CIEE Global Institute – Rome

Course name: Economics of Wine  
Course number: (GI) BUSI 3011 ROIT  
Programs offering course: Open Campus  
Open Campus Track: Business  
Language of instruction: English  
U.S. semester credits: 3  
Contact hours: 45  
Term: Spring 2020

**Course Description**

Wine economics has emerged as a growing field within agricultural economics but also in other fields such as finance, trade, growth, environmental economics and industrial organization. As such this course takes an immersive and experiential based approach to explore basic knowledge about the key factors in the production of wine making including relevance of a vineyard's natural environment, grape growing, winemaking, maturation and bottling using the host environment context. Other aspects covered in the course include label terminology and design, food and wine pairings and how to analyse wine to account for style and quality using a systematic approach. Basic business management for agriculture is also addressed. Students will also examine the impact of wine production in the local agri-food sector.

**Learning Objectives**

By completing this course, students will:

- Examine recent copyright and trademark issues and how to protect a winery name and image.
- Synthesize the key aspects of food and wine paring for marketing wine brands.
- Analyse quality assurance and product development methodologies.
- Examine the different components of a successful wine brand to assist in creating sustainable profitability.
- Apply budgeting and forecasting as part of planning a wine business operation.
- Create a system of procedures for producing meaningful and accurate reports for a wine business.

**Course Prerequisites**

Students should have completed a level 2000 class in Business.

**Methods of Instruction**

The course will be taught using lectures, seminars, case study discussions, documentaries, an individual presentation, as well as field trips to local venues, businesses or organizations. Classroom activities will involve group work and critical discussion groups. Invited guest speakers will add to the learning objectives of this course.
Assessment and Final Grade

1. In-Class Exam 20%
2. Group Presentation 20%
3. Photographic Essay 20%
4. Wine Review 20%
5. Class participation 20%
TOTAL: 100%

Course Requirements

In-Class Exam
The exam will take place in the mid-session of the course. The exam will consist of 15 short answer questions and one 200-word extended response to be completed in 45 minutes exactly. The questions will relate to course content and readings. Students must correctly answer 70% of the questions.

Group Presentation
Each group will present for 15-minutes about their research findings into a local cellar door vineyard. Data will be collected onsite as part of a course curricular visit. The groups are required to submit their presentations. Work will be graded on students’ ability to include multiple factors in setting up and managing a vineyard as discussed in the classes and explored in the mandatory readings.

Photographic Essay
Students will compose a photographic essay, reporting on four vineyards as case studies. Data will include aspects of geographic location, design and placement of vines and processing plants for wine production at each vineyard. Sustainability actions for growth and production to accommodate climate is also to be evaluated. The photographic component will include annotations about each photo and a 300-word report that accompanies each vineyard exposé. The total word count for the component will be 1400-words exactly, including the annotated descriptions to elaborate on what is represented in each photo. A closing 250-word reflection about ‘wine as a window into place, culture and time’ will conclude the submission. The total word count for the assessment is 1750-words exactly and no more than 20 photographs. Vineyard regions will be announced during the course.

Wine Review
Students will use a systematic and logical approach to produce a wine review of a vineyard wine tour. The review will also include a critique of the branding, promotion / marketing of the wines available, at the bottle and vineyard levels in accordance with Italian Wine Regulations. The report can also be enriched with the use of photos of the labels and vineyard. A students’ work will be graded on their ability to evaluate the vineyard using all elements of the framework and associated evaluative language associated with the mandatory readings.
Participation
Participation is valued as meaningful contribution to tangible learning, utilizing resources and materials as part of the course. Meaningful contribution requires students to be prepared in advance of each class session and to have regular attendance. Students must clearly demonstrate they have engaged with the materials as directed, for example, through classroom discussions, online discussion boards, peer-to-peer feedback (after presentations), interaction with guest speakers, and attentiveness on co-curricular and outside-of-classroom activities. Participation is NOT the same as attending.

Attendance Policy
Regular class attendance is required throughout the program, and all unexcused absences will result in a lower participation grade for any affected CIEE course. Due to the intensive schedules for Open Campus and Short Term programs, unexcused absences that constitute more than 10% of the total course will result in a written warning.

Students who transfer from one CIEE class to another during the add/drop period will not be considered absent from the first session(s) of their new class, provided they were marked present for the first session(s) of their original class. Otherwise, the absence(s) from the original class carry over to the new class and count against the grade in that class.

For CIEE classes, punctuation is critical to professional engagement in your studies. Students will be marked absent when 15-minutes or longer. Attendance policies also apply to any required co-curricular class excursion or event, as well as Internship, Service Learning or required field placement. Students who miss class for personal travel, including unforeseen delays that arise as a result of personal travel, will be marked as absent and unexcused. No make-up or re-sit opportunity will be provided.

Attendance policies also apply to any required class excursion, with the exception that some class excursions cannot accommodate. Students risk being marked as absent if they fail to be present at the appointed time.

Unexcused absences will lead to the following penalties:

<table>
<thead>
<tr>
<th>Percentage of Total Course Hours Missed</th>
<th>Equivalent Number of Open Campus Semester classes</th>
<th>Minimum Penalty</th>
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<tbody>
<tr>
<td>Up to 10%</td>
<td>1 practical class, or up to 2 content classes</td>
<td>Participation graded as per class requirements</td>
</tr>
<tr>
<td>10 – 20%</td>
<td>2 practical classes, or 3-4 content classes</td>
<td>Participation graded as per class requirements; written warning</td>
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Weekly Schedule

Week 1

Class 1:1  Introduction to the Course
This opening lecture will include an overview of the course direction introducing key emergences of wine industries that differentiates itself from other finance, business and agricultural economics in an Italian context. Students will start to appreciate the cultural factors at play in wine consumption in Italy, as well as wine’s deep roots and significance in history, mythology and religion. Wine is discussed as a window into place, culture and time.

Selected clips of film documentary: Somm Into The Bottle (2016), the question “What is wine and why does it matter.” Through the film’s mini-stories we begin to paint the picture of what wine really is.

Reading:


Class 1.2  The Production of Wine
This session will focus on the understanding of the processes of grape growing and wine making. Students will learn the implications for wine style, quality and costs of decisions taken at each stage of wine production. A review on wine characteristics, grape types and factors for its cultivation as well of economics of vineyards will help to identify the wine production leading areas in the world.

Reading:


Week 2

Class 2:1  Emergence of Wine Economics
This class will discuss the emergence of wine economics from the 1980’s until present day around the concepts of finance, climate, change and the role of experts in grading wine quality. Wine as an “experience good” and concepts about the development of the industry and quality development of the wine are discussed.

Readings:


**Class 2:2**

**Wine market structures, value added and supply chains**

In this class students will learn the main concepts of market structures and supply chains as they apply to different types of wine production. Students will reflect on typologies of wine productions and how they relate to different geographical areas, climate and final product. They will understand the major players in the market and a deeper examination on several large wine producing nations. While discussing the distinct winemaking styles, culture and business climates as well as categorizing the producers in Old World and New World categories. Through case studies of wine production in California and in Italy, students will identify the main features of different typologies of wine production.

Readings:


Film Documentary: Mondovino (2004)

**Week 3**

**Class 3:1**

**Wine tourism and Cellar Door – Small or Big Business?**

This class will explore the linkages between the wine and tourism sectors, including through a focus on the start-up and development of traditional farm buildings / wine cellars in the production of high-quality artisanal wines, cheeses and cured meats. The lives and careers of various Italian winemakers are examined. Discuss the new initiatives aimed in creating wine-related tourism in Italy (e.g. in Chianti, Tuscany). View critical influences in the development and
marketing of wine tourism. They will examine an example business plan for a small premium winery.

Reading:


https://almatourism.unibo.it/article/view/5293/5031


Class 3:2 Focus on Biodynamic / Organic and Boutique Wines and Vineyards

Increased consumers’ awareness and demands on environmental sustainability and health increasingly influence wine producers’ to shift to biodynamic / organic production processes. Italy is at the forefront of organic and biodynamic wine production, with the highest percentage of organic vineyards. The tendency to more sustainable production, and more attention to quality and taste of the final product, with respect to culinary traditions, is also reinforced by the Slow Food movement and network, and it brings together attention to the environment and an upmarket consumer experience. Students will learn about the biodynamic and organic classifications, certifications and requirements, and will analyze costs and returns of organic/biodynamic Vs traditional wine.

Readings:


Due Date for Submission of In-Class exam

Week 4

Class 4:1 Wine and the natural environment in the Italian context
The geography of wine production in terms of climates and suitability of regions is discussed in terms of economic decisions for cultivators and industry viability.

Reading:

Selected clips from documentaries of wine production in different regions of Italy.

Class 4:2 Climate Change and Land Use Competition
Students will survey the relevancy of climate change as a key stakeholder in the wine business. It will delve into how Italian vineyards are investing in mitigation and adaptation actions in producing wine. The controversial issues surrounding Mediterranean ecosystems, and competitive land use will also be discussed.

Readings:


Assignment: Photographic essay

Week 5

Class 5:1 Wine Investment
In this class students will examine risk, return and diversification benefits of fine wine as an investment in times of financial insecurity, as well as the main trends in the international wine trade.

Readings:
The Economist. Cellars market. Investing in fine wine. 5th April 2019


Class 5:2 Students visit a winetasting cellar (to be confirmed) and undertake a wine tasting talk.

Week 6

Class 6:1 Wine Tastings, Competitions and Expert Opinion
Guest speaker on wine tasting

Documentary: Somm (2012), which follows the attempts of four candidates to pass the extremely difficult and prestigious “Master Sommelier” examination.

Readings:


Class 6:2 Wine Regulation, Reputation and Promotion
Underpinning the discussion in this class is examination of EU’s and Italy’s wine regulations. In view of these regulations, brand reputation and the influence of regional origin of wines is explored as determinants of consumer choice. A hedonic pricing model for measuring significance of brand reputation is critiqued in view of the reputation of selected wines in Italy and in the international market. The impact of globalization is also discussed in view of how wines are promoted with current regulatory requirements.

Readings:

European Commission Wine webpage:https://ec.europa.eu/agriculture/wine_en

Due Date for Submission of Wine Review Assessment

Course Materials

Readings


**Online Resources**

http://www.northbaybusinessjournal.com/opinion/8056787-181/3-tier-wine-distubtion-change-up
https://grapegrowerandwinemaker.com/2018/04/19/is-a-redesign-needed-for-your-wine-brand/
Wine tasting systematic framework: Accessed at:
https://www.wine-economics.org/
https://www.journals.elsevier.com/wine-economics-and-policy