Thesis

SIDLOVITS DIÁNA

VERTICAL COORDINATION IN THE WINE SECTOR

COMPARISON OF HUNGARIAN AND FRENCH PRACTICE

Ph.D. Thesis

Spervisor:

Dr. Harnos, Zsolt
MHAS, professor, Head of Department

Dr. Étienne Montaigne
CSc, professor, Agro-Montpellier (ENSAM)
INRA-UMR-MOISA, France

Budapest, 2008

Doctoral School:

CORVINUS UNIVERSITY OF BUDAPEST
Landscape-Architecture and Decision Support Systems

Field: **Business Administration and Management Sciences**

Head of PhD School: **Prof. Zsolt Harnos, MHAS**
CORVINUS UNIVERSITY OF BUDAPEST
Faculty of Horticulture Science
Head of Department of Mathematics and Informatics

Supervisor: **Prof. Zsolt Harnos, MHAS**
CORVINUS UNIVERSITY OF BUDAPEST
Faculty of Horticulture Science
Head of Department of Mathematics and Informatics

Prof. Dr. Étienne Montaigne, CSc,
Agro-Montpellier (ENSAM)
INRA-UMR-MOISA, France

The applicant met the requirement of the PhD regulations of the Corvinus University of Budapest and the theses are accepted for the defence process.

……………………………………..	**…………………………………..…**
Head of PhD School	**Supervisor**

Table of contents

I. Antecedents of research and justification of subject

In Hungary through the changes in the political regime the structure of the grape growing and winemaking sector has been completely reshaped. The accession to the European Union and the quality differentiation of the winemaking are more and more reflecting the importance of the analysis of the efficacy of the coordinating structures applied in the grape-wine sector and the through this the importance of the competitiveness of the sector.

The research seeks the answers to the following questions:
How the coordinating structures in the Hungarian grape-wine sector have been reshaped concerning the quality stock production?
What degree do the vertical coordinations fill their part in the grape and wine production?
How efficient are the currently applied coordinating structures?

Regarding the fact that the basis of the quality winemaking is the quality grape growing, this Ph. D. thesis focuses on the analysis of the vertical relations among the vine growers and the grape-buyer (merchant) wineries. To provide the acquisition of the quality raw material the coordination structures of the New Institutional Economics (Williamson, 1985) give the framework of the analysis which made the theory of transactional costs its-own main element. This economical theory helps us to observe the grape supplying strategies applied by the biggest Hungarian wineries and to analyze their contracts for grape-buying: how do they motivate the quality vine production, how do they control the quality of raw materials and which are the motivating factors that help them to create long term relationships with grape growers? To answer these questions, we made controlled interviews with open questions with several actors of the domestic wine sector and we observed case-studies as well.

To answer those questions we also analyzed the market environment of the Hungarian wines and its positioning on the European and the World market as well as on the domestic one by introducing its supply and demand. We went very into details while observing the legal environment of the wine-producing mainly on the field of EU legislation, quality winemaking and the origin protection rules.

To introduce the controlling structures we also observed the vertical coordinations of the wine sector. The grape-buying contracts of the wine sector are shown through domestic and international examples. It worth to compare the domestic solutions of the vertical coordination and its efficiency with those in the other member states of the European Union – for example France- because it can provide several useful conclusions and several solutions to increase the competitivity of the Hungarian grape-wine sector.

While choosing the subject of my Ph. D. thesis the fact played major role that I spent three years in France in the research center of INRA in Montpellier due to the winning of French Government Internship where I become aware of the theories of the new institutional economics and the empirical researches connected to these theories.

During the process of Ph. D. qualification and the researcher practice I had the chance to get know the long-term operating and efficient vertical coordinations in the Vins de Sables wine region and the grape-buying contract in connection with this. While conducting research project and educating at the university I became fully aware of the wine market trends, the strategies of the actors, the operation of the interprofessional organizations, the features of the different channels of distribution, the theory and practice of the wine origin protection and the economic effects of the common organization of the wine market.

I have been working for 4 years at the National Council of Wine Communities which enables me to observe very carefully all questions discussed in my Ph. D. thesis as well as to get the latest and most relevant data about the topic. The cognition of the wine market, the actors of the wine market, the relations between the vine growers and buyers as well as the regulation policy of the winemaking provided me a chance to analyze the coordinating structures not just from a theorical but a practical point of view.

The need behind the choice of subject of the Ph. D. thesis is that the procedure of vine-growing and grape processing has been considerably separated from each other due to the political change and the privatization and the sector which previously included only a few market actor has seen a radical change: several million winemaking enterprises appeared on the market which has reshaped the vertical relations in the sector too.

The other importance of the question is the fact that the higher quality and consumption needs requires higher performance from the winemakers which needs suitable quality grape stocks.

Third, the impregnation of the international market, the strong competitivity and the narrow profit marge call our attention to the efficiency of the coordinating structures. Finally, the efficient use of the available subventions due to Hungary's EU accession require effectively operating controlling structures and vertical coordination between the grape growing and processing winery which is manifested in the sharing of the added value between the two parties.

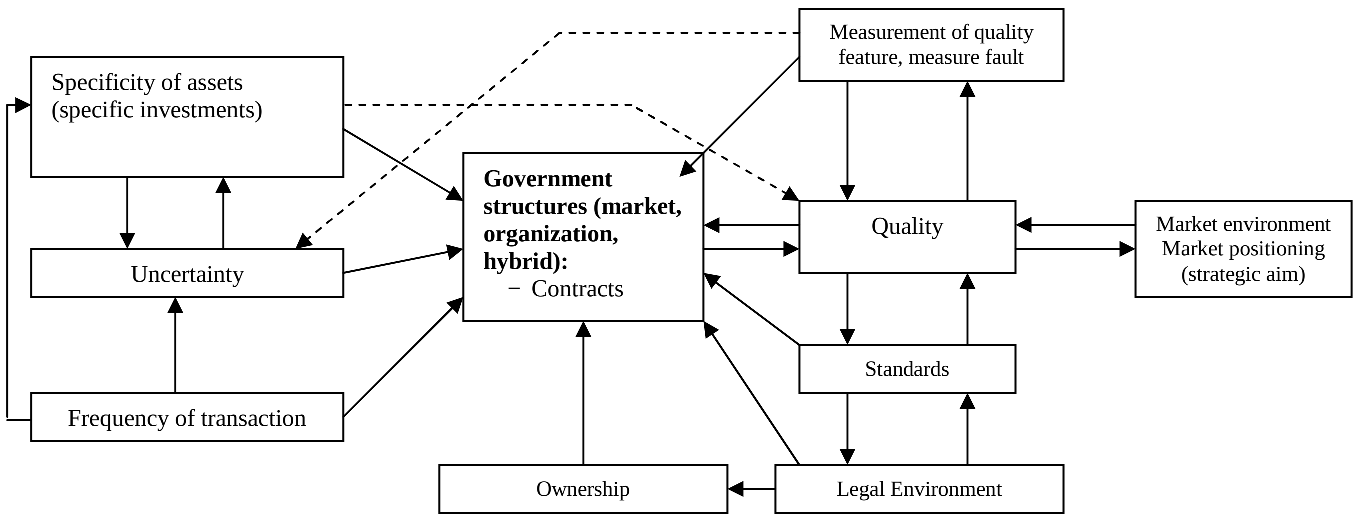
The problem behind the importance of the vertical coordination in the quality grape and wine sector is the investments of the market actors in order to quality of the production. The grape grower is not assured that his efforts to produce quality raw materials (varietal changes, effective plant protection, limitation of yield, vine production for wines with protected denomination and origin etc.) are worth if he sells his stocks on the market, whether the grape buyer will be willing to pay higher price for the quality raw material. On the other hand, the buyer/producer/trader would hesitate to make quality investment (grape processing, winemaking technologies, trade and marketing investments) because he is neither assured that he would find sufficient quality or sufficient volume of the grape on the market. If the transaction of vine is done between the walls of the market – as controlling structure- the investments made in order to the improvement of the quality will be under-financed and provides low level efficiency both at the part of the grape producer and the buyer which recesses the quality. Hence in those wine producing countries – such as Hungary – where there is more and more accent on the quality the actual question is which are the existing controlling structures – which are more efficient that the market- and the vertical coordinations which are capable to solve the problem of the quality improvement and the quality stock producing.

For the solution of the above-mentioned stock-purchasing problems Williamson's theory on the transactional costs (part of New Economic Institutions) provides the explanation which was mobilized for the analysis of this subject. We also used those theorical works which developed the original Williamson model such as the organization theory of Ménard (2000), the theory of North (1991) according to which the legislative environment effects the controlling structures and the economic theory of entering into contract from Brousseau (1993). Several foreign studies occupy with the topic of the vine-purchasing of the quality winemaking (Chambolle, Saulpic, 1999, Gaucher et al. 2000, Giraud-Héraud, Sauler, 2003, Goodhoe et al, 2000, Saulpic, Tanguy, 2002).

In Hungary the researcher organizations (mainly the Institute of Economics of Hungarian Academy of Sciences and the AKII) the theories of New Economical Institutions were applied only in studies observing the changes in the new political era and the competitivity of some sectors such as fruits and vegetables (Fertő, 1996; Juhász, 1999; Szabó G., 2001; Szabó, Fertő, 2001; Fertő et al. 2004), the changes in the dairy product sector (Szabó, 1999), the contractual relations of the dairy product producers (Szabó, Bárdos, 2005, 2007), the vertical relations of the beef-meat (Bárdos, 2004), the modernization of the poultry-meat production (Sipos A. 1996 cit. in Fertő, 1996). At the same time this method was not used in the analysis of the stock purchasing in the wine-grape sector.

II. Materials and methodology

In our research we observe how efficiently the vertical coordinations in the wine sector works.
We study the features and the influencing factors of the vertical relations between the vine growers and grape buyers, the grape selling contracts and the way how the purchasers incite the quality stock production and how efficient are the applied controlling structures regarding the profitability of the wine producing enterprises.
The analysis of the coordination between the grape growing and wine making can be done through the mobilization of the economic theories showed in the bibliography according the following scheme, which summarizes the formation of controlling structures and coordination forms as well as the factors influencing its change, as these are the subject of our research.



(Williamson, 1985, Barzel, 1982, North, 1990, Brousseau, 1993, Ménard, 1997, Chambolle-Saulpic, 1999, Gaucher et al. 2000, Laport, 2000)

The following table shows the materials of the studies and the methods applied during the research

Analyzed topics	Examined subtopics	Type of the examination	Size of the pattern	Used data	Data and information analyzing methods
Market environment of the Hungarian wines and positioning of the Hungarian wines.	Analysis of the World and EU wine market	Secondary research, use and analysis of existing statistic data	The World's and the EU's biggest wine producer, wine exporter, wine importer and wine consumer countries.	OIV, FAO, DG Agri, ONIVINS, Ernst&Young Domestic market:	Descriptive statistics, comparative analysis
	Domestic wine market analysis	Secondary research, use and analysis of existing statistic data	Data base representing 90% of the Hungarian market	National Council of Wine Communities, National Office for Statistics, VPOP, Kopint-Datorg	Descriptive statistics, comparative analysis
	Positioning of the Hungarian wines on the domestic market	Secondary research (primer research was made by the National Council of Wine Communities)	35 stores of 15 hiper- and supermarket chains	National Council of Wine Communities	Descriptive statistics, comparative analysis
Analysis of the legislative environment of winemaking	The domestic and EU legislation and its change, effects on the Hungarian winemaking		112 communal 44 domestic statutes	Eur-Lex statute base Complex statute base	Analysis of content, comparative studies
	Analysis of the regulation of the quality wines			Legifrance Complex statute base	Analysis of content, comparative studies
Controlling structures in the Hungarian grape and wine sector	Analysis of vertical coordinations	Case study with structured in-depth interviews with the winemakers(member of the management of owner) and representatives of the sector	12 in depth interview with the wineries 5 in depth interview with the representatives of the professional organizations		Analysis of content, comparative studies synthesis
Analasys of grape purchase (product sale) contracts in the wine sector	International examples	Case studies	2 French example (Champagne és Vins de Pays des Sables du Golfe du Lion)	CIVL Sabledoc Cellar community ONIVINS	Analysis of content (Brousseau-model), comparative studies synthesis
	Domestic examples	Case studies, direct observation	8 contract pattern		Analysis of content (Brousseau-model), comparative studies synthesis
Results of coordinating structures	Rating of the result of domestic wineries	Secondary data analysis	40 domestic winery	AMADEUS database	Descriptive statistics, analysis of economic figures

III. Results of the research

1. While analyzing the market environment of the Hungarian wines and observing the competitors we stated that despite the enormous quality improvement and product differentiation made after the political change the major part of the Hungarian wines – 75% - is sold in the „basic wine” category on our export markets. 20% is sold in „popular premium” and only 5% in higher segments (super premium, ultra premium, icon.). Half of our export products are quality wine (according to the laws) but the international market does not respect that major part of our products cannot be sold in a segment higher than basic wine. Thus the Hungarian products have excellent price-quality ratio in this category but it also means that the added value of the higher quality cannot be regained because these wines are under-positioned as compared to their quality.

2. The analysis of international trends shows that due to the war between the New and Old World wines (in which the New World extends its market share) the biggest loosers were the Central-Eastern European countries and Hungary among them. Their total market share on the traditional markets (Great-Britain, Germany, Russia) is under 1% now. Moreover we were not able to exploit the extended market opportunities provided by the EU accession and the export return subventions for table wines neither. We suffered serious losses in our wine export after the accession.

3. The analysis of the market positioning of the wines shows that the big wine producers of the New World and the EU are leaving the basic and popular premium segment on the dynamic and high value markets (Great-Britain, USA) offering place for the Central-Eastern European countries' quality wines.

4. The international comparison revealed that Hungary produces wine on too high costs. The price of the table wines is considerably higher (by 70%) than those of the Italian or Spanish table wines and it is approaching the French table wine average price, while the profitability of the Hungarian wine sector lags seriously behind the profitability of the French wine sector. Due to these facts the previously believed competitive advantage originated from the low production costs and cheap table wines has now been disappeared.

5. During the analysis of the supply of domestic hyper and supermarket we stated:

- The domestic still and sparkling wines dominate the supply (91%) but the foreign wines have bigger market share (9%) in this channel of distribution than on the whole market in average.

- Because of the increasing demand for the red wines the red and rose wine represents 52% while the white wines represent 48% which shows a total realignment in comparison with the earlier supply analysis.
- The supply moves strongly towards the dry wines
- The quality wines (86%) and the origin controlled wines (90%) dominates the supply
- Those wine regions who are the most strong on the field of the high quality and the product differentiation (pioneers of the origin control) have the widest product scale in the total supply: Villány, Tokaj, Eger so a relatively small wine region (3%) owns the first place regarding the number of the references in the supply.
- 62% of the supply is positioned to the 800 HUF/liter segment while it represents only 10% of the total wine sale. The low price (300 HUF/liter) wines have small number of references (5%) but they make up 32% of the total wine sales. The middle price products (300-800 HUF/liter) have 33% of the references but they dominate the total wine sale volume with 58% market share.
- The price positioning of the wines do not reflect clearly the quality of the wines, the product quality and the price hierarchy is not consistent and it makes the purchase decision making of the customers more difficult: the quality of the wine cannot be identified through its price. We can observe significant price differences in similar quality categories (5 puttony tokaji aszú between 1000-7500 HUF/ bottle in the same store.)

6. The analysis of the legal environment of the winemaking shows:

- The vineyard restructuring subventions of the Common Market Organization (10 million €, cca 2,5 billion HUF) did not contribute efficiently to the quality improvement of vineyards and the replanting of quality vineyard while quality vineyard is necessary for quality winemaking. Nowadays the territory of the vineyards has become the bottleneck of quality winemaking. The surface of new plantations sharply dropped after the EU accession while due to the grubbing-up of the Hungarian vineyards continued to decline.
- The regulation of the quality winemaking was put on new basis after the EU accession where approve of quality linked to the typicality of the terroir became priority (quality wines produced in specified regions, with the introduction of definition of protected denominations of origin and their specific regulations), instead of the previous analytical parameters based quality.
- There is an increasing demand for the differentiation and origin control of the wines while the uniform rules for origin protection have not formed yet. In other EU countries it is not typical that there are different types of origin control rules in the different wine regions.

- The market does not appreciate the origin protected wines. The price positioning of origin controlled wines to the price category of table wine prices is in contrast with those basic rules which characterize the category of origin controlled wines: strong yield-control, high quality, artificial shortage generation, high added value, higher production costs, higher price compensates the low output due to the strong yield-control.

7. Based the analysis of the vertical coordination of grape-wine sector three group can be distinguished: the vineyard owners and brand builders, coordinators and cooperatives, small and medium enterprises of 'independents'. The borning vertical relations are determined on the basis of the property relations of vineyards and wineries together with the market positioning of wine products. Those wineries that produce high quality wine or build strong brand they are more aiming to create a complete or quasi integration of grape growing. The market strategy of the wineries determines clearly their stock-purchasing policy.

8. By the comparison of the vertical coordinations and the contracts in the French and Hungarian wine sector we can declare the followings:

- Regarding the theory of transactional costs we can observe real long and medium term contracts in France but in Hungary except for some cases we can only see declarations of aim.
- In Hungary several elements of vertical cooperation are missing which are the characteristics of hybrid organizations:
  - ✓ There is a lack of motivation system for quality stock production
  - ✓ The main motivation for the grape growers is the guaranteed buying market – due the agreement
  - ✓ In the major part of the contracts the price declaration - which would enable the grape grower and buyer to share the quasi-income due to the agreement -are missing
  - ✓ The price declaration basically means spot market prices which means the control structure is nearer to the market
  - ✓ The guarantee system for the compliance of the taken obligation is missing from the contract
  - ✓ The re-negotiation of the terms of contract – especially regarding the price declaration- is missing from the contract
- The vertical cooperations in the Hungarian wine sectors – in contrast with those in France – are not of win-win type so that the optimal situation regarding the investments in connection

with the quality stock production is not formed which effects badly the quality of wine production.

- In Hungary the agreements and contract do not compensate the risks of price fluctuation and the changes in the availability of stock so that the risk of the partners oppurtunitist behavior neither which would be a basic aim of the hybrid coordination structure.

9. The analysis of the economic performance of the wineries reflects that the 40 biggest wineries provide 70% of the value of the Hungarian wine sector and 77% of the value of the Hungarian wine export. Compared with the French winery cooperations and wine trading companies it can be stated that the performance of the Hungarian wineries is near to that of the French winery cooperations but it is far behind that of the buyers/traders.

10. Regarding the economic figures of the Hungarian wineries (debts, falling incomes, high investment needs, high capital need for value-creation, decreasing rentability) and the requirements of the channels of distribution (hyper and supermarkets where the big wineries are the most important suppliers) and the widening profit marge the wineries apply such stock buying policies with the help of which they are able to cut their cost and that is near to the spot market control structure.

IV. New scientific results

1. This is the first time when the Hungarian grape and wine sector has been analyzed according to the methods of new economic institutions.
2. The state of the ownership of the inputs (vineyards and winery capacity) determines basically the applied coordination structure. Because of the fragmented estate structure formed after the political change and the division of the grape growing and processing the market and hybrid coordination systems have great importance. At the same the vineyards sold because of the decreasing profitability is usually bought by those wineries which are aiming complete vertical integration.
3. The specificity of the investments are also effecting the governance systems formed in the Hungarian wine sector. The more intensive the investment on the side of the processing, winemaking, wine trade is the stronger the aim to control the stock production of the wineries, the stronger the aim to cooperate with the vine growers (quasi-integration) or to fully integrate the vine growing (to buy or to agree for a long rental of the vineyard.)
4. The specificity of the factors needed for production has special importance in the case of the lay of the vineyard. In the case of high value geographical appellations such as Tokaj, Eger, Villany or

in the case of some high market value brands complete integrations or hybrid governance structures (tight cooperations) are typical in case of stock production.

5. According to the categories of the product regulation mostly quality wine is produced in Hungary but the market positioning of the products does not reflect this share. Regarding the quality of sales the products are mostly sold in the lower price basis wine and popular premium segment both on the domestic and the international market.

6. The market positioning of the products determine clearly the applied coordination structure. The coordination structure of the stock-production is determined based on the quality stated by the market-recognized price positioning or the positioning to the aimed market segment not the strategic aim of producing quality wines according to the regulations. The higher price the product is positioned the more complete integration of the stock-production or the tighter the competition is. The fact that a product owns origin control regulation does not mean clearly that integration or hybrid coordination structure is applied by the market actors in the case if the product is positioned to table wine price segment by the buyer/trader. In this case the market as a coordination structure comes forefront.

7. As big part of the Hungarian wines are sold in lower price segments (not depending on the fact that big part of these product is quality product according to the regulations) we got explanation for the question why do the wineries apply the market as controlling structure in spite of the contracted coorporation agreements.

8. By comparison French and Hungarian contracts in the wine sector we stated that regarding the theory of transactional costs we can observe real long and medium term contracts in France but in Hungary except for some cases we can only see declarations of aim. In Hungary several elements of vertical cooperation are missing which are the characteristics of hybrid governance systems: there is a lack of motivation system for quality stock production, the obligation taking for guarantee system, the price declaration, the share of the quasi-income aroused due to the completion of the agreement, the re-negotiation and the opportunity to adopt the new market requirements.

9. In Hungary the agreements and contract do not compensate the risks of price fluctuation and the changes in the availability of stock so that the risk of the partners oppurtunitist behavior neither which would be a basic aim of the hybrid coordination structure. Regarding their efficiency they are not of win-win type. Each concerned parties may loose in long term the wineries because of the uncertainty in the fact that in spite of the coorporation agreement and the investment made in order to the quality winemaking and the sale an other buyer can appear who is ready to pay higher price for grape and the grower will sell the stock to this buyer so that the stock-supply is not guaranteed. The grape grower will not make the necessary investment or yield-reduction in order to produce quality stocks if their efforts made in order to produce quality stock will not be remunerated.

10. After the analysis of the economic situation of the big Hungarian wineries we stated that the profit of the wineries are decreasing, the amount of the added value is fluctuating, and to capital needed for the operation is high. The decreasing ratability and the parallel decreasing marges make the wineries to cut their cost which effects the stock buying and orientates the wineries towards such a coordination structure which is nearer to the market coordinating structure than to contracts of the hybrid coordination structures.

V. Conclusions and suggestions

1. The analysis of the tendencies of the international wine market reflects that the competition becomes sharper on the European markets by the sweep of the New World and the efforts of the traditional winemaker countries in order to maintain their market share. The Central-Eastern European countries are more and more out of this competition and became the loosers of this situation. The European countries can only hardly compete with the strategies of the New World countries on the traditional markets of the traditional winemaking countries who are gaining more and more ground on these markets. The New World countries work out such strategies which are very efficient in the field of market share extension for the realization of the strategies they mobilize heavy resources. Only some of the European countries are able to remain competetive in the price war in the premium and super premium segment (Spain and Italy), France in the ultra premium segment and Germany and Hungary are falling back on the international market. The New World countries (Australia, USA but South Afrika and New Zeland as well) conquer the markets of the new wine consuming countries. New Zeland has smaller vineyard territory and smaller wine production than Hungary but it has shown very dynamic development for the last 10 years.

We can state Hungary's market drawback on the whole of the European market but here exist some Hungarian export-oriented companies which are applying the kind of the New World countries strategies and reaching remarkable results on the international markets. These companies are dealing with variety-wines (World known varieties such as Chardonnay, Sauvignon, Pinot Gris, Cabernet, Merlot and Hungarian varieties such as Irsai Olivér and Cserszegi Fűszeres) under a brand name positioned on perfect quality/price ratio mainly on the British and German market. In their case the Hungarian origin is rather a negative factor that is why the origin is just secondary information concerning these products. The communication is based basically on the variety and the brand.
The other successful strategy is in connection with the specialties but Hungary is able to sell only a small quantity from these products on the international market. The Hungarian specialties are often not known and even the professionals mix them up with other products (for instance on the US

market the professional wine traders do not even know that Tokaji is wheater a vineyard, type or brand and they mix it up with Tokay Pinot Gris and Tocai Friulano) It is especially true concerning the newly origin controlled wines and several quality wines. According to the domestic and European regulation they are in vain considered as quality product if the price of the wine does not reflect that and the consumer does not willing to pay higher price (export average price 1€/liter) we cannot speak about market-recognized quality wine. We must state that our winemakers often must sell their products on considerably lower prices that its quality would justify because they must realize income and in several cases the product must be sold within a year. This need effects negatively the vertical cooperation and the stock-buying.

By this we draw the following suggestions:

- Amelioration of the positioning of the Hungarian wines on the international market: Hungary has prospects in two different categories. Once in field of the specialties: the wines must been positioned for such consumers who do not seek for mass-products, they are open for new products, the special, not known varieties, they are open for import products and specialties. For this standard high quality production is needed. Restaurants, restaurant-chains, bars, special wine shops chains can be the target of such activities. The other chance is to bring forefront the suitable quality/price ratio products which can be sold in important volumes targeting standard quality and those channels of distributions which need relatively big volumes to sale.
- It worth to choose some strategically important and dynamically developing markets: the mass market of Germany and Russia and the more sophisticated British market as well as the USA, Japan, China and the Scandinavian market, Czech Republic and Poland where aside from the mass-market of the wines there is an increasing demand for the higher positioned wines.
- Building of bigger production structures: the estate-concentration should come forefront and the formation of strategic-based producer teams and winery-cooperations where the wine production is operated through well matured and demand-driven policy from the deployment, and processing to the market distribution.
- Conversion of wine-community organization into interprofessional organization as it is made in other EU countries' wine sector (Italy, Spain, France for instance). Their major task would be the origin control (discover and avert the illegal use of origin controlled product names abroad too), the quality improvement and the creation of interprofessional frame-contract in the case of the very high quality wines. In case of the high quality wines the declaration of minimum price of sale under which the product cannot be positioned would be their task. By

this the symptom that origin controlled wines are positioned on the price of table wine can be avoid.

- Improvement of collective marketing activity, work out of more complex and bigger marketing programs (total value of 2-3 million €) on the domestic market and in other EU and third countries. For this purpose it worth to submit 1-2 project plan per year for the action of promotion and information campaign of agricultural products in the EU because 50% EU subvention can be gained for this actions. For applying for these program it is advised to join together with other EU countries' wine regions (the products of different wine regions can complete each other) because by sharing the costs more actors can mobilize more marketing tools and the efficiency of the actions can be multiplied by that way.
- The EU subvention programs of development (Rural Development for instance) or marketing need national contribution. The lack of this national contribution balks these programs in several cases which harms the competitivity of the Hungarian producers in comparison with the winemakers of other member countries. Therefore the creation of a fund for national/producer contribution becomes necessary.
- Determination of specific pretences of the rural development of the wine sector in the Agenda 2007-2013 in the interest of quality improvement which helps the modernization of grape growing and winemaking, the quality improvement, the spread of the environment-friendly technologies, the concentration of supply, the market entry, the training and the appliance of professional engineers.

Guarantee of producers contribution to the programs: conversion of the 8HUF/liter make over charge to clear professional paying-in in stead of declared it state budget and paid as state subsidy.

2. The analysis of the positioning of the Hungarian wines on the domestic market reveiled that the price of the products offered in hyper and supermarket does not reflects clearly their quality (we can find origin controlled Debrői hárslevelű for 179 HUF/bottle, 3 butt Tokaji aszú 599 HUF/bottle but for 1200 HUF too, or 5 butt Tokaji aszút 999 – 5000 HUF/bottle price). So that the price of the wines does not provide enough information to the consumer about the quality of the wine. This fact reveals the problem that the quality system applied in the case of the origin controlled Hungarian wines is not efficient. In several cases the quality of the origin controlled wines are positioned to the basic or table wine segment even on the Hungarian market. As a consequence the market and the consumers do not recognize the added value of the origin controlled wines the producers are not able to validate the extra charges made in order to meet the more strict quality requirements (yield control for instance). It makes no sense to differentiate quality or origin controlled products if the market does not recognize its price.

That is why the declaration of the price/value ratio of the wines can be one of the most important task for the actors of the sector which can only be done through the cooperation of the actors. This would provide the transparency of the supply, the setting of the actor, the stabilization of the market presence of the actor. Since the market share of import and premium bottled wines are increasing on the Hungarian market the quality/price ratio of the domestic and foreign wine become comparable to each other for the consumers. The most important task for the sector is to create adequate domestic price segments in order to help the producers make the positioning for their own products.

It is especially important to create the producer strategies: they have to think over what quality of stock purchased is needed for the given product price segment and how to coordinate the buy of the stocks (own production, buying from the market or through the creation of long term coordinations). The suitable domestic price segment provides clear information for the consumer about the product.

Our analysis outlined that due to the changes in the international distribution chains and the habits of purchases the hyper and supermarkets became the most important chains of distribution in Hungary too. The presence in these units is unavoidable.

Practically, we offer to make the following suggestions concerning the positioning of wines on the domestic market:

- Mapping and tracking of the Hungarian consumers and consumer behaviors. There exist many useful prompt researches on these fields (Botos, Szabó 2003; Hoffmeister, Totth 2006) but there is a lack of systematic panel-kind extensive research. These are basic information for the producers without which it is extremely hard to develop their sales, purchase and stock producing strategy.
- Detailed mapping of channels of distribution (concerning quantities sold, quality categories, geographical signs, brands, varieties, origin controlled products, average prices) and the its changes during a period of time. The presentation of the importance of the related examinations is necessary to market actors to make the suitable positioning of the market.

This two tasks are advice to be fulfilled on national level likewise in other wine-producer countries where the preparation of the surveys and researches of public utility are financed from the national marketing and researched fund.

3. Connected to the analysis of the legal environment of winemaking we can state that Hungarian wine sector has got important subventions due to countries EU accession and the implementation of the arrangements of the wine common market organization: the sector received 4,2 billion HUF in the year of 2004/2005, and 5,1 billion HUF in the year of 2005/2006 (+21%) subvention. The cause of the increase is the implementation of the subventions for final grubbing up of vines. In spite of the important volume of subventions the efficiency of the usage of subventions can be sharply criticized. The implementation of the new measures had dramatic effect in the first two year after the accession mainly on the vine production potential which is very important factor regarding the stock supply of the wineries and the quality grape production. In spite of the important volume of subventions for vineyard restructuring there have been a lack of significant increase on the field of quality improvement and vineyard settlement because the construction of the subvention was not enough stimulating for the re-settlement and the new settlements. The amount of vineyard settlement showed a significant decrease after the EU accession moreover the demand for the final grubbing up of vines increased because of the low profitability of the grape production. Regarding the huge share of old vineyards facing with considerable lack of capital, the state of the Hungarian vine production potential became not better but worse after the EU accession. The new restructuring model implemented in 2007 was create to help this problem which is predicted to be much more successful concerning the settlements then the other models in the previous years.

Concerning the vine production potential the actual wine reform does not reflect positive prospects. Selon the first version of the reform plan the EU wants 400 000 ha of final grubbing up of vineyards executed with increasing the present subvention level to its double for which there is no limit to apply in order to regain the balance state on the EU wine market. For today, a aspect of the Commission has changed to 175 000 ha as a territory to be grubbed up. The territories concerned can be limited to 8% of the territory of the wine regions in hillside territories or because of environmental causes.

In Hungary the wine sector reforms threatens heavily the stock supply. On one hand – in contrast with the average spread views- there is no oversupply crisis in grape and wine production and there are no unsold wine-stocks on the wine market while we can expect a lack of grape. On the other hand many actors are considering giving up grape production because of its low profitability and that makes the subventions for grubbing more attractive. As a conclusion we make the following suggestions:

- Hungary needs its vineyards not to grub up but to reshape them in order to provide suitable quality vines for the wineries so it is not right to motivate the grub up but it is preferable to put stronger accent on the reshaping of vineyards and its modernization.
- As according to the plans of the reform the subvention for reshaping the vineyards becomes the part of the nations national envelope (together with other measures) the domestic professional organizations have to work out a conception according to which the allocation of fund between the measures in the national envelope can be made. The most important measure must be the modernization of vineyards and its quality improvement.

The EU accession made basic changes in the conception of regulation of the quality wines by the implementation of the notion of quality wines with determined origin and its regulation. By the creation of dual regulation of quality wines with the implementation of the categories of quality wines with determined origin and quality wines with protected origin the product differentiation has started in the category of quality wines. The notion of the quality wine with determined origin triggers a bit of confusion, a category applied in the EU regulation and the domestic regulation as well, because the difference between the notions is theorically cleared but practically is not. In case of the regulation of origin protected wines we face the problem of the lack of the creation of a basic model of the regulation of origin protected wines so the so far created regulations show severe differences among themselves.

The work out of the regulation for origin protected products in small wine regions shows also an unclear conception. That is the case of the Somló wine region where there are two quality categories on a cca 550 ha wine region: the quality wine with determined origin with the mark of Nagy-Somló and the origin protected wine with the mark of Somló, which makes very hard the differentiation between the two categories and its presentation toward the consumers.

The use of wine names becomes very complicated because, among the designation of 22 wine appellations of Hungary 13 are registered (protected) denominations at national level and international level (like Somló). The other problem is that registered brand names are approved in national application regulation of wines of protected denomination of origin (PDO) like “Somlói Nászéjszakák Bora” that contributes to the confusion of use of wine denominations. Furthermore, the registered wine names and brand names mean stronger protection for wine producers than the legislation of PDO wines, while it is considered to the private law, but it is understandable that that wine growers have pretension to their differentiation. It makes arise the problem that the intentions to differentiate the products can black out each other.

It is also a problem if there is no connection between the protected origin and the market recognition. It is not practical to create origin protected regulation solely for the purpose that a wine region (or a products) can own that kind of regulation but the market does not recognize the higher requirements and it does not remunerate the higher expenditure with higher prices or if the origin protected product is positioned on table wine price.

Concerning the origin protection the misuse of a product-name is extremely important issue mainly on the international market and on those third countries' markets where the EU does not have bilateral agreement on wines. At the same time the origin protected wines and traditional marks are the most important competitive factors of the EU and Hungary as well (it is not by chance that the new-world producers are trying to imitate these product, not others). One of the biggest problems of the Hungarian origin protection system is that it cannot really act against the misuse of product-names on the international market. In some cases the agricultural portfolio or the foreign representatives make legal steps but the OBI has no legal effect on these issues and the legal rules do not state clearly the policy for these issues (Gonda 2005, Szabó 2005)

To avoid these anomalies we make the following suggestions:

- Work out of uniform conception for the regulation of origin protected wines, so that the change of the FVM order 97/2004 became a necessity.
- To work out the regulation for origin protected wines it is recommended to work together with the Hungarian Patent Office in order to avoid the problems occurred because of the name usage and the ulterior legal disputes concerning the owner of the mark of origin.
- Above the origin protection regulation it worth to show other tools for differentiation, not just the origin protected wines declared in ministry order. Other possibilities are trademarks, common trademarks of wine communities or councils of wine communities
- There should be a fund raised for the handling of the misusage of Hungarian origin-names and the crowding out of the market those wines which do not meet the quality requirements concerning the origin protection. A part of the sum which is to be used for quality control (comes from the sales levy) can be used for this purpose which would effect positively the market situation of Hungarian wines.
- The EU wine reform provides great occasion for the Hungarian market actors to work out a uniform concept regarding the origin protection and regulation. Above that the common act for making the origin protection more efficient is necessary.

- The formation of a regulation which stimulates the calculable and quality winemaking is basical for the bilateral utility of the cooperations made between the grape producers and buyers.

4. In Hungary many factor interact in the formation of controlling systems:

- The strategic aim which is set by the producer concerning the quality and as its consequence the product's positioning on the market: the more unique the style the producer work out the more tight the cooperation with the grape producers is or the more likely the integration of the grape production come forefront. This phenomena is also manifested when we consider the fact that several winemaker enterprises (without regarding its size) are moving from the grape buying and production contract towards the process of own grape production (on privately settled new vineyards which meet the requirements of the market) or buy vineyards or make long-term vineyard rental contracts (with the state or private persons) which provides control for the winery over the grape production. Due to this when the own vineyards become productive they are less likely to buy grape and bulk wine from the spot market or make cooperation contracts with the small producers in order to avoid the risks of the opportunism arising because of the informational asymmetry concerning the quality of stocks.
- The special investments in connection with the quality production (machines, commercial relationships, marketing) are strongly connected to the previous point because the investments made because of quality improvement stimulate closer relationship between the grape producer and the winemaker to control strictly the stock production. The causes are similar than in the previous point.
- The formation of brand (trademark) and image also stimulate the wineries to control the grape production in order to provide suitable stock quality and quantity. If the image is attached to the place of production the creation of added value is not just the merit of the winemaker but that of the grape producer too so that the ensurance of the good quality is a basic interest of both parties and the extra income originated from that issue is the common result of the two parties. At the same time in such cases the complete integrations or quasi integrations work efficiently. If the winery does not have chance to control but they make out agreements with the grape producers the coordinations will generally not work effectively in the Hungarian wine sector the coordination structure is practically the market which is in contrast with the other solutions working in other EU member states.

We can explain that by the followings:

  - Big part of the wines are positioned into low price segment both on the domestic and the export market
  - From retail side there is a huge pressure from the chains of distributions concerning the prices (especially hyper and supermarkets, hard discounts) and the competition is harder and harder on the wine market which reduces the profit marge. Logically the wineries want to keep the marge which effects negatively the stock prices.
  - The rentability of the wineries decrease which has negative effect on the relationships between the wineries and the grape producers and on the determination of the stock buying prices and the profitability of grape production as well.

- The formation of the property rights after the political change, the division of grape production and grape processing created the situation that big part of the grape is bought on the spot market or through cooperations by the wineries because enterprises cannot buy land since 1994 and the reshaping of the estate structure is still in progress.
- Concerning the origin protected wines the cooperations do not became so significantly tighter while the logic of the origin protection is the higher added value creation and the possibility to sell the products on higher prices. As the latter conditions are not fulfilled in many cases the coordination structure is closer to the spot market.

The comparison of the agreements and contracts between grape producers and buyers in Hungary and in France reflected that the French contracts are tending to share the quasi-income generated by the agreement and stimulating the ensurance of quality stock and trying to cover the risks of the parties opportunist behavior which means that these agreements are of win-win type. While in Hungary only some contractual relationships meet the criteria of the real hybrid coordination system. Mostly they are not medium or long term contract but only declaration of cooperation aims which do not include rules concerning the non-performance of the contract, there is no guarantee system, no system for quasi-income allocation, price declaration for the time of cooperation of for a period, so that the elements of calculability, motivation and re-negotiation are missing as well ask the elements covering the risk of the opportunist behavior.

Due to this the agreements are not win-win type, the investments made in order to produce quality stocks are not efficient so that the buyer cannot buy stocks from suitable quality. These agreement are particularly advantageous for the grape producers in overproduction periods because this provides them certain buyer market. Although in such years when the production is low the buyer cannot be sure that the producer will sell him the grape because when an other buyer appears with higher price offer nothing would hold the producer back to sell him the grapes.

Through the analysis of international examples of contracts we stated that the differentiation, the production of higher added value products, for assuring the quality – and reach higher income – the apply volunteer and dispositive rules and quality standards. Although in the cooperation agreements applied in the Hungarian wine sector only the obligatory quality requirements are set.

In conclusion the coordination structures based on cooperation aim declarations do not cover the risk and they are closer to the market coordination structures and they are not efficient regarding the quality improvement and the assurance of stock supply.

In Hungary the integrations (the enterprises controlling the grape production) and the quasi-integrations work efficiently regarding the quality improvement. Although due to the fragmented grape production and to the fact that several enterprises must ensure the stock acquisition through suppliers, but they would differentiate themselves on the market and they rather should fulfill the demand for quality wines so that we make the following suggestion:

- Real strategic and marketing alliances should be formed between the grape producers and the buyers
- The aim of production should be determined clearly (quality category, price segment)
- On the basis of the previous declaration the structure of the vineyards and the varieties should be formed (restructuring measures with the help of the European Agricultural and Rural Development program)
- The system of the allocation of the quasi-income should be set as well as the calculation of buying price, the settlements of the elements of guarantee-system and its re-negotiation is also necessary.
- The grape producers should form societies to represent their interest (the organization of wine communities is declared to fulfill this aim but an organization which has suppliers and also buyers among their members cannot efficiently solve the problem) to negotiate and re-negotiate the contracts and represent the points of view and the interest of the grape producers,
- In case of the quality products and of the products which are special from a view, especially the origin protected products the interprofessional frame contract can be a solution. Their basic principles were worked out by the wine community organization.

- For this that is also needed that the wine community organization would have such rights that the other inter-professional organizations in the EU have. First the legal conditions must be made for this because at present time there is no uniform regulation/act for the interprofessional organizations operating in the agricultural sector.

VI. Main references

AIGRAIN, P. (2007): Conjoncture mondiale mars 2007 (A világ borpiacának elemzése), Viniflhor Infos, No. 143., mai 2007, p. 14

BÁRDOS, K. (2004): Vertikális koordináció és tranzakciós költségek: a magyar húsmarha-szektor esete (Vertical Coordination and Transaction Costs: the Case of Hungarian Beef Sector). PhD-értekezés. Budapesti Corvinus Egyetem, Budapest, Hungary, 170 pp.

BARZEL, Y. (1985): Transaction Costs: Are They Just Costs? *Journal of Institutional and Theoretical Economics*, 1985, 141, p. 4-16

BROUSSEAU, E. (1993) : L'économie des contrats. Technologies de l'information et coordination interentreprises. Presses Universitaires de France, Paris 1993, p. 361.

CHAMBOLLE, C., SAULPIC, O. (1999) : Vertical relationships in Champagne : An incomplete contracts analysis. *Cahiers de Grignon*, 03/1999, INRA, Grignon

COASE, R. H (1937) : The Nature of the Firm, *Economica*, 1937, IV (November), p 386-405.

CORIAT, B., WEINSTEIN, O. (1995) : Les nouvelles théories de l'entreprise (A vállalat új gazdasági elméletei), Librairie Générale Française, Paris, 1995

COUDERC, J-P., REMAUD, H. (2004) : Typologie des entreprises de l'aval, ONIVINS, Conseil de Direction, Séance du 18 février 2004 – 13 p.

FERTŐ, I. (1996): Vertikális koordináció a mezőgazdaságban, *Közgazdasági Szemle*, 11. szám p. 957-971

FERTŐ, I., SZABÓ, G. G. (2001): Változó irányítási struktúrák a magyar mezőgazdaságban az átmenet során, *Külgazdaság*, XLV. Évf., 2001. szeptember – p. 29-45.

FERTŐ, I., SZABÓ, G. G., BÁRDOS, K. (2004) : Transaction cost economics considerations regarding the Hungarian fruit and vegetable sector, *Studies in Agricultural Economics*, No. 99 p, 101-114

GAUCHER, S., SOLER, L.G.,TANGUY, H. (2000) : Incitation à la qualité dans la relation vignoble-négoce, Paris, INRA-ESR Ivry sur Seine, *Working Paper*, 38 p. juillet 2000

GIRAUD-HERAUD, E., SOLER, L.G., (2003) : Quelle légitimité à des méchanismes de l régulation de l'offre dans les Appellation d'Origine Protégée ? *Économie Rurale*, 2003 (200-279), p. 123-134

GONDA, I. (2005) : Jogérvényesítés különböző útjai a borászati termékek esetében –eredetvédelem aktuális kérdései, különös tekintettel a magyar borokra, *Borászati Füzetek*, 2006/1. p. 8-11.

GOODHUE, R. E., HEIEN, D. M., LEE, H., SUMNER, D. A. (2000) : Contracts, Quality, and Industrialization in Agriculture : Hypotheses and Empirical Analysis of the California Winegrape Industry, University of California, Davis, 33 p.

HART, O., MOORE, J. (1988): Incomplete Contracts and Renegiciations, Econometrica, 1988, 56 (4)

HOFMEISTER-TÓTH, Á., TOTTH, G. (2004): Hogyan választanak a fogyasztók bort? Menedzsment Marketing, 2004/4.

JACKSON, D., LOMBARD, P (1993):Environmental and management practices affecting grape composition and wine quality – A review, *American Journal of Enology and Viticulture*, vol.44, no.4, p. 409-429

JUHÁSZ, A. (1999) : A vertikális kapcsolatok változásai a zöldség-gyümölcs ágazatban, *AKII Agrárgazdasági tanulmányok* 1999. 10. szám

LAKNER, Z., HAJDU, I. (2002) : The Competitiveness of Hungarian Food Industry – a System Based Approach, Mezőgazda Kiadó, Budapest, 2002 – 165 p.

LAPORT, C. (2000b): L'appellation d'origine controlée comme garant de la typicité des vins, ENESAD, *Revue d'Économie Rurale et Urbaine*

MAZÉ, A (2000) : Le choix des contrats à l'épreuve de la qualité. Une analyse des mécanismes de gouvernance dans le secteur de la viande bovine, Sciences Économiques, Paris, Université Paris I, 2000

MÉNARD, C. (2002): The Governance of Hybrid Organisations, *LINKS Conference*, Copenhagen, 1-2 November, 2002.

MÉNARD, C. (2004a) : Économie des organisations, Éditions La Découverte, Paris, 2004

MONTAIGNE, E. (1997) : Les mutations de la viticulture languedocienne mise en perspective par deux siècle d'histoire, ENSAM, Montpellier, 1999, p. 33

MONTAIGNE, E., MARTIN, G. (2002) : Les tendance du marché mondial des vins et qualité (A világ borpiaci tendenciái és a borminőség kérdése), *Revue Francaise d'Oenologie*, janvier/fevrier 2002, No.192., Paris, France – p. 10-19.

MONTAIGNE, E., SIDLOVITS, D. (2003) : Long Term Contracts and Quality in the Wine Supply Chain : Case of the Appellation « Vins des Sables du Golfe du Lion », *7th Annual Conference of the International Society for New Institutional Economics, „Contracts and Organization"* September 11-13, 2003, Budapest University of Economics, Budapest, Hungary – 20 p.

NORTH, D. (1990): Institutions, Institutional Change and Economic Performance, Cambridge, Cambridge University Press, 1990

RADÓCZNÉ KOCSIS, T., GYÖRE, D. (2006) : A borpiac helyzete és kilátásai, *Agrárgazdasági Tanulmányok*, 2006. 6. szám, AKII, Budapest – p. 140

SAULPIC, O., TANGUY, H. (2002) : Stratégie et rentabilité des entreprises de négoce de Bourgogne, *ONIVINS Infos*, No. 97, 2002. október

SAUSSIER, S. (1999) : La durée des contrats interentreprises : une analyse empirique, Université de Paris XI & ATOM – Université de Paris I., 1999 – 13 p.

SOLER, L-G, TANGUY, H. (1998) : Relations contractuelles et négociations interprofessionnelles dans le secteur des vins de Champagne, *Cahiers de Grignon*, mars/98 p.74-86

SZABÓ, Á. (2005) : Borcímkék és védjegyek, *Borászati Füzetek* 2006/1. sz. 14-18 p.

SZABÓ, G. G. (2001) : Szövetkezeti vertikális koordináció és integráció az élelmiszer-gazdaságban, *Élelmiszermarketing-tudomány*, II. évf. 1-4/2001, p. 31-43

SZABO, G. G., BARDOS, K. (2005): Tejtermelők szerződéses kapcsolatai és piaci ellensúlyozó ereje Magyarországon: termelői tulajdonú szervezetek szükségessége. Élelmiszer, Táplálkozás és Marketing, 2 (1-2) 81-88

SZABÓ, G. G., BÁRDOS, K. (2007): Szerződéses kapcsolatok az élelmiszer-gazdaságban.(A tejellátási lánc empirikus kutatása). Közgazdasági Szemle, LIV. évf., 2007. május, 459 - 480. o.

SZABÓ, M. (1999) : Vertikális koordináció és integráció az Európai Unió és Magyarország tejgazdaságában, *Agrárgazdasági Tanulmányok*, 1999. 9. szám, AKII

SZAKADÁT, L. (1996): Új idők – új szelecskék: Az új intézményi közgazdaságtan magyarországi elterjedése, *Közgazdasági Szemle*, 43. évf. 5.sz. – p. 431-437

THACH, L. (ÉD.), MATZ, T. (ÉD.), (2004): Wine : a global business, New York (USA), Miranda Press, 235 p.

WILLIAMSON, O. E. (1985) : The Economics Institutions of Capitalism, Free Press, New York

WILLIAMSON, O.E. (1994) : Les institutions de l'économie, Inter Editions, Paris, 1994. Pour la traduction française, p. 404.

ZACHARIEVA, E. et al. (2001): The Choice of Supply Channels by Bulgarian Wine Producers : a Transaction Cost Perspective, *78th Seminar of the European Association of Agricultural Economists*, Compenhagen, 2001

VII. List of publications

Periodical articles:

Szép K., Sidlovits D. (2000): *Kockázatos kertészeti termelés, a tőkeáttétel.* Kertgazdaság 32. évf. 1. 36-47. o.

Bálint A., Sidlovits D., Szép K. (2001): *Kockázat és kockázatkezelés a kertészetben*. Kertgazdaság. 33. évf. 1. sz. p. 72-80.

Montaigne, E., Cousinier, P., Martin, G., Sidlovits, D. (2002): *Crise viticole et marché mondial: le syndrome de Porto Alegre? (Borpiaci válság, Porto Alegre szindróma?),* Revue des Oenologues, no. 103, avril 2002, France – p. 5-8

Montaigne, E., Sidlovits, D. (2004): *A világ borpiaci tendenciái I. A szőlő termőterület, a bortermelés és az export alakulása*, Borászati Füzetek, 2003/6, Kutatás – p. 10-23

Montaigne, E., Sidlovits, D. (2004): *A világ borpiaci tendenciái II. A nemzetközi borkereskedelem és a világ borfogyasztása,* Borászati Füzetek, 2004/1, Kutatás – p. 12-20.

Sidlovits, D. (2004): *Szegmentáció a világ borpiacán,* Borászati Füzetek, 2004/2, Kutatás – p. 8-13.

Sidlovits, D. (2004): *La viticulture hongroise au seuil de l'Union Européenne, (A magyar borágazat az EU-csatlakozás küszöbén)* ONIVINS Info, no. 113, mai 2004., Paris, France – 32 p. (ISSN 1165-7154)

Kisari I. – Sidlovits D. (2005): *A magyar élelmiszerkereskedelem bor- és pezsgőválasztéka. A vizsgálat első eredményei*, Borászati Füzetek, 2005/1. (kiadás alatt)

Sidlovits D., Kator Z., Horváth Cs. (2005): *A bor eredetvédelmének mindennapi gyakorlata*, Védjegyvilág 2005/3. szám – p. 26-36

Sidlovits D. (2004): *Végleg megtelt a puttony? Keretes írás: Egy példa Franciaországból*, Bor és Piac, Geomédia Kiadó, 2004/10. szám - p. 12-16.

Sidlovits D. (2005): *Tendenciák a magyar borpiacon*, Mezőhír, 2005/5. szám

Sidlovits D. (2006): *A közös borpiaci szabályozás reform-tervezete*, Borászati Füzetek, 2006/4. – p. 2-12

Sidlovits D., Horváth Cs., Kator Z. (2007): *A Közös Borpiaci Szabályozás reformja – Ki lesz ettől versenyképes?* Borászati Füzetek, 2007/4. szám – p. 26-31

Conference materials (full paper)

Sidlovits, D. (2002): *Role of the contracts on long terme in the wine market chain. An example in France: the case of the appellation „Vins de Pays des Sables du Golfe du Lion",* VIII.

Nemzetközi Agrárökonómiai Tudományos Napok: „A mezőgazdasági termelés és erőforrás hasznosítás ökonómiája”, Gyöngyös, 2002. március 26-27. – 6 p.

Montaigne, E., Sidlovits, D. (2002): *Segmentation et dynamique du marché des vins rosés en France*, IX. Colloque Oenométrie VDQS, 31 mai – 1er juin 2002, Montpellier, France – 8 p.

Montaigne, E., Touzard, J-M., Sidlovits D. (2003): *Apport méthodologique pour la création d'un observatoire des vins en Languedoc-Roussillon,* X. Colloque Oenométrie VDQS, 22 – 24 mai 2003, Budapest, Hongrie – 22 p.

Montaigne, E., Sidlovits, D. (2003): *Long Term Contracts and Quality in the Wine Supply Chain: Case of the Appellation "Vins des Sables du Golfe du Lion"*, 7th Annual Conference of the International Society for New Institutional Economics, „Contracts and Organization” September 11-13, 2003, Budapest University of Economics, Budapest, Hungary – 20 p.

Montaigne, E., Szabó, G. G., Sidlovits, D. (2005): *Examination of contracting relationships in the Hungarian wine industry,* 2. International conference on economics and management of networks 15/09/2005 - 17/09/2005, Budapest (HUN) - Corvinus, University of Budapest, Budapest (HUN) – 28 p

Sidlovits, D., Kator, Z. (2007): *Characteristics of Vertical Coordination in the Hungarian Wine Sector*, 104th EAAE Seminar on Agricultural Economics and Transition 'What was expected, what we observed, the lessons learned', September 6-8, 2007, CORVINUS University of Budapest, Budapest, Hungary – 28 p

Sidlovits, D., Kator, Z. (2007): *Influence of the EU accession on the Hungarian Wine Industry – Three years experience of the CMO-wine implementation*, 104th EAAE Seminar on Agricultural Economics and Transition 'What was expected, what we observed, the lessons learned', September 6-8, 2007, CORVINUS University of Budapest, Budapest, Hungary – 16 p

Book chapters

Montaigne, E., Remaud H, Sidlovits, D. (2005): *Le circuit des cavistes en France.* – Bacchus 2006: enjeux, stratégies et pratiques dans la filière vitivinicole. Montaigne, Etienne (éd.), Couderc, Jean-Pierre (éd.) ; D'Hauteville, Francois (éd.); Hannin, Herve (éd.); Paris (FRA), Dunod, 2005. - p 123-141 (2 ív)

Researches and studies made in co-authority

Touzard, J.-M. ; Montaigne, E. ; Couderc, J.-P. ; coll. Remaud, H. ; Sidlovits, D. ; Galas, J. (2002): *Apport méthodologique pour la création d'un observatoire des vins du Languedoc Roussillon,*

Rapport de recherche : Montpellier, ENSAM-INRA-DADP, Programme de recherche DADP2, Projet IV.3, mai 2002, 31 p (*« Módszertani segédlet kidolgozása gazdasági információs központ megvalósításához a Languedoc-Roussillon Borvidéki Rágióban »*, ENSAM-INRA-MOISA, 2002)

Montaigne, E., Remaud H, Sidlovits, D. (2004): *Enquête nationale caviste*. (*Borszaküzletek országos vizsgálata)* - CNIV–Agro-M contrat (Comité National Interprofessionnel du Vin – Ecole Nationale Supérieure Agronomique de Montpellier); Rapport de recherche, 32 p. + 52 graphiques

Európa Parlament – INRA: *La réforme de l'Organosation Commun du Marché du Vin, Étude (A közös borpiaci szabályozás reformja, Tanulmány)* – Direction Générale Politiques Interne de l'Union, 2006 – 86+122 p annexes.