

The Legal/Accounting Milieu of the French Wine Industry

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Abstract

Terroir, controlled appellations, classification and centralised codification help maintain the hold by law and accounting over the French wine industry. Despite a decline in the volume of wine exported from France, it continues to hold a commanding position in the production of high quality wines. This is exemplified by the dominance of French wine-makers on the *London International Vintners Exchange 100 Fine Wine Index*. This study argues that a legal/accounting milieu has ensured the pre-eminent position of French wine in the global fine wine market through the constructions of, amongst other things, classification and indices. Consideration is given to how New World wine producers, such as Australia, might benefit from the legal/accounting trappings of their French counterparts.

Introduction

The social implications of law and accounting are explored through a study of the accounting/legal milieu¹ of the French wine system. Laws may regulate both the production and sale of wine² but it is less certain how accounting may affect the wine sector beyond its technical application. This paper examines these potentialities through an investigation of the accounting and legal regime attending the wine industry in France. Informed primarily by the work of Walker³ and Miller,⁴ it is suggested that legal and accounting processes heighten the worth of French wine.

Wine is produced in several regions throughout France, in quantities between 50 and 60 million [hectolitres](#) per year.⁵ France has the world's second-largest total vineyard area, behind Spain,⁶ and has, in the past, vied with Italy for the position of being the world's largest wine producer. French wines accounted for 17.6% of world exports in 2005.⁷ The wines produced today range from expensive high-end wines sold internationally,⁸ to more modest wines often seen on French supermarket shelves.⁹

France is the source of many grape varieties (such as Cabernet Sauvignon, Chardonnay, Pinot Noir, Sauvignon Blanc, and Syrah)¹⁰ that are now planted throughout the world, as well as several wine-making

¹ The legal milieu refers to surrounding legal arenas of thought and political struggle that have bearing on the subject considered (M J Radin, 'A Comment on Information Propertization and its Legal Milieu' (2006) 54(23) *Cleveland State Law Review* 23); the accounting milieu refers to the surrounding accounting arenas of thought and political struggle (A M Brown, 'The Milieu of Reporting of Nacamaki and Nabuna Villages of Koro Island' (2009) 21(3) *Pacific Accounting Review* 202).

² *French wine laws* (2001) BBC
<<http://www.bbc.co.uk/dna/h2g2/A634222>>.

³ S P Walker, 'Accounting, Paper Shadows and the Stigmatized Poor' (2008) 31 *Accounting Organizations and Society* 453.

⁴ P Miller, 'The Margins of Accounting' (1998) 7(4) *European Accounting Review* 605.

⁵ *French Wine* (2010) Snooth
<<http://www.snooth.com/region/france/>>.

⁶ *France* (2010) Wine in Stock,
<<http://wineinstock.com/Category/29-buy-wine-online-wines-from-regions-of-france.aspx>>.

⁷ *World Comparisons* (2010) Winebiz
<<http://www.winebiz.com.au/statistics/world.asp>>.

⁸ L Hughes, 'Highlight: Investing in Wine' (2010) *Investment Adviser*, 25 January 2010.

⁹ *Wine collection* (2010) Carrefour
<<http://www.carrefour.com.sg/wine.html>>.

¹⁰ *Wine Regions of France* (2010) C'ellar Vie
<http://www.cellarvie.com.au/Wine_Life/Wine_Regions_of_Interest/France.aspx>.

practices¹¹ and styles of wine¹² that are copied and imitated in other producing countries.¹³ Although some producers have benefited in recent years from rising prices and increased demand for some of the prestige wines from Burgundy and Bordeaux,¹⁴ the French wine industry as a whole has been influenced by a decline in domestic consumption as well as growing competition from New World countries such as Australia.¹⁵

Some French wine-producing practices are oriented towards high-volume, low-cost production for mass markets but there is now a shift towards quality,¹⁶ with an attempt, at times, to reduce the negative environmental impacts of farming.¹⁷ A body of academic literature reflecting recent research in the European Union countries has discussed the new production and distribution networks that characterise recent farming trends towards producing high quality wine.¹⁸

¹¹ Winebiz, above n 7.

¹² C'ellar Vie, above n 10.

¹³ All common styles of wine — red, rosé, white (dry, semi-sweet and sweet), sparkling and fortified — are produced in France. In most of these styles, the French production ranges from cheap and simple versions to some of the world's most famous and expensive examples. An exception is French fortified wines, which tend to be relatively unknown outside France.

¹⁴ M Steinberger, (2010) *I'm a Burgundy Man* (2010) Slate <<http://www.slate.com/id/2250364/pagnum/all/>>.

¹⁵ *Wine in Europe* (2010) Australian Wine and Brandy Corporation <<http://www.wineaustralia.com/australia/Default.aspx?tabid=873>>; 'Wine Competition Pits France v US' *BBC News* (online), 25 May 2006 <<http://news.bbc.co.uk/2/hi/europe/5013910.stm>>.

¹⁶ C Gilby, *Romania heads into a new direction* (2008) Meininger's Wine Business International <http://www.wine-business-international.com/Regional_Analysis_Romania_heads_in_a_new_direction.html?RedSYS_Community_Session=9023454d1ec009deacdbb1b26f84366c>.

¹⁷ D Goodman, 'Rural Europe Redux? Reflections on Alternative Agro-Food Networks and Paradigm Change' (2004) 44 *Sociologia Ruralis* 3.

¹⁸ In particular, S Brooks, *Bordeaux: Medoc and Graves* (Octopus Publishing, 2006); H Renting, T K Marsden and J Banks, 'Understanding Alternative Food Networks: Exploring the Role of Short Food Supply Chains in Rural Development' (2003) 35 *Environment and Planning* 393; Goodman above n 17; D Goodman, and E M Dupuis, 'Knowing Food and Growing Food: Beyond the Production-Consumption Debate in the Sociology of Agriculture' (2002) 42 *Sociologia Ruralis* 5; J D van der Ploeg, H Renting, G Brunori, K Knickel, J Mannion, T Mardsen, K de Roest, E Sevilla-Guzman and F Ventura, 'Rural Development: From Practices and Policies Towards Theory' (2000) 40 *Sociologia Ruralis* 391; J D van

Consumption practices in a society are shaped by its specific traditions, beliefs and values.¹⁹ Drinking wine in France is a traditional habit, a national practice, an expression of French identity, a valorising pleasure, a sensory experience, a part of celebration and a hedonistic joy.²⁰

This study makes some important contributions. First, it demonstrates how a carefully planned legal/accounting milieu associated with an industry may facilitate the maintenance of high quality produce and exacting standards both in a domestic and international setting. The paper shows how France's legal and accounting milieu has maintained its centralised regulatory hold over wine makers for the benefit of its producers. Secondly, the study shows how the legal/accounting milieu takes into account the global market of fine wine, normalising judgement about the quality of French wine, particularly through the use of contemporary classification systems and indices.

The paper is structured as follows. The following section outlines the wine accreditation rules which lie at the heart of the legal milieu of French wine. This section also sets out other French laws embedded in the French wine industry. Following this section, the political and social practice of accounting in the French wine industry is explained, focussing, in particular, on the calculative practices of classification and indices. The final section outlines the paper's conclusion and implications of the study.

Laws

Laws attempt to combat wine fraud²¹ through regulation of additives,²² classification of wine,²³ labelling

der Ploeg and H Renting, 'Behind the Redux: A Rejoinder to David Goodman' (2004) 44 *Sociologia Ruralis* 233.

¹⁹ V-B Do, B Patris, and D Valentin, 2009, 'Opinions on Wine in a New Consumer Country: A Comparative Study of Vietnam and France' (2009) 20(3) *Journal of Wine Research* 253.

²⁰ Ibid.

²¹ 'Ruling on French Wine Fraud' *The Straits Times* (online), 17 February 2010

practices,²⁴ protected designations of origin,²⁵ and procedures in winemaking.²⁶ Wine may be regulated by regional, state, and local laws.²⁷ Various wine laws, however, may include appellation-based regulations that cover boundaries as well as permitted grape varieties and winemaking practices, such as the French *Appellation d'origine contrôlée*,²⁸ Italian *Denominazione di origine controllata*, Spanish *Denominación de Origen* and Portuguese *Denominação de Origem Controlada*.²⁹

In France, some wine laws are established by local governments and are specific to that wine region. An historical example is the municipal decree in the village of Châteauneuf-du-Pape in 1954 that banned aviation activities in the commune, such as overhead flying, landing and taking off, which could negatively affect

the region's vineyards and wine production.³⁰ In the wake of the Great French Wine Blight of the mid-19th century,³¹ which led to much wine fraud to supplement diminishing supply, wine laws were created in France to combat fraud. The French wine legislation later evolved into the AOC system, and prompted common European Union regulations.³²

In the European Union (EU), standard wine laws common to all countries are delivered through the European Union wine regulations which are a part of the Common Agricultural Policy (CAP).³³ The CAP Wine Regime consists of a set of rules that govern production, oenological practices and processes, classification of wines, labelling, and imports from non-EU countries.³⁴ In addition, each EU country has its own framework of laws which govern aspects of winemaking such as the percentage of a grape variety to be included in a wine labelled with that variety name.³⁵

French wine originated in the 6th century BC, with the colonisation of Southern Gaul by Greek settlers.³⁶ Half a millennium later, the Roman Empire licensed regions in the south to produce wines.³⁷ During the Middle Ages, monks maintained vineyards and developed

<http://www.straitstimes.com/BreakingNews/World/Story/STIStory_491229.html>.

²² Alder, 'France Makes Progress Towards Rational Wine Laws' *Vinography: A Wine Blog* (6 July 2008) <http://www.vinography.com/archives/2008/06/france_makes_progress_towards.html>.

²³ *How to Know a Wine Classification by its "Appellation"* (2010)

Bonjour La France <http://www.bonjourlafrance.com/french-food/french-wine/french_wine_classification.htm>.

²⁴ *Understanding Wine Labels: Appellation Labels* (2010) Professional Friends of Wine

<<http://www.winepros.org/consumerism/appellation.htm>>; J Robinson (ed) *The Oxford Companion to Wine* (Oxford University Press, 2006).

²⁵ *Protected Designation of Origin* (2010) Absolute Astronomy

<http://www.absoluteastronomy.com/topics/Protected_designation_of_origin>.

²⁶ J Henderson, *About Wine: France* (2007)

<<http://www.encyclopedia.com/doc/1G1-178760054.html>>.

²⁷ *Wine Fraud* (2010) Winepanorama

<<http://winepanorama.com/news/Wine-fraud.html>>. The laws and their relative rigidity differ for New World and Old World wines. Old World wines tend to have more stringent regulations than New World wines (R Snyder, *Wine Regulations: New World Countries* (2010) Winegeeks <<http://www.winegeeks.com/resources/107>>).

²⁸ Céline Albert, (1998) 'The Appellation d'Origine Contrôlée (AOC) and Other Official Product Identification Standards' <<http://www.rural.org/publications/aoc.pdf>>.

²⁹ In some New World wine regions, such as the United States and Australia, the wine laws of the appellation systems (American Viticultural Area and Australian Geographical Indication) only relate to boundary specifics and guaranteeing that a certain percentage of grapes come from the area listed on the wine label.

³⁰ Simon Woods, *10 Things You Didn't Know About the Rhone* (2009) Drinking Outside the Box: Wine for People Who Have a Life

<<http://www.simonwoods.com/2009/07/14/10-things-you-didn%E2%80%99t-know-about-the-rhone/>>.

³¹ P Montague, 'The Great French Wine Blight' (1986) 96 *Wine Tidings* <<http://wampumkeeper.com/wineblight.html>>.

³² Albert, above n 28.

³³ *CAP Reform Will Help Europe Regain Lost Market Share* (2007) Europa

<<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/07/1008&format=HTML&aged=0&language=EN&guiLanguage=en>>.

³⁴ *Reform of the EU Wine Market* (2008) European Commission: Agriculture and Rural Development <http://ec.europa.eu/agriculture/capreform/wine/index_en.htm>.

³⁵ *Reform of the EU Wine Market* (2008), above n 34.

³⁶ A J Svela, *A Geographic Approach to French Wine Regulation: Finding New Perspectives in Burgundy* (Thesis in partial fulfillment of the requirements for the degree of Bachelor of Arts in International Studies in Geography, Oregon State University, 2007).

³⁷ *History of Wine of France* (2010) About French Wine <<http://www.aboutfrenchwine.com/frenchwine-history.html>>.

wine-making knowledge.³⁸ Over time the nobility developed extensive vineyards. However, the French Revolution led to the confiscation of many of the vineyards owned by the Church and nobility.³⁹

Official Classification

For the 1855 *Exposition Universelle de Paris*, Emperor Napoleon III requested a classification system for France's best Bordeaux wines which were to be on display for visitors from around the world.⁴⁰ Brokers from the wine industry ranked the wines according to a château's reputation and trading price, which at that time was directly related to quality. The result was the *Bordeaux Wine Official Classification of 1855*.⁴¹ The wines were ranked in importance from first to fifth growths (*crus*).⁴²

Appellation

In 1935 the *Appellation d'Origine Contrôlée* system was established, which was governed by the powerful oversight board, the *Institut National des Appellations d'Origine*.⁴³ As a result, France has one of the oldest systems for protected designation of origin for wine in the world, a system which has been modelled by other countries.⁴⁴

³⁸ J E Wilson, *Terroir*, (University of California Press, 1998).

³⁹ *History of Wine of France* (2010), above n 37.

⁴⁰ *Médoc 1855 Classification* (2010) Winedoctor <<http://www.thewinedoctor.com/regionalguides/bordeauxclassifications.shtml>>.

⁴¹ *Bordeaux Wine Official Classification of 1855* (2010) Rackwine.com <<http://www.rackwine.com/1855Wine/>>.

⁴² All of the red wines that made it on the list came from the *Médoc* region except for one: Château Haut-Brion from *Graves*.

⁴³ Institut National de l'Origine et de la Qualité (2010) <<http://www.inao.gouv.fr/>>. The production of wine in France is tightly controlled by two organisations. The *Institut National des Appellations d'Origine* (INAO). This body succeeded the *Comité National des Appellations d'Origine* after World War II and controls the hierarchy of French quality wines. The other is the *Service de Répression des Fraudes*, which is responsible for seeing that the very complicated laws on wine production are carried out. On the French domestic market, every bottle carries a *capsule-congé*, or capsule with the government seal on it showing that the relevant tax has been paid. It also shows the wine's quality status.

⁴⁴ *Appellation d'Origine Contrôlée*, (2010) Economic Expert <<http://www.economicexpert.com/a/Appellation:d:Origine:Controlee:mD.htm>>; R Hamlin, 'The Role of the Appellation in

Appellation d'Origine Contrôlée (AOC) is the highest designation in French winemaking. AOCs are geographic zones within which certain types of wines are made. To claim the AOC imprimatur, wines must pass a wine test to ensure that they conform to the standards of the appellation, exhibiting sufficient *typicité*.⁴⁵ According to Steinberger,⁴⁶ appellation was conferred sparingly in the early years, but by 1940 there were 100 to 150 appellations, increasing to 474 appellations by 2008.⁴⁷

French law divides wine into four categories, two falling under the European Union's (EU) *Table Wine* category (*vin de table* and *vin de pays*) and two falling under the EU's *Quality Wine Produced in a Specific Region* (QWPSR) designation.⁴⁸

Terroir

An idea central to higher end French wines is the concept of *terroir*, which refers to the unique combination of natural factors associated with any particular vineyard.⁴⁹ Appellations were used to codify wine production and give the concept of *terroir* the force of law. It includes such factors as soil, underlying rock, altitude, slope of hill or terrain, orientation toward the sun, and microclimate (typical rain, winds, humidity and temperature variations).⁵⁰ Even in the same area, no two vineyards have exactly the same *terroir*, and this

Wine Marketing – Does the New Zealand Wine Industry Know What it is Getting?' (2009) 9(2) *International Journal of Wine Marketing* 52; A Wilson, *The Italian Wine Label and Classification System* (2009) Suite101.com <http://italian-wine.suite101.com/article.cfm/the_italian_wine_label_and_classification_system>.

⁴⁵ D W Gade, 'Tradition, Territory and Terroir in French Viticulture: Cassis, France and Appellation Contrôlée' (2004) 94(4) *Annals of American Geographer* 848.

⁴⁶ M Steinberger, *How Bureaucrats Are Wrecking French Wine* (2008) Slate <<http://www.slate.com/id/2198405>>.

⁴⁷ This 2008 table wine production represents more than 50 per cent of all French vineyards and accounts for 45 per cent of France's total wine production (Steinberger, above n 46).

⁴⁸ QWPSR wines are *Appellation d'Origine Contrôlée* (AOC) and *Vin D'Indication de Qualité Supérieure* (VDQS). The VDQS classification was established in 1949 as a stepping stone to Appellation Contrôlée, and many wines originally classified as VDQS have subsequently moved to the higher level.

⁴⁹ Gade, above n 45.

⁵⁰ Robinson, above n 24.

forms the basis of the *Appellation d'Origine Contrôlée* (AOC) system that has been a model for appellation and wine laws across the globe.

Accounting

Intertwined with the legal milieu is the accounting milieu. In a technical sense, accounting at the micro-wine industry level entails duties of general ledger reporting, human resource administration, extensive inventory tracking, reconciliation, budgeting, cash flow monitoring, oversight of accounts payable with international transfers, accounts receivable control, fixed asset and depreciation schedules, monthly financial statements, biweekly payroll preparation, insurance and benefit administration, state reporting/taxes, forecasting and budget preparation and monthly financial reporting.

However, accounting may also be defined more broadly. Accounting as a calculative, political and social practice⁵¹ focuses on transactions and produces knowledge which has wide-ranging social implications.⁵² Following Walker⁵³ and Miller and Napier,⁵⁴ this paper explores the diverse contexts in which calculative techniques are deployed in the French wine industry.

Classification

In addition to France's historically-based official classification system, contemporary classification systems abound in the wine industry.

Classification segments the world spatially, temporally, or spatiotemporally.⁵⁵ It constructs order and governance,⁵⁶ and normalises judgement, which in turn establishes the limits of acceptable behaviour through the categorisation of good and bad attributes and accompanying rewards and punishment. Hierarchical classifications locate and differentiate identity through boundaries of inclusion and exclusion. Standardisation, categorisation and uniformity of prescribed documents generate organisational policy and reflect the priorities of the state.

In 2003, for the first time since 1932, France reclassified its *crus bourgeois* wines.⁵⁷ This class of *Bordeaux* ranks below the superleague of the *grands crus classés*, ranked in 1855. Currently, just nine wines comprise the premier division of *crus bourgeois exceptionnels*, 87 are in a second league of *crus bourgeois supérieurs*, and 151 qualify as simply *crus bourgeois*.⁵⁸ This recent classification of wine, to some extent, reflects asymmetries of power, constructing and justifying notions of high quality, but at the same time, it may endow other good wines with a new sense of prestige.⁵⁹

Classifications may also involve 'a process of labelling, imbued with organizational and administrative authority, in which positive and negative stereotypes of particular social categories are applied, systematically influencing the distribution to them of scarce resources and penalties'.⁶⁰

The accounting milieu entrenches this labelling not only through its own mechanisms to construct wine identities (for example, through general annual reporting and

⁵¹ Walker, above n 3; A G Hopwood, 'Accounting and Everyday Life' (1994) 19(3) *Accounting Organizations and Society* 299; A G Hopwood, 'The Tale of a Committee that Never Reported: Disagreements on Intertwining Accounting with the Social' (1985) 10(3) *Accounting Organizations and Society* 361.

⁵² S Burchell, C Clubb, A Hopwood, J Hughes, and J Nahapiet, 'The Roles of Accounting in Organizations and Society' (1980) 5(1) *Accounting Organizations and Society* 5; Hopwood, 'Tale of a Committee', above n 51.

⁵³ Walker, above n 3.

⁵⁴ P Miller and C Napier, 'Genealogies of Calculation' (1993) 18(7/8) *Accounting Organizations and Society* 479.

⁵⁵ G C Bowker and S L Star, *Sorting Things Out: Classification and its Consequences* (MIT Press, 1999).

⁵⁶ M Foucault, *The Order of Things: An Archaeology of the Human Science* (Pantheon Books, 1970).

⁵⁷ 'Superleague Bouquet' (2003) 368(8331) *The Economist*, 5 July 2003.

⁵⁸ Ibid.

⁵⁹ Ibid.

⁶⁰ R Jenkins, *Social Identity* (Routledge, 1996) 163.

extensive inventory tracking) and to inform perceptions of quality (particularly through classification), but also through its connection with the legal milieu (such as labelling). French labels attempt to clarify the status of the wine, using such words as *Appellation Contrôlée*, *Vin Délimité de Qualité Supérieure*, or *Vin de Pays*, to establish region of origin and status. Even table wines must carry the words *Vin de Table*.

Classification – the bedrock of accounting – intertwines with labelling laws to sustain, reproduce and extend constructions of quality. Each label includes the address of the person or firm bottling the wine. In the case of *vins de table*, this is akin to a postcode to avoid confusing the consumer by stating a name which is the same as that of an AOC. The first two digits of a French postcode give the *département* in which the wine was bottled,⁶¹ which suggests a style of table wine made from young vines (*jeunes vignes*) in AOC vineyards.

Indices through Accounting Numbers

A recent phenomenon is the emergence of the wine-investment market. The London International Vintners Exchange (Liv-ex) is an exchange for investment-grade wine, based in London. Liv-ex, which was founded in 1999, provides a marketplace where wine merchants are able to trade wine, and also publishes two wine price indices based on these transactions which are widely used to gauge general price developments for the ‘fine wine’ market in general.⁶²

Liv-ex publishes two indices, based on the prices of 100 and 500 wines, respectively. The prices that are used to compute the index are wines in bond in London, priced in sterling. Both indices are hugely dominated by red Bordeaux wine. These indices are similar in their construction to a stock market index. The composition of the index is regularly updated as wines are added and removed and their index weighting revised.⁶³ In order to qualify for the index, wines must have attracted critical acclaim from a leading critic (a 95-point score or above)⁶⁴ and attract a regular market on Liv-ex. The wines included in the index are reviewed on a quarterly basis by committee. Most wine qualifies as a ‘wasting chattel’, something with a maximum life of 50 years which will ultimately decline in value. As such, it is free from capital gains tax.

The complicity of accounting in measuring ‘objectively’ an index is well documented.⁶⁵ Such measures construct and maintain identity – in this case, the attribute of high quality. The use of an index suggests technical proficiency, and renders the term an unambiguous and authoritative reality of judgement, rather than one based on highly constructed terms.

Conclusion

This study demonstrates how a carefully planned legal/accounting milieu over an industry may facilitate the maintenance of the perception of high quality produce and exacting standards in a domestic setting. The classification and communication inherent in the accounting practices deployed in such systems have the potential to construct wine identities, inform

⁶¹ The first two digits reveal where the wine was *bottled*, not necessarily where it was made. Many *negociants* are based in Bordeaux (33 is Gironde), or the Loire (44 for the Pays Nantais, 49 for Angers and Saumur). A 21 code indicates the Côte-d’Or *département*, with 71 for the Macon and Chalon districts and 69 for Beaujolais. Merchants in Chablis use the code 89.

⁶² ‘Buyers and Cellars’ (2008) 388(8594) *The Economist*, 23 August 2008. Wines typically traded on Liv-ex are collectible or investment grade fine wines that have a significant trading volume on the secondhand market, and these wines are traded by the case. In contrast to wine auctions, private collectors can not trade directly on Liv-ex, and older vintages or otherwise very rare collectible wines are not traded.

⁶³ The Liv-ex 100 is calculated using the Liv-ex Mid Price for each component wine. The Mid Price is the most used measure for pricing wines available in the market and is calculated by finding the mid point between the current highest bid price and lowest offer price on the Liv-ex trading platform. When the wine reaches 25 years from vintage it is removed from the index as available volumes are too low to attract a strong secondary market.

⁶⁴ They must also be physically available in the UK market, so recent vintages that are only trading on an En Primeur basis are ineligible.

⁶⁵ A M Brown, ‘A Commentary on CSR’ (2007) 1(1) *Issues in Social and Environmental Accounting* 160.

perceptions of quality, and impact on the social relationships of the wine market.

Accounting classifications serve to inscribe existing, and create additional, quality identities of French wine. This examination of accounting investigates how calculative techniques of classifying are activated in the construction of identity and perceptions of French wine. The study also reveals how the extensive legal system established under the appellation laws was a facilitative device in protecting and advancing the status of French wine. In examining the vast accounting system attending the administration of indices, this paper illustrates the contingent nature of accounting.

The implication to the New World wine market of the findings of this study is that there appear to be opportunities for producers to collaborate with the legal and accounting fraternity, particularly at the state level, to improve the identity of New World fine wine. The findings of this study show that it is possible for official and contemporary classifications to present, construct and justify notions of high quality wine. Such classifications could also be replicated in the New World wine market. Future research might consider how this could be done.

Further, findings of this study demonstrate that the construction of indices through accounting techniques renders an authoritative, 'objective' mechanism by which markets construct judgements of fine wine. The accounting numbers that make up the indices present a powerful sense of technical proficiency. Again, New World wine marketing research, ever alert to investment opportunities in the fine wine market, might consider the implications of these findings in the context of New World regional markets.

This study is not without its limitations. The study has focused primarily on the broad-brushed accounting and legal milieux of France. A limitation of the study is that

specific agricultural, marketing, management and environmental practices that underpin these milieux are largely ignored. Future research might, for example, consider the link between improved environmental wine production practices and the enhancement of quality wine. A further necessary limitation is that the study presents a picture of the mechanisms that heighten the perceived quality of French wine rather than considering mechanisms that present problems for the fine wine market of France.