

Bordeaux). And we have been lucky enough to avoid, so far, any of the deep winters that can completely destroy a vinifera vine.

But you can read all about this and much, much more in this fine book by two of New Jersey's distinguished agricultural scientists. Larry Coia and Dan Ward have decades of experience with grape growing in New Jersey, and they are uniquely qualified to write this book. I hope that grape growers, wine consumers, and wine makers will take the lessons in the book to heart. There are a lot of mistakes we need to avoid if New Jersey is ever to have the reputation it deserves for fine wine. Things have started to change, but it will be a long, hard road traveled before we see the progress the wine industry deserves. I was present recently at the Governor's Cup celebration in the Governor's Residence when New Jersey's First Lady, Tammy Murphy, announced that henceforth, only New Jersey wines would be served in the Residence. That is a fine start to the journey.

This book will be excellent guidance for many people, but it is not yet a fully finished project. There is much to learn about grape growing and grape suitability in New Jersey. This book should really be called *Wine Grape Varieties for New Jersey, First Edition*. I am already looking forward to the second edition. The book is available to order through Outer Coastal Plain Vineyard Association, at www.outercoastalplain.com.

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Reference

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ADELINE ALONSO UGAGLIA, JEAN-MARIE CARDEBAT, and ALESSANDRO CORSI (eds.): *The Palgrave Handbook of Wine Industry Economics*. Palgrave Macmillan, 2018, Cham, Switzerland, XXV, 542 pp., ISBN 978-3-319-98632-6 (hardcover), \$207.99.

As this volume of work was awarded the 2019 International Organisation of Vine and Wine (OIV) prize for the best new book in the “economy” category, I was reasonably confident that this would be an interesting book to review. The volume asks: What models of industrial organization are present in the main wine producing countries? Can different industrial organization characteristics be identified and described? And are the differences in approach between the old, new, and very

new wine production countries really that substantial? The 28 contributed chapters are grouped into five parts: Part I is the *Structure of the Wine Sectors of the World*; Part II is *Regulations in the Wine Sector*; Part III is *Diversity of Organisation in the Wine Industry*; Part IV is *Backwards Vertical Integration*; Part V is *Efficiency of the Business Models in the Different Wine Industries*.

Part I consists of a series of self-contained country specific chapters that provide an overview of the characteristics of the production systems used in each country. The old world is represented through chapters on France, Italy, and Spain; the new world through chapters on the United States, Australia, Argentina, and South Africa; and the very new world by a chapter on China. All of these chapters provide a treasure of facts and figures on what is grown, where it is grown, sales channels, corporate structures, and the relative importance of geographical indicators (Protected Designation of Origin (PDO)). All of the chapters are interesting, and rather than being just relevant to industrial organization research, these chapters represent great country specific references. As the China market is the market I know least well, I found this material especially interesting.

At the end of these chapters it is apparent that there are some structural differences between countries, for example, the relative importance of taxation issues as a factor influencing structures (more important in the new world); the role of co-operatives (more important in the old world), and differences in land availability for planting (generally unrestricted in the new world and highly restricted in the old world). Overall, however, there are many factors that are less different than one might initially think. For example, although industry concentration is higher in the new world, the actual size of large firms is not that dissimilar across both new and old world countries. There also seems to be a convergence towards the use of geographical identifiers across all producers, and a broad movement towards higher-quality wine production everywhere, although each country is starting from a different base.

Part II first provides an overview of the activities of the OIV and the World Wine Trade Group (WWTG). Although OIV has a long European history, and the WWTG is a modern new world focused group, both organizations are shown to have complementary objectives. There are no formal links between the two organizations, but the reader is left with the impression that convergence in core objects is likely. The chapter on European wine policy provides an honest account of policy interventions and their results and provides an excellent historical overview. The trade chapter places wine trade within a broader context of barriers to market access and concludes with coverage of topics that are both important for wine trade and global trade more generally: the current “America first” trade policies of the United States, and the disruption to trade associated with the United Kingdom leaving the European Union.

If the Part I chapters drew the reader towards the similarities across wine producing countries, the Part III chapters start by refocusing the attention of the reader on the industrial organization aspects that are genuinely different between the old and

new world producers. A transaction cost framework is then used to explain the different organizational features across vineyards, wineries, and decisions, such as the extent of contracting at different wineries. This is followed by a detailed examination of co-operative strategies for growth that draws on information gathered through a series of semi-structured interviews with managers that have actually been involved in real world wine co-operative mergers. The section concludes with a detailed Bordeaux region study that highlights the complex relationships between the different actors along the supply chain.

Part IV can be viewed as a set of case studies. The first case study focuses on strategies in Burgundy and uses cluster analysis to identify groups, and in doing so, highlights the diverse approaches that can be used to operate profitable wine businesses. The focus of the second case study is Bordeaux, and Farm Accountancy Data Network (FADN) information is combined with data from France's Computerised Vineyard Register (CVI) to create a detailed database for 684 farms, that include 258 co-operatives. Following a review of financial performance, the case study focuses on the vertical integration options for co-operatives. Prosecco production is the focus of the third case study, and again, analysis is supported through the creation of a detailed and comprehensive industry sector database. The case study reveals a complex industry structure, but also describes a positive story of industry sector performance. The final case study provides contrasting specific examples of approaches to integration in the old world, where planting rights constraints are present, and the new world, where such constraints do not exist. The role of land availability and land ownership structure in influencing industry organization is especially clear in this final case study; however, the role of land availability and land ownership structure as factors shaping industry organization is a common element to all of the case studies.

The structure of chapters in Part V presents a balanced view of the relative success of different structures, for example, Brand v. PDO, and shows that there is no single, definitive dominant strategy. There are multiple examples of success, and both collective and individual reputation are important features of the wine market that influence industrial organization structures. Contrasting two different successful strategies—Chile and Switzerland—serves to highlight this point. Different models coexist at the regional, national, and international levels, and both strategy and industry structures are constantly evolving at each level. Part V, and the volume as a whole, concludes with some observations about future possible drivers of change.

Overall, the volume is an excellent reference for anyone wanting to understand the industrial organization setting of the global wine industry. The volume is also, definitely, a worthy winner of the OIV prize for the best new book in the economy category.

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