the authors noticed that it was very difficult to obtain economic quantitative data from the markets' operators. Therefore the main focus was on the analysis of the qualitative data. Many interesting information could be gained about the major obstacles for the expansion of organic wine production and consumption and which strategies operators envisage.

Comparing the results of the market operator survey with the *status quo* analysis of the organic wine market, which was based on literature analysis and expert knowledge with the ORWINE consortium, several similarities came out:

- The results showed that estimation of the growth figures of the organic market do not contradict with the feedback from the interviewed traders.
- Based on the growth figures a continuation of the growth can be extrapolated at least for the coming years, which is also confirmed by the interviewed traders.

However the first survey showed also the need for more quantitative figures as well as more information on specific areas (such as import, export, labelling) to be taken up in the in-depth second survey now planned for the second part of 2007.

Conclusion

From this first preliminary analysis of the first survey, three main problem and challenges can be identified:

- Nearly total absence of global communication and marketing strategies for organic wines.
- The lack of consumer knowledge, but also of many market operators especially retailers (not specialized in organic) concerning organic wines and organic farming. This point is one of the consequences of the previous problem, but not the only one.
- The need to still improve sensorial quality of organic wines and also their image (connected to the lack of communication).

The preliminary results of the study on the organic wine market help to identify the main problems of the organic wine market. Some tasks of the Orwine project could also allow for the improvement of some aspects mentioned by the market operators, such as the improvement the quality of organic wines (how to reduce SO_2 without compromising sensorial quality and the preservation of wines) and the development of a European regulation for organic wine making.

Introduction

The European Union has a leading position on the world wine market, accounting for 45% of wine-growing areas, 65% of production, 57% of global consumption and 70% of exports in global terms (European Commission 2006). Their viticulture and grape production was converted relatively early to intensive chemical treatments in conventional agriculture. As a response the development of organic or alternative production and processing methods for wines is dating back to the 1950s (Willer and Yussefi, 2006). In the 1990s, the organic wine sector began a period of continuous growth that continues today. In 2004, the proportion of organic vineyards reached a level of 3.4% of the total number of vineyards in Italy (IT), 1.9% in France (FR), 2.4% in Germany (DE) and 2.4% in Switzerland (CH) (Willer and Yussefi, 2006). During the last years, the importance of the organic wine market has increased in several European countries as for example in Germany

In the last years the market for organically produced wine has developed significantly (Hamm et al. 2004). Main importing countries like United Kingdom, Germany, Switzerland and the Scandinavian countries have started to import more and more organic wines, mostly from the Mediterranean Countries.

The market development of European organic wines is influenced by the realities of the global wine market. As a result, the organic wine sector is also confronted with the current debate on which type of wines are requested by the market, as well as the opposition between “modern” and “classical” wines.

Since 2001 there is in several countries such as Italy a trend towards a larger use of organic labels for organically produced grapes and wines. However one of the major problems is to get organic quality wines at reasonable prices and in a large range of qualities (ISMEA, 2004).

In France, most of the wines coming from organic certified farms are labelled as “wines from organic grapes”. A significant number of very famous vineyards in France have chosen to produce under organic certification their quality wines with denomination of origin (AOC), in order to protect and value their ground potential (terroir), more than for marketing reasons. On the other hand, labelling the wine as organic seems to be a competitive advantage for popular premium and premium wines.

Although in few countries some figures about the development of the organic wine market do exist, until now no trans-national studies were undertaken so far about the actual organic wine market and market needs as well as future market trends.

Therefore, the conduction of a trans-national study was seen as necessary within the EU funded project “Organic viticulture and wine processing” (ORWINE).

1 Objectives

The overall objective of the analysis of the organic wine market within the ORWINE Project was to "identify the market needs and perspectives of organically produces and processed wine in selected countries".

As case-study countries for this study were selected: Italy, France, Germany and Switzerland, all represented in the project consortium.

The main focus of the market study was to investigate the needs regarding quality, the labeling practices and an estimation of the market potential of organic wine.

The aim of this market study was to get a clear picture about the national structure as well the development and the potential of the domestic and international organic wine market.

In order to investigate the potentials and needs of the market, consultations with experts and traders were made in each of the countries which are covered by the Consortium. The focus was both on retail chains and specialized wine firms, which already trade organic wines. In addition at three major wine expositions (Biofach, VinItaly, VINEXPO) interviews with traders were made and are still to be made.

The results of the study about the market are presented in the following way: The first chapter of the report describes the *status quo* of the actual market situation of organic and conventional wine in the case-study countries as well as the general organic market situation in the single countries. In the second chapter, the methodology of the study about market needs is described, followed by the results and the discussion of the results. The final chapter includes the conclusions.

2 Methodology

In the first phase of this task in 2006, two approaches were chosen in order to investigate the market needs: on one hand, interviews with the main market operators from the four countries involved in the consortium were led and on the other hand, this data were completed with expert surveys and literature analysis to give an overview about the development of the organic wine markets. (In annex: the guidelines for the interview).

In the second phase, other surveys will be conducted in the second half of 2007. They will concern new market's operators of countries from the consortium but will also be extended to consuming countries like the UK, Netherlands, Denmark, the USA, and other producing countries like Spain, Greece or Portugal. The results of this second qualitative survey will be included in the final report (December 2007).

2.1 Status quo analysis

Publications and other information already existing in the case-study countries and expert knowledge have been collected and compiled to present the main global trends about wines (organic and conventional) markets and organic (all products) markets in Italy, France, Germany and Switzerland. The references collected in the D.2.1, had also been used. This data complements the information obtained from the market operator's survey.

2.2 Market operator's survey

The market operator's survey, conducted in 2006, concerned organic wine traders in the four participating countries. Twenty four interviews with major wine industry operators were conducted via personal interviews or by telephone.

These operators were chosen either for their significant sales volumes in organic wine (e.g. Peter Riegel in Germany or Biocoop in France), or for their key role in the conventional wine market (e.g. Carrefour in France or Coop Italia in Italy). More details can be found in chapter 6.

The questionnaire is divided in two parts. The first part mainly quantitative, concerns the wine trading company itself and its positions on the organic wines market. The second part, more qualitative, concerns their opinion about the consumer trends and the development of organic wine markets.

2.2.1 Quantitative data

In the case-study countries, only little qualitative information is available about organic wine markets and operators. Therefore the aim of quantitative part of the survey was to collect mainly information about the respondents' market activities, to improve the knowledge and estimate their importance within the organic wine market.

Theses quantitative questions concern different aspects:

- Information about the types of wine traded (red, white, sparkling, etc), volumes, values and percentages of labeled, organic and cuvee wines;
- Information regarding the main partner countries according to whether the country is primarily a producer/exporter or consumer/importer of wine;
- Structure of sales channels: main distribution channels for organic wines (supermarket chains, specialized wine stores, restaurants, direct sales to consumers).

For each question respondents were invited to provide comments or additional information.

It should be noted that in this first part it was difficult to get complete and precise information. Several of the traders did not respond to the quantitative questions or gave incomplete answers, because they considered this data confidential and did not wish to communicate or distribute their economic information. In addition, responses that were given were rather diverse and difficult to compare. But although the data are not sufficient to be representative of the whole organic wine market sector, their analysis show interesting trends and give at least an indication of the structure of the organic wine market.

Consequently these data had to be complemented by the organic wine market experts within the project consortium.

2.2.2 Qualitative data

The second part of the survey collected wine traders opinions and comments on two main subjects:

- Major obstacles to organic market development, and what measures or solutions could be proposed to overcome these obstacles?
- Which are the expected consumer trends for wine consumption?

In both cases a list of criteria was proposed, which respondents had to score from 1 to 5. For the first question, respondents were also invited to include comments and suggestions on how to resolve or improve the present situation.

For the reasons mentioned in the paragraph above, the analysis comes principally from the information gained from this qualitative section of the survey. Because there were more strategic issues in this part of the survey, respondents' answers were very complete and often included abundant comments.

3 Results of the status quo analysis

This chapter gives a global overview of the wine market and the organic market, the organic wine import/export markets and the structure of organic wine sales channels in the case study countries (Italy, France, Germany and Switzerland).

3.1 Development of the domestic organic and conventional wine market

Two major wine consumption trends are observed:

- a decrease in main European producing countries like France, Italy and Spain;
- an increase or a stabilization in consuming countries: northern European countries, Japan, USA.

For organic wines the consumption trend is totally different showing a general increase in all countries, even if it is higher in consuming countries of Northern Europe than in producing countries. In the following sections, the wine consumption in the case-study countries is described briefly.

Global wine consumption in Italy is slightly decreasing, even though not at the same rate than in the last decades of XIX century. But the consumption segment analysis shows that the decrease is mainly due to table wine while there is an increase of DOC and quality wines, a segment which includes organic wines. For the organic wine, which is sold in Italy through the same channels than conventional ones, traders were not able to sort specific figures. Direct sales to consumers represent a very significant share (see Deliverable 2.5 Producer investigation). ORWINE trader's survey was then not able to quantify the market development of organic wine. According to a recent study conducted by ISMEA and AC Nielsen, in 2006 supermarkets, hypermarkets and discounts globally sold 325 000 bottles of organic wine in Italy, for a total value of 1.23 M€.

The wine consumption in France is decreasing (even if French remain the biggest wine consumers in Europe) between -5 and -25 % in the five last years, and it will still decrease in the next ten years (ONIVINS 2006). There is very few data concerning organic wines market, but according to the Agence Bio, it grew from 12% to 16%, between 2003 and 2005.

The organic wine market in Germany is a fast growing market with growth rates from 25 – 40% in the last few years. The most relevant price range for organic wine on the point of sales is 5 – 10€ / bottle. The conventional wine market was growing slowly or decreases in some special segments. The white wine is coming back and the demand of red wines decreases. Depending on the higher demand of white wine, their lower yield in the last two years and the renaissance of traditional varieties like Riesling, Grüner Veltliner or Pinot Blanc the price for conventional bulk and bottled wine is increasing (more than 100% in the last two years).

According to the BLW 2007 (Federal Agency for Agriculture), the Swiss wine market was decreasing by -2.4 % compared to 2005. Both domestic as well as imported wine consumption is decreasing, while the imported wines decrease is –1.6 % whereas the domestic wine decrease is -4.0%. 62 % of the wines consumed in Switzerland in 2006 were imported (BLW 2007). Experts estimate that the organic wine market grew in 2006 and that the growth is continuing in 2007.

3.2 Status quo of organic market in the case-study countries

Concerning the organic market development (for all major products), a general increasing growth trend can be observed in the four study countries, connected to the increasing demand of consumers for organic food and the development of organic farming in most of the European countries. Nevertheless, the growth rates and the market evolution can strongly differ from one country to another.

According to recent data ISMEA – ACNielsen, the off-trade consumption or organic products in Italy presently sees a significant progression: during the first seven months of 2007 they increased by 9% on the same period of the previous year. Pasta and rise (+15%), diary products (+ 7%), fruits and vegetables (+21%) and non-alcoholic beverages (+ 8%) are the categories which shows the greatest increases of organic products. These data are even more significant by considering that in the same period the same observatory has detected a decrease of 3% for the overall food product sector, and that these data don't include direct sales to private consumers, which represent an important but undefined sale channel for the organic producers. The purchase of bottles organic wine by Italian consumers in 2006 at hypermarkets, supermarkets, and discounts accounted for 245,000 liters, for a total value of 1.2 M€. The average bottle price for organic wine on multiples is € 6.7 (Consumer Observatory ISMEA – ACNielsen, 2007).

In France, the organic food market is still increasing, even if this growth is rather slow, it represents about 1.6 bill€. Between 1999 and 2005 the growth rate is 73%, which represents an average of 9.5% per year. But, it remains a niche market and represents about 1.1% of total retail sales. This percentage differs depending of the type of products: eggs (7.3%), milk (3.7%), bread (2.8%), wines (2.3%), fruits and vegetables (1.2%) and meat (0.5%). This market is shared among hyper- and supermarkets (39, 4%), specialized organic shops (36.3%) and direct sales (18%). 16% of organic products are imported. In 2005, 47% of the population declares to consume organic food, at least once a month; they were 44% in 2004 and 37% in 2003. Nevertheless, only a minority of consumers buys organic products daily (Agence Bio 2006).

The organic food market in Germany is a fast growing market with an average growth rate in the last few years of 25% per year. It is a "booming" market. The total turnover in Euro is more than 4 Bill.€ approximately 2% of the whole food market. The market is divided in traditional organic food markets (Bio-Läden, farm-shops) (25%), specialized organic food supermarkets (40%), conventional supermarkets and discounter (35% - with the highest growth rate). Especially the fresh fruit and vegetable market grew rapidly. The second increasing market is organic meat (cow and pigs), eggs, cheese and milk followed by convenience products and beverages. (http://www.zmp.de/agrarmarkt/branchen/oekomarkt.asp)

In Switzerland after a saturation phase of the organic food market in 2005, the market again began to grow again in 2006 with a growth rate of 1.6 %. The biggest supermarket chain (Micros) lost 1% turnover, but COOP, the second biggest supermarket chain and the most relevant organic food distributor in Switzerland, increased the turnover of 2% (Richter 2007). The specialized organic food shops even had an increased turnover of 5% and the direct sales of 6%. In 2005, there was a slight decrease of the market development of -0.5 % and in 2004, a growth rate of 3%. Especially the fruit and vegetable market grew (12%, resp. 8%) as well as the egg market (4.5%), milk decreased (-3.5%), but the milk export increased of 4.7%.

3.3 Import / Export markets of organic wines

The importance of import and export markets of wine varies considerably between the case-study countries. Some countries are strongly oriented to export such as Italy and France; this applies also for organic wines. Other countries are more importers of wine like Germany and Switzerland.

Export is an important market for Italian organic wines. Almost 50% of producers, (Orwine D 2.4 Producer Survey), declare that export represents more than 30% of their sales, and for 15% of them it overcomes 60%. Also, there is a significant bulk wine trading mainly toward Germany and Switzerland. The interviewed traders, which are focused on the export market, declare an increase of 10-15% in the last 5 years and expect a similar growth in the future.

In 2004, in France about 70% of organic wines were exported (27% for conventional wines). This part decreased due to the development of the national market and because of the stronger competition from other producing countries such as Italy and more recently Spain, which increased in the last years its organic vineyard area. The main export markets for French organic wines are countries such as Germany, United Kingdom, Switzerland, Scandinavian countries, and also the USA and Japan. The organic wine represents 25% of the organic products exports.

The most relevant import countries for the German market are France (35%), Italy (30% - increasing), Spain (25%) and the "new wine world" (10% - mostly South Africa). The demand of wine from Spain, Italy and South-Africa was growing in the last three years and the demand of wine from France is increasing or stabilized on a high level. There are no differences between organic or conventional import statistics.

In Switzerland in 2002 ca. 55 % of the organic wines were imported (Hamm und Gronefeld, 2004). The most relevant import countries for the Swiss wine market are France, Italy and Spain. They mainly deliver red and sparkling wines. Export is playing a minor role.

3.4 Structure of organic wines sales channels

The following part of the report gives a short insight into the structure of organic wine sales channels in the in case-study countries. If organic wines are sold in the same channels as conventional wines, the relative importance of each differs. While most organic wines are sold in specialized organic shops or through direct sales, conventional wines are mainly sold in supermarkets and even discounters.

Organic wine in Italy is sold through different channels. Supermarkets – 60% of the total wine volume sold in Italy - represent a minor channel for organic wine. Organic wines are chosen by consumers following the usual criteria for wine. Chains specialized on organic food are accounting for a small percentage of the total volume of organic wine (estimated in less than 5%), and usually in the lower price segment. Organic consumers are not good wine drinkers. Restaurants and wine shops (e.g. Horeca) is one of the main channels for organic wine, as well as for the conventional one. 60% of the producers are indicating Horeca among the most important channel for their sales. Although, the fact of being organic doesn't seem to represent a significant selling argument for organic wine, 40% of the producers sell through traders, mainly for export sales but also to restaurant and wine shops. Direct sales to private consumer are the most important channel for organic wine producers, and also the one where organic wine production can gain an extra added value. (Orwine D 2.4 Producer Survey).

In France, very a little information is available about the structure of organic sales channels. For organic wines the main sales channels are supermarkets (44% for organic wines, 62% for conventional wines) and specialized organic shops (31%). Specialized wine shops represent a very small part of organic wines sales (only 6.4 for conventional wines). Discounters don't sell organic wines (20% for conventional wines). Only 14% (5.3% for conventional wines) of organic wines are sold by direct marketing (at farm or during organic fairs). Nevertheless it is very much depending of the region. For example, in a very touristy region like South-East of France, an important part of wines is sold directly from the farm. A new form of sale is emerging in France:

AMAP (Association pour le Maintien d'une Agriculture Paysanne): producers associate with consumers (subscription system) to sell directly their products: fruits, vegetables, bread, cheese and also wines.

In Germany, the traditional market for domestic organic wines is direct sales or sales in small farm shops (70 – 80% of the whole production). Only a small quantity of organic wines is exported. Imported wines are mostly sold in organic wine shops and organic supermarkets. But since three years, also some "normal" supermarkets and specialized wine shops, such as Mövenpick, Eggers & Franke or SPAR, also offer mainly imported organic wines. For conventional wines, the most important retailers are the discounter (Aldi, Lidl) and supermarkets with more than 45% of the whole wine market. (Deutsches Weininstitut, 2007)

In Switzerland, the importance of direct sales is considerably: It is estimated that small wine producers (up to 1ha) sell approximately more than 80 % via direct channels (Häseli, 2007). Medium producers (2-5 ha) sell 60 % via direct sales and large wine producers market (more than 5 ha) about 30-40% via direct sales. Hereby, not only private customers but also restaurants are the major clients for direct sales. Regarding the market channel of wholesalers, the company Delinat is the leading organic wine wholesaler in Switzerland, which is a specialized internet delivery company. The supermarket chain Coop is the second biggest organic wine distributor (COOP is one of the two biggest food retailers in Switzerland). The company Küferweg is the third biggest wholesaler and is supplying organic food shops with organic wine.

4 Results of the market operators' survey

In this part, the results of the market operators' survey are summarized describing first the sample of operators surveyed, then the available quantitative results and the qualitative data obtained during this study, are presented.

4.1 Profile of companies surveyed

Here, is presented the composition of the sample: how and why the operators surveyed were chosen, their different types and their specialization.

4.1.1 How companies were chosen for the survey

The choice of the companies surveyed has been based on two main criteria: their importance in the organic wines market and/or their importance in the wines market. Some are specialized in organic wines, other are specialized in wines or else non specialized in neither organic nor wines. When choosing the companies the authors have tried to select a representative sample of the organic wines operators of each country.

In Italy, the companies surveyed have been chosen to represent all categories: main supermarkets, organic specialized chains, traders dealing with restaurants (Horeca channel) or focused on export and producers consortia. More than 30 companies have been contacted several times, but unfortunately only few responded as they were somehow reluctant to provide figures.

The seven companies interviewed, although, were representing the main categories: Coop Italia and Carrefour for supermarkets, Ecor for specialized organic chain, Vin&Organic exporting only organic wines, Selezione Fattorie one of the major traders to Horeca in Italy, Trimillii a producers' consortium.

In France, the seven companies interviewed were chosen either for their specialization in wines and/or organic products (Biocoop, Biodivis, Terroirs Vivants), or for their importance in the French conventional wine market (Carrefour, Lafayette Gourmet). Some have quality control policies that give commercial preference to wines with wine making certifications. These retailers are representative of the major French operators in the organic wine market.

In Germany, the seven companies interviewed were chosen either for their specialization in wines and specific focus on organic wine (Peter Riegel, Naturian, DarVino and Cape Vinum) or for their importance in the German conventional wine market (Wein Vision, Peter Riegel). Two retailers / importers are also organic wine producers (Weingut Zähringer, Goldberg-Kellerei). These retailers are representative of the major German operators in the organic wine market. Peter Riegel, the biggest German (European) organic wine trader (60% of the whole market), and Naturian (the second biggest organic wine trader -25 /30%) are specialized only for organic wine. They are importers of organic wine from all over the world. They sell the wine to different market channels (mostly specialized organic food shops and supermarkets but also to conventional supermarkets). The Goldberg-Kellerei was the first German Co-operative, which produced German organic wine in a large range, mostly for wine markets no specialized on organic.

In Switzerland, the 6 most important wine retailers were identified: Delinat, COOP, Küferweg, Manor, Terra Verde and Romanin Weine, while COOP, Delinat and Küferweg are the most relevant organic wine traders. Delinat, the biggest Swiss organic wine trader, is a wine trade company delivering only organic wines. COOP is the second biggest organic wine trader in Switzerland and the leading organic retailer. Küferweg is selling organic wines to specialised organic food shops mainly. Terra Verde is an organic shop with three branches offering more than 6000 products. They have a selection of 100 different organic wines. Romanin Weine as well is an organic wine trading company only offering organic wines. The same is already described at the beginning of the report. However, it was not possible to get data of all six wine traders, only three of the above described companies took part in the survey.

4.1.2 Types of company

In the report a classification was made of the different type of companies (see Tab. 6.1.2). When the term operator is used the authors mean those companies, which are involved at any time in the marketing of wines. These include wine traders, wine producers and traders, importers (more common in Germany and Switzerland), exporters (particularly in Italy and France), wholesalers, and retailers. A single operator can have several fields of trading activities. For example, the Swiss operators surveyed were simultaneously wine traders, importers, and wholesalers; one is also a retailer. This is also the case in Germany, where operators participate in several market sectors at once. In France and Italy, however, operators seem to be more specialized, confining themselves to one or two market sector. Most of French operators are also exporters.

Table 6.1.2: Types of company by country

	France	Germany	Italy	Switzerland	Total
Number of questionnaire	7	8	7	3	**24**
Wine trader	4	3	2	3	**12**
Wholesaler	1	3	2	3	**9**
Importer	2	5	0	3	**10**
Exporter	3	0	3	0	**7**
Producer & wine trader	1	3	1	0	**5**
Retailer	1	1	1	1	**4**

Wine traders were the most highly represented category. They buy wine in bulk or bottled from individual producers or collective wine cellars and then resell them to wholesalers or retailers. In most cases they are involved in packaging (assembling, bottling) and often have their own commercial brand. Most wine traders surveyed specialize in organic wine.

Wholesalers buy from a wine trader or another wholesaler to resell to a retailer, or more rarely to a wholesaler. In Germany and Switzerland, wholesalers are almost always importers as well (in the context of our survey), working with wine traders from countries that are major producers of wine (Italy, France, Spain, etc.).

Importers are mainly represented in Switzerland and Germany, countries where wine consumption vastly exceeds production. In this survey, there were no Italian importers interviewed and only two in France.

Exporters are represented in exporting countries: Italy and France. In France – in our sample - all the independent retailers are also exporters. In Italy, one is producer & wine trader, the two other are wholesalers.

Two other categories were involved in the survey but with limited presence: **retailers** and **wine producers and traders.** Retailers buy from wholesalers and/or directly from producers, reselling to consumers. This includes stores specializing in organic products, such as cellars or supermarkets (none specialized in organic wine). Producers & wine traders are wine growers, but also participate in some sort of commercial activity, they sell their own wine but also its of other producers. They are represented by one company in Italy and France, three in Germany and none in Switzerland.

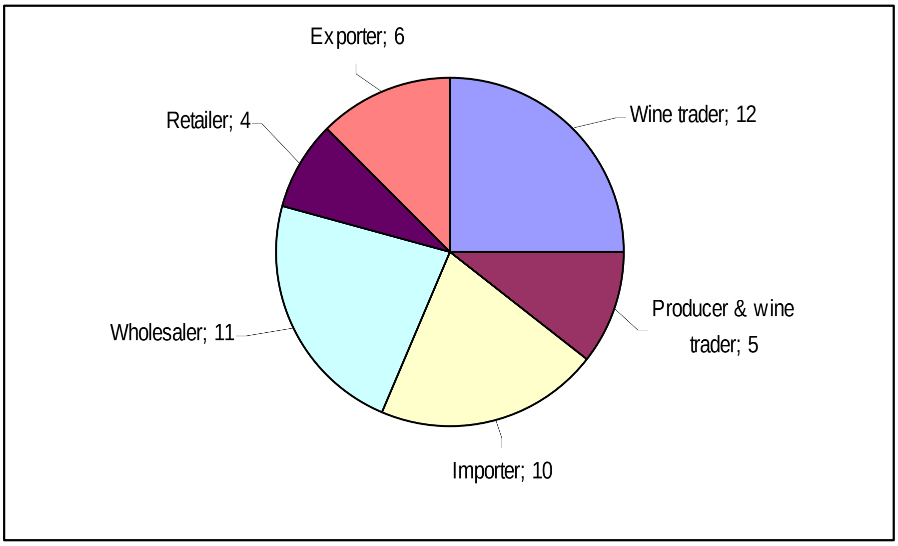

Figure 6.1.2 Composition of the sample surveyed

Note: The composition of this sample does not reflect the composition of all companies in the organic wine market at large.

4.1.3 Specialization

There is a significant difference between the companies in France and Italy on the one hand and Germany and Switzerland on the other hand, concerning their specialization in organic products (including wines), as shown in Tab. 6.1.3. In France and Italy, for four of the seven companies surveyed, organic products are only a part of their enterprise (in some case this part is very small). In Germany, however, organic wines formed the majority of their company: five trade only organic wines, for the three other they represent a large part of their activity. One of the Swiss companies surveyed is a food wholesaler, while the others were specialized in organic wine trade or organic products.

Tab.6.1.3. Specialization of companies surveyed

	France	Germany	Italy	Switzerland	Total
Specialized in organic wines.	2	5	1	1	**9**
Specialized in organic products (not only wines)	1	0	2	1	**4**
Specialized in wines (not only organic)	3	3	2	0	**8**
Non specialized neither organic nor wines	1	0	2	1	**4**

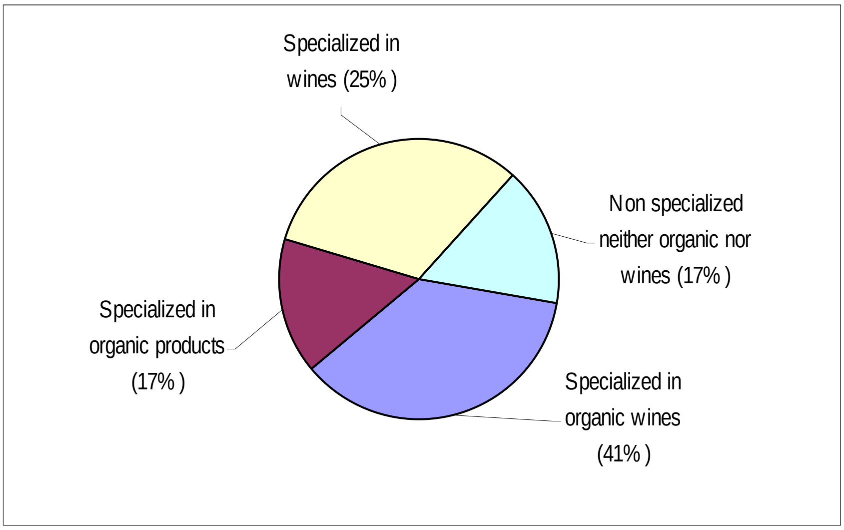

Figure 6.1.3: Specialization and typology of companies surveyed

4.2 Overview on retailer situation in the case-study countries

4.2.1 Type of wines traded in case study countries

In Tab. 6.2.1 an overview is given about the type of wines traded. The results are expressed in a percentage of the total volume of wines (organic and conventional) sold by the operator. This percentage is the proportion of organic wines sold, equal to 100 when the retailer specializes in organic wines. For operators not specialized in organic wine, the available results do not indicate the proportion of organic wine sold in each category, but only the proportion in relation to the total volume (For example, operator FR2 trades only organic wine: 70% of red wines, 27% of white wines and 3% of rosé wine, but for operator I2 who trades mainly conventional wines. The organic wines represents only 5% (4% of red wines + 1% of white wines), of the total volume, and the percentages of each type in relation to the total organic volume remain unknown). It was not possible to obtain information on the actual amount of the volume sold or the sales price.

Only results pertaining to organic wine are presented here. The information obtained for wines with official “appellation” labels and varietal wines was too diverse and incomplete to be analyzed.

For all traders (specialized organic or not), the red wines represent the most important volumes traded, except for one operator.

Tab 6.2.1: Types of organic wines traded

Companies[1]	RED (% vol)	WHITE (% vol)	ROSE (% vol)	SPARKLING (% vol.)	SPECIALITIES (% vol.)	TOTAL (%vol)
FR1	70	25		5	/	100
FR2	70	27	3	/	/	100
FR3	78	16	6	/	/	100
FR4	0.16	0.002	0.13	/	/	0.292
FR5	42	13	5	/	6	60
CH1	62	27	0.6	10	0.4	100
CH2	36	1	2.5	0.5	/	39
D1	39	42	3.5	13	2.5	100
D2	44	3,5	6	6	0.5	60
D3	36.6	26.4	1	2		66
D4	65	20.5	4.7	9.6	0,2	100
I1	52.5	31.5	0,81	15	/	100
I2	4	1	/	/	/	5
I3	55	40		3	2	100
I4	75	20	/	5	/	100
Average	**48.6**	**19.6**	**2.2**	**4.6**	**0.7**	**/**

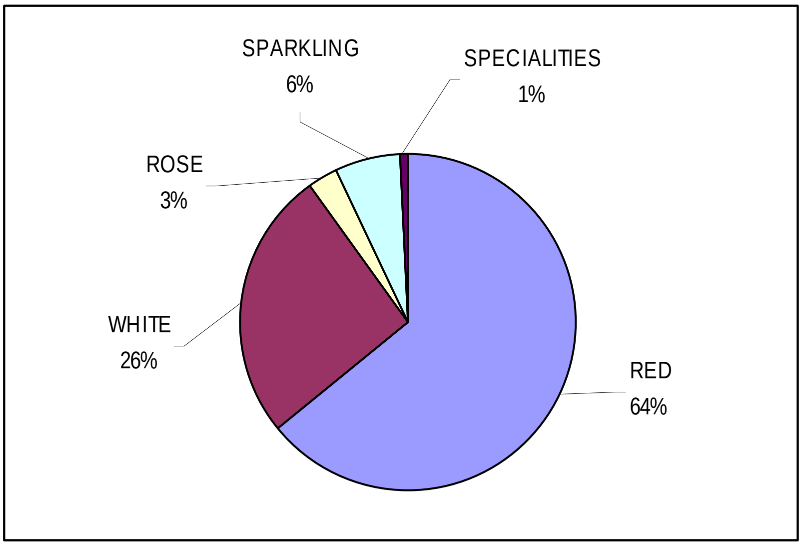

Figure 6.2.1: Types of organic wines traded

4.2.2 Annual growth rate of turnover for organic wine in last 5 years

Most operators surveyed in the case-study countries reported an increase in organic wine turn-over, over the past five years, with only a single operator reporting decreased turn-over. The increase varied from 5% to 90%, with a total average of about 18% for all countries combined. We can therefore observe an overall strong increase in the organic wine trade.

[1] Operators' data which were not usable are not in the table.

4.2.3 Expected annual growth rate of turnover for organic wine until 2008

Growth projections for 2008 indicate the same trend. The most relevant companies in the case study countries expect a rise or continuation in their present rate of organic wine sales growth. These projections vary from 6% to 20% with a mean of about 13%.

These results can only be considered as a trend, since it is based solely on estimations provided by operators, which sometimes seem to be highly approximate. Still, these results are reason to be optimistic about the future of organic wine commerce and production.

4.3 Overview of import countries most relevant to each case study country

Imports concerns mainly Swiss and German operators. Imported organic wines come almost exclusively from the European Union, the three main countries of origin being Italy, France, and Spain. Their order of importance varies according to the operator. Greece and Portugal are mentioned as well.

“New” producer countries, such as Chile, Argentina, and South Africa, are hardly mentioned among the origin countries of imported wines. Each country is cited once.

Wines are either imported already bottled, or imported in barrels or other containers and then bottled by the operator. Bulk importation accounts for 50 to 100% of the volume purchased. According to operators, 50 to 100% of the total volume also consists of wines with official “appelation d’origine” certifications. Because of the low number of responses on this topic, however, this cannot definitively be called a general trend. It is therefore planned in a more in depth investigation in the second part of 2007 to get more information about the importance of the import from non-EU countries.

4.4 Overview of major obstacles to organic wine market development and retailers’ proposed solutions

This part of the survey listed various potential obstacles to the development of the organic wine market in the case-study countries and asked respondents to number each obstacle according to its importance, 1 meaning “not important” and 5 meaning “very important.” Four of the eleven proposed factors emerged as most significant (figure 6.4):

- Low consumer knowledge about organic wines and organic wine production. This lack of knowledge seems to concern wine production in general. This factor received the highest score in three countries (Italy, Switzerland, and Germany) out of four (in France it ranked fourth).
- Problem of B to C (Business to Consumer) marketing. This was ranked the third most significant obstacle in Switzerland, Italy, and Germany, but seems to be less important in France.

- Strong competition between conventional wines and organic wines. When quality is equal, organic wines are less competitive because of their higher price. This is particularly true in France, where it was cited as the single most important obstacle to organic wine market development, and in Switzerland, where it was ranked third.
- High prices of organic wines. An important factor in France and Switzerland, where it ranked second, but less important in Germany and Italy.

Because many comments were made by the companies not only their commentaries to the different issues were summarized but also some of the most interesting comments are amended (*written in Italics).*

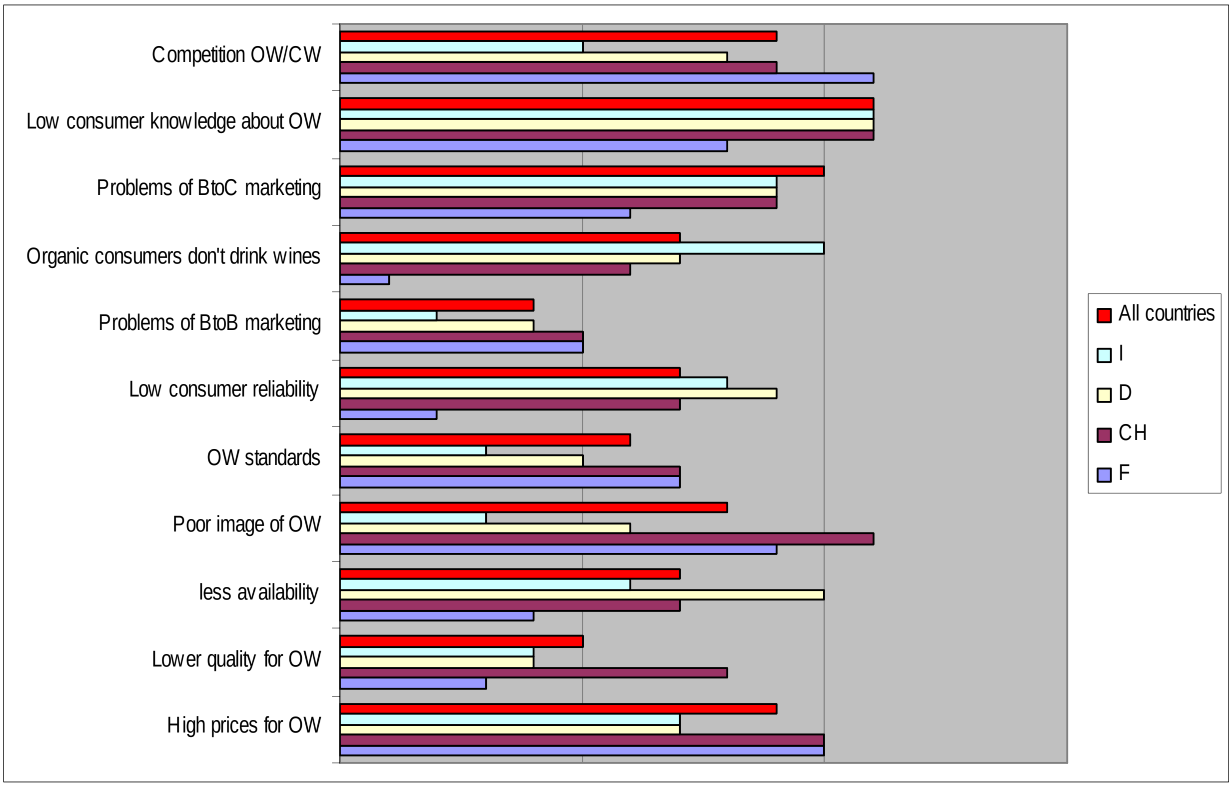

Figure 6.4: Main obstacles for development of organic wine markets

4.4.1 Lack of consumer knowledge about organic wines

Operators' proposals for improving the present situation can be summed up as better communication. This communication could take several forms with several different goals.

- Producers must become more involved in the marketing process to increase awareness about their products and production mode.

  "Work together with producers: organising visiting days, wine tasting at the point of sale, information about benefits and additional work for organic wines producers" (CH)

  "In the consumers 'mind, wine appears to be "natural" product event if it is not… it is necessary to communicate more on wines and wines processing" (Fr)

- The entire organic agriculture sector must be mobilized to increase awareness about their production mode and its effect on the final product, especially as regards its price.

  "Have to communicate to improve the image" (CH)

  "Scarce knowledge of organic agriculture in general". (It)

- Communication should focus on consumers, but also on the various operators working in the sector, particularly store department heads in major supermarkets..

  "The BIG problem. Also professionals: buyers, restaurant owners… don't know anything about organic wines". (It)

Note: this trend is confirmed by the consumer study (see D 2.7)

4.4.2 B to C (Business to consumer) marketing problems

This is the second most highly rated problem, related to the issue discussed above. Organic agriculture has for a long time been considered immune to the marketing techniques widely used in the food industry. As the organic market expands to include more "traditional" stores and consumers, however, a serious effort must be made to use marketing and communication to attract new consumers.

"Big need to improve communication and marketing".(It)

"Organic producers tend to be essential and frugal. This cultural attitude reflects in the packaging. No real marketing mix strategy, improvement in communication efforts is needed". (It).

"Producers don't pay enough attention to labels and marketing". (CH)

4.4.3 Competition from conventional wines

This issue is probably connected to the before mentioned problems with consumers' lack of knowledge and the higher organic wine production cost.

- According to several surveyed people, if more famous producers move to organic farming or communicate more about their organic practices, maybe this problem should not be so important.

  « The more, famous or well-know producers start organic viticulture, the less important this obstacle gets ». (D)

  "It would be helpful, if more well known and recognized wine-producers would convert to organic farming. (D)

  "Concerning the higher wine categories, the organic availability is growing and presentation of organic wines in wine awards offers a good opportunity for promoting the quality of organic wines (…). An increasing part of famous wineries turns to organic and/or biodynamic, and helps to improve the image of organic wines". (Fr)

- As already mentioned there is an important need of communication and marketing to explain and promote the specificities of organic wines. May be organic wines should improve their quality/ price ratio.

“That the main problem, there is only one solution: organic wines have to be better than the other”. (Fr)

“Organic wine should communicate more about its best arguments which are the preservation of humans and environment‘s health”. (Fr)

“Wine is a very competitive market. 15% - 20% higher price is difficult to justify with the “organic” argument. (It)

4.4.4 High organic wines prices

This issue is connected to the low level of consumer knowledge and particularly the higher costs of organic production. The higher prices of organic wines seem to be mostly important in supermarkets. The solution the most frequently proposed by the operators is to reduce sales margins and in this way the price difference between organic and conventional wines.

“It is only true for the first categories (basics and popular premium), but for the prices above 10€, organic wines are not more expensive than conventional ones”. Fr)

“Considering the estimated price difference between organic/conventional of about +20%, we organize specific marketing events allowing to propose basic organic products at the same price than conventional ones. The difference of price is shared between the producer, the shop and the wholesaler”. (Fr)

4.4.5 Other country-specific criteria

Besides these main problems, commonly mentioned by a majority of operators, others seem to be more specific to each country. This is due to national market context or to the national history of development of organic farming and organic consuming.

- Organic consumers don’t drink wines in Italy (ranked second). According to most traders, people who usually buy organic food don’t represent the best type of clients for organic wines: they tend to have a frugal attitude, wine and in general alcoholic beverages are not considered essential in their diet and potentially harmful for their health. The average price of wine purchase by “organic consumers” is considered by traders to be significantly lower as compared to the “non-organic consumer”. Most organic wine traders are mainly targeting normal wine consumers trying to use the organic origin of their products as an additional selling argument to compete against conventional wines.

“Organic product consumers have prejudices against alcohol and wine considered as dangerous for health” (It)

“Interesting target is the “normal” wine drinker, not the organic consumer”. (It)

- Organic wines have a poor image in Switzerland (tied with consumers' lack of knowledge) and in France (ranked third). In France this issue seems to be connected with the fact that at the beginning of organic farming and for a long time, technical skills of organic wine producers were not very high, and the sensorial qualities of their wines didn't suit wine consumers taste. Now, it is not true anymore but this poor image remains.

  "Organic wine still suffers from a bad image from the pioneer time of the organic wine production in the past". (CH)

  "More communication is necessary, but the image has already improved". (CH)

  "For organic wines still have a poor Image. (Fr)

  "The poor image of organic wines remains very strong in buyers 'mind" (Fr)

- Organic wines are less available than conventional wines in particular in specialized wine shops, in Germany (ranked second).

  "In the past it was very difficult to sell organic wine in specialized conventional wine shops depend on the bad image of organic wine". (D)

  "The producers should reconsider the importance and potential or retailers and wholesalers. Too many wineries are not flexible enough to adapt, in partnership with traders, to the demand of the market". (D)

4.4.6 Organic wine standards

Because of the Orwine project goals, it is important to pay attention to operators' opinions on the wine standards, even though it was not one of the most frequently cited issues. Below are the most important results of this part of the survey:

- Although it was not their principal area of concern, respondents were unanimous of the opinion that shared winemaking standards would be beneficial and would help to clarify the present situation.

  "It is totally unclear for the consumer, that there is a difference between organic and low-input" (D)

  "EU standards should be more precise concerning wine-making standards. (CH)

- Operators used to work within the rules of strict certifications, were in favour of equally restrictive shared standards, while emphasizing the importance of communicating with consumers.

  "Standards must be clear and somehow strict, but above all well communicated to consumers and operators (traders, agents…)". (It)

  "An European labelling rule must be made to define what is organic wine, but the effect will depend ONLY on the communication which will be done around it". (It)

  "The organic wine standards have to stay on a high level". (CH)

- In countries such as France and Italy where only a minority of producers have a certification on wine-making, operators agree on the necessity of implementing a shared regulatory system, for the benefit of the consumer as much as for the various sector operators, although they have concerns about the possible consequences of such standards on the market development.

  "It can be a limit to further development , but also represent a guarantee for the consumer balance to be find" (It)

  Very important to have an EU labelling rule. For traders it is important to have clear distinction to conventional wines." (It)

  We ask for a guaranty, which allows the consumers 's confidence and a better communication with them". (Fr)

4.5 Retailer projections for consumer wine consumption trends in 2008

The last part of the survey asked for an opinion on the evolution of consumer preferences with regard to certain wine characteristics, including taste, place of origin and production mode. The respondents were asked to indicate whether consumers' preferences for each item in 2008 would be less than, equal to, or greater than those observed in 2006.

4.5.1 Main consumer trends common to all countries

The main consumer trends in the analysis of these results, regardless of country, are the following:

- a wine consumption trend strongly oriented to young and fresh wines, round and tasty wines, and organic and local wines. These trends vary in the country-by-country analysis;
- cuvee wines, speciality wines, wines from resistant and new varieties, labelled wines and dry wines should remain as popular as they are today;
- tannic tasty wines, woody wines and old wines show a projected decrease in consumer preference by 2008. This trend is confirmed in country-by-country analysis.

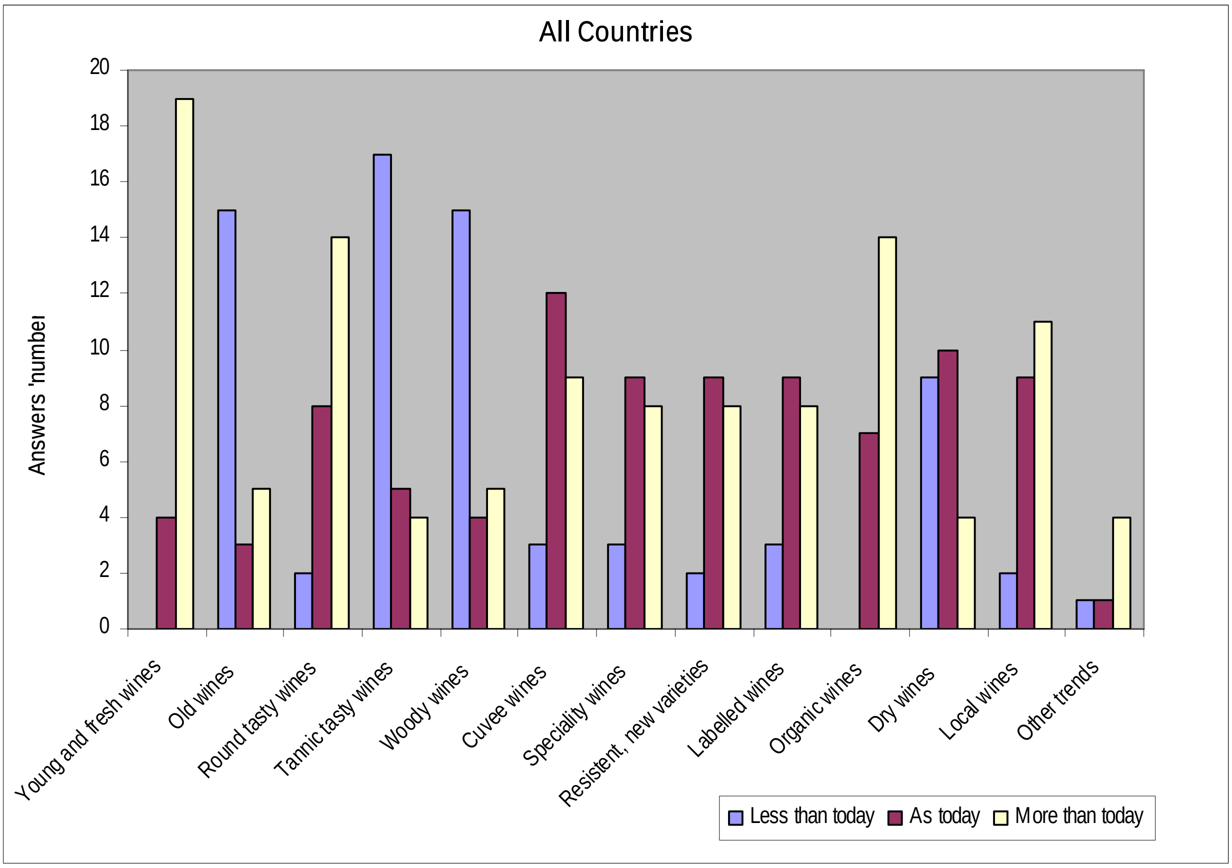

Figure 6.5.1: Consumer trends common to all countries

4.5.2 Main country-specific consumer trends

- **Preference for young and fresh wines**

  A wide majority of the interviewed operators (100% in Switzerland and France, 87% in Italy and 62,3% in Germany) agree to state that the demand of consumers for rather young and fresh wines will increase in the next two years. It is the same strong trend in Italy for roundly and tasty wines and a little less in the other countries.

- **Preference for round and tasty wines**

  This trend, although less pronounced than the former, is confirmed by surveyed operators. It is particularly marked for Italian operators (5/7), and Swiss operators to a lesser extent (2/3). French and German operators' responses were more varied.

- **Preference for organic wines**

  All interviewed operators agreed that in the future organic wine consumption would be at least equivalent to what it is at present, and most thought it would even increase. The specific trend differed from one country to another. 100% of the German operators, who responded to this question, thought consumption would be higher than it is today, and a majority of French operators (66%) agreed as well. In Italy (3/4) and Switzerland (2/3), however, the majority thought organic wine consumption would be the same in 2008 as it is today.

- **Preference for local wines**

  This trend seems to be strong in Italy (4/6) and in a lesser extent in Germany (5/7). It does not seem to be very relevant in France and Switzerland.

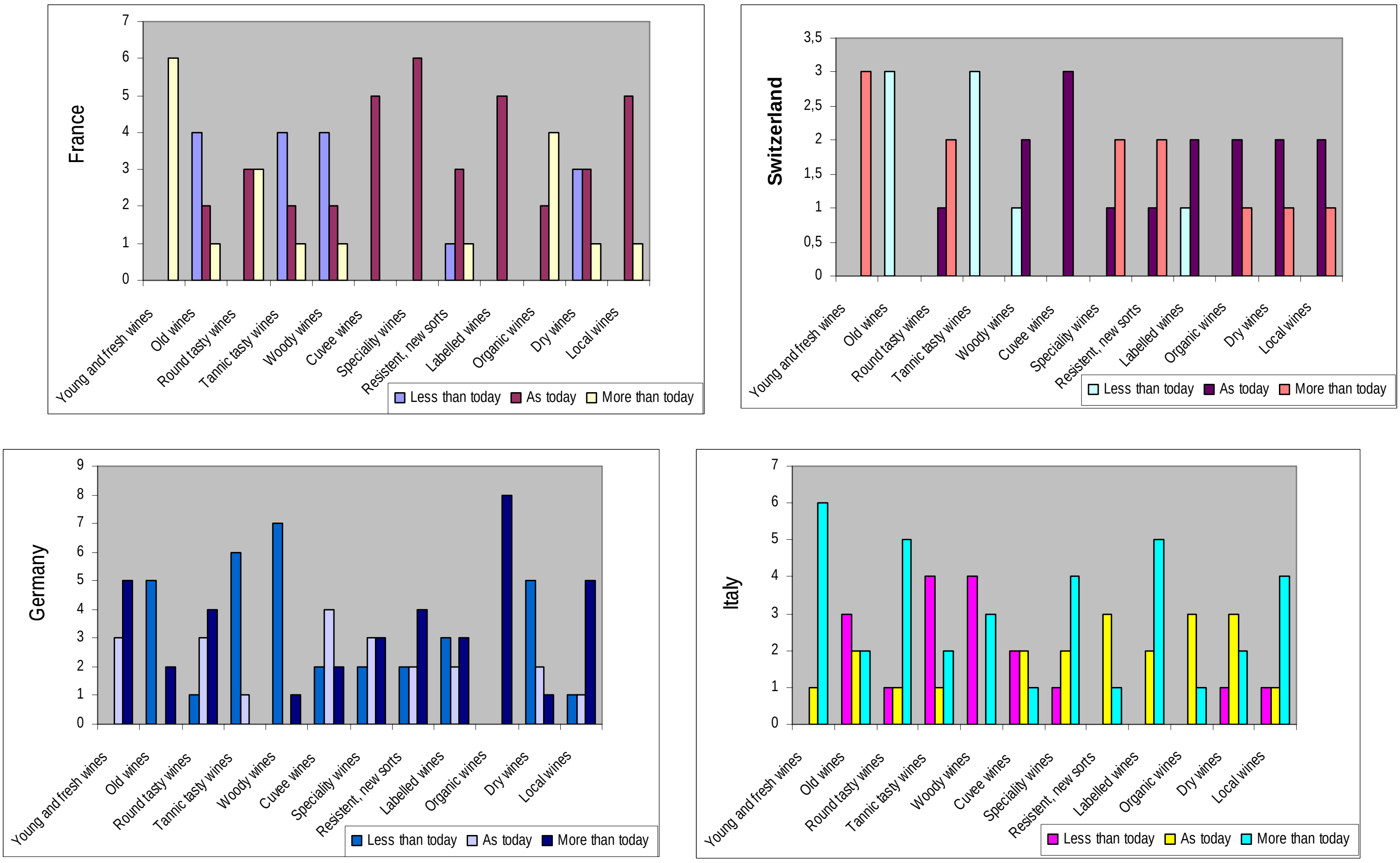

Figure 6.5.2: Country by country consumer trends

4.5.3 Consumer behavior trends

The survey concluded by asking operators whether they agreed, disagreed, or partly agreed with four statements about the general evolution of wine consumption. Regardless of country, respondents were in agreement, and a large majority confirmed the following:

- Consumption is evolving toward the qualitative to the detriment of the quantitative segment. Wine is consumed less often and in smaller quantities, with priority given to quality;

- Consumers' lack of knowledge and information about wine production in general and the difference between organic and conventional wine;
- Organic wines are not primarily consumed for special events; they do not seem to be purchased especially for a festive or special occasion such as a party.

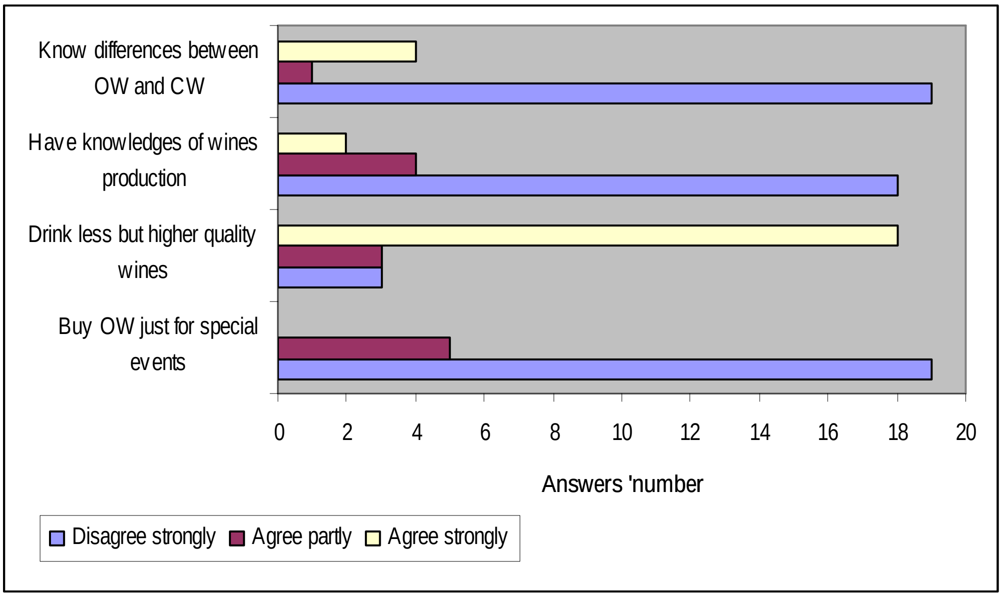

Figure 6.5.3: Consumer behavior trends

5 Discussion

Some general comments can be made on the structure and on the results of the first survey conducted from mid of 2006 until mid of 2007.

First of all, the authors noticed that it was very difficult to obtain economic quantitative data from the markets' operators. Therefore the main focus was on the analysis of the qualitative data. Many interesting information could be gained about the major obstacles for the expansion of organic wine production and consumption and which strategies operators envisage.

Comparing the results of the market operator survey with the *status quo* analysis of the organic wine market, which was based on literature analysis and expert knowledge with the ORWINE consortium, several similarities came out:

- The results showed that estimation of the growth figures of the organic market do not contradict with the feedback from the interviewed traders.
- Based on the growth figures a continuation of the growth can be extrapolated at least for the coming years, which is also confirmed by the interviewed traders.

However the first survey showed also the need for more quantitative figures as well as more information on specific areas (such as import, export, labelling) to be taken up in the in-depth second survey now planned for the second part of 2007.

As in the first round only operators from the countries of the consortium (IT, FR; DE, CH) were interviewed. As proposed in the TA, the surveys will be enlarged to the international market especially in consuming countries: the United Kingdom, Netherlands, Belgium, Denmark and maybe the USA and Japan. Some operators from other producing countries like Spain, Portugal, Greece and Hungary should also be interviewed. Therefore, it is planned to have in the final report a more complete overview of the organic wine market in EU.

Furthermore retailers were underrepresented in this first survey, and there aren't any specialized in organic wines. Additional retailers from producing and consuming countries should be included in the planned second survey.

Various important points will have to be considered in the second survey:

- Labelling: what sort of information should be mentioned on the labels (whole list of additives means of production and wine making….);
- What is their strategy about organic wines in the next 5 years, for non organic specialized operators;
- What are the main criteria, for an operator to select and reference a new organic wine;
- What is their definition of an organic wine;
- What sort of detailed rules should regulate organic wine making?
- What kind of communication and marketing strategies should be developed to improve consumer and trader knowledge about organic wine production?

To sum up: the second survey in 2007 can take up these missing details with a more focussed questionnaire, which will consider only qualitative issues (as the market's operators are far too reticent to give quantitative data).

Conclusion

From this first preliminary analysis of the first survey, three main problem and challenges can be identified:

- Nearly total absence of global communication and marketing strategies for organic wines.
- The lack of consumer knowledge, but also of many market operators especially retailers (none specialized in organic) concerning organic wines and organic farming. This point is one of the consequences of the previous problem, but not the only one.
- The need to still improve sensorial quality of organic wines and also their image (connected to the lack of communication).

For a long period, organic wine markets (production and consumption) remained very local and small. Direct sale with close relationships between producers and consumers was the main (sometimes the only) sales channel. Consumers were usual organic consumers and they knew the rules of organic farming. They were less sensitive to sensorial wine quality than to environmental or health aspects. In this situation, this very small market needed neither communication nor real marketing strategies. But since the last fifteen years, the market has completely changed.

There is now a significant increase of the consumption of organic products as well as a strong development of organic vineyards especially in southern exporting countries with a (still) small domestic organic market. The new consumers of organic food, don't always know what organic really means. They often appreciate wines but these wines must to be good wines with reasonable prices, before being organic. They need information about wines and organic farming and often want to find these wines at their usual supermarket or sales point. The organic wine traders have to develop new marketing strategies with organic producers to adapt and answer to this demand, and also to win new consumers. In particular the expectation of the consumers have to taken much more into account, as it was also outlined in the report about the consumer survey in the ORWINE project (Stolz and Schmid, 2007)

The preliminary results of the study on the organic wine market help to identify the main problems of the organic wine market. Some tasks of the Orwine project could also allow for the improvement of some aspects mentioned by the market operators, such as the improvement the quality of organic wines (how to reduce SO_2 without compromising sensorial quality and the preservation of wines) and the development of a European regulation for organic wine making.

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(These references complete its included in D2.1)

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Annex: Questionnaire on European Organic Wine Trade

Number: ______ **Date of the Interview:___________**2006 **Name of Interviewer:___________**

Institution/Company:	
Type of company:	Wine trader ☐ Producer and Trader ☐ Importer ☐ Wholesaler ☐ Retailer ☐ Other ……………………….
Name of Interview partner	
Address:	
Country:	
Telephone:	
Email:	

1. What **type of wine** do you trade with (red, rosé, white, others)? For each, please give information to the traded volume, value and the percentage of labelled, organic and cuvee wines within your assortment?

	Total volume in hl/bottles (value in €)	Labelled wines (like AOC) in % of vol.	Cuvee in % of vol.	Organic in % of vol.
Red				
Rose				
White				
Sparkling				
Specialities (e.g. sweet wines, etc.)				

2. Regarding your **organic wine** trade, which **5 import countries** are **most relevant** for you For each, please give information to the traded volume, the purchase value and the percentage of labelled wines and wines which are imported in barrels/containers?:

Country	Total volume in hl/bottles (purchase value in €)	Labelled wines (like AOC) in % of vol.	Imported in barrels/other large containers in % of vol.

3. Structure of sale channels: Via which distribution channels are organic wines sold in your country (in terms of volume) in 2005 and, as estimation in 2008?
Please, estimate the percent number of sales to:

a) 2005 2008

- ____ % Supermarket chains ____%
- ____ % Specialised wine stores ____%
- ____ % Restaurants, Hotels, etc. ____%
- ____ % Direct sales to consumers ____%
- ____ %.. ____%

Comments / figures to question 1-3

4. In your opinion, what are the major obstacles (caused by inherent weaknesses of the organic wine market or threats from the market environment) for a better market development of organic wine in your country? Which measures or solutions do you propose to overcome existing obstacles?
(Please use a rating scale from 1 = no obstacle till 5 = very important obstacle)
Please name measures and solutions only for obstacles which get scored between 3-5.

Obstacles / Score	Measures and solutions
High prices for organic wine Score: ① ② ③ ④ ⑤	
Lower quality of organic wine Score: ① ② ③ ④ ⑤	
Less availability of organic wine for consumers Score: ① ② ③ ④ ⑤	
Poor image of organic wine at general Score: ① ② ③ ④ ⑤	
Organic wine standards Score: ① ② ③ ④ ⑤	
Low consumer reliability on organic wine Score: ① ② ③ ④ ⑤	
Problems in B2B Marketing *(Business to business) that deals with the relationship among firms/enterprises* Score: ① ② ③ ④ ⑤	
Organic consumers don't drink wine Score: ① ② ③ ④ ⑤	
Low B2C related marketing attractiveness of (e.g. presentation, labelling, .) *(Business to Consumer) that deals with the relationship between firms (producers, traders...) and consumers* Score: ① ② ③ ④ ⑤	
Low consumer knowledge about organic wines and organic wine production Score: ① ② ③ ④ ⑤	
Strong competition from high quality conventional wines Score: ① ② ③ ④ ⑤	
Others Score: ① ② ③ ④ ⑤	

5. What is the **annual growth rate** of your companies turnover for organic wine in **last 5 years** ?
   ________________________(%)

6. What is the expected **annual growth rate** of your companies turnover for organic wine **till 2008** ?
   ________________________(%)

7. What do you estimate is the **percentage of organic wine in your country which is sold without mention of organic origin** in 2005
   ________________________(%)

8. Please, consider following **consumer trends** with regard to wine consumption in 2008 and decide if you would believe that trends in 2008 will appear more or less strong than today!
   Please use for the answers the given scale.

	Less than today		As today	More than today	
	1	2	3	4	5
Preference of quite young and fresh wines.					
Preference of quite old wines.					
Preference of roundly tasty wines.					
Preference of tannic tasty wines.					
Preference of barique/wooden wines.					
Preference of cuvee wines.					
Preference of speciality wines.					
Preference of resistant / new sorts.					
Preference of labelled wines (AOC, etc.).					
Preference of organic wines.					
Preference of dry vines.					
Preference of wines from the own region					
Other trends:					

9. Please, listen to the statements and decide if you would **agree or not agree!**
   Please use for the answers the given scale.

	Disagree strongly		Agree partly	Agree strongly	
	1	2	3	4	5
Consumers buy organic wine just for special events (e.g. when inviting guests).					
A future trend is that consumers will drink less but higher quality wines.					
Consumers have a certain knowledge of wine production with regard to the use of additives, sulphur treatment, fermentation, etc.					
Consumers know the main differences between organic and conventional wine.					
…					

Comments / figures to question 5-9

End of the questionnaire.
Thank you very much for your support.
You will get the study at the end of the project.