CIEE Rome, Italy

Course title: Economics of Wine
Course code: (GI) BUSI 3011 ROIT
Programs offering course: Rome Open Campus Block
Open Campus Track: Business
Language of instruction: English
U.S. semester credits: 3.00
Contact hours: 45.00
Term: Spring Block III 2021

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.
- Analyze 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, an individual presentation, as well as field trips to local 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 5%
2. Group Presentation 25%
3. Photographic Essay 25%
4. Wine Review 25%
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 60 minutes exactly. The questions will relate to course content and readings.

**Group Presentation**

Each group will present for 7-minutes about their research findings into a local wine producer, supplier, or specialist seller. 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 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 expose’. 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.

**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 host country 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. Incorporating text and media resources, the total equivalent word count for this assignment is 2000 words.

**Class Participation**

Participation is valued as meaningful contribution in the digital and tangible classroom, utilizing the resources and materials presented to students 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.

**Attendance**

Regular class attendance is required throughout the program, and all absences will result in a lower participation grade for any affected CIEE course. Due to the intensive schedules for short-term programs, 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, excessively tardy (over 15 minutes late) students must be marked absent. Attendance policies also apply to any required co-curricular class excursion or event, as well as to 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. 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 any tardiness, and students risk being marked as absent if they fail to be present at the appointed time.
Absences will lead to the following penalties:

<table>
<thead>
<tr>
<th>Percentage of Total Course Hours Missed</th>
<th>Minimum Penalty</th>
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</thead>
<tbody>
<tr>
<td>Up to 10%</td>
<td>Participation graded as per class requirements</td>
</tr>
<tr>
<td>10 – 20%</td>
<td>Participation graded as per class requirements; grade penalty &amp; written warning</td>
</tr>
<tr>
<td>More than 20%</td>
<td>Automatic course failure, and possible expulsion</td>
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</tbody>
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N.B. Course schedule is subject to change due to study tours, excursions, or local holidays. Final schedules will be included in the final syllabus provided to students on site.

**Weekly Schedule**

**Week 1**

**Class: 1.0 Orientation Week / Introduction to the Course**

This opening lecture will overview the course direction introducing key emergencies of wine industries that differentiates itself from other finance, business and agricultural economics in the host country context. Students will examine, then discuss the concepts and state of play in key markets for Host country.

**Week 2**

**Class: 2.0 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. Concepts about the development of the industry and quality development of the wine and vine are discussed. The findings from the host country Government initiatives and commitment to support the agricultural sector are also evaluated.

**Readings:**


**Class: 3.0 Wine Investment**

In this class students will examine risk, return and diversification benefits of fine wine as an investment in time of financial insecurity. It discusses the inclusion of fine wine to an asset portfolio and the use of the General Wine Index and CAPM in identifying fine wines to include when diversifying investment portfolios. The return on Host country wines is discussed in relation to repeat sales regression methodology.

**Readings:**


**Due Date for In-Class Exam**

**Week 3**

**Class: 4.0 Site Visit**

This class will visit a local organization involved in the agri-food sector, notably wine production, explore the start-up and development and impact of the development of wines in the host country. The lives and careers of host country winemakers are examined. Students will examine an example business plan for a small premium winery.
Focus on Biodynamic / Organic & Boutique Wines & Vineyards

A comparative analysis of this development with the growth of wine regions in students’ home country is undertaken and the exponential interest in biodynamic / Organic and Boutique wines industry in Host country is discussed.

Readings:


Due Date for Group Presentations

Week 4

Class: 6.0 Wine & Natural Environment in the Host Country 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. Wine is discussed as a window into place, culture and time. Students will research aspects of a wine producing region as a geographically suitable region for wine growing.

Readings:


Class: 7.0 Climate Change & Land Use Competition

In this class students will explore the relevancy of climate change as a key stakeholder in the wine business. The controversial issues surrounding land use competition with a host country wine producing region with the mining industry and the impact on the wine region are discussed. The Hunter Valley case study will provide context.

Readings:


Week 5

Class: 8.0 Growing & Making Wine in the Host Country Climate

The global problems linked to sustainability challenges are discussed in terms of the impact on the economics of the wine industry. Students are involved in considering a case-based model that encompasses economic, environmental and social objectives in managing a cellar in the Host country context. They will discuss these challenges using a real large-sized Host country wine company as a case study, and compare with the Hunter Valley case study.

Readings:


Due Date for Photographic Essay

Edit Topic Description

Week 6

Class: 9.0 Wine Tastings, Competitions & Expert Opinion

Guest speaker while on the co-curricular Vineyard Tour in a host country vineyard.

Readings:

Class: 10.0 Wine Regulation, Reputation & Promotion

Underpinning the discussion in this class is examination of the Host country wine regulation. In view of these regulations, brand reputation and the influence of regional origin of wines is explored as determinants of consumer choice. A hedonic model for measuring significance of brand reputation is critiqued in view of the reputation of wines in the Host country and International market. The impact of globalization is also discussed in view of how wines are promoted with current regulatory requirements.

Readings:


Due Date for Submission of Wine Review Assessment

Course Materials

Readings


Online Resources


[https://grapegrowerandwinemaker.com/2018/04/19/is-a-redesign-needed-for-your-wine-brand/](https://grapegrowerandwinemaker.com/2018/04/19/is-a-redesign-needed-for-your-wine-brand/)

Wine tasting systematic framework: Accessed at: