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The transmission issue in « Old World »'s wine estates: the case of the *Mâconnais* region in French Burgundy

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The transmission issue in « Old World »'s wine estates: the case of the *Mâconnais* region in French Burgundy¹

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Introduction

For decades, Burgundy has been considered as a world leading vineyards both in the quantities of wine produced (1,45M. hl./year, 3% of total French production, 0,4% of world production, 3% of world wine exports in value) and in its capacity to reach world markets, thanks to some of the most famous and expensive PDO wines in the world. Globally, Burgundy wines are targeting higher segments of the demand. As of 2013, half of the wine produced in Burgundy has been exported to different countries with, in order of importance: the USA and UK, Japan ranking third. In France, 28% of wines were sold in “traditional marketing channels” (wine retailers, hostels-restaurants, direct selling) and only 22% were sold in supermarkets and hard discounters⁵.

However, for last years, several factors have contributed to question the sustainability of the vineyard's model, translating into steady decreases in exports, both in volume and in value, to some traditional markets (UK, Japan). Some factors are poor harvests in 2012, 2013, 2014 due to bad weather conditions as well as a ageing and a decrease in the state of health of the vines. Other factors are of a more socio-economic nature: evolutions in world market conditions (changes in the wine consumption habits, emergence of new markets, mainly in Asia) and an increased competition from New World producers that have adopted an industrial strategy better suited to emerging markets (Cusmano, Morrison, & Rabellotti, 2011; Giuliani, Morrison, & Rabellotti, 2011).

Another matter of concern is dealing with evolutions in the industrial structure of Burgundy's vineyard. As is often the case in “Old World” vineyards (Hannin, Couderc, d'Hauteville, & Montaigne, 2010), Burgundy is characterized by relatively small, family-owned estates (8,36ha on average⁶) (Agreste Bourgogne, 2011). Moreover, between 2000 and 2010, about one fourth of estates disappeared, without any reduction in the total vineyard area, thus translating into increases in estates size. Furthermore, as of 2010, estate owners were, on average, 49 years old but the proportion of young owners (less than 40 years old) has decreased (29% in 2000 and 24% in 2010). Finally, even though transmission still mostly occurs within a familial setting, as of 2010, 9% of established estate owners announced not

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⁵ www.vins-bourgogne.fr, accessed October 14, 2015

⁶ As of 2011, Burgundy's vineyard counted 3770 farms specialized in winegrowing (estates) for a total area of 31,500ha (Agreste Bourgogne 2011)

knowing the identity of their follower and this proportion has been steadily rising through time (*Recensements Agricoles* 2000 and 2010) and the average number of potential purchasers per estate has steadily decreased in recent years (MSA 2013). All in all, a key issue pertaining to the economic sustainability of Burgundy's vineyard in coming years is dealing with the transmission of existing estates.

In dealing with transmission, the aim of this paper is twofold. First, it aims at identifying the factors underlying this transmission issue. Besides being a financial issue, this paper develops the idea that the transmission issue is also due to a lack of proximities among vintners and between vintners and potential purchasers, thus hampering their capacity to establish an effective collective strategy involving (see Astley & Fombrun, 1983). Second, it paves the way for a resolution of the problem. It more particularly highlights the importance of intermediaries for raising proximities and facilitating the establishment of a collective strategy. Indeed, even though relations among vintners can be considered as cooperative, the setting of a collective strategy implies a further shift in their behaviour for more cooperativeness (see Bengtsson & Kock, 2000, 2014). This paper argues that intermediaries can contribute to this goal, not only by increasing proximities but also by mitigating relational risk among partners.

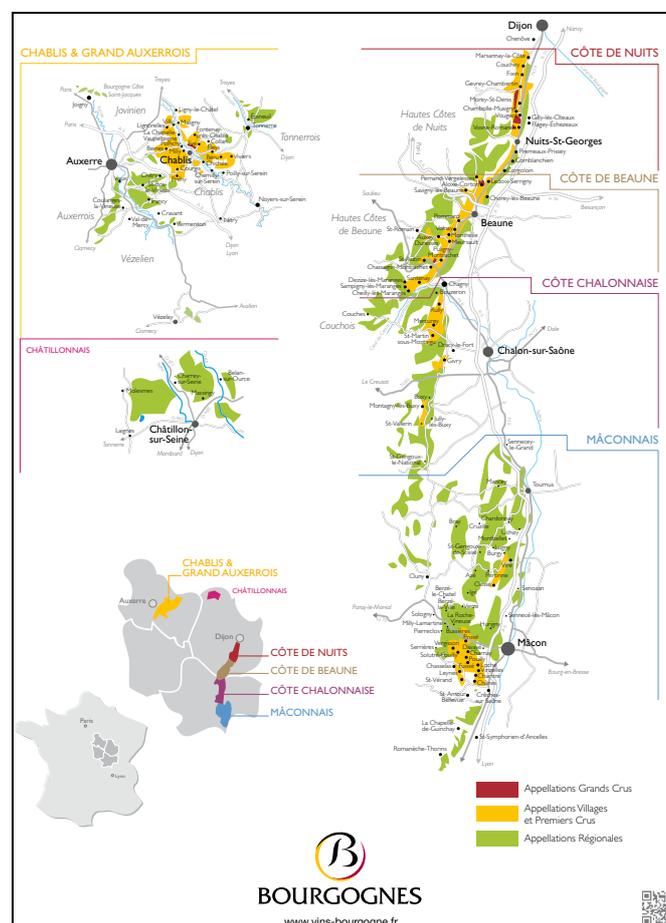


Figure 1: map of Burgundy' vineyard with its five regions: *Chablis – Grand Auxerrois – Châtillonnais, Côtes de Nuit, Côtes de Beaune, Côte Chalonnaise, Mâconnais* (www.vins-bourgogne.fr, accessed October 14, 2015)

The empirical part of this paper relies on the study of the Mâconnais vineyard which is located in the *Saône et Loire département*. While corresponding to one of the five regions constituting Burgundy's vineyard (see figure 1), it accounted in 2012 for an area of 5 737 ha (20% of Burgundy's area) and for a total wine production of 309 436 hl (21% of Burgundy's

volume)⁷. This region counts one *Regional* PDO (Mâcon / Mâcon Village, accounting for 65% of produced volumes) and five *Communal* PDO (Pouilly-Fuissé, Pouilly-Vinzelles, Pouilly-Loché, Saint-Véran, Viré-Clessé, 35% of produced volume). This case appears to be particularly interesting as the issue of transmission is becoming particularly acute in comparison with other regions (Agreste Bourgogne, 2011). Contrasting with other vineyards in Burgundy, most wine is produced in wine cooperatives (61% volumes). In spite of the implementation of an upmarket strategy, wines of the region are still sold at a relatively low price: between 7 and 20 Euros /bottle for *Communal* PDO and 3,5 Euros /bottle on average for *Regional* PDO.

The next section will describe the methodology used for analysing this case as well as the data used. We will then present main results of the case study. In this way, we will notably highlight the implications of the issue at the vineyard level and emphasise the role private and public intermediaries can play. We will finally discuss the issue through the lens of the proximity framework and devise the influence intermediaries can have on raising them.

Methodology

This case study relies on quantitative and qualitative data. Quantitative data are stemming from two sources:

- The General Agricultural Census (*Recensement Général Agricole*) database for the years 2000 and 2010 provides data on all French farms, thus allowing us to better understand recent dynamics on the transmission issue and to identify key features of the vineyard.
- The Agricultural Mutual Insurance (*Mutualité Sociale Agricole*) database for 2013 allowed us to confirm, complement and update data from the General Agricultural Census.

Qualitative data were gathered through qualitative interviews with key informants and winegrowers. Interviews with key informants were run in November and December 2014. 12 interviews with key informants allowed to complement quantitative data about stylized facts and tendencies to be seen in the Mâconnais vineyard. Key informants were chosen as to represent a variety of points of views: wine professional unions for Burgundy and Mâconnais, Agricultural Chamber from *Saône et Loire*, the Agricultural Mutual Insurance, the Public Society for Real Estate Regulation & Rural Settlement (SAFER – Société d'Aménagement Foncier et d'Établissement Rural), executives of the most important coops of the vineyard.

Finally, qualitative interviews with 25 winegrowers were performed in February 2015 in order to better understand the factors contributing to the transmission issue. The choice of winegrowers to be interviewed was determined in order to keep as much as possible a balance between two main criteria (table 1):

- The belonging to a wine coop as most wine is produced in coops in the Mâconnais vineyard.
- The status of the winegrower in relation to transmission: our aim was to collect the point of view both of vintners that are about to retire and are therefore concerned with the issue of transmission and of newly settled winegrowers.

⁷ <http://vins-macon.com>, accessed october 14, 2015

		Estate owner / purchaser		
		Owner	Purchaser	Total
Coop member	Yes	10	6	16
	No	7	2	9
	Total	17	8	25

Table 1: interviewed winegrowers according to their main characteristics

The relative weakness in the number of newly settled winegrowers is mainly due to the fact that we were interested in interviewing winegrowers that did not inherit from the estate. Even though most of key informants identify transmission outside from a family setting as a growing trend, it was still at its very beginning at the time of the study and only one newly settled winegrower was identified as complying to this characteristic. The seven others bought the estate from a relative.

Transmission in the Mâconnais vineyard

Transmission within a familial setting: still dominant but increasingly put into question

Nowadays, transmission within a familial setting still accounts for 90% of the total. Our interview panel conforms to this finding as seven out of eight newly settled winegrowers benefited from a transmission within a familial frame. Among them, six rent wine plots to their family and relatives. Thirteen out of seventeen vintners benefited from a transmission within a familial setting while they started their business and, among the height of those whose succession is already known, seven expect to transmit the estate to their heirs and only one considers transmitting his estate outside from a familial setting. Besides the weight of tradition, respondents identify several advantages out of this mode of transmission: lower acquisition costs and increased flexibility in the transmission process, getting a bank loan is made easier as the tenant acts as a guarantor.

Finally, trust plays a key role in the transmission process. Besides any financial considerations, the main aim of the transmission process for settled farmers is to ensure the continuity of the estate and of the “style of the wine” and that their successors manage to further develop their business. Moreover, in this case, vintners are still likely to provide some help after the transmission process and are therefore more able to control for the quality of the work of their successor. Within a familial setting, the transmission process is often well anticipated as children usually spend their childhood living within a “winegrower’s atmosphere”. They often choose to study wine sciences and can therefore learn new production methods that may be used for the further development of the estate.

However, this trend is called to decrease in coming years for several reasons. First, new generations do not necessarily express the desire to work as winegrowers, as they often view

such a job as difficult and even sometimes as hard to make a living with especially in the Mâconnais vineyard due to the low wine prices. One settled vintner even declared having discouraged his children to take on the estate because of those bad economic prospects. More globally, wine professionals from Burgundy express increasing concerns about the transmission issue because this trend might endanger Burgundy's production potential and, therefore, the market share of its wines on world markets in coming years. Such a decrease has so far been absorbed through the acquisition of wine plots in logics of estate extension by other winegrowers or of vertical integration for wine merchants. However, such a solution may only be transitory as wine merchants have bought plot mainly for securing grape and must supply for their winegrowing and trading activities (winegrowers in Burgundy often are also wine producers). The drawback of such a strategy for winegrowers is that it increases the market value of their own estate, thus making it less affordable for potential purchasers!

Devising a collective strategy for solving the transmission issue: the role of intermediaries

Professionals, organized in the frame of the BIVB (Bureau Interprofessionnel des Vins de Bourgogne), the vineyard inter-professional association gathering winegrower and wine merchants, in coordination with local institutions (Chamber of Agriculture, DRAAF – Regional Direction for Food, Agriculture and Forestry) have adopted a collective strategy for solving the transmission issue. Its aims are two. A first line of action has been directed to the vintners by making them realize the necessity to better anticipate the transmission process. For instance, most vintners have indicated having expressed concerns about transmission only two years before the process while, according to key informants, to be successful, transmission has to be considered at least three to four years before the retirement date. A second line of action, that is especially important in the case of transmission outside from a familial setting, is dealing with contributing in trust building between vintners and purchasers. We now more particularly highlight and discuss the role played by private (wine coops) and public (Chamber of Agriculture, SAFER - Society for Real Estate Regulation & Rural Settlement) intermediaries in setting this collective strategy.

Wine coops as private intermediaries

Wine cooperatives can obviously be considered as key players as they contribute to 61% of the wine produced in the Mâconnais vineyard. Since wine coops are in regular contact with their members, not only during harvests but also by providing them with advice and assistance in vineyards works, they have privileged access to information about their members. They can therefore help them in better anticipating the transmission process and assist them in managing the administrative work related to it. For instance, conscious of the importance of the issue for maintaining its production levels, the *Cave de Lugny* coop, the most important wine coop of the vineyard has put together a working group for solving the issue. Among others, it is considered the possibility of purchasing plots and to let them to members through a system similar to that of tenant farming.

Membership to a wine coop brings other benefits to young winegrowers. As the coop takes on tasks related to wine production and marketing as well as to other administrative duties, winegrowers can focus on vineyard works. Furthermore, it allows members to benefit from immediate and regular cash flows while decreasing financial costs because no investment is required in winemaking equipments. Besides, it contributes to balance the bargaining power with wine merchants for setting wine prices. Membership to a wine coop has been seen as especially interesting in times of sectorial crises such as a drop in the grape and wine prices.

There is thus no surprise that wine coops developed in France after the phylloxera crisis (Malet, 2015).

However, the current economic context is not favourable to coops. The low 2012, 2013 and 2014 harvest combined with an upmarket strategy initiated at the vineyard level have contributed to drive up grape and wine prices. Furthermore, the higher education levels reached by young winegrowers induce another understanding of the winegrowing activity than previous generations. They express the will to produce and market wine on their own. Moreover, coop membership is bound to long-term contracts: 15 years for new memberships, then 5 years of membership extension. By way of contrast, independent winegrowers enjoy higher flexibility in their strategic choices and, depending on evolutions in the economic context, can evolve their business models more easily. Finally, increases in the size of coops generate tensions and disagreements between members and between members and the structure concerning strategic and organizational choices. Some members even complain of being less involved in strategic decision-making.

In order to ensure their survival, wine coops must devise new business and organizational models. For instance, the Lugny coop considers the possibility of reducing the length of first memberships from fifteen to five years and from five to two years for membership extension. Coops also propose devices aimed at facilitating the settling of young winegrowers through, for instance, the implementation of prepaid harvests, allowing them to make a living before the first harvests. They also regularly update listings of coop members that are likely to retire in a near future in order to allow them to better anticipate transmission. Finally, a central issue for coops is to ensure that members keep a central position and to promote the existence of a “cooperative spirit” in line with coops’ strategies (Chomel, Declerck, Filippi, Frey, & Mauget, 2013).

Public intermediaries: Chamber of Agriculture and SAFER

Two public bodies were identified as intermediaries contributing to solve the transmission issue: the local Chamber of Agriculture which is responsible for representing and supporting local farmers and supply chains and the SAFER (the public Society for Real Estate Regulation & Rural Settlement) which is more specifically responsible for helping farmers promoting and managing agricultural plots.

The Chamber of Agriculture of the Saône-et-Loire *département* proposes several devices for helping in putting vintners in touch with potential purchasers:

- It regularly organizes information meetings on transmission in coordination with the MSA, the farmers’ mutual insurance office. Those meetings aim to inform and to direct farmers that are close to retirement.
- It regularly updates the “Répertoire Départ Installation”. This device relies on a database listing vintners looking for successors as well as potential purchaser. It also foresees the possibility of supporting *sponsored internships*, enabling potential purchasers to work on the estate as paid interns for a period of time comprised between three months and one year. This not only allows them to better understand and master the estate’s organization but it also allows both parties to meet and to raise social proximity. At the end of the internship period, both parties may choose either to go forward with the transmission process or to stop it. This device is therefore central for building up trust while ensuring flexibility for both parties.

However, in spite of the important promotion made by the MSA and the Chamber of Agriculture, only a few winegrowers knew of the device. Furthermore they didn't really identify the Chamber of Agriculture as a decisive support for transmission. This may be due to a misconception of the multiple roles of the Chamber of Agriculture, thus questioning more globally its visibility among farmers.

Winegrowers can also benefit from the support of the SAFER, the public body in charge of directing the allocation of available plots in order to facilitate the settlement process. SAFER actually performs different types of tasks. It can perform real estate analyses aimed at pricing them. It can also purchase and sell plots for regulating their market value. It then organizes advertisement campaigns and decides of the purchaser for the plots according to the quality and the feasibility of its settlement project. When necessary, it sometimes decides of a restructuring of the estate (by dismantling plots, etc.) in order to allow a better plot management for winegrowers. Finally, the SAFER can also temporarily keep plots and rent them to winegrowers through tenant farming contracts in order to support settlement. All in all, it contributed to 50% of plot purchases in the Saône-et-Loire *département* in 2010.

Discussion: proximities as a necessary conditions for transmission

Our case study reveals that transmission in Burgundy still predominantly occurs within a familial setting (90% of cases when the tenant knows his successor) . Besides patrimonial considerations of keeping plots within familial control, reason for this is the need for proximity as a precondition for trust between settled vintners and potential purchasers and the success of the transmission process. However, our case study on Mâconnais also suggests that this ratio is called to decrease, since vintners tend to discourage their heirs to take on the estate, due to the painfulness of the work and a worsening of economic conditions making winegrowing an economically more hazardous activity.

Besides embedding an obvious monetary dimension, this case shows that coordination among territorial stakeholders plays a key role in the transmission process and the key role played by proximities.

The principal aim of the analysis in terms of proximities goes beyond the mere existence of spatial colocation for explaining coordination at the territorial level. Initiated in the mid-1990's the so-called "French School on Proximities" has traditionally drawn a distinction between two main types of proximities.

A first type of proximity, geographic proximity, is inherently spatial as it refers to the physical distance separating two entities. It can be considered as binary because it aims at determining whether one entity may be considered as "close" or "remote" from another one. It may also be considered as relative because it depends on the characteristics of transportation and communication means and infrastructures, on players' social and financial conditions as well as how they perceive distances. In this sense, geographic proximity may be considered as a social construct (Torre, 2009). Geographic proximity may take different forms, depending on the needs and constraints imposed on stakeholders. It may be permanent, temporary (Bathelt & Schuldt, 2008; Torre, 2008) or virtual (Bourdeau-Lepage & Huriot, 2009). In this latter case, devices such as audio- or videoconferencing allow to simulate colocation.

Scholars of the “French School”⁸ have pointed out the existence of organized proximity as a second a-spatial, type of proximity. It refers to the capacity of organizations to facilitate interactions among their members. Organized proximity does not necessarily refer to the existence of formal organizations. It rather designates collective arrangements among human activities without necessarily belonging to the same organization (Torre, 2009). Organized proximity is rooted on two complementary logics (Torre & Rallet, 2005).

- The logic of belonging implies that the belonging to a single organization facilitates cooperation among members because they ground their behaviour on common rules and routines. Membership to a single relational network favours communication through direct or indirect relations, thus enhancing coordination among individuals (Vicente, 2005).
- In a logic of similarity, members of the same organization are assumed to share common mental and knowledge frames, thus enhancing their capacity to interact with each other (Torre & Rallet, 2005). They confront their own system of beliefs with collective ones while facing uncertainty. The existence of such common systems of beliefs and of knowledge increases the matching among individual strategies, thus facilitating the conclusion of collective agreements. Such confrontations are at the root of collective agreements on cooperations’ aims and modalities (Vicente, 2005).

It is worth noting that some members of the French school have further distinguished between two types of a-spatial proximity, namely between organizational and institutional proximity. The former refers to the capacity of interacting actors to share a common set of resources, practices and strategies (Ditter & Brouard, 2014; Talbot, 2010) while, consistently with North’s (North, 1990) definition of institutions, the latter refers to the integration of shared rules and values in conducting actors’ behaviour (Balland, Boschma, & Frenken, 2015).

Both spatial and a-spatial proximities only form potentials that actors activate and further develop through interactions (Torre & Rallet, 2005). At an individual level, their existence and activation, notably in the frame of cooperation, positively impact actors’ coordination and the ability to integrate knowledge for production purposes (Torre & Gallaud, 2005). Furthermore, by being associated with reductions in cognitive distance, proximity enhances knowledge sharing in open innovation processes (Nooteboom, 2007).

At a collective level, minimum levels of organized proximity often contribute to tame the occurrence and the severity of conflicts arising, for instance, out of common resources sharing and use (Torre, 2014) or mismatches between individual strategies (Ditter & Brouard, 2014). It therefore constitutes a prerequisite of collective governance as it facilitates the negotiation of collective strategies (see Astley & Fombrun, 1983) that simultaneously fit to individual ones (Beuret & Cadoret, 2011; Gilly, Leroux, & Wallet, 2004; Torre, 2011).

However, organized proximity has to be accompanied with caveats as its lack or, conversely, its excess may generate several drawbacks. On the one hand, in the absence of any organized proximity, actors, considered as rational, have no reason to come into contact and to interact with each other beyond their own direct interests and strategies (Ditter & Brouard, 2014). Furthermore, even if they manage to identify common goals and interests, the lack of proximity they suffer from hampers their capacity to coordinate with other and to control each other’s behaviour. This is why, geographic proximity has been often identified as key during

⁸ Alternative categories of proximity have been highlighted in the literature. For instance, Boschma (2005) drew a distinction between organizational, cognitive, cultural, institutional and social proximities.

the first steps of organized proximity building (see Torre, 2008). However, this construction process is time consuming and requires from stakeholders to consider beyond their direct interests (Amisse, Leroux, & Muller, 2012).

Obviously, as organized proximity is already strong within families, transmission within a familial setting is much easier than for established vintners and purchasers that have not previously been acquaintances. A necessary condition of success of a transmission outside from a familial setting therefore lies in building up minimum levels of organized proximity.

On the other hand, excess of organized proximity may also be detrimental in several respects. First, if organized proximity is associated with reduction in cognitive distance, thus facilitating knowledge sharing and increasing mutual understanding, its excess is detrimental for innovativeness in open environments. Indeed, low cognitive distance levels are associated both with higher degrees of homogeneity in the ideas (Uzzi & Spiro, 2005) and with decreases in the capacity of producing innovation even though those decreases may be more marked for innovations aimed at exploration purposes than those for exploitation (Nooteboom, Van Haverbeke, Duysters, Gilsing, & van den Oord, 2007). Second, as organized proximity is associated with the construction of a “thick” institutional and social environment, its excess may be associated with institutional and social over-embeddedness effects (see Uzzi, 1996, 1997). Over-embeddedness impedes the groups’ resilience to changing conditions as it prevents the introduction of diversity and favours parochialistic effects (see Bowles & Gintis, 2004; Suire & Vicente, 2014). Finally, excessive organized proximity may paradoxically prevent cooperation and the development of trust because higher levels of social and cognitive embeddedness contribute to increase the possibility of undesired knowledge spillovers (Suire & Vicente, 2009).

Excess of proximity in families can also hamper transmission’s success as vintners sometimes have difficulties for “stepping back” from the estate and for accepting strategic choices made by their successors. This argument was put forward by one of our interviewees for justifying his will to favour transmission outside from a familial setting, even though some of his children have already worked in the wine business. Even though her study focuses on equity among brothers in the transmission process, Bessièrè (2004) highlights similar findings in a study of an estate in Cognac where the estate’s survival was even put into question partly due to disagreements about strategic choices among family members.

All in all, the issue for social groups would to increase organized proximity while, at the same time, preventing their drawbacks. To this end, we shall highlight the role played by territorial intermediaries, such as wine coops, the Chamber of Agriculture and SAFER. The economic and sociological literatures have well treated of the role played by intermediaries for several socio-economic phenomena. Among others, it has highlighted their role in innovation processes (Graf, 2010; Howells, 2006) and the provision of new knowledge (Morrison, 2008), coordination and trust-building (Muller, 2006; Nooteboom, 1999a) and, more globally, in territorial development (Giuliani, 2011).

Intermediaries can also act as third parties, promoting trust among partners, because they contribute to secure opportunities generated through the cooperation (Benezech, 2012; Möllering, 2006). The third party contributes to avoid hold-up problems when investments in specific resources are required (Nooteboom, 1999a, 1999b), as in the case of sponsored internships promoted by the Chamber of Agriculture or by renting plots through tenant farming regimes in the case of wine coops.

As a third party supporting cooperation, the action of the intermediary also gives rise to indirect benefits at the network level. The density of the network associated with a multiplication of communication channels guarantees the quality of information and knowledge circulating in it (Coleman, 1988). Intermediaries have implemented several devices responding to this aim, such as the “Répertoire Départ Installation” in the case of the Chamber of Agriculture or by ensuring regular interactions with members in the case of wine coops.

However, intermediation may be associated with tensions and issues and intermediaries have to be perceived as legitimate in their function. One of them is associated with its very nature, as intermediaries have to fill numerous gaps: cognitive and informational, in norms and values (Klerkx & Leeuwis, 2009). Furthermore, some constraints may be related to the type of organization working as intermediary (firm, teaching and research organization, etc.). These constraints are key as they determine its legitimacy and raise the question of the nature of actors’ and intermediaries’ objectives (Ollila & Elmquist, 2011). The main issue for the intermediary is to be identified as achieving objectives compatible and complementary to those of other stakeholders as they may come from distinct groups having possibly conflicting goals. The intermediary can solve this dilemma by achieving ambiguous or multiple objectives (Padgett & Ansell, 1993). However, this may only be a short-term solution because the intermediary’s behaviour contributes to uncover its real goals (see Nooteboom, 1999c). A lasting solution would be for the intermediary to show that it assumes this function for its own sake with no other goals. For instance, as the *raison d’être* of most private intermediaries is to generate profits, it may exploit its position in the network for capturing associated rent (Kogut, 2000) or quasi-rent (Benezech, 2012). However, public and private intermediaries should adopt organizational models that are perceived as legitimate by stakeholders (Winch & Courtney, 2007). Still, according to some of our interviewees, wine coops have to devise new organizational and business models better fitting to member estates’ strategic objectives (trend toward wine production and, more importantly, more implication in coop’s decision-making processes) in order to be more fully perceived as legitimate. Besides this structural issue, the interest for being a member of a coop depends on the state of the market for wines. Indeed, in the case of Burgundy, bad weather conditions in 2013 and 2014 have put pressure on the demand for grapes and must, thus making more profitable to sell them on markets than to deliver them to wine coops. This contributed to low membership renewal figures in past years. Against this trend coops have to adopt organizational and business models inducing more flexibility for members or, at least, to develop services aimed at retaining them (see (Chomel et al., 2013).

In summary, in spite of the contribution of public and private intermediaries, our case study pinpoints that raising trust and proximities among established vintners and potential purchasers remains a long-lasting process. They manage to do so by putting parties into contact, thus increasing the matching between estate supply and demand; or by sponsoring long-term internships for interested purchasers, thus contributing to relational proximity. They also contribute in building up trust during by partly bearing relational and financial risks for both sides. However, in order to do so, they have to be perceived as legitimate by both party and their role restricts to that of supporting proximity-building and to act as a “relational lubricant” among both parties.

Conclusion

In vineyards characterized by small, family-owned estates characteristic of “Old World countries”, transmission is an important issue pertaining to vineyard’s economic sustainability.

However, due to cultural, social and economic evolutions, the share of the traditional model of transmission within a familial setting is called to decrease. But, in the same time, transmission outside from a familial setting gives rise to new issues pertaining to the capacity of the relationship between vintners and purchasers. Indeed, besides any financial consideration, the capacity of stakeholders to raise organized proximities plays a key role in the success of estate transmission outside from a familial setting. This paper discusses the role public and private intermediaries, respectively SAFER, Chambers of Agriculture and wine coops, can play for transmission. However, a key issue raised by their new function is dealing with their capacity to be perceived as legitimate by stakeholders, thus potentially calling for organizational evolutions.

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