Microeconomics of competitiveness – california wine cluster assignment

[Economics](), [Microeconomics]()

ASSIGN BUSTER

In early asses the University of California at Davis shifted its research to fruit growing and renamed its viticulture department to be the “ Department of Fruit Studies”. The wine Institute, a trade association of 48 California wineries, was founded in 1 934 in San Francisco to help re-invigorate the lobbying at the state and federal levels. As prohibition came to an end, the Depression hit the U. S. Economy winemaking did not regain steam until the Second World War when the U. S. As largely cut off from European sources. Demand for low quality sweet and fortified wines such as Thunderbird fueled California reduction throughout the asses and 1 9505. 3. What is Californians competitive position versus France, Italy, and Chile? A. Californians competitive position versus France: Californians competitive position versus France is in wine prices and production cost. The competitiveness is varied by region and by quality. Labor costs in France were generally thought to exceed Californians.

France had long-established apprenticeship programs at individual vineyards and winemaking establishment. The French had an aversion to what they viewed as the “ mechanistic” and overly scientific methods of Californian production, eyeing the discipline much more as an art handed down over the generations. Despite this, the French had a wildebeest’s research network and base of trained scientists. The National Institute of Agronomic Research was known for its work in both viticulture and oenology.

The French government took an active role in the wine industry, which was Viewed as a “ national treasure”. B. Californians competitive position versus Italy: Italian consumption rate for wine is at 15 gallons per person in 1996 behind France. Italian typically consumed lower quality, less expensive wines. Imports had very little impact in the Italian markets, accounted for less than 1% of consumption. The cluster boasted the world’s oldest and largest national organization of winemakers to which 90% of Italy’s 3, 500 winemakers belonged.

The Italian wine industry was becoming increasingly polarize between those winemakers adhering to a traditional focus on local markets and those targeting the global arena. The latter group was growing as wine makers such as Notation of Tuscany brought in experts, including consultants from California, to modernize their facilities and processes to better address he needs of International markets. As in France, the Italian government maintained strict laws governing labeling to ensure origin, quality, and 2 vintage. The government also provided export promotion assistance of about $6 million per year. . California competitive position versus Chile: Chilean consumers historically preferred inexpensive, highly acidic wines typically packaged in tetra packs or boxes. Though tariffs were low, imports accounted for less than 1% of consumption Chile had a long history in wine-making dating back to the 1 sass when Spanish conquistadors planted session grapes to make bulk wines. When phylactery struck France and California in the late asses, Chilean grape vines proved immune and were the only French varietals still grown on their original root stuck in the asses.

Roughly half of Chile’s total production went to domestic markets and consisted primarily of wines made using lesser quality, high yield grapes. Exports had grown 36% annually from Chile had increased from 14 in 1990 to almost 100 in 1996. Attracted by lower land and labor costs, French, Spanish, U. S. , and Australian companies were establishing on through joint venture agreements with Chilean wineries. In 1 995, the Chilean government established vita cultural zones and stepped up regulation of wine labeling. 4. How has Australia been able to emerge as a leading wine – exporting nation?

Australia's per capita wine consumption of 4. 8 gallons in 1 996 placed it among the top 20 countries in the world. Australia was one Of the few wine producing countries in chichi per capita consumption was rising. The first wine grape vine were introduced to Australia in the late 17005, but it was not until the mid -?? asses that significant wine production took place. Australian noisemakers and policymakers credited much of the wine industry success to heavy investment in and reliance on innovations in viticulture and winemaking technology.