Available online at www.sciencedirect.com
ScienceDirect
Wine Economics and Policy 3 (2014) 71–80
www.elsevier.com/locate/wep

Italian market of organic wine: A survey on production system characteristics and marketing strategies

Alessandra Castellini[a,*], Christine Mauracher[b], Isabella Procidano[b], Giovanna Sacchi[b]

[a]Dept. of Agricultural Sciences, Alma Mater Studiorum University of Bologna, viale G. Fanin 50, 40127 Bologna, Italy
[b]Dept. of Management, Ca' Foscari University of Venice, Cannaregio 873, 30121 Venice, Italy

Received 5 August 2014; received in revised form 1 December 2014; accepted 3 December 2014
Available online 12 December 2014

Keywords: Italy; Organic wineries; Marketing strategies

1. Introduction

Wine is commonly recognized as a particular type of processed agrifood product, showing several different characteristics. Above all a close relationship seems to exist between wine and land of origin, the environment and the ecosystem in general (including not only natural aspects but also human skills, tradition, etc.) based on a complex web of interrelation between all the involved elements/operators. Since 70s the interest on "clean wine-growing" has been increasing among the operators; this fact has also caused the development and the improving of organic processes for wine production (Iordachescu et al., 2009). Consumers recognize the close connection between this product and the environment (Thach and Matz, 2008) and they like to know that the wineries adopt green and clean practices to sustain the environment and support natural habitats and wildlife.

Since 2000 organic regulations of several non-EU countries (Australia, Canada, New Zealand, USA, etc.) started to include specific standards for organic wine making (IFOAM, 2012). In Europe for long time the legislation framework on the organic wine regulations has been incomplete and inefficient: EC Reg. 2092/91[1] and afterwards EC Reg. 834/2007[2] were extremely generic and through these regulations it has been only possible to certify as "organic" the raw material (grapes from an organically growing technique) and not the whole wine-making process. In 2012 the European Commission approved Regulation (EU) no. 203 which allows the use of the term "organic wine" for those products complying with specific requirements and standards and with Organic Certification (released by an external figure). Before Reg. 203/2012 entering into force, it was only possible to use the wording "wine made from organic grapes". Currently, for *organic wine* it is meant a product obtained from organic raw materials that (i) uses products and (if available) substances authorized in Annex VIIIa of Reg. 203/2012, obtained as well from organic raw materials and (ii) is subject to processes and enological treatments provided in Reg. 203. Even before this regulation, in the wine sector many stakeholders had shown a growing interest for organic production. In Italy, and in many other countries, in recent decades a movement of producers has grown, who have started referring to their wines as "natural",

*Corresponding author. Tel.: +39 051 2096129; fax: +39 051 2096105.
E-mail addresses: alessandra.castellini@unibo.it (A. Castellini), christine.mauracher@unive.it (C. Mauracher), isabella.procidano@unive.it (I. Procidano), giovanna.sacchi@unive.it (G. Sacchi).
Peer review under responsibility of Wine Economics and Policy.

[1]Council Regulation (EEC) no. 2092/91 of 24 June 1991 on organic production of agricultural products and indications referring thereto on agricultural products and foodstuffs.

[2]Council Regulation (EC) no. 834/2007 of 28 June 2007 on organic production and labeling of organic products and repealing Regulation (EEC) no. 2092/91. It is interesting the point 19 "(whereas…) Organic processed products should be produced by the use of processing methods which guarantee that the organic integrity and vital qualities of the product are maintained through all stages of the production chain" but this proposal has not been further specified for the wine sector.

http://dx.doi.org/10.1016/j.wep.2014.12.001

and to rely on official certification model and Origin Based Labels (PDO and PGI).

In recent years European Union has established equivalence arrangements with 11 non-EU countries—Argentina, Australia, Canada, Costa Rica, India, Israel, Japan, Switzerland, Tunisia, USA and New Zealand[3]—for the import–export of organic products. With regard to the organic wine sector, regulations of USA and New Zealand have been recognized as equivalent to the European one but only a small number of certification bodies are accepted.[4] Most third-country organic wines have, indeed, to be imported through import authorizations issued by EU member states. Considering for instance the equivalence arrangement established between EU and US,[5] Organic Certification from EU Reg. 203/2012 is totally accepted from the US market without any kind of further document needed: this is very important for the organic wine export because US consumers appear really interested in organic wine purchase (Vastola and Tanyeri-Abur, 2009; http://www.winemonitor.it, last access in October 2014).

The wine sector interest in the environmental sustainability is also stimulated by the increasing consumers "green attitude" in their purchasing behavior; the environment-friendly characteristic of a product has become a significant marketing tool useful for the differentiation on the market. It must be noted that "only" environment-friendly wine cannot be sold as organic: they are two different beverages.

According to FiBL-IFOAM data, in 2010, worldwide surfaces cultivated with organic vineyards exceeded 217,600 ha, almost doubled since 2006; more of 88% located in Europe (192,671 ha; +51% since 2006). During the period of 2006–2010 North and Latin America registered interesting upward trends: +25% and +23% respectively. Also in other countries, like New Zealand, the organic wine movement is increasing. The NZ organic wine producers declared that in 2020 the 20% of vineyards in their country will be organic, an increase of around 15% considering that in 2011 this surface represented the 4.5% of total vineyard area. Argentina is the country in which organic viticulture is most spread in the world (4048 ha; 2010). In EU, Italy France and Spain, traditionally wine producers, since 2000 have registered a steadily increase of the organically wine-growing surfaces, despite the lack of a clear legal situation. Nevertheless, at a worldwide level the organically wine-growing sector still represents a small quota of the total wine context. As far as this fact is concerned it could be interesting to remember what Willer has emphasized in 2008 (Willer, 2008): "the share of the organic/in-conversion grape area, however, tends to be lower than that of organic farming general because of the production based problems, the direct payments are not high enough and the competition from Southern countries to the Northern producers. There are signs of a strongly growing market for organic wine in many countries, triggered by a generally growing interest in organic products and growing demand (particularly in Europe and North America)". National Rural Network 2007–2013 (2012) data show that, in 2010, Italy was the second EU member in terms of organic viticulture surface after Spain, with more than 50,000 ha and 628 certified wineries processing organic grapes. More recent data from Italian Confederations of Farmers (CIA) show that, in 2012, the Italian organically cultivated vineyards overpassed 52 thousands of hectares, more than 96% of these producing grapes for wine processing. The leading regions are Sicily (+65.5% from 2009), Apulia (+12% from 2009) and Tuscany (+12.4% from 2009).

2. Background and aims

This paper aims to analyze the main characteristics of Italian organic wine sector before the enforcement of regulation 203/2012, taking into account also biodynamic and similar productions. In particular the study focuses on marketing practices adopted by wineries both in promotional and in strategic terms. Based on the results obtained by the survey, the potential of European certified organic and biodynamic wine on the Italian market can be defined.

To the best of our knowledge, the literature related to the exploration of the organic wine sector is up to now scarce. Some authors emphasize a lack of materials and of data (Stolz and Schmidt, 2008; Willer, 2008; Remaud et al., 2008) from different points of view: production, surfaces, yields, distribution channels, consumer expectations and marketing strategies. Before 2012 when an appropriate regulation was still missing, the lack of clarity along the production chain has strengthened the purchaser's uncertainty about the product (Vastola and Tanyeri-Abur, 2009). An important outcome of the ORWINE project (see next in text) was the Recommendation for EU Rules on organic wine comprehending proposals and advices for the elaboration of rules for organic wine production and labeling in EU Regulation. Currently, the large part of scientific studies focuses on wine "from organically growing grapes", without a complete certification of the process because of the extremely recent EC Reg. 203/2013. Furthermore in several research works organic wine is often included in a wider class of environment-friendly products like biodynamic, "natural", "true" and other *bio-soundings* (http://www.teatronaturale.it, last access 2013-05-14) or non-conventional wines (Vastola and Tanyeri-Abur, 2009).

An important work on organic wine sector is the collection of studies originated from the European project named ORWINE (http://www.orwine.com), which surveyed many different aspects of the sector, concerning technological, economic and sensory analysis issues.

There are two main fields of study in the economic literature on organic wine.

(a) Surveys about wine system, mainly addressed to get a clear picture of the sector dimensions for small contexts (Crescimanno et al., 2002; Rossetto, 2002; Brugarolas et al., 2009) or for bigger ones, but in this case sometimes it is

[3]See Annex III of Reg. (EC) no. 1235/2008.

[4]See Annex IV of Reg. (EC) no. 1235/2008.

[5]That means that as long as the terms of the arrangement are met, organic operations certified to the USDA organic or EU organic standards may be labeled and sold as organic in both countries (http://www.ams.usda.gov, last access 2013/11/30).