

»» *When they awake from their nightmares, European producers will see that there is a new dawn rising.* ««

EDITORIAL

BY JOEL B. PAYNE

We are losing market share to dynamic producers in other parts of the world,' said Mariann Fischer Boel, the European Agriculture Commissioner, when announcing her reform plan for wine production. The plan, not surprisingly, addresses the problem of overproduction from a European point of view; but do France, Italy and Spain have inherently more rights to deliver wines to emerging markets than other wine producing nations?

Are they not addressing the problem from the wrong point of view? We all look to the United States and emerging markets as the Holy Grail. Yet Europe's biggest problem is not that exports have stagnated, for in many cases they have been growing, but that consumption has declined drastically. France, Italy and Spain consume little more than half of what they did a generation ago. Their glut is self made.

Ship builders, automobile makers and computer manufacturers have already moved offshore. If we look at the added value from a business point of view, agriculture should have preceded all three. In many cases it has, but Europeans tend not to become as excited about the origin of fruits and vegetables. Wine has apparently, in a way that other commodities have not, hit the European funny bone and producers are fighting tooth and nail to protect their turf. That is understandable, but the arguments are wearing thin. European winemakers talk tradition, but irrigation has been allowed in large swaths of Spain, reverse osmosis for the finest growths of Bordeaux and oak chips for most table wines.

Wine producers should also take care before pushing the environmental argument, for the carbon footprint of shipping a wine from New Zealand to New York by boat is less damaging than a lorry bringing a truckload of Chianti to Hamburg. If the Europeans want more of their own wine consumed, they should begin with their next door neighbours. France's ban on advertising wine and Spain's rabid crack-down on alcohol abuse may be laudable in their own right, but they backfire when it comes to supporting their own farmers. The vain hope that others will drink what fellow countrymen no longer want to consume, or deem politically correct, is not only short sighted but even condescending.

The Americans appear to be the only consumers today who are willing to pay for their dreams. Europeans apparently expect theirs to be funded by the state. Perhaps when they awake from their current nightmares, they'll see that a new dawn is rising. European wine has much to recommend it. Their wines often offer better value than much of the New World, but the Europeans must learn to advertise, market and sell their uniqueness, all parts of the reform plan. They must also learn to drink their own wines with pleasure and occasionally pay a higher price for perceived luxury.

