Formation of Regional Associations of Wine Producers in the Czech Republic

Considera globally agite locali.

Enometrics XVIII
Angers [Loire Valley] May 18 - 21, 2011
World Wine Map

Wine Producing Regions of the World
Wine of Czech Republic
Vineyards Area
Varieties are (were) Brand

Source: CZSO, 2010
Consumers are placing more emphasis on the selection of wine on its origin from:

- a particular area
- a growing community /vineyard village/
- a individual grower

There is new system for appellations wine “Vína Originální Certifikace – VOC”, which means wines of original certification
VOC Znojmo
## First VOC

<table>
<thead>
<tr>
<th>Wine Region</th>
<th>Potential VOC (ha)</th>
<th>Vineyards in region (ha)</th>
<th>Vineyards in WINE SUB-REGION ZNOJMO</th>
</tr>
</thead>
<tbody>
<tr>
<td>VOC Znojmo</td>
<td>392</td>
<td>552</td>
<td>3172</td>
</tr>
</tbody>
</table>
Research Aim

- a plan for new development of associations of Wine Producers VOC

- Results are compared with already operating on associations for the appellation in Austria DAC
Production & Import

Source: CZSO, 2010
New Facts

Consumers & Producers

- Viticulture and wine sector (industry) in the Czech Republic has undergone over the last twenty years extensive reform

- has experienced a significant shift from the quantitative orientation of production towards high quality
Czech Wine Market

**tabel vs quality wines in 1999 (%)**

**tabel vs quality wines in 2009 (%)**

Source: Ministry of Agriculture CR, 2010
alliances are described in the context of:

- establishment
- operation
- development and expansion
- possibility of involvement of additional organizations, suppliers, and research institutions

Research method was interview

- Localization Quotient (LQ) (Porter, 1998)
- Concentration Quotient (CQ)
Localization Quotient

\[ \frac{x}{X} \quad (LQ) = \frac{y}{Y} \]

- LQ - location quotient of employment in the region
- \( x \) - employees working in the sector in the region
- \( X \) - total number of employees in the region
- \( y \) - employees working in the sector in the state
- \( Y \) - total number of employees in the state

Potential for regional clusters is where are groups of related industries with \( LQ \) greater than 1.
Concentration Quotient

\[\frac{a}{A} = \frac{CQ}{b/B}\]

- CQ - concentration quotient of vineyards in the region or in a certain area for the establishment of an association of wine growers or cluster

\[a - \text{the number of vineyards in the region certified by the association rules (ha)}\]
\[A - \text{total number of vineyards across the region (ha)}\]
\[b - \text{the number of vineyards of the all associations (ha)}\]
\[B - \text{the total area of vineyards in the country (ha)}\]
VOC in the Czech Republic
The primary motive for establishing a new regional association was effective cooperation in communication highlighting the uniqueness of the primary origin of wine. U.S.P. = unique selling position
# VOC in the Czech Republic

<table>
<thead>
<tr>
<th>Wine Region</th>
<th>Potential VOC (ha)</th>
<th>Vineyards in region (ha)</th>
<th>share VOC potential (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>VOC Znojmo</td>
<td>392</td>
<td>552</td>
<td>71%</td>
</tr>
<tr>
<td>VOC Blue Mountains</td>
<td>129</td>
<td>1 138</td>
<td>11%</td>
</tr>
<tr>
<td>Southern Moravia (3 VOCs)</td>
<td>3 241</td>
<td>12 376</td>
<td>26%</td>
</tr>
</tbody>
</table>
DAC in Austria
## DAC in Austria

<table>
<thead>
<tr>
<th>Wine Region</th>
<th>vineyards with DAC potential in ha</th>
<th>vineyards in region in ha</th>
<th>rate DAC potential in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weinviertel</td>
<td>7377</td>
<td>13389</td>
<td>55.1</td>
</tr>
<tr>
<td>Mittelburgenland</td>
<td>1164</td>
<td>2121</td>
<td>54.9</td>
</tr>
<tr>
<td>Südburgenland</td>
<td>177</td>
<td>499</td>
<td>35.39</td>
</tr>
<tr>
<td>Kremstal</td>
<td>1502</td>
<td>2246</td>
<td>66.89</td>
</tr>
<tr>
<td>Kamptal</td>
<td>2301</td>
<td>3802</td>
<td>60.53</td>
</tr>
<tr>
<td>Traisental</td>
<td>463</td>
<td>790</td>
<td>58.64</td>
</tr>
<tr>
<td>Neusiedlersee-Hügelland</td>
<td>2575</td>
<td>3756</td>
<td>68.54</td>
</tr>
</tbody>
</table>

Source: Statistik Austria, Ministry of Agriculture, 2011
DAC Weinviertel

![Graph showing the number of bottles (thous.) and the number of producers from 2004 to 2010.]

- **Number of bottles (thous.):**
  - 2004: 1,517
  - 2005: 1,575
  - 2006: 1,586
  - 2007: 2,014
  - 2008: 2,078
  - 2009: 2,400
  - 2010: 3,044

- **Number of producers:**
  - 2004: 439
  - 2005: 427
  - 2006: 498
  - 2007: 557
  - 2008: 600
  - 2009: 591
  - 2010: 608

Source: Weinkomitee Weinviertel, 2011
## Results

<table>
<thead>
<tr>
<th>Wine Region</th>
<th>LQ</th>
<th>CQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>VOC Znojmo</td>
<td>1.02</td>
<td>1.51</td>
</tr>
<tr>
<td>VOC Blue Mountains</td>
<td>1.30</td>
<td>2.46</td>
</tr>
<tr>
<td>Southern Moravia (3 VOC’s)</td>
<td>2.26</td>
<td>2.81</td>
</tr>
</tbody>
</table>
## Results

<table>
<thead>
<tr>
<th>Wine Region</th>
<th>LQ</th>
<th>CQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>DAC Weinviertel</td>
<td>1.61</td>
<td>3.6</td>
</tr>
<tr>
<td>DAC Mittelburgenland</td>
<td>1.61</td>
<td>4.9</td>
</tr>
<tr>
<td>DAC Südburgenland</td>
<td>1.04</td>
<td>2.5</td>
</tr>
</tbody>
</table>
Conclusion

- Association DAC Weinviertel showed positive results of cooperation
- DACs Assoc. meet conditions for a cluster

- used by some elements of cooperation specific to cluster together in the form, such as joint marketing, research and education

- new association VOCs in CR has QC & LC larger than a minimum value
- & quotients are in the similar values like in Austria
- could create an institutionalized cluster
The application of the results of LQ & CQ was a plan for the establishment of various associations of VOC’s. Specifically VOC Blue Mountain, 30 wine producers of 5 villages around the center Velké Pavlovice. To obtain a full-fledged competitive advantage, I propose to establish a cluster of the 3 sub-region in Moravia.
THANK YOU FOR YOUR ATTENTION!

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