

# Economic performance of wine production in the EU

March 28 2024, by David Bradley

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A study of economic indicators in the wine industry across the European Union has shown significant variation between member states. Many of these are influenced by factors such as vineyard size and specialization.

[Writing in the Journal for Global Business Advancement](#), a team from Cyprus explains how they used the Farm Accountancy Data Network (FADN) methodology to examine the [economic indicators](#) crucial for assessing the financial health of wine-producing farms.

Aleksandra Figurek, Alkis Thrassou, and Demetris Vrontis of the University of Nicosia in Cyprus, EU, focused on metrics such as farm net value added (FNVA), FNVA per annual working unit (AWU), farm net income (FNI), and family farm income (FFI/FWU) for wine producers participating in the FADN.

The team's analysis provides insights into productivity and profitability by looking at the ratio between total output and input utilization, including intermediate consumption and specific expenses.

Despite this diversity between EU member states, the FADN methodology uses a standardized framework for analyzing [financial performance](#). It is this that allowed the team to identify [best practices](#) and areas for improvement, which could be useful for various stakeholders across the [wine industry](#) in different parts of the EU.

The transition to the Farm Sustainability Data Network (FSDN) for many wine producers highlights the opportunity to expand data collection efforts to include environmental and social practices.

This integrated approach enables a more comprehensive assessment of agricultural performance, which could help stakeholder decision-making at the local, micro, and macro levels. Additionally, the implementation of the new Common Agricultural Policy (CAP) (2023 to 2027), which prioritizes [environmental sustainability](#) and support for smaller farmers, aims to align agricultural growth with ecological and technological goals while enhancing competitiveness. The data analysis could thus help evaluate the efficacy of the CAP.

This research shows how new data methodologies can be used to study what programs are improving economic performance in wine production across the EU.

By using such data-driven insights and seeing how this fits in with the ever-changing policy frameworks, the EU wine industry might at once address the challenges it faces and capitalize on the opportunities for sustainable growth and competitiveness in the [global market](#).

**More information:** Aleksandra Figurek et al, Economic performance of wine production in EU: a multi-indicator comparative analysis, *J. for Global Business Advancement* (2024). [DOI: 10.1504/JGBA.2023.137469](https://doi.org/10.1504/JGBA.2023.137469)

Provided by Inderscience

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