THE CHALLENGES OF EFFECTIVELY MEASURING ECONOMIC IMPACT IN AN EMERGENT WINE REGION: THE CASE OF NOVA SCOTIA

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Introduction

While the first wine grapes were planted by French settlers 400 years ago (Kelly, 2011), the Province of Nova Scotia, Canada is only now emerging as a producer of quality wine. Concurrent with quality improvement, there has been substantial growth in vineyards and wineries. In just over two decades, the Province has gone from one commercial winery to two dozen (Wines of Nova Scotia, 2018). However, despite attempts at sector-wide strategic policy development and planning (c.f. Reynolds, 2002), this rapid growth, combined with the independent and entrepreneurial nature of those willing to embrace the risks of developing a winery in rural Nova Scotia, has meant haphazard sector development. In this paper we describe the challenges of researching and producing accurate estimates of economic impact in a rapidly emerging wine region.

The Challenge

Several efforts have been made to quantify the impact of the wine sector in Nova Scotia. These reports fall into two categories: academic studies by faculty and/or students (Sears, 2017; Thompson, 2015); and commissioned studies (by government bodies or industry groups) carried out by consulting firms (Frank, Rimerman + Co. LLP, 2013, 2015; Gardiner Pinfold, 2012; Jozsa Management & Economics 2006). However, since the sector's rapid growth has been simultaneous with significant change, these studies are based upon inconsistent and sometimes irreconcilable data. For instance, the definition of "Nova Scotia wine" changed from wines with a minimum of 85% NS grapes to 100% NS grapes (Wines of Nova Scotia, 2018). Consequently, increased vineyard acreage was accompanied by decreased volume of wine produced – a seemingly contradictory situation.

Similar definitional challenges occur when estimating wine tourism impacts. Tourism Nova Scotia (TNS) defines wine tourists as overnight visitors who stopped at a winery during their time in the province. Alternatively, wineries report anecdotal visitor numbers –approximated by tasting room staff – with no consideration given to visitor origin or length of stay. Thus, the comparability of tourism impact data across studies is difficult to assess.

The number of government agencies involved in the sector – all of which use different measures and assessments - add further complexity. Legislatively, wineries must gain national, provincial, and local government approval to operate in Nova Scotia. The Nova Scotia Liquor Corporation (NSLC), under the auspices of Alcohol and Gaming, licenses wineries. These licenses are contingent on approval at the Federal level, Provincial level, and local level ('dry' regions of the province require a plebiscite to approve construction and subsequent production).

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Thus, data and expertise are fragmented across a multitude of government levels and governmental departments.

Conclusion

In their quest to quantify the economic impact of the wine sector in Nova Scotia, researchers are challenged by the complex context in which wineries operate. This includes inconsistent regional data collection; haphazard collection at wineries; constant change in industry association membership and administration; and differences in academic versus practitioner data – with no reliable, systematic approach on the horizon.

Resolving these inherent contradictions will require a collaborative and coordinated approach amongst stakeholders such as TNS, the NSLC, and the Winery Association of Nova Scotia. Moreover, any calculations of economic impact must consider the changes to legislative and industry standards that are, perhaps, inevitable in a rapidly emerging sector. In the absence of a comprehensive, effective industry or provincial sector development strategy, securing a grasp on these issues is crucial.

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