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Introduction to the Issue

This issue of the *Journal of Wine Economics* opens with a study on craft beer in the United States by Kenneth Elzinga, Carol Tremblay, and Victor Tremblay. Readers of the *Journal of Wine Economics* know all three authors already from prior beer-related analyses (e.g., Elzinga, 2009, 2011; Gokhale and Tremblay, 2012; Tremblay and Tremblay, 2009). The present article, "Craft Beer in the United States: History, Numbers, and Geography," begins with a historical overview of the craft beer segment of the U.S. brewing industry with particular emphasis on a few craft beer pioneers (Elzinga, Tremblay, and Tremblay, 2015). The authors develop a comprehensive database in order to analyze the rise of craft brewing by referring to measures such as output, number of producers, and market concentration. Using geographic information system software, they then map the spread of the craft beer segment from its beginnings in San Francisco across the United States. Finally, they employ various econometric models to explore variables influencing the entrants and craft beer production at the state level from 1980 to 2012. The results suggest that income, population, and median age foster craft beer production and the number of craft brewers. In addition, the legal environment appears to be an important determinant for production and the number of firms. While beer excise taxes have a negative effect, legalized brewpubs have a positive effect. Further, although overall craft beer production nearby seems to reduce production and the number of craft brewers, the number of craft brewers nearby appears to exert a positive effect: "Because craft brewers are of unequal size, perhaps production better reflects the level of competition while knowledge spillovers depend on the number of neighboring brewers" (Elzinga, Tremblay, and Tremblay, 2015, p. 242). The article is accompanied by an extensive online database.

In the second article of this issue, "Splendide Mendax: False Label Claims about High and Rising Alcohol Content of Wine," Julian Alston, Kate Fuller, James Lapsley, George Soleas, and Kabir Tumber continue the analysis by Alston et al. (2011) and examine the alcohol contents of more than 100,000 international wines for the time period from 1992 to 2011. Has it risen over time, and, if so, what are the possible reasons? Although a wine's alcohol content is reported on the label, most countries allow more or less wide tolerances. For instance, in the United States, the reported alcohol level may be 1.5% lower or higher than the actual level for wines under 14%. In contrast, the Liquor Control Board of Ontario measures the alcohol level of every wine sold in Ontario and posts it on the bottle's back label. This information enables the authors to compare the reported with the actual alcohol levels. They find the following: (1) The alcohol content of wine has

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been trending up around the world. (2) Although this trend may be partially due to a warming climate, the rise in alcohol content of wine seems to be primarily demand driven and man-made. (3) Label claims appear to be biased toward a perceived norm and systematically understate the actual alcohol content. Overall, Old World wines report alcohol levels that are approximately 0.39% below the actual levels; for New World wines, the underreporting equals approximately 0.45%.

In "Sensory Analysis and Willingness to Pay for Craft Cider," Peter Tozer, Suzette Galinato, Carolyn Ross, Carol Miles, and Jill J. McCluskey conducted a blind-tasting sensory evaluation experiment and a chemical analysis of four craft hard apple ciders from the Pacific Northwest of the United States. Employing a contingent valuation model, they then estimate consumers' willingness to pay (WTP). They find that, in addition to various taster characteristics, tannin level has a positive effect on WTP, whereas an elevated ratio of sweetness to acidity decreases WTP.

Jean-Marie Cardebat and Emanuel Paroissien develop a nonparametric methodology to facilitate the comparability of wine expert scores for Bordeaux *en primeur* wines. In "Standardizing Expert Wine Scores: An Application for Bordeaux *en primeur*," they compare the nonparametric approach with a linear conversion and then transform the scores of 16 wine critics into the Parker scale.

The last article in this issue, "Drifting towards Bordeaux? The Evolving Varietal Emphasis of U.S. Wine Regions," by Julian Alston, Kym Anderson, and Olena Sambucci, is based on work by Anderson (2010, 2014). In this article, the authors analyze the extent to which the wine grape varietal mix varies within and among states in the United States and relative to the rest of the world. They find that, although individual U.S. regions vary considerably in the mix of varieties in which they specialize, the mix of wine grape varieties in the United States is not very different from that in the rest of the world. In addition, since 2000, it has become even less differentiated and closer to that of France and the world as a whole.

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