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Article

A letter by the Regional Editor for South America: From varietals to terroir

Wine Economics and Policy

Provided in Cooperation with:

UniCeSV - Centro Universitario di Ricerca per lo Sviluppo Competitivo del Settore Vitivinicolo,
University of Florence

Suggested Citation: Gennari, Alejandro Juan (2014) : A letter by the Regional Editor for South America: From varietals to terroir, Wine Economics and Policy, ISSN 2212-9774, Elsevier, Amsterdam, Vol. 3, Iss. 2, pp. 69-70,
<https://doi.org/10.1016/j.wep.2014.11.003>

This Version is available at:

<https://hdl.handle.net/10419/194489>

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Editorial

A letter by the Regional Editor for South America:
 From varietals to terroir

Keywords: Varietals; Terroir; Policy; Viticulture; South America

Latin-American viticultures belong to what is nowadays known as the New World of Wine, both in terms of productivity and levels of consumption. However, the wine-making tradition has been present in the history of countries such as Chile and Argentina since the establishment of the Spanish colonizers and their first churches, up to their incorporation in the commercial and productive systems around the world. Peru and Bolivia, also former prominent Hispanic colonies, have kept their local viticultures, and although they have not transcended international markets, much has changed in the last few years. Conversely, Uruguay is showing an increasingly vital production and is keeping interesting levels of consumption. Also, Brazil, the Latin-American Giant, who introduced vines and wines during the Portuguese colonization, is showing levels of production and consumption which were hard to imagine thirty years ago, thus increasing territory valorization and consumer interest. This overview of the Latin-American panorama shows that the economic forces involved in the wine-making production are carrying out a series of actions that imply a growing institutional organization and the contribution of both public and private institutions of great influence in sectorial policies. Many of these bodies stand out for their originality and impact: for instance, the Chilean wine cluster system and the joint collaboration of Universities, State and enterprises design research and technological transfer projects to generate innovation in the wine system. Another example is the regulative system of Argentinean wines. This aims at directing the surplus in grape production towards concentrated must to avoid the overproduction of local wines and its negative consequences in the market.

It should be pointed out that the great Latin-American viticultures are applying strategies for the global markets and are having an impact in the economies of the territories where they settle down. Chile, with its strong presence in the global market, began a process of transformation in its traditional wine industry around the 80s, shifting from a supply of wine for the local markets towards a viticulture oriented to the

global markets, based mainly on the international varieties (initially Cabernet Sauvignon and Chardonnay). The strategy of global differentiation based on the production of varietals has allowed for an outstanding expansion of the Chilean viticulture, both in terms of grape and wine production, and its international marketing (over 70% of its total production is exported to the world); so Chilean wines can be found on the shelves of the main markets of the world. This development can be seen in several regions of Chile and it has determined an outstanding territorial expansion and the incorporation of new territories to the production of wines, with a resulting territorial and developmental impact. In the last two decades, the Chilean phenomenon has been strengthened by the search for a varietal identity that represents Chile in the international forefront, the Carmenère, and great efforts have been made to increase its presence in the domestic vineyards and in the Chilean international portfolio. Besides, the creation of territorial identities (protected geographical indications) that are representative of the transverse valleys that characterize Chile (Casablanca, Colchagua, Maipo, Cachapoal, among others), show a complex evolution in terms of strategies for the differentiation of the classic international varietals, in the incorporation of new international varietals that affect the structure of the portfolio (Sauvignon Blanc has surpassed Chardonnay in terms of cultivated areas), and in the search for a varietal identity (Carmenere). Also to be noted is the geographical indications of the Chilean valleys and the wine-ries' ongoing efforts to differentiate their terroirs (for example, Apalta in the Colchagua Valley). Perhaps Chile's greatest contribution to the industry has been the ability to combine private and public efforts in the innovation processes (Chile Vid, Innova) based on research and technology transfer, as well as in market communication through ProChile and Wines of Chile.

Likewise, great Latin-American wine producer, Argentina, has seen a radical transformation in its wine-making industry, with significant changes in productive structures and differentiation strategies. The transformation began right after the great crisis of the 90s, with the elimination of vineyards in the middle of a generalized crisis. There was a shift from massive

Peer review under responsibility of Wine Economics and Policy.

production of basic wines for the domestic market to two completely different models: the production of grapes for the elaboration of concentrated must for the international market (an industrial commodity, 80% of which is exported) and premium wines for the local and international markets. The production of basic wines for the local market has fallen, a tendency that continues up to today. In the must production model, the vineyard's yield and the sugar production are the key variables to manage. These define the productive strategy which has significant territorial implications due to the emergence of specialized areas. On the other hand, the premium wines model has found in the traditional Malbec variety a significant representative in the differentiation process of the Argentinian wine offer in international markets. It is the long-forgotten French Cot variety, which had found in the New World a great place to make the most of its characteristics. Since the end of the 90s up until today, the areas cultivated with the Malbec variety have tripled in Argentina (from 12,000 ha in the mid-90s to 36,000 ha today), but Malbec has also found a great opportunity in the US and Canada. This has allowed for a greater presence of Argentinian wines in the world (more than half of the Argentinian wine exports are Malbec varieties). It is worth noticing that the increasing presence of the Argentinian wines in the world is based on a varietal differentiation (Malbec), which allows for the incorporation of other international varieties (Cabernet, Chardonnay), local varieties (Bonarda, Torrontés), and blends in the wine portfolio, but in all cases, aided by the presence of the Malbec variety. The Malbec identity is constantly reinforced through the efforts of enterprises to differentiate the various Malbec terroirs, some of which are on high demand, such as Lujan, Agrelo, Tupungato, and more recently, Altamira and Gualtallary. Again, the initial differentiation is made first through the varietal and then through the territorial

valorization, which consolidates the processes. At the same time, public–private institutional agreements have encouraged export promotion schemes (Wines of Argentina) and integral wine promotion schemes (COVIAR, the Argentine Wine Corporation) although the impact is less significant than in the case of Chile.

Alongside, Brazil has evolved from a basic viticulture to a more qualified production and the development of the PDO Valle dos Vinhedos, in an attempt to differentiate its main productive region. Likewise, the differentiation process is also present in Uruguay, with great efforts to establish the Tannat varietal. A last few words go to the oldest Latin-American viticultures, the Peruvian and Bolivian; although they have remained in the shadows, they are slowly opening up to the world markets with some of their differentiated products: the Peruvian pisco and the Bolivian singani. Both are distilled beverages and present distinctive qualities. Peru's extraordinary cuisine, which is expanding in the world, has incorporated pisco in its recipes, and Bolivia's singani, distilled from Muscat of Alexandria, and produced from selected grapes, will indeed become a novelty in the coming years.

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25 November 2014; accepted 25 November 2014

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