

Preface

The wine industry in the United States is growing rapidly, and wine consumption is becoming an increasingly important part of American culture. The United States now consumes more wine than any other nation in the world. The wine market has recently received increased attention within the discipline of economics. The American Association of Wine Economists, an educational organization started in 2006, is dedicated to promoting economic research on topics related to the wine industry and publishes *The Journal of Wine Economics*. Colleges are beginning to offer courses in wine economics. As wine consumption increases, so does the demand for wine knowledge. Today, wine is a popular topic that interests and mystifies many people. Numerous books have been written about wine appreciation, wine tasting, wine history and culture, and different facets of wine business. While many of these describe various economic aspects of wine, they fail to provide a unified and systematic treatment of the wine industry from an economic perspective. The purpose of my book is to fill this void. This book has three specific objectives. First, it gives a detailed description of the economic organization of the U.S. wine industry. Information is provided about wine's unique attributes; grape growing, wine production, and wine distribution; wine firms and consumers; and grape and wine markets. Second, the book uses economic principles to shed light on the behavior of wine producers and consumers in a manner that is accessible to noneconomists as well as students of economics. Lastly, it

summarizes findings and presents insights from the growing body of studies related to the economics of the wine industry.

This book is intended not only for students of economics but for anyone interested in learning more about the U.S. wine industry from an economic perspective. No formal background in economics is assumed. Analytical material emphasizes the application of economic concepts and principles, which are clearly explained before they are used, supplemented by numerous anecdotes and examples. As a result, this book can be read on its own by wine enthusiasts or used as a supplement to a source that contains more formal and rigorous methods of economic analysis by advanced students of economics. Instructors may find it useful as an organizing text for courses in wine economics or as a supplemental text for courses in the economics of industrial organization or applied economics. It might be read with some benefit by professors of economics interested in the emerging field of wine economics. It could also serve as a primer for wine professionals who have a limited background in economics.