

The Empirical Analysis of Terroir Versus Wine Pricing Relationships - The Case of the BC VQA Wines from the Okanagan and Similkameen Valleys¹

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The British Columbia (BC) wine industry is a puzzle because of the juxtaposition in classification of BC as a New World wine-producing region, with its winemaking and vineyard management approach that resembles the Old World wine-producing countries. Unlike the New World wine regions, the BC wine industry doesn't build around a flagship grape variety, but around the uniqueness of *terroir*². The latest developments on the policy side, including wine industry plebiscite (spring/summer 2016) proposed the establishment of new appellations (4) and sub-appellations (16). Currently, wineries in BC produce wines from grapes that not always come from *terroir* associated with the location of their estates suggesting *terroir* heterogeneity. Knowing that specifics of *terroir* influence grapes quality and as a consequence wine quality, and being aware that quality of wine is correlated with its price an interesting research question arises: Does *terroir* matter for wine pricing in case of the Okanagan and Similkameen Valleys Vintners Quality Alliance (VQA) wines? In particular, this research investigates how various *terroir* elements influence wine price formation of the selected BC VQA wines.

Notes

¹This poster proposal is based on one of the chapters coming from my dissertation.

²Terroir comes from a French word "terre"- meaning, land. The term itself has various definitions. Some define terroir as natural endowments of the vineyard (soil, elevation, climate etc.). Others also include elements like "experience" that wine producing villages offer to wine tourists, idyllic landscape, specific architecture, history, local know-how etc. (Gergaud & Ginsburgh, 2008). In this research terroir is understood as natural endowments of the vineyard (soil, elevation, climate, aspect etc.).