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Wine Organic Producing in the Bordeaux Area: Highlights by Costs and Economic Performance

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Often mentioned in talks about organic wine, the concept of full costs and economic performance is often subject to various interpretations. Sometimes in the sense of a benefit for the organic, sometimes in that not so easy to overcome disabilities. Conducted reasoning do not always rely on real concrete examples, always difficult to gather for making meaningful comparisons. The purpose of this article is just to bring a stone more to this building, presenting the results of a survey conducted end of 2013 with a sample of wineries with conventional growers (7 farms) and organic ones (8 operations). The small size of the sample probably does not allow to generalize the results, but however provides useful information for the lighting of a topical issue on the selection of a mode of production.

The 15 farms are all in the region Entre-Deux-Mers and produce most of the Bordeaux and Bordeaux supérieur. The data on which we have worked are mainly from the 2012 financial year. The high observable intra-sample variability is in line with the high variability that could meet on a larger sample. In addition, our analysis leading up to performance, this variability on costs or prices does not complicate anything regarding interpretation of the final performance.

The method used to calculate the costs is the full costs (ABC) method, incorporating all of the factors of production costs, including the remuneration of family labour and capital (land and financial) when these are made available and not registered in accounting.

In first part, we will present cost comparisons, showing that in our study organic growers produce with higher costs of 25-30% compared to conventional growers. And this as well in the production of grape to packaging and marketing. Then , in a second part, we will show that trade performance does not distinguish the two groups, the selling price higher bio typically accompanied by higher trading costs. Finally, we will mention that global performance, positive for the half of businesses, without a specific group identified.

Producing organic, through these figures, is not a guarantee for results positive and greater than the conventional. But this is not an impasse leading to a lesser performance. It should be remembered that the economic dimension cannot alone summarize the differences between these two modes of production, environmental and social dimensions are, also, to take into account to have a more complete opinion.