

HOW WILL MANDATORY NUTRITION AND INGREDIENT LABELLING AFFECT THE WINE INDUSTRY? A QUANTITATIVE PRODUCER STUDY

Evelyn Pabst, Geisenheim University, Germany
Gergely Szolnoki, Geisenheim University, Germany
Simone Mueller Loose, Geisenheim University, Germany
University of South Australia, Adelaide, South Australia

Keywords: Producer survey, Nutrition labelling, Ingredient lists, Production costs, Competitive advantage, Structure of wine industry

Purpose

The purpose of this study is to examine producers' perspective on mandatory labelling of nutrition and ingredient information for wine, as suggested by the European Commission. Producers' expectations about consumer reactions towards new label information, the consequences of mandatory labelling on production processes and relative competitive advantages of different producer sizes are assessed.

Methodology

Data for this survey was collected using a quantitative research method with a producer online survey. A total of 483 German wine producers covering a substantial share of German wine acreage took part in the survey including 434 estate wineries, 29 cooperatives and 20 large bottling wineries.

Findings

The study illustrates that mandatory nutrition labelling will have several effects on the wine industry. Consumer reactions expected by producers largely agree with new qualitative wine consumer research findings. While nutritional information is unlikely to have an effect on consumer demand the listing of ingredients is likely to create consumer confusion and uncertainty, deteriorating the natural image held by wine. This creates the opportunity for some wineries to focus on clean labelling strategies, completely avoiding additives that require labelling. From a production point of view mandatory nutrition labelling is likely to increase production costs due to changes in oenological practices, the increased demand for laboratory

analyses and more difficult labelling processes. Large wineries are better informed and likely better equipped to react to labelling changes.

Practical implications

The degree to which negative effects will come into action will not only depend on legal decisions about the classification of additives versus processing aids but also on producers' willingness and ability to adopt to the changes mandatory nutrition labelling will have on the industry. Producers should react proactively towards anticipated consumer concern of fair and transparent ingredient labelling.