"RED WINES OF MEDEC,
Vintages from 1949 to 1989 in Christie's auctions"

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In this paper, we study the prices of more than 40 vintages (1949-1990) of 60 wines from the Médoc region (Haut-Médoc, Margaux, Pauillac, St Estèphe, St Julien) over the years 1981-1992. We collected data concerning some 30,000 lots sold by Christie’ London between 1981 and 1992.

Our main findings so far are as follows:

(a) price is negatively related to the quantity sold in a specific lot; this is of course what should be expected;

(b) prices seem to decrease as the sale goes on, though not significantly so; this is in conformity with what Ashenfelter describes in his paper on “How auctions work for wine and art”

(c) wines in original cases pick a higher price, but the effect is small (3% per bottle);

(d) prices for jeroboams and imperials seem to be much higher (some 30%) than for 75 cc bottles; buyers seem thus to take into account that the quality of wine may be increased if there is less contact with air;

(e) on average, the pure age effect is to increase the price with some 3.5% per year,

(f) the pure price effect of “time” is quite important; prices have increased with some 75% (to which should be added the age effect, see above) between 1981 and 1990: Between 1990 and 1992, prices have decreased with some 15%;

(g) the correlation between "vintage" prices that come out of our regressions and the "grading" of vintages by wine experts is high (of the order of 0.85);

(h) weather conditions have the following effects: hail between April and September has a negative effect on price (some 7% on average); rain between January and June is beneficial, though the effect is small; rain between July and September is bad; freezing between January to April has a negative, though quite small effect; freezing in May has a very negative effect; temperature does not matter before April; it seems to be most important in June (large positive effect: one more degree increases the price with 16%) and important in August and September (one degree increases the price with 8 to 10%).

We have also results on individual chateaux and on the effect of age on chateaux.

Some preliminary results do not seem to confirm that the price for good vintage increases with age more than the price of less favorable years.

1 Journal of Economic Perspectives 3 (1989), 23-36