



Case Study

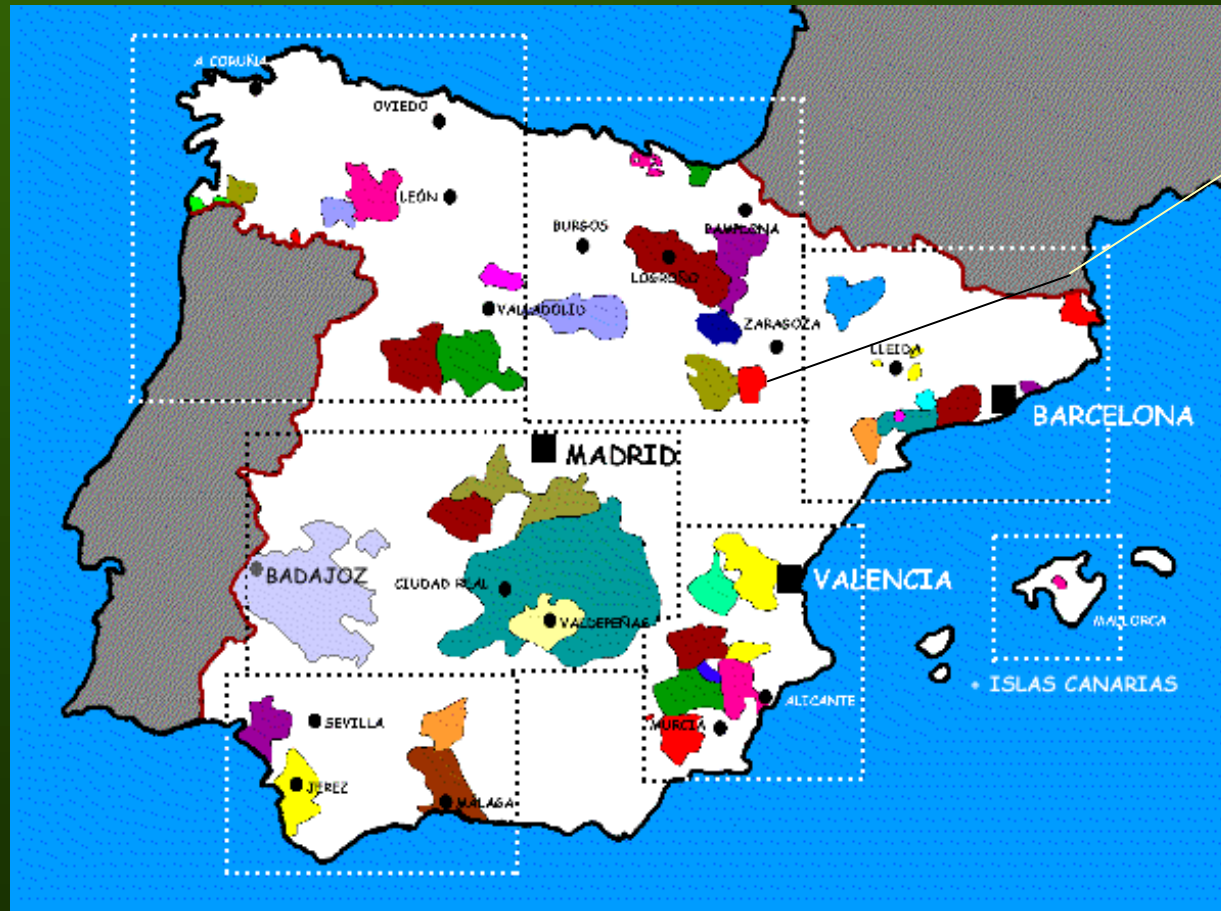
Wine D.O. Cariñena

Spanish Team

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The region: Cariñena



Cariñena

- 23 D.O. In Spain
- 4 D.O. In the region of Aragón plus 5 OLPs “Vinos de la Tierra”

Designation of Origin Cariñena

- Recognition in 1932 and formally constituted in 1960
- “Quality Wine Produced in Specified Region”
- Area covers:
 - 14 municipalities has
 - Population 9412 inhabitants
 - 15000 has of vineyards
- Height: 400-800 metres
- Climate: dry and extreme temperatures

The Code of Practice

- Grape production:
 - Varieties (which, proportion)
 - Growing practices (vine density, pruning, irrigation)
 - Maximum production
- Wine making process:
 - Vintage (contents in sugar, date)
 - Processing methods (ratio wine/grape)
 - Ageing (time, oak barrels)

The Code of Practice

- Quality controls for qualification and certification
- Bottling and Labels

Regulatory Body

- Registries of Vineyards, wine makers
- Certification and Control
- Sanctions
- Proposals for authorising changes


The supply chain

- Structure:
 - 3000 vineyards; 44 wine makers
 - 85% from co-operatives
- Vertical Co-ordination:
 - Ownership of the vineyards
 - Contracts of supply
- Mergers and marketing agreements
- Individual strategies (Generic promotion)
- Quality management (RB, Admon policy)

The Market

- 20,5 million litres in 2001 (most in $\frac{3}{4}$)
- 50% exported
- 35% market share in the region
- “Young” 44%; “Reserva” 23%
“Crianza” 19%; GRes13%; Others 29%
- Brands:
 - Corporation brand
 - Different brands for different ranges of quality

The Market

- Competition inside the D.O. and with other D.O.
 - High awareness in Spain and the Region
 - Poor reputation:
 - Long history
 - High volumes
 - Low prices
 - High graduation
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- Diversification
 - Adaptation
 - Actions of the RB:
information, promotion

Final Remarks

- Conflicts between individual and collective reputation
- Advantages of being inside the Designation of Origin for big firms
- Slow adaptation of administrative rules of the D.O. to the market demands