

Wines of the Provence: Current status and prospects for future direction

A study about the wines of the Provence

Jan A. Vegter, May 2009

Abstract

Motivation for the study:

The Provence has been relatively immune to the current crisis in the French wine industry. This is caused by a multitude of reasons, some of the most important being overproduction, severe competition from other wine producing countries, the New World in particular, below standard quality in some regions, difficult to understand labeling due to hundreds of appellations, pricing policies and the current financial crisis. However, it seems contradictory that the Provence has been largely spared from the crisis, while at the same time it is not really recognized as a producer of quality wines. This contrast, frequent stays in the area and discussions with local producers aroused my interest in this topic.

Objectives:

The lack of recognition for the wines of the Provence, the relative immunity to the current crisis and the influence of tourism are the main objects of this study. It comprises the analysis of the various aspects of the offer and consumption of Provence wines and recommendations for future direction so that Provence wines will remain competitive. A new factor is the upcoming legislation regarding the production of rosé wine from mixing red- and white wine. The evaluation of this new element has been included in the study.

Methodology:

Six local producers were interviewed for this study, of which one a large co-operative. The outcomes of the interviews with the producers are used throughout the study. Furthermore a literature study was performed, complemented by analysis of production-consumption- and export data. After an introduction about the geologic and climatic conditions, the appellations and the used grape varieties, the analysis comprises the current dynamics in the region, how these are evolving and the factors influencing this. Subsequently the question why the region is not considered as a producer of quality wine is analyzed, as well as the influence of tourism on production and sales of Provençal wines. Finally a SWOT (strength, weakness, opportunities and threats) analysis is done and based on this, conclusions and recommendations are made.

Content:

The Provence has approx. 100.000 ha. of vineyards and produces approx. 1.3 million hectoliters of wine per year. It is the 4th largest wine producing region of France,

significantly less than Bordeaux but more than the Loire. This important position in the French wine industry is not really visible and often not recognized. The Provence is highly suited for wine growing thanks to its climate and terroirs. These factors, together with the wide variety of used grape varieties, explain why the region can produce such a rich variety of wine styles. Thanks to its warm, dry and often windy climate, the region is also well suited for organic viticulture. While the wine production of most regions in France has been reduced in recent years, the production in the Provence has been rather stable. Production is dominated by rosé wines with approximately 85% of volume, while red and white wines have only modest shares in the order of 10% and 5% respectively. The great majority of the production (90%) is consumed locally, so export is currently quite limited. The influence of tourism is a great virtue of the Provence. It provides the region with unique advantages in terms of readily available customers and good prices. The role of the authorities and local trade organizations is limited. This is particularly relevant to small producers who often do not have the means or knowledge to move into new directions.

Conclusions:

The potential for making world class wines in the Provence has been long been undervalued. This former low profile probably resulted from the exceptionally high profile of the Provence and the Riviera as vacation destinations. However, thanks to the initiatives of certain producers to improve quality and the increasing number of growers who are estate bottling, the wines are generally of good quality level nowadays. Dry rosé is enjoying a remarkable rebound in the past few years, with the Provence leading the way on the production side. Thanks to its easy drinking and good combination with food, rosé still present sufficient opportunities for growth. However, the high dependency on rosé makes the region vulnerable to the potential end of the current rosé fad. There should be more diversification into red wines and to a lesser extend into white wines. The Provence has had a relative immunity to the current crises in the French wine industry thanks to its tourist industry, limited competition and the present popularity of rosé. This unique situation poses a risk as well for it can lead an attitude of contentment with the current state of affairs and producers may not anticipate change with such attitude. If one compares how wine tourism is exploited in other countries, the New World in particular, it should be concluded that the opportunities offered by tourism to the Provençal wine industry are not used to its maximum. Export is hardly developed and offers ample opportunities for growth. Also here, more focus on red wine seems desirable. The impact of the new legislation for producing rosé from mixed red- and white wine will remain an open question for moment. Potentially this can be a big threat to low cost producers in the area, cooperatives in particular, for it will provide supermarkets with an option to buy even cheaper rosé from non traditional producers.