

## Introduction to the Issue

This issue of the *Journal of Wine Economics* opens with Alessandro Corsi's and Orley Ashenfelter's "Predicting Italian Wine Quality from Weather Data and Expert Ratings" (Corsi and Ashenfelter, 2019). In order to assess the reliability of expert ratings of Italian Barolo and Barbaresco wines, the authors estimate whether and to what extent these ratings are determined by growing season weather conditions. Using an ordered probit model, they find that experts' vintage ratings are determined by weather data but experts of Italian wines seem to incorporate less of the weather information than their French equivalents as found by Ashenfelter and Jones (2013). This may suggest the existence of private information, that is not included in publicly available weather data, or a higher degree of inefficiency of expert opinion on Italian wine.

In "Is 'Localness' about Distance or Relationships? Evidence from Hard Cider," Jarrad Farris, Trey Malone, Lindon J. Robison, and Nikki L. Rothwell, examine the determinants of consumer demands for local hard cider (Farris et al., 2019). In particular, is consumer perception and preference for "local" driven by geographical distance or by geopolitical boundaries? In a discrete choice experiment where respondents chose between an in-state hard cider, an out-of-state hard cider, and a no-buy option, they find that consumers' attachment value is higher for a cider produced within the state than for a cider produced outside the state, even if the out-of-state product was made in closer geographical proximity.

Robin M. Back, Xinyang Liu, Britta Niklas, Karl Storchmann, and Nick Vink study the "Margins of Fair Trade Wine along the Supply Chain: Evidence from South African Wine in the U.S. Market" (Back et al., 2019). Against the background of a shrinking U.S. Fair Trade (FT) wine market, this paper sets out to evaluate to what extent the FT cost impulse is passed through on each level of the supply chain. The authors draw on a sample of 470 South African wines sold in Connecticut and New Jersey, for which they have FOB export prices, wholesale prices, and retail prices, allowing to calculate wholesale and retail profit margins. The analysis finds evidence for asymmetric FT effects. "While wholesalers seem to completely pass through the FT effect, leaving their margin unaffected, retailers appear to amplify the FT effect. That is, retailer margins are a positive function of the FT treatment." It is a priori unclear whether amplified retail prices have contributed to the FT's decline in the United States. They might also be the result of the FT wine's decline, that is, fewer retailers in a shrinking market may enjoy higher market power enabling them to increase FT wine margins.

This issue of the *Journal Wine Economics* concludes with three shorter papers.

Jeffrey Bodington and Manuel Malfeito-Ferreira analyze “Should Ties Be Broken in Commercial Wine Competitions?” (Bodington and Malfeito-Ferreira, 2019). Ties make it difficult for competition officials to differentiate between wines, erode the perception of judge expertise, and can make compliance with competition rules arithmetically impossible. This article presents and evaluates six methods of tiebreaking in averages of scores. The authors highlight the advantages of using an *Olympic Average*, “the mean excluding the highest and lowest scores, is easy to calculate, easy to communicate, effective, unbiased, and it is not inconsistent with the implications of a method of aggregating scores that is not prone to ties.”

In “Does Blind Tasting Work? Another Look” Kevin W. Capehart examines whether learning improves tasters’ performance at blind tasting (Capehart, 2019). Reanalyzing the data of Wang and Prešern (2018) he finds that training’s effect on blind wine tasting accuracy is limited and may only work as a selection device.

In “Half-Blind Tasting: A Deception-Free Method for Sizing Placebo and Nocebo Responses to Price and Packaging Attributes,” Robin S. Goldstein devises an experiment, in which he lets people compare two wines and state their willingness-to-pay (Goldstein, 2019). While one of the wines is disclosed to the tasters, the other wine is covered in a brown paper bag. It is unknown to the subjects that both wines are identical. There are two pairwise comparisons; in the first one the disclosed wine costs \$5, in the other \$50. When tasting the low-price pair (nocebo), subjects prefer the concealed wine; when tasting the high-price pair (placebo) tasters prefer the disclosed wine. Goldstein finds that the nocebo effect by far exceeds the placebo effect.

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## References

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