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SIXTH FRAMEWORK PROGRAMME

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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, a trans-national study was conducted 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 provides the results and main trends concerning organic wines markets: status quo analysis from experts' survey, literature analysis and qualitative and quantitative results of the two surveys led in 2006 and 2007 with operators from producing and non producing European countries and non European 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 : 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 de deux enquêtes menées auprès des metteurs en marché de pays européens producteurs et non producteurs de vins, mais également issus de pays non -européens.

Der Markt für ökologisch erzeugte Lebensmittel hat sich in den letzten Jahren signifikant entwickelt. Daten über den Markt für ökologisch erzeugter Weine sowie die Bedürfnisse und Veränderungen des Marktes in der Zukunft sind jedoch nur in geringem Umfang verfügbar. Aus diesem Grunde wurde eine länderübergreifende Marktstudie im Rahmen des ORWINE Projektsdurchgeführt. Das ziel dieser Marktstudie war es, einen Überblick über die nationalen Strukturen, die Entwicklung und das jeweilige Potentials des Marktes für ökologischen Wein zu geben. Der Report enthält sowohl qualitative als auch quantitative Daten über die Marktsituation sowie Trends basierend auf einer Expertenbefragung, Literaturauswertungen und einer Befragung ausgewählter Bio-Wein-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 types of wines are 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. 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: quantitative and qualitative parts**) 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 were 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 European consuming countries like the UK, Ireland, Denmark, and non European countries like the USA, Japan.

The results of these phases are both presented here, in the final report

Main results

Concerning the organic market development (for all major products), a general increasing growth trend can be observed in the study countries, connected to the increasing demand of consumers for organic food and the development of organic farming in most of the European 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.

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; that's why the main part of the report concerns qualitative data. 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.

As already said, it was nearly impossible to have quantitative data, so, we mainly, have trends concerning the growth of the turnovers of organic wines sales. We have a general increasing trend, which has begun in the last 5 years and which is expected to go on in the next years. A majority of operators, non specialized in organic wines, say they plan to develop their part of organic wines in the next few year. Some operators do not answer to this question but nobody plans to reduce the part of organic wines. So, these results give a reason to be optimistic about the future of organic wine commerce and production.

The majority of wines traded are red wines and bottled wines. The rosé, sparkling, specialists wines and also wines in bulk represent only a small part of wines traded. Two main means are preferred taste and select new organic wines: tasting and selection during fair and visits on farm. Recommendations by word to mouth or competition results are less important, probably because they don't permit direct contact between the traders and the producers. A wide majority of the operators surveyed, consider the taste as a very important or important criteria to select a wine, the second criteria is the quality/price ratio. The price, the availability and the origin are considered as slightly less important than the two other criteria. It confirms the importance of producing qualitative wines, and having prices in relation with the quality, which seems to be more important than the origins.

50% of the operators surveyed have import activities. The main reason to import organic wines is to diversity the scale of the offer. This can have to different meaning: for non organic specialized operators, developing an organic range permits to respond to an increasing consumer' demand for products safe for environment and health; for specialized operators of producing countries, organic wine imports permit to complete and diversify the national offer. The second reason to import organic wines is the price. For 74% of the importers surveyed, the price is a very important or important parameter to decide to import or not an organic wine.

In the second survey the operators were asked to give their opinion about a regulation on organic wine making. Concerning the field of regulation, a small majority of the operators would prefer a complete regulation, taking into account both additives and technologies and inside the EU regulation on organic faming. Concerning the degree of autonomy of EU countries, they prefer a common EU regulation, with no possibilities of adaptation. For the operators who are working with different countries, it is better to have common rules and an organic certification which means the same thing everywhere in Europe. Concerning the question of additives in general and SO_2 in particular, the opinion of the operators is divided. Those, who are looking for traditional wines, wish a regulation which reduces the number of additives and also the level of SO_2. Those, who are trading more classical wines, or who are importing high quantities of organic wines, insist on the importance of some additives, and especially the SO_2 for the quality and the preservation of wines. For them it would be too risky to impose low levels of SO_2.

Two major wine consumption trends are observed for the domestic organic and conventional wine market: a decrease in main European producing countries and an increase or stabilization in consuming countries. 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 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, and consequently also, organic wines. It is the most important obstacles according to the operators from European producing countries, but it is quoted in second by the operators from the non-European countries and only in the third position by the operators from non producing European countries.
- **Poor image of organic wines**. 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. This obstacle is the most important for the operators from non European countries. It is quoted in second by the operators from European non producing countries. It seems to less important in the European producing countries.
- **Strong competition between conventional wines and organic wines**. When quality is equal, organic wines are less competitive because of their higher price. It is the fist main obstacle for the operators from European non producing countries and the second for the operators from producing countries. It not appears as important at all for the operators of non European countries.
- **High prices of organic wines**. This issue is both connected to the low level of consumer knowledge and the higher costs of organic production. It is mentioned especially by the operators from producing countries (quoted as the second main problem), and it seems to be mostly important in supermarkets.

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

- a wine consumption trend strongly oriented to organic wines, young and fresh wines, round and tasty wines, and local wines. Even if there are some differences in these trends in the country-by-country analysis, there is a general consensus on a positive trend for organic wines.
- 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. This trend is confirmed in country-by-country analysis.

Discussion

Some general comments can be made on the structure and on the results of these surveys conducted from mid of 2006 until end 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.

Although, 55 operators were surveyed in fourteen different countries, this sample is not wide enough to have significant results. Nevertheless, it gives trends which can bring interesting contribution to regulation proposals for organic wine making.

Conclusion

To summarize the results of this study we would like to underline important points, which need to be improved to support the increase of the organic wine market and production:

- first of all there is a general lack communication on organic wines, with consumers but also traders. This communication could use different tools: new places to taste and sell organic wines, common regulation and certification, common logo, advertising campaign…

- an other important point, of course connecting to the previous point, concerns the improvement of quality/price ration of organic wines, and in the same way the improvement of the image of organic wines

- the last point concern the lack of quantitative economic data on European organic wine market. This work led during Orwine, gives interesting trends, but it would really be interesting to carry it on, at European scale, with more exhaustive and quantitative studies.

Some tasks of the Orwine project could also allow for the improvement of some aspects mentioned by the market operators, such as the improvement of 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.

1 Introduction

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”.

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. 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.

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

The results of the study about the market are presented in the following way:

- The first chapter, gives an overview of the methodology used to led the survey and analyze the results
- The second chapter of the report describes the *status quo* of the actual market situation of organic and conventional wine in the countries of the Consortium as well as the general organic market situation in the single countries.
- In the third chapter, the methodology, the results and discussion of the qualitative aspects of the first survey, led in the countries of the Consortium, are presented.
- The fourth chapter concerns, the methodology, the results and discussion of the qualitative aspects of the first and second survey, led in 14 different countries.
- The final chapter includes the conclusions.

2 Methodology

The study was done in two steps:

- in the first part of study only the countries represented in the project consortium (Italy, France, Germany and Switzerland) were concerned;
- the second part of the study concerns other European countries, particularly non producing countries and also non European countries.

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 were 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 European consuming countries like the UK or Denmark, and non European countries like the USA, Canada or Taiwan.

In this second survey, to facilitate the answer of the operators, for each question, five options were proposed: "very important", "important", "neither important nor unimportant", unimportant and "totally unimportant". They were only asked to mach the cases, and to give their comments if needed. To compile the results it appeared that it was more relevant to join the first with the second class, and the third with the fourth class, and to keep at the end only three categories: "important", "neither important nor unimportant", "unimportant". The figures present only the results of the category "important".

2.1 Status quo analysis

Publications and other information already existing 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, concerns organic wine traders in the four participating countries. Twenty five interviews with major wine industry operators were conducted via personal interviews or by telephone.

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.

The market operator's survey, conducted in 2007, concerns fourteen European and non European different countries. Forty five interviews were led by phone, e-mail or personal interviews during fairs. The operators from the countries of the Consortium, who participated to the first survey, answered also to the second questionnaire. New operators from these four countries participated also.

This second questionnaire is divided in three parts: general information on the operators, opinions of the operators on organic-wine making regulation and organic wines imports. It deals only with qualitative aspects.

These operators were chosen either for their significant sales volumes in organic wine, or for their key role in the conventional wine, or for their interest on organic wines. At the end, fifty five different operators took part in this study and the results of a total of eighty interviews were compiled.

Table 2.2: Number of interview per country and per survey

Country	Total of interviews	First survey	Second survey
Austria	1		1
Canada	1		1
Switzerland	5	3	2
Germany	18	8	10
DenmarK	6		6
France	14	7	7
Finland	1		1
Ireland	2		2
Italy	12	7	5
Japan	2		2
Norway	1		1
Taiwan	1		1
United Kingdom	5		5
USA	2		2
Total	**71**	**25**	**46**

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 the quantitative part of the first survey was to collect mainly information about the respondents' market activities, to improve the knowledge and estimate their importance within the organic wine market.

These quantitative questions included the following 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 survey 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 first survey and the second survey collected wine traders opinions and comments on four main subjects, but only on qualitative aspects:

- Opinions and comments of the operators of organic wine regulation (what, where and how regulate organic wine making, labeling…).
- Organic wine imports
- 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?

For the last two points, 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 these qualitative aspects. 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 in 2006 was decreasing by -2.4 % compared to 2005. Generally wine consumption is decreasing in Switzerland, the imported wines decrease is –1.6 % and the domestic wine decrease is -4.0%. Experts estimate that the organic wine market grew in 2006 and that the growth is continuing in 2007. Altogether, 62 % of the wines consumed in Switzerland in 2006 were imported (BLW 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 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 of 3%. Especially the fruit and vegetable market grew (12%, resp. 8%) as well as the egg market (4.5%), milk decreased (-3.5%), while the milk export increased of 4.7%.

The main trend of the organic market is a general increase, even if the importance of this growth could differ from one country and one product to another. As the consequences the development of the range of organic products in the non-specialized shops particularly in the supermarkets and an increase of the number of organic specialized shops, in all the countries of the consortium.

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%. 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, 55 % of the organic wines are 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 is one of the main channels for organic wine, as well as for the conventional one. 60% of the producers are indicating Horeca (Hotel, Restaurants and Catering) 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 quantitative market operators' survey (first 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. This part concerns only the first survey and so operators from the countries of the Consortium: Italy, France, Germany and Switzerland.

4.1 Profile of companies surveyed

In the following chapter the selection process of the participating operators is described including selection criteria, the company profiles as well as the composition of the sample regarding the type of company and the type of 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 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 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,. 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 six 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 4.1.2: 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 another 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 others 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.

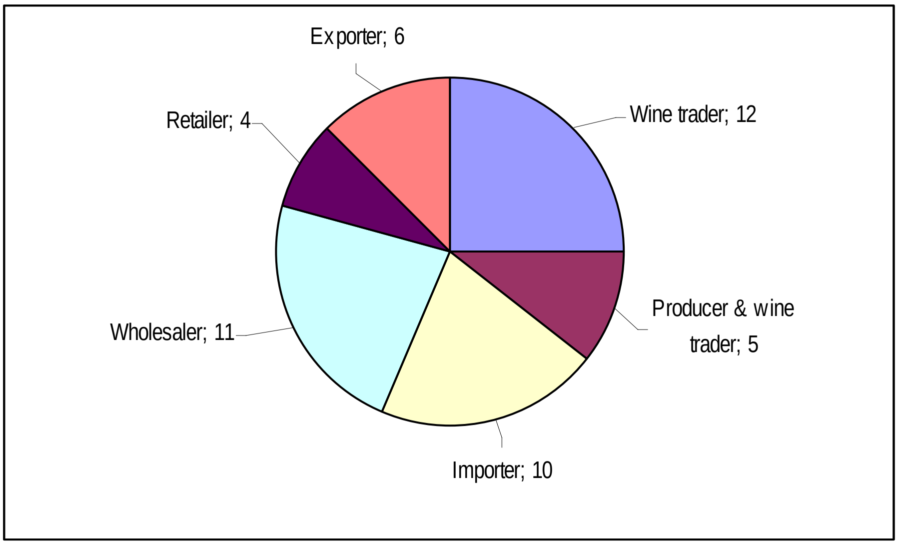

Figure 4.1.2 Composition of the sample surveyed

<u>Note</u>: 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.

Table 4.1.3. 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**

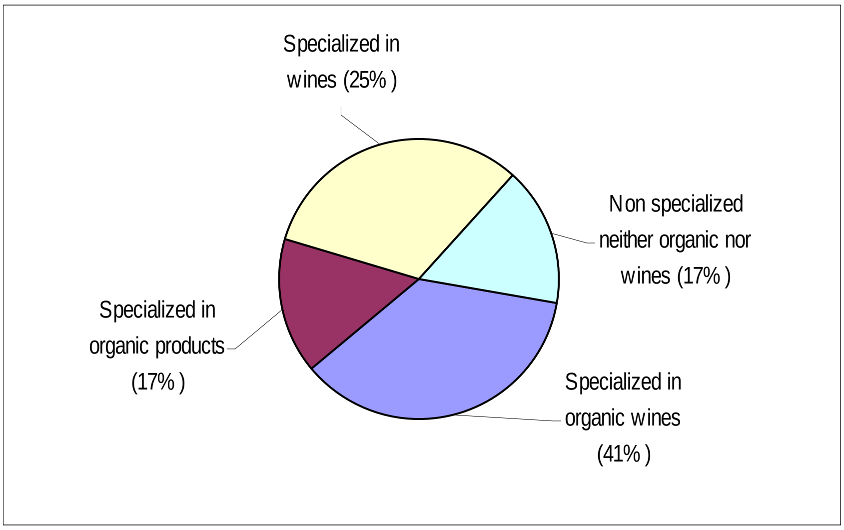

Figure 4.1.3: Specialization and typology of companies surveyed

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.

Table 4.2.1: 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**	**/**

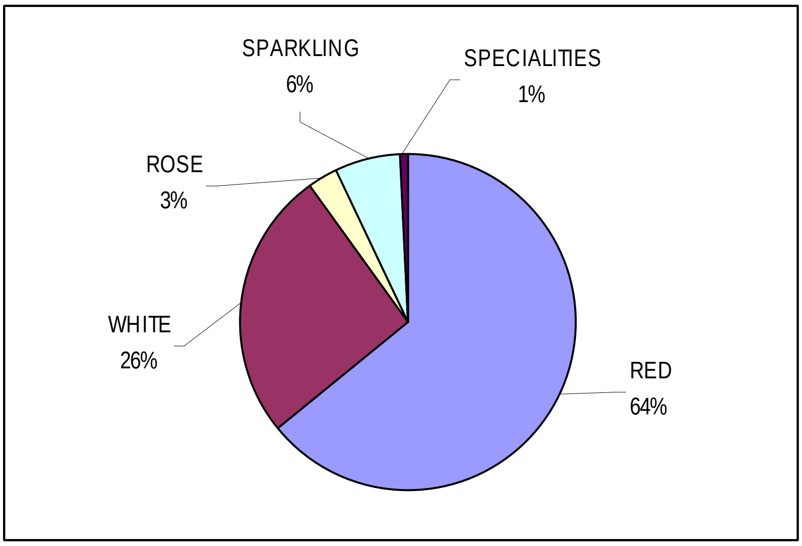

Figure 4.2.1: Types of organic wines traded

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

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.. Nevertheless, this data have to be detailed, in particular for non specialized operator who has only a small part (even very small) in organic. Even if he doubles his organic turnover, for example from 0,5% to 1% of his total turnover, it does not represent a significant growth regarding his total turnover neither a real meaning for organic wine market. That's why this data has to be considered cautiously. But, it gives us a trend and shows an overall strong increase in the organic wine trade.

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" (AOC) certifications. Because of the low number of responses on this topic, however, this cannot definitively be called a general trend.

5 Results of the qualitative market operators' survey[2] (first and second survey)

In this chapter, the results from the qualitative part of the first survey and from the second survey are presented.

For the last part of this chapter: obstacles of organic wines market development and consumer trends, the results from the first and the second were joined, with a focus on the results from the countries of the Consortium. The figures present only the results of the category "important".

This qualitative part concerns five topics (the second survey form in presented in annex number 2):

- presentation of the operators interviewed;
- opinions of the operators about organic wines making regulation;
- imports of organic wines;
- main obstacles for the development of organic wines markets (from the first and the second survey);
- main wines consumption trends according to the operators (from the firs and the second survey).

5.1 The organic wines market operators

In this first part, the operators interviewed are presented. For these surveys we tried to have a sample as representative as possible of the diversity of the operators. They all trade organic wines and the majority are specialized in wines trade. Nevertheless, this sample is not wide and diversified enough to give an exact picture of all the organic wines traders, but it is sufficient to give interesting trends on organic wines markets.

5.1.1 Origins of the operators

Fourteen countries are represented in this study:

- five European producing countries: Austria, Germany, Switzerland, Italy and France. All the main producing European countries are represented, except Spain and Greece[3]. Even if, those countries produce organic wines, they also import, it is the case for Germany, Austria and Switzerland, but also in a lesser extent France or Italy.

- five European non producing countries: UK, Ireland, Finland, Denmark, Norway. UK, Ireland and Denmark are the main non producing European counties, who import organic wines;

[2] When available, we give the comments of the operators in italic and in brackets.
[3] For Spain and Greece, it was difficult to find organic wines traders, and it would not be possible to obtain answer from the few operators contacted.

- four non European countries: Japan, Taiwan, the USA and Canada. The USA are also an organic wines producing countries, and Japan is one of the main non European country for organic wines importations.

Table 5.1.1: Number of operator per country

Country	Total	European producing countries	European non producing countries	Non european countries
Austria	1	1		
Canada	1			1
Switzerland	5	5		
Germany	10	10		
DenmarK	6		6	
France	9	9		
Finland	1		1	
Ireland	2		2	
Italy	9	9		
Japan	2			2
Norway	1		1	
Taiwan	1			1
United Kingdom	5		5	
USA	2			2
Total	**55**	**34**	**15**	**6**

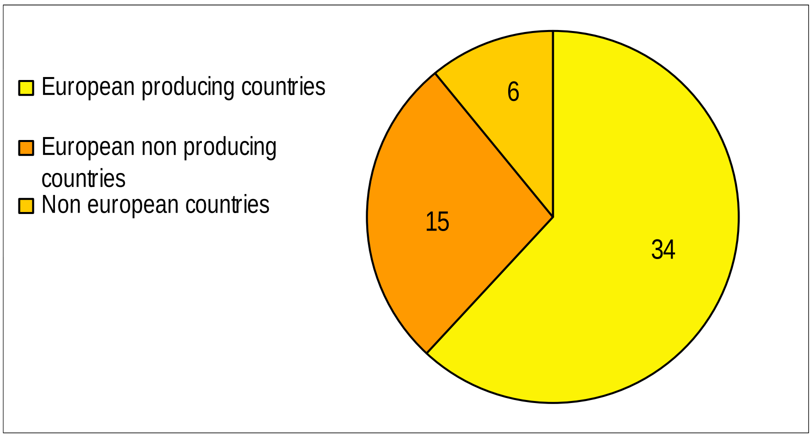

Figure 5.1.1: Origins of the operators

5.1.2 Typology of the operators surveyed

All the categories of traders are represented. All the operators surveyed, from non-producing or non European countries: wholesaler or wine traders are also importers.

A large part of operators from producing countries like Germany and Switzerland are also importers because the national production is not sufficient to satisfy the demand especially for red wines.

In non European countries, because of the way to choose the operators, the sample is mainly composed with wholesaler who are all also importers.

Without surprise wine traders and of course “producer & trader” are represented almost only in producing countries.

Table 5.1.2: Repartition of the operators per category and countries

	European producing countries	European Non producing countries	Non European countries	Total
Wine trader	17	2	1	20
Producer & Trader	2	0	0	2
Importer	16	7	6	29
Wholesaler	12	7	6	25
Retailer	12	8	1	21

50% (27 specialized, 28 non specialized) of the operators surveyed are specialized in organic, 50% are not and the part of organic could be very variable (from 80% to 1%). The majority are specialized in wines (organic or not).

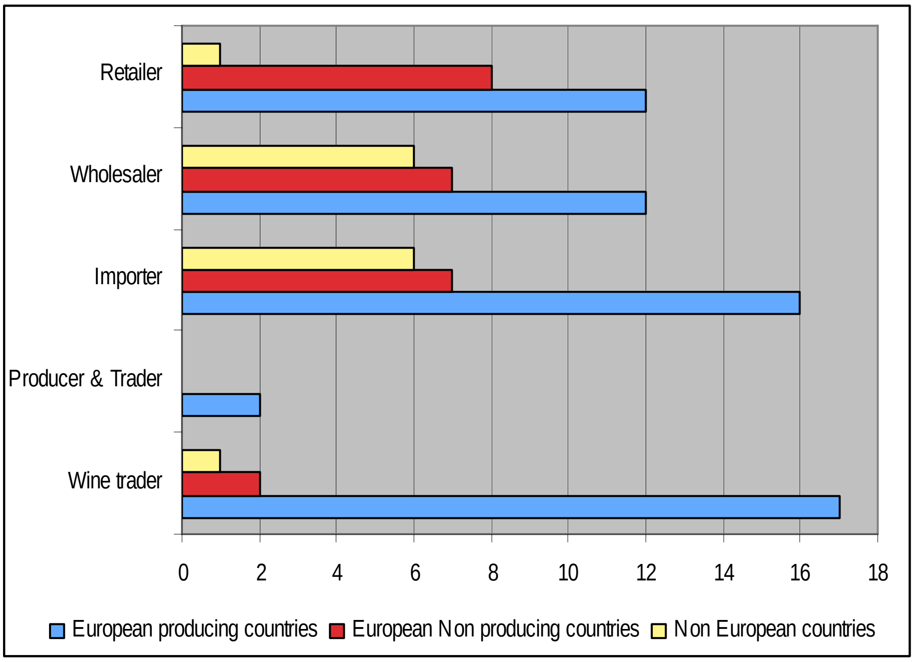

Figure 5.1.2: Typology of the operators

The majority of wines traded are red wines and bottled wines. The rosé, sparkling, specialists wines and also wines in bulk represent only a small part of wines traded

In the second survey, it is important to underline that the traders were chosen often because of their international activities: international fair participation, import/export activities… that means that the operator who works only at national or regional level, particularly the retailers who buy their organic wines to importers, are totally under-represented in this study. (for example a Danish retailer, who buys his wine to an importer).

5.1.3 Trends of the turnovers growth of the companies surveyed

As already said, it was nearly impossible to have quantitative data, so we only have trends concerning the growth of the turnovers of organic wines sales.

We have a general increasing trend, which has begun in the last 5 years and which is expected to go on in the next years.

A majority of operators, non specialized in organic wines, say they plan to develop their part of organic wines in the next few year. The other operators do not answer to this question but nobody plans to reduce the part of organic wines.

5.1.4 Means to select new organic wines

The operators were asked, in which ways they taste and select new organic wines. Two main means are preferred (considered as very important and important):

- tasting and selection during fair for 70% of the operators;
- visits on farm for 67% of the operators.

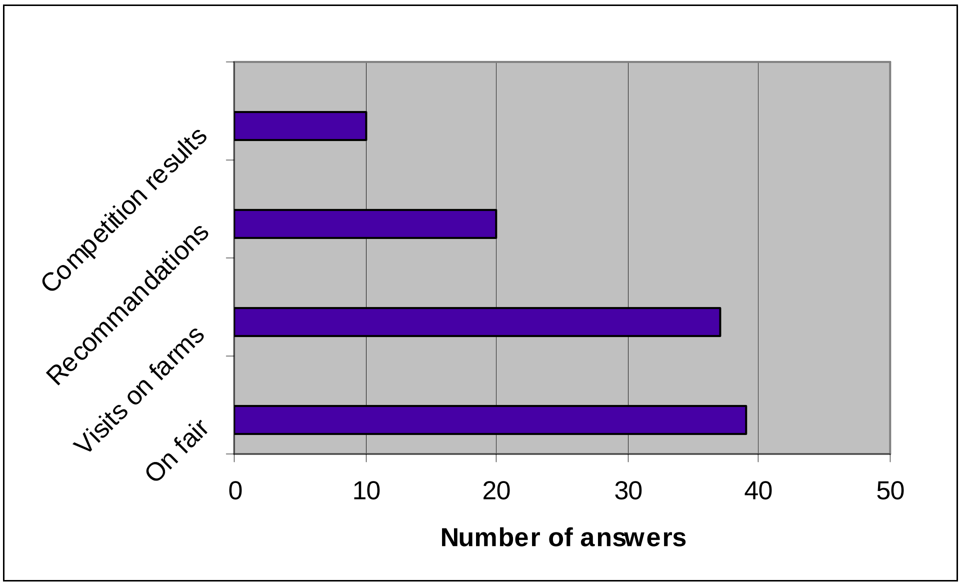

Figure 5.1.4: How to select new organic wines?

The wine fairs, organic (Biofach, Millésime Bio) or not (Vinexpro) permit to the operators to taste and to compare lots of different wines in a very short time. They can in the same time meet and discuss with the producers, and contact new ones.

The visits on farm are also very important to select wines. It spends more time but it permits to the trader to see and understand where and how the wines are produce. These visits are also very important to discuss to the producers and to create confident trade relations. Very, often in the first the traders taste and select new wines during a fair, and after in the second step they go to visit the farm to know more about the wines he selects. It is also the opportunity to give advices or recommendations to the producer.

Recommendations by word to mouth or competition results are less important, probably because they don't permit direct contact between the traders and the producers.

5.1.5 Criteria to select new organic wines

As expected, 81% of the operators surveyed, consider the taste as a very important or important criteria to select a wine, the second criteria is the quality/price ratio for 74%. The price, the availability and the origin are considered as slightly less important than the two other criteria. It confirms the importance of producing qualitative wines, and having prices in relation with the quality, which seems to be more important than the origins.

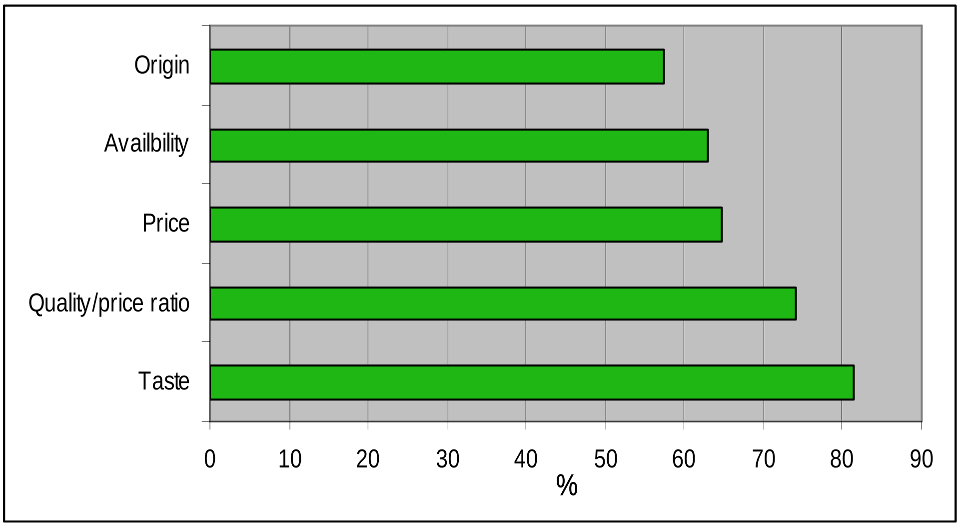

Figure 5.1.5: Main criteria to select new organic wines

5.2 The organic wine making regulation

In the second part of the qualitative survey we wanted to have the opinions of the operators about a regulation on organic wine making. Generally, many of the operators have difficulties to express themselves on this subject for several reasons:

- they do not feel concerned by the questions asked: for them the organic wine making regulation concern mainly the producers, the organic farming movement or the state administration;
- they have only little knowledge about organic regulation and the issues of organic wine making regulation;
- there is frequent confusion between traditional and organic: could organic wine be technological, or should organic wine be natural? Does the regulation have to answer these questions?

5.2.1 Which regulation for organic wines?

Concerning the field of regulation, 52% of the operators would prefer a complete regulation, taking into account both additives and technologies. 31% did not answer to this question.

30% find that it would be better to regulate organic wine making inside the EU regulation on organic faming and not inside the CMO as specific “organic wine” annex (18,5%). 51% did not answer to this question.

Concerning the degree of autonomy of EU countries, 41% prefer a common EU regulation, with no possibilities of adaptation. For the operators who are working with different countries, it is better to have common rules and an organic certification which means the same thing everywhere in Europe. 33% do not give their opinion on this point.

Just one operator answered it would be better not to have any European regulation.

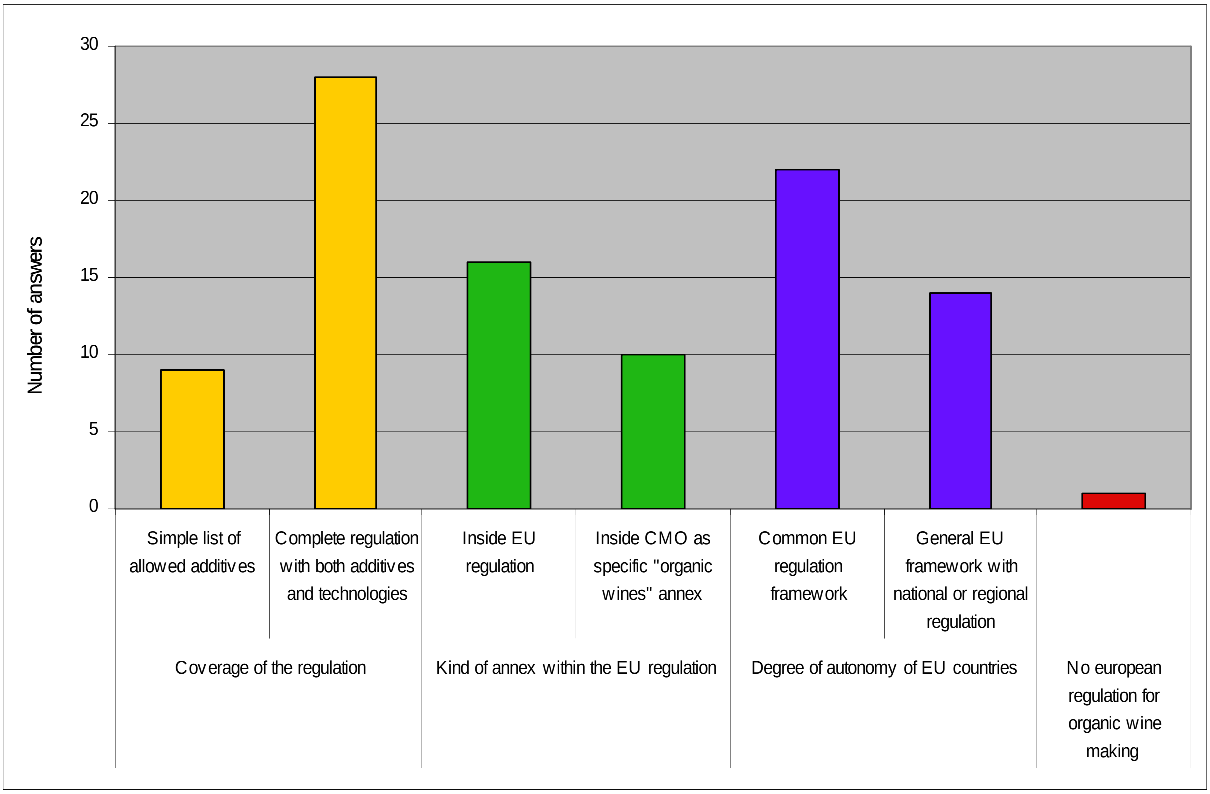

Figure 5.2.1: Opinion of the operators on organic wine making regulation

<u>*Comments from the surveys:*</u>

"As you mention it, it is a long and hard debate between a general framework good for every wine with the danger of being either too stringent and make it really difficult in certain areas or too lenient to allow more people to come in and therefore possibly lower the standards applied! On the other hand a region by region specific set of rules may make the whole thing looks like a "gas factory" difficult to follow by the consumer. I don't have the answer". (USA)

"Consumers don't know differences among regions and winemaking technologies. Different rules for different countries would just make too complicate (and useless) the new regulation" (Norway)

"If clear, it could be a useful marketing tool". (UK)

5.2.2 Organic wine definition

The operators were invited to give their definition of an organic wine. Nearly all the operators surveyed point out the importance of the certification. For them, an organic wine is first of all a wine made from organic grapes and "certified from the grapes to the bottle" that means both grapes production and processing certified like the other organic products. Out of this first point, the organic wines do not seem to be really well and precisely defined. Nevertheless, the operators often underline the importance of the preservation of environment and consumer health. The preservation of the environment is connected to the grapes production, and the consumer health more linked to the quality and quantity of additives uses during the wine making process.

Concerning the question of additives in general and SO_2 in particular, the opinion of the operators is divided. Those, who are looking for traditional wines, wish a regulation which reduces the number of additives and also the level of SO_2. Those, who are trading more classical wines, or who are importing high quantities of organic wines, insist on the importance of some additives, and especially the SO_2 for the quality and the preservation of wines. For them it would be too risky to impose low levels of SO_2.

<u>*Comments from the surveys:*</u>

"Made from certified organic grapes and following the guidelines set in France for Organic winemaking, under 100ppm of SO2. However in the US, only no added sulphites wines with a max of 10ppm SO2 can be called Organic. Plus NOP regulations make it impossible to organic claims outside of them, a scandal!" (USA)

"If I define it very simply: the raisins from organic farming; no synthetic additives during the fermentation and aging; the minimum quantity of sulphites for transporting (for getting off accidents)". (Japan)

"An organic wine is an environmental friendly wine". (UK)

5.2.3 Which information on the labels?

Concerning the information on the label, 55% of the operators point out that it would be important to have a common logo for organic wines on the bottles. This would allow consumers to identify easily a wine as organic. Actually, the national organic logos are often very well-known, (it is the case for example with the French logo AB) but it is not the case for the European logo for organic products. According to the operators, it would be better to promote a specific European logo for organic wines.

Messages on the label about certain aspects regarding production and wine processes, or additives used are not considered as relevant by a majority of operators.

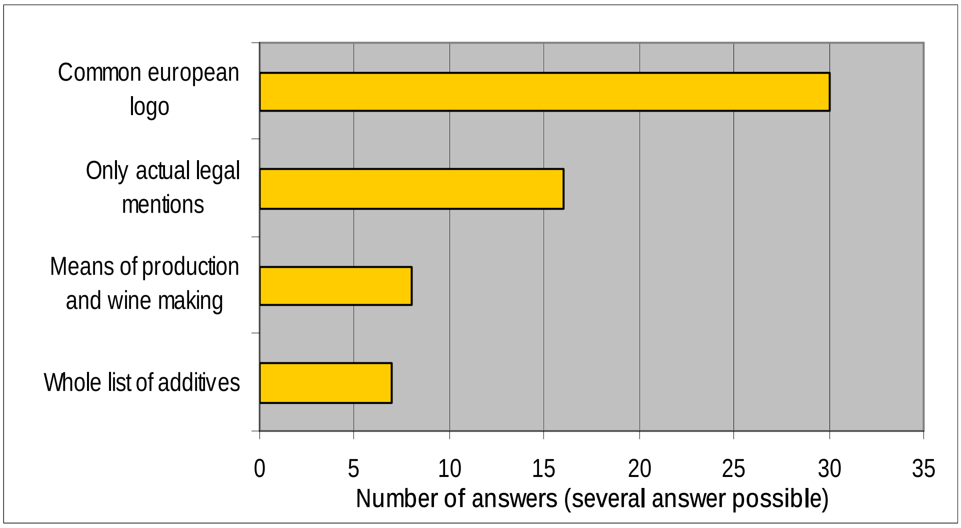

Figure 5.2.3: Which information on the label?

<u>Comments from the surveys:</u>

"If it is imposed, it becomes very annoying and if it is not regulated then anybody can make any claim so that is a hard question! Some sort of common logo, image, colour or something that could unify the different countries/regions/types etc would make organic wines more easily visible in a jungle of thousands of products". (USA)

"Mention only what makes a real difference from conventional wines".(Norway)

"I think a common logo is a good idea once a single irreproachably high standard of certification is brought into force across the whole jurisdiction" (Ireland)

5.3 Organic wines markets

5.3.1 Reasons to import organic wines

As already said, 50% of the operators surveyed have import activities. The main reason to import organic wines is to diversity the scale of the offer. 89% of the importers consider it is a very important or an important reason. This can have to different meaning:

- for non organic specialized operators, developing an organic range permits to respond to an increasing consumer' demand for products safe for environment and health, this particularly applies for operators from northern European countries;

- for specialized operators of producing countries, organic wine imports permit to complete and diversify the national offer. That's particularly the case in Germany, Switzerland or Austria, where the national red wines production, for example, does not permit to answer to the demand of consumer.

The second reason to import organic wines is the price. For 74% of the importers surveyed, the price is a very important or important parameter to decide to import or not an organic wine.

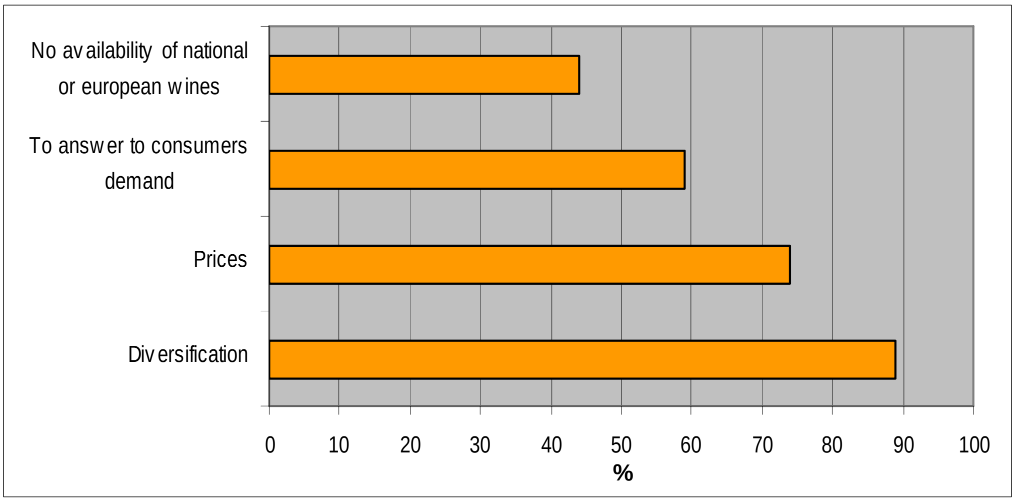

Figure 5.3.1: Main reasons to import organic wines

5.3.2 Types of imported organic wines

The operators were asked what kind of foreign organic wines they mainly import, they had to say for each category of wine (red, wine, rose, sparkling) if it represented a part "very important", "important", "neither important nor unimportant", "unimportant" or "totally unimportant" of their imports.

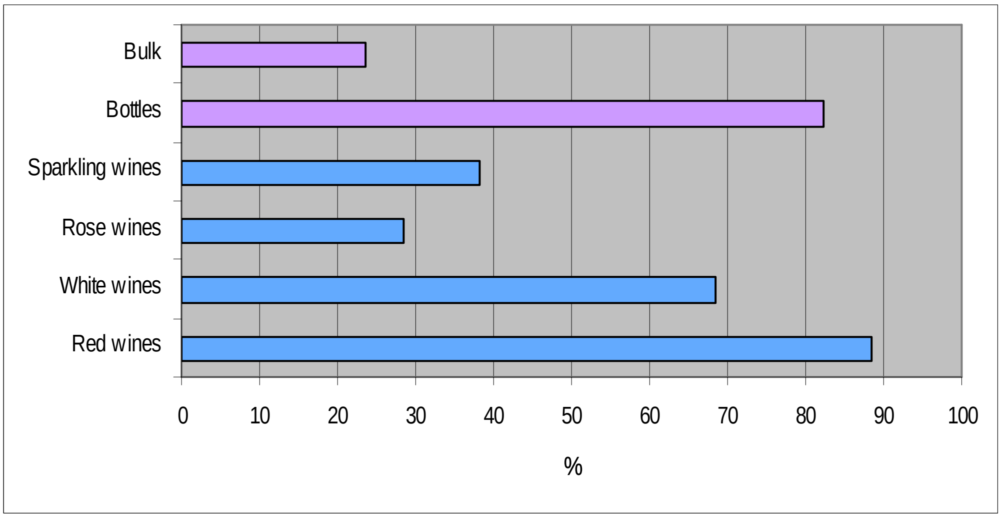

Figure 5.3.2: Types of imported organic wines

As expected, red wines are considered as important or very important for 88% of the operators, this percentage reach 68% for the white wines, 38% for sparkling wines and 28% for rose wines.

The same question was asked for bottles wines, and wines in bulk. Organic wine is mostly imported in bottles: 82% of the operators, answered, this type of packaging was very important or important, only 28% of the operators answered the same thing for wine in bulk. This last type of imported wines concerns only operators from producing countries (D, F, CH), and mainly German operators. In that case the operators very often bottle the wine under their own brand.

5.3.3 Origins of the imported organic wines

In Europe, the imported wines are mainly coming from France, Italy and Spain. These three origins are quoted by nearly all the importers.

Concerning non European origins, three countries are mainly represented: first Chile. More than a half of importers buy Chilean organic wines. Argentina and South Africa are the two other main origins for imported organic wines. A majority of importers trades with non European countries.

5.4 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 means "not important" and 5 means "very important."

5.4.1 Main obstacles common to all countries

Considering the score for all countries, four of the eleven proposed factors emerge 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, and consequently also, organic wines. It is the most important obstacles according to the operators from European producing countries, but it is quoted in second (tie with "the lack of organic wine making regulation) by the operators from the non-European countries and only in the third position by the operators from non producing European countries.

"We have focused on this problem since ten years. Seminars, conferences, talking, making" (Japan)

- **Poor image of organic wines**. 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. This obstacle is the most important for the operators from non European countries. It is quoted in second by the operators from European non producing countries. It seems to be a little bit less important in the European producing countries, as it is quoted only in the fifth position tie with “low consumer reliability”.

“Lower PERCEPTION of quality by the market! No easy solution except keep proposing the best possible products” (USA)

- **Strong competition between conventional wines and organic wines**. When quality is equal, organic wines are less competitive because of their higher price. It is the fist main obstacle for the operators from European non producing countries and the second for the operators from producing countries. It not appears as important at all for the operators of non European countries.
- **High prices of organic wines**. This issue is both connected to the low level of consumer knowledge and the higher costs of organic production. It is mentioned especially by the operators from producing countries (quoted as the second main problem), and it seems to be mostly important in supermarkets. The high prices of organic wines are only the fourth main problem for the operators from non producing countries, and it does not seem to be important for non European countries.

“Find other ways of distribution”.(D)

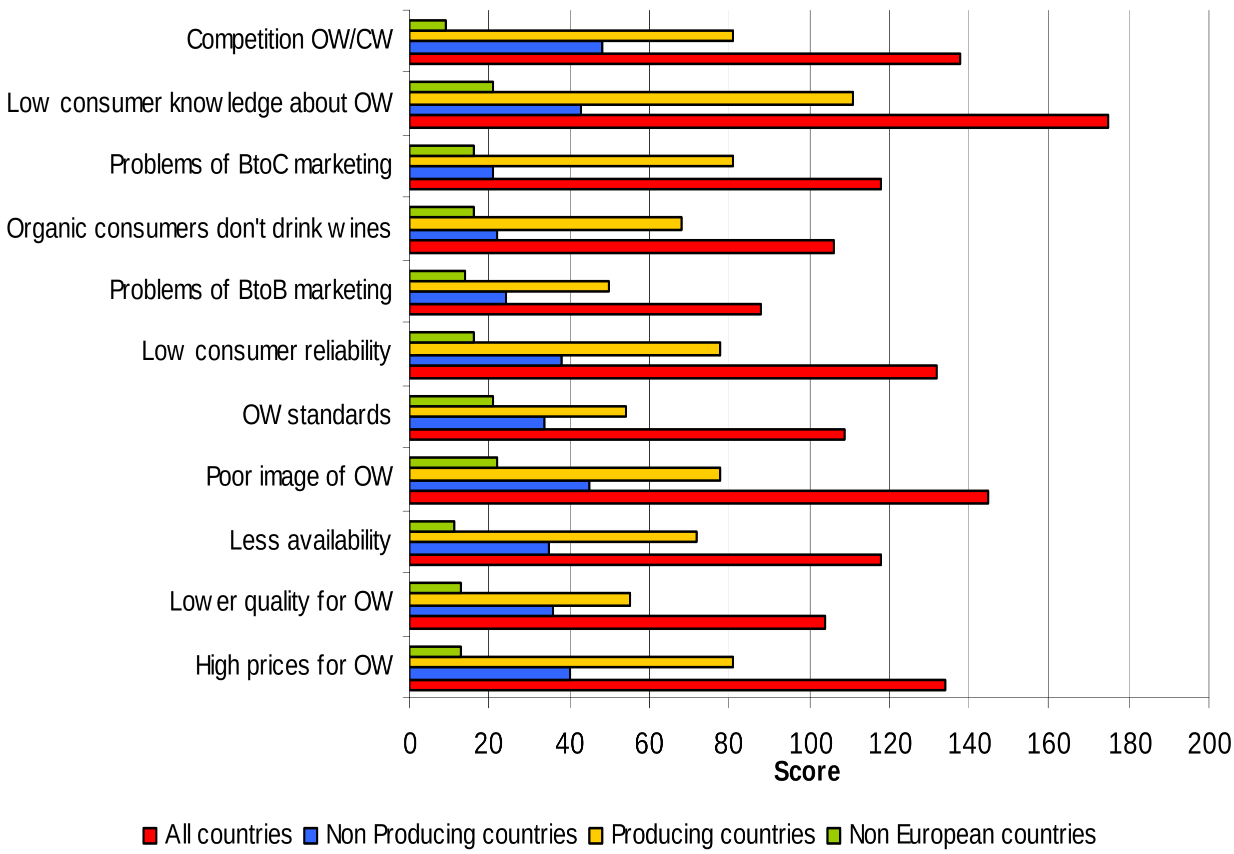

Figure 5.4.1: Main obstacles for development of organic wine markets

The first and the second main obstacle concern communication issue whereas the third and fourth concern economic issue. And it seems that the interviewed operators from the non European countries are more preoccupied by those points of communication, when the operators from European countries pay more attention to economic issues. It would be interesting to take into account these results regarding to exports' strategies.

5.4.2 Focus on the countries of the Consortium

In the countries of the Consortium: Germany, Switzerland, France and Italy the main obstacles are the same as in the general results (all countries), except for "the poor image of organic wines" which appears only in fifth position, and for "problem of B to C", which is the second main obstacles according to the operators from these countries.

- Low consumer knowledge about organic wines and organic wine production. 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. This obstacle does not seem to be important according to the operators from non producing and non European countries.
- Strong competition between conventional and organic wines. 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.

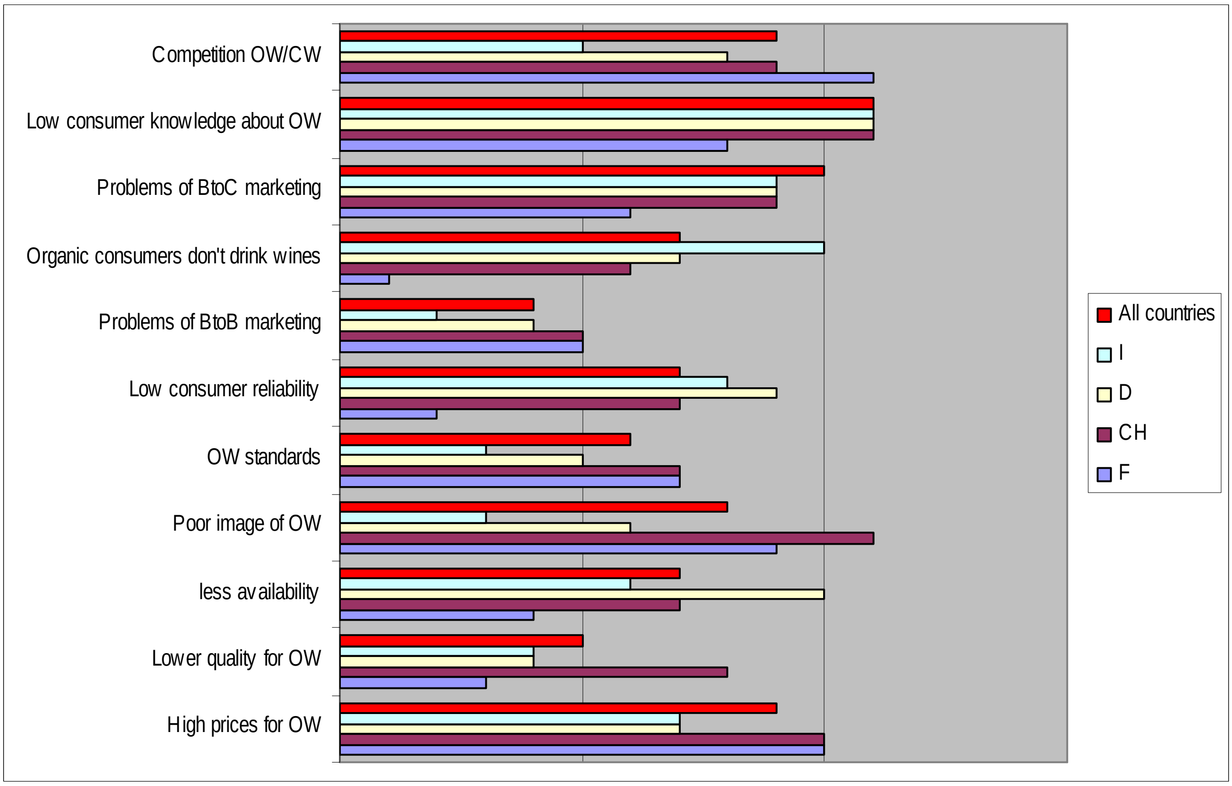

Figure 5.4.2: Main obstacles for development of organic wine markets in the countries of the Consortium

5.4.3 What do the operators propose to improve the situation?

The operators were asked to give their comments, explanations and potential solutions to improve the situation and reduce the impact of those obstacles on the development of organic wines markets.

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

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)

Because the lack of knowledge on specificities of organic wines production is one of the main problems, according to the operators, it was also the subject of one of the question of the second survey. The operators were asked: "What kind of communication and marketing strategies should be develop to improve consumers and trader's knowledge's about organic wine production?" In the questionnaire four measures to improve this situation were proposed, and the operators were asked to say which ones were the most important. (The respondents numbered each obstacle according to its importance, from 1 meaning "totally unimportant" to 5 meaning "very important)

The best measures would be to develop places to taste and sell organic wines; it would permit to the traders but also to the consumers to make their own opinion about organic wines, and to leave their conventional wisdom (popular belief, misconception) on organic production.

A national or European advertising campaign, seems be also relevant. This idea could be connected with the proposition of common European logo for organic wines. But may be it is actually not really easy to have advertising campaign about wines.

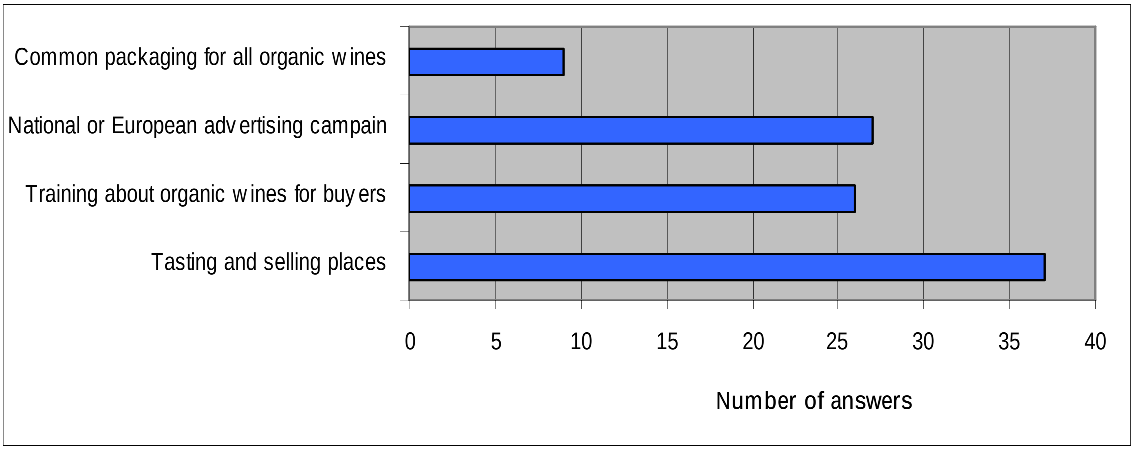

Figure 5.4.3: How to improve consumer and trader knowledge?

Poor image of organic wines

This issue is connected with the lack of communication and marketing about organic wines. The quality of organic wines improved, their diversity is increasing, many famous wineries are now working in organic, but the poor image of organic wines remains in the mind of lot of consumers, mainly because the communication on the quality is insufficient. It is particularly true in the non producing countries and non European countries, where the opportunities to taste and to buy (for example direct sale on farm) a large range of organic wines are rarer than in producing countries.

> *"Consumers need convincing it is a mainstream. Few brands feature, and cost implications". (UK)*
>
> *"The poor image of organic wines could be an obstacle, if the previous early organic wines were of poor quality. It is difficult to change an image" (Dk)*

In producing countries the poor image of organic wines seems to be an obstacle mainly in Switzerland (tied with consumers' lack of knowledge) and in France (ranked third). .

> *"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)*

Competition from conventional wines

This issue is probably connected to the before mentioned problems with consumers' lack of knowledge on organic wine production 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)*

"Looking at price/quality ratio in many cases you do get better quality" (Dk)

"Unless the organic wine is just as good, or better than conventional wine, the consumer has to be really strong hearted about it, to take the organic wine, even though the conventional is considered better". (Dk)

B to C (Business to consumer) marketing problems

This is the second most highly rated problem, in the European producing countries, 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)

High organic wines prices

This issue is considered as quiet important by the operators but they made very few comments and propose only few solutions. It is connected with the other issues like the lack of consumers' knowledge and the strong competition between organic and conventional wines. The high organic wines prices are due to the higher production costs and often lower yields, but when a price is considered too high it is because the quality/price ratio is not right. That could mean that, first, the quality of organic wines do not justify their prices according to the operators, and second, that may be that in the scale of organic wines, there is a lack of medium quality wines with more popular prices.

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)

5.4.4 Other country-specific criteria

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

- Organic consumers do not 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 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 whole-salers. Too many wineries are not flexible enough to adapt, in partnership with traders, to the demand of the market". (D)

5.4.5 Case of 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, except for the operators from the non European countries. Below are the most important results of this part of the survey:

- Although it is not their principal area of concern, respondents are 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, are 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 has 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)

  “It is 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)

5.5 Retailer projections for consumer wine consumption trends in the next years

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 the next few years would be less than, equal to, or greater than those observed in 2007.

5.5.1 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 **organic wines, to young and fresh wines** and in a lesser extend to round and tasty and local wines. For the two first trends all the operators agree to say that the demand for this type of wine will increase or at worst remain as today;
- cuvee wines, dry wines, wines from resistant and new varieties, speciality wines, labelled wines should remain as popular as they are today;
- tannic tasty wines, woody wines and old wines show a projected decrease in consumer preference. This trend is confirmed in all groups of countries

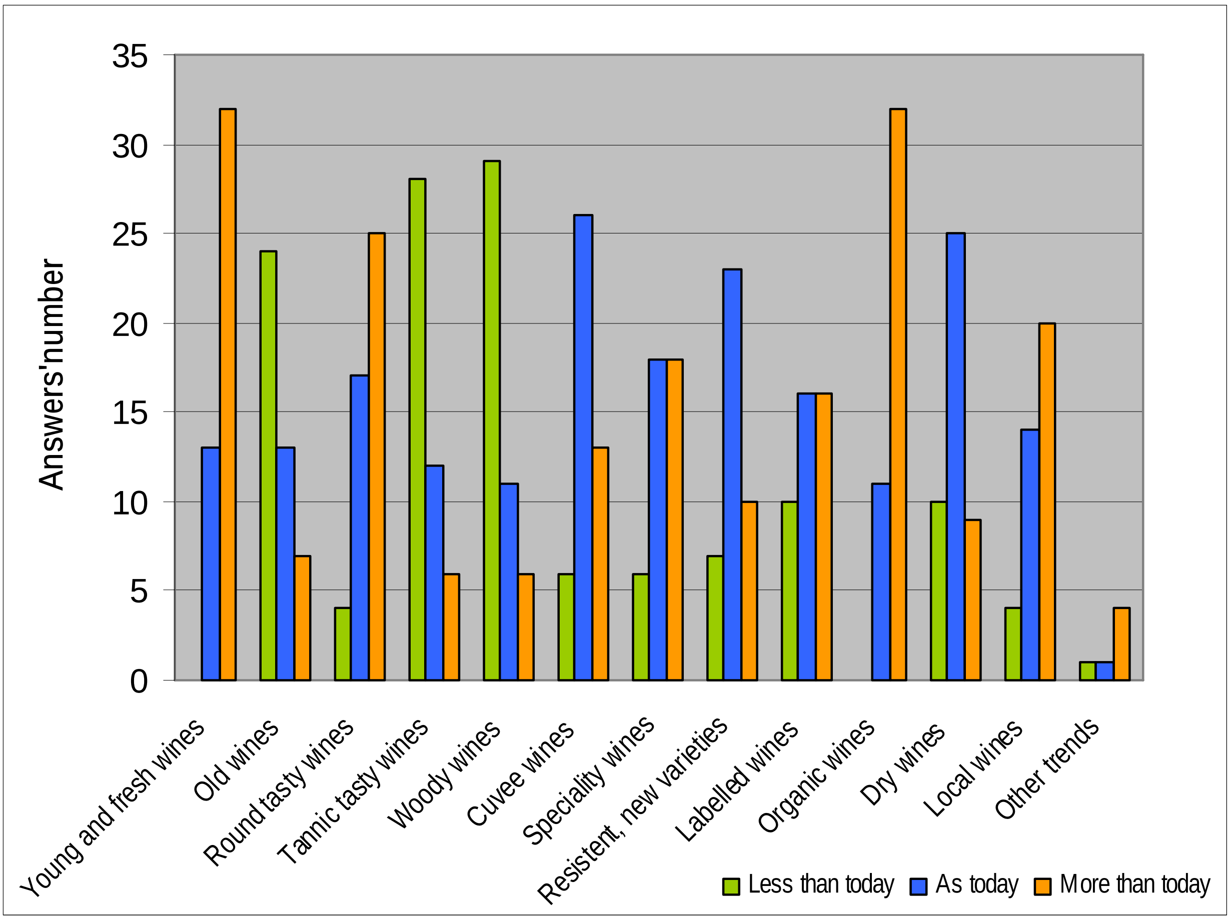

Figure 5.5.1: Consumer trends common to all countries

Among the other trends proposed, one is to produce organic wines with lower level of alcohol. This type of wine could be one of a strong trend in the next few year first because the national an European regulation on alcohol consumption become stricter and second because the consumer want to go on to enjoy the positive points of wines (pleasure, taste, healthy compounds) avoiding the risks for health (alcohol).

5.5.2 Main country-specific consumer trends

- **Preference for young and fresh wines**

  A wide majority of the interviewed operators agree to state that the demand of consumers for rather young and fresh wines will increase in the next two years. This trend seems to be the strongest in the European producing countries (22/28)[4], an a little bit less important according to the operators from non European (3/5) and non producing countries (7/12).

- **Preference for organic wines**

  All interviewed operators agree 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 spe-

[4] *In the brackets, the number of positive answers on the number of total answers.*

cific trend differs from one country to another. 100% of the operators from non European countries, who responded to this question, think that the consumption would be higher than it is today, and a majority of the operators from European (18/26 for producing countries, 9/12 for non producing countries) agree as well, even if a part thinks it will not increase and remain as today.

- **Preference for round and tasty wines**

This trend, although less pronounced than the former, is confirmed by surveyed operators. It is particularly marked for the operators from the European producing countries (16/29,) to a lesser extent for non European (3/5) and non producing countries operators (6/12).

- **Preference for local wines**

This trend seems to be stronger in European producing countries (15/27). In non producing countries the operators state that the market of local wine will remain as today whereas all the operators from non European countries (4/4) believe that the market will increase.

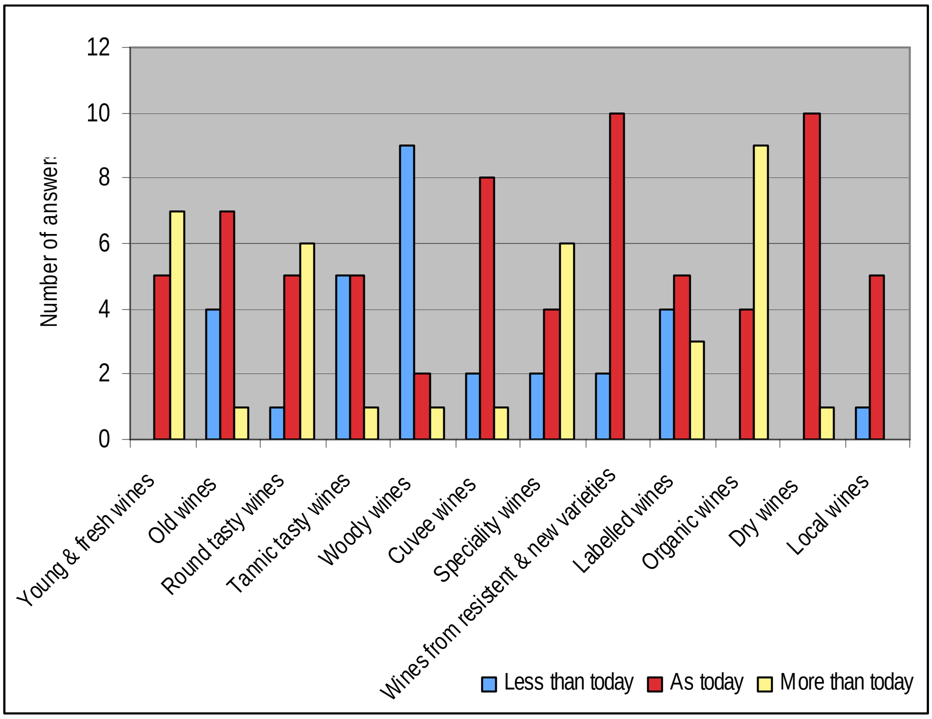

Figure 5.5.2.1: Main consumer trends in European non producing countries

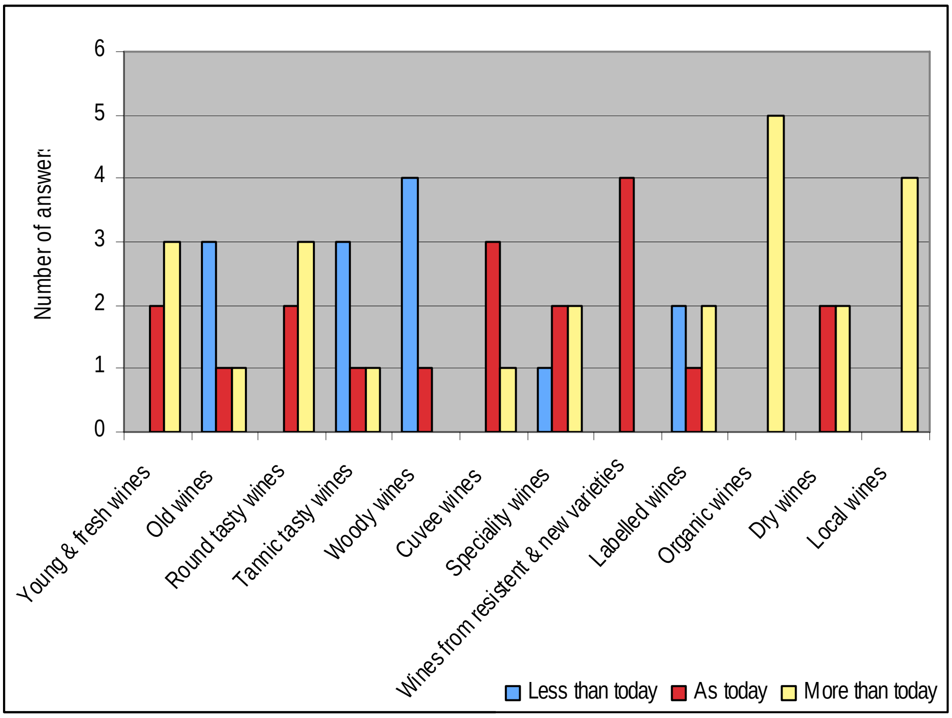

Figure 5.5.2.2: Main consumer trends in non European countries

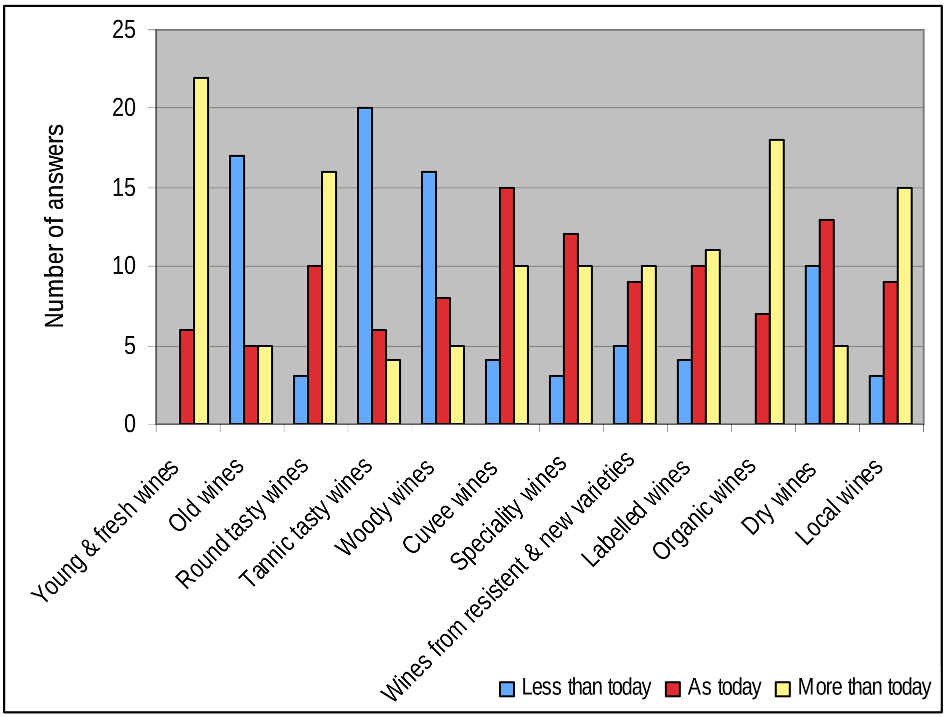

Figure 5.5.2.3: Main consumer trends in European producing countries

5.5.3 Consumer behavior trends

Finally, the operator asked in the first survey conclude whether they agreed, disagreed, or partly agreed with four statements about the general evolution of wine consumption. Regardless of country, respondents are in agreement, and a large majority confirms 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.

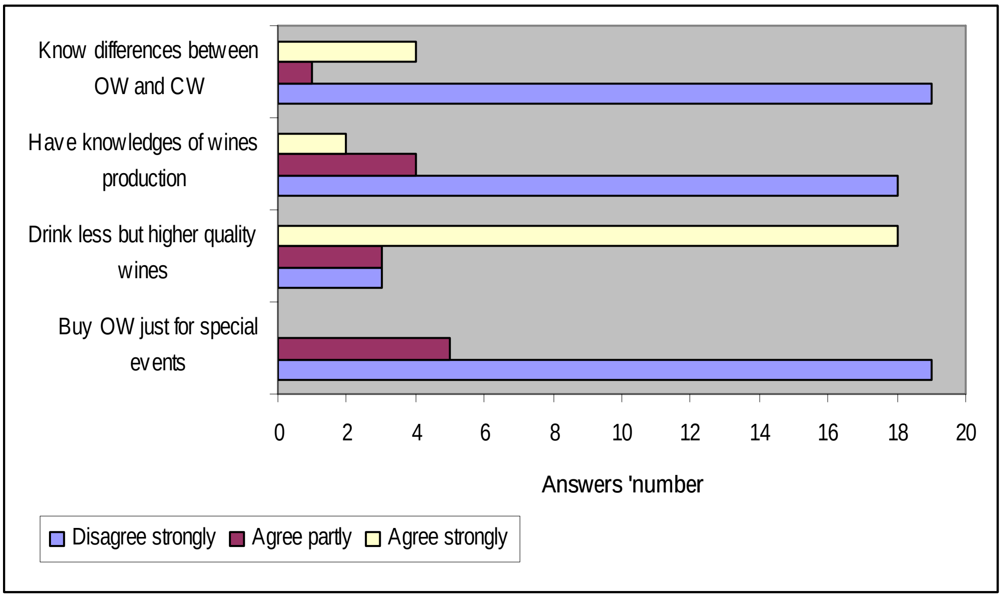

Figure 5.5.3: Consumer behavior trends

This question, concerning the opinion of the operators on consumption's trends in the future, was not maintained in the second survey due to restrictions regarding the length of the questionnaire. These results presented above, are obtained in the first survey

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6 Discussion

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

First of all, the authors noticed that it was difficult to obtain economic quantitative data from the markets' operators.. There are many reasons to this fact. As already mentioned, lots of companies disagree to give information they consider as confidential and potentially useful for their competitors. But, there is also more structural reasons, for example, in many case in the companies who are not specialized in organic and/or where organic wines represented only a small part of the turnover, organic wines are not considered as a "market category" and so not reported as such in accounting.

For all of those reasons, 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 come out:

- The results show 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.

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 second survey was enlarged to the international market especially in consuming countries: the United Kingdom, Denmark, Scandinavian countries, the USA and Japan. Unfortunately, it lacks in this second survey some operators from other producing countries like Spain, Portugal, Greece or Hungary. However, we have some information from these countries, since few operators interviewed trade with them.

Nevertheless, this final report presents, an interesting overview and trends of the organic wine market in EU, which permits as planned by the scope of Orwine project, to include the traders needs and markets perspectives in the regulatory process. Indeed, if the organic wine making regulation will concern first the wines producers, the wine traders (who often buy wines in bulk and have their own bottling activity) and in a lesser extent the other operators, particularly if they trade both organic and conventional wines.

A common European regulation for organic wine making is expected by a large majority of the operators, and it is essential that the future regulation on organic wine making, takes into account the needs of the market and allow the development of the organic wine markets to go on. The operators particularly insist on the importance of the quality of wines.

The challenge of the regulation is the following: it should allow the production of every types of organic wines, every year and in every European wine region, both good for the market (good taste, well conservation, good quality/price ratio), but also safe, as far as possible, for the human and environment health.

In the same time, it seems to be required to develop useful common tools to improve the communication and the marketing (the regulation could be one of these tools), and the knowledge of the consumer but also of the traders (particularly the retailers) on the specificities and advantages of the organic wine production.

7 Conclusion

From the analysis of these two surveys, four 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).
- Even if the operators feel more concern by economic and marketing issues, they consider as important and useful to have a common regulation and certification on organic wine making. And it is al the more the case when the operators work on international markets.

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)

These results of this 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, which is a general strong demand from the operators..

To summarize the results of this study we would like to underline important points, which need to be improved to support the increase of the organic wine market and production:

- first of all there is a general lack communication on organic wines, with consumers but also traders. This communication could use different tools: new places to taste and sell organic wines, common regulation and certification, common logo, advertising campaign…

- an other important point, of course connecting to the previous point, concerns the improvement of quality/price ration of organic wines, and in the same way the improvement of the image of organic wines

- the last point concern the lack of quantitative economic data on European organic wine market. This work led during Orwine, gives interesting trends, but it would really be interesting to carry it on, at European scale, with more exhaustive and quantitative studies.

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Annex 1: First 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 relation-ship 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 1	2	As today 3	4	More than today 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 1	2	Agree partly 3	4	Agree strongly 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.

Annex 2: Second questionnaire on European Organic Wine Trade

Questionnaire IIB on European Organic Wine Trade

Contact person project partner:

Number: ______ **Date of the Interview:_______** **Name of Interviewer:_________**

Institution/Company:

Type of company: Wine trader ☐ Wholesaler ☐ Producer and Trader ☐ Retailer ☐ Importer ☐ Other …………

Name of Interview partner

Address:

Country:

Telephone:

Email:

Part A : Organic wines markets

- In which ways do you taste and select new organic wines?

	Very important	important	Neither important nor unimportant	unimportant	Totally unimportant
Visit on farms					
Recommendations by word of mouth					
On fair (organic or not). Which one					
Competition results. Which one:					
Other (please precise)					

Remarks:

- What are your main criteria to select and reference a new organic wine?

	Very important	important	Neither important nor unimportant	unimportant	Totally unimportant
Price					
Quality / price ratio					
Taste					
Origin					
Availability					
Other (please precise):					

Remarks:

- Do you plan to develop the part of organic wines in the next 5 years, (only for non organic specialized operators)?

☐ YES
- ☐ + < 5%
- ☐ + 5 to 10%
- ☐ + > 10%

☐ NO
- ☐ No change
- ☐ Decrease
- ☐ Stop

Could you explain briefly the reason(s) of your choice or plans?

- What kind of communication and marketing strategies should be developed to improve consumers and traders knowledge's about organic wine production.

	Very important	important	Neither important nor unimportant	unimportant	Totally unimportant
Tasting on selling places					
Training about organic wine production for buyers					
National or European advertising campaign					
Common packaging for all organic wines					
Other (please precise)					

Part B : Organic wine making regulation

- What is your definition of an organic wine?

- According to you, what sort of rules should regulate organic wine making?

Coverage of the regulations	☐ Simple list of allowed additives ☐ Complete regulation with both additives and technologies with related parameters
Kind of Annex within the EU Regulation	☐ Inside EU regulation 2092/91 (respective as part of the new implementation rules of the new Coucnil regulation for organic production from June 2007 to be put in force in 2009) as an amendment of annex VI (list of additives and processing aids) or as a specific wine annex; ☐ Inside CMO as specific "organic wines " annex.
Degree of autonomy of EU countries	☐ Common EU regulation framework : same rules everywhere, for every kind of wines ☐ General EU framework and national, even regional regulation on additives doses limitations and particular needs of specific wines
	☐ No regulation for organic wine making on EU level.

Comments about organic wine making regulation:

- Labelling: what sort of information's should be mentioned on the labels? (several choices accepted)

☐ Whole list of additives,

☐ Means of production and wine making (ex. hand harvesting)

☐ Only actual legal mentions

☐ Common logo for all organic European wines

☐ Other (please precise)

Comments about labelling of organic wines

Part C : Organic wines import (only for importers)

- What are the main reasons to buy foreign organic wines?

	Very important	important	Neither important nor unimportant	unimportant	Totally unimportant
Low availability of national or European organic wines					
Prices					
To diversify the range of wines offered					
To answer to consumers demand for exotic wines					
Other (please precise)					

- What kind of foreign organic wines do you mainly import?

	Very important	Important	Neither important nor unimportant	Unimportant	Totally unimportant
Red wines					
White wines					
Rose wines					
Sparkling wines					
Bottled wines					
Bulk wines					
Other (please precise)					

- From which countries do you import?
  - from EU (please give the name of the countries concerned) :
  - from outside Europe (please give the name of the countries concerned and the type of wines) :

- How cheaper have to be the foreign wines to be preferred to national (or European wines) ?

☐ less than 25% ☐ from 50% to 75%

☐ from 25% to 50% ☐ more than 75%

12. What is the % of wine from Non-EU countries compared to organic wines from Europe?

% in volume % in value

Comments about organic wines imports

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