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Book reviews

Creating Wine: The Emergence of a World Industry, 1840–1914, by James Simpson. Published by Princeton University Press, Princeton, NJ, USA, 2011, pp. xli + 318, ISBN 978-0-691-13603-5, \$39.50 (paperback).

James Simpson's book, *Creating Wine*, is clearly written, approachable regardless of prior knowledge and provides a vast amount of information on what is a fairly short period in the history of the world wine market.

In focusing on the years between 1840 and 1914, Simpson has chosen a pivotal period in viticulture, winemaking and marketing – arguably, one that in many ways has shaped the world wine market into what it is today. Prior to this period, the Old World dominated wine production, with producers being generally smaller in size and mostly servicing consumers in the local area. It was during this period, however, that the Old World found itself faced with a number of significant challenges, both from internal and external factors. And it was from these challenges that a more industrialised and innovative industry emerged.

Despite focusing on a relatively short period, which is now in the distant past, where both the demand and supply sides of the market were vastly different to present day, I was able to continually draw parallels to the challenges being faced by wine producers in modern times, both in Australia and abroad. In particular, the periodic emergence of oversupply and the response from producers and policy makers appears to have changed very little in the 100 or so years that have followed.

The book is set out in sections that are each devoted to broad issues that existed at the time, largely involving changes in market conditions, technology and society. The changing technological and organisational scene in Europe is the topic of Part 1. The reader is treated to an in-depth overview of the state of the European wine industry structure and how it was evolving during the period. The expansion of rail networks across Europe meant that wine producers could now reach consumers beyond just their local area. The implications for the way wine was marketed and traded and the regulations that would be required to control such things were great.

Arguably, one of the more infamous supply shocks ever to hit the world wine industry was the onset of phylloxera during the late 1870s. The impact on French wine production was immense, with production virtually halving as a result. Simpson provides very detailed analysis of the impact of the disease on the French wine industry and its response, in a time that preceded many of the appellation regulations and geographical indicators that would emerge soon after. In particular, phylloxera forced producers and consumers alike to look to alternative sources of wine, either via imports or alternative inputs into production. This change in organisation in many ways

inadvertently led to a greater emphasis on the benefits of trade and innovation within the wine industry.

Part 2 focuses on the promotion of international trade in wine during the period and the many obstacles that emerged along the way. Indeed, the reduction of trade barriers between Britain and continental Europe actually coincided with a fall in British wine consumption. Simpson initially ponders whether this could have been related to fashion but later concludes that it was more likely due to a combination of supply-side factors. The effects of phylloxera and other vine diseases during the time had a dramatic impact on output. This had the effect of not only physically reducing the quantity of wine available for export but also depressed quality because of an increase in 'adulteration' of wines at the time. This largely involved the use of adjunct products, such as sugar, to alter the flavour of lower quality wine, mostly at the hands of British importers. This trend was able to gather momentum in a market largely absent of quality controls, many of which were later introduced by the French wine industry in response to wine adulteration during this period.

The third section of the book focuses on institutional innovation and largely details the ways in which the French wine industry sought to introduce a regional classification system to combat the quality challenges outlined in the previous section. These mainly included threats of disease and adulteration. Introducing regional brands allowed French wine producers to better control the quality of wine available for export, thereby limiting the likelihood that wine would be altered. The move in many ways signalled the birth of geographical indications, which have been a significant feature of the French wine industry since. Simpson covers in detail the major French wine producing areas and how they adopted the new regional branding concept, along with the many challenges that were faced in the process.

The final section of the book details the growth of wine production in the New World, broken up into chapters devoted to each of the significant New World producers that were emerging during the time. As with the rest of the book, Simpson is very thorough in his analysis, with a number of interesting anecdotes from industry participants at the time, along with various other sources. The section highlights the many obstacles that were faced by New World producers, which in most cases were in their infancy at the time. These were mostly because of producers in the New World adopting many of the same methods and practices being used in the Old World at the time, despite significant differences in climate and conditions. Simpson suggests that this was a catalyst for the New World's ultimate emphasis on a more scientific, or 'industrial' approach to winemaking. That is, when the methods of the Old World proved ineffective for a variety of reasons, New World producers were forced to develop new technologies and production techniques to better tackle the differing conditions. It was the New World's adoption of these innovative methods during this period that in many ways initiated the divergence between the two Worlds that has been maintained ever since.

The Australian wine industry provides an excellent illustration of this point. While Australia has more recently produced wine in areas with similar climates to the traditional French wine regions, the locations initially chosen for grape growing in Australia were typically hot and dry (South Australia and the Hunter Valley, among others). Indeed, Simpson provides a fascinating quote from Thomas Hardy, one of Australia's viticultural pioneers, detailing his frustration at many French 'experts' who attempted to unsuccessfully promote their native methods in Australia. Hardy was of the view that Australian producers had adapted well to the more challenging conditions, through innovation and the development of technology. These origins arguably fostered an industry that is now considered one of the more technologically advanced in the world.

Creating Wine was a delight to read. Simpson has chosen to study a pivotal time in wine production, dictated not only by changing market structure but also various supply shocks and societal factors. While many of us may have some idea of the broad issues that existed in the market for wine around this time, Simpson has provided a thoroughly researched, comprehensive piece of work that will satisfy anyone from novice to expert.

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Breaking the Sheep's Back: The Shocking True Story of The Decline and Fall of The Australian Wool Industry, by Charles Massy. Published by University of Queensland Press, St Lucia, QLD, 2011, pp. 464, ISBN 9780702238857 (\$39.95 paperback).

Unlike the British House of Lords, there is no wool sack in the Senate in Canberra. But Australia did ride on the sheep's back for well over 100 years – from the advent of the Australian Merino from the mid-19th century well into the second half of the 20th century. The ride finally ended with the collapse of the wool reserve price scheme (RPS) – a buffer stock scheme – in February 1991 and the decade it took to dispose of its rotting corpse – the 4.77 million bale wool stockpile, equal to nearly a year's production.

There is no question this book is '... the mother of all case studies', as Emeritus Professor Jack Lewis writes in the foreword. That will make the book interesting to anyone concerned with the role of interest groups in making and managing economic policy. It shows how a small focussed interest group playing a long game can win against the wishes of a possibly larger but uncoordinated group, especially if they are poorly educated woolgrowers.

Massy relies importantly on personal interviews with people involved in Australian wool policy and the wool trade from about the 1960s. So it is