




DETERMINANTS OF THE DEVELOPMENT OF VINEYARDS AND WINE TOURISM IN POLAND

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ABSTRACT

From the beginning of the 21st century, interest in vineyards and the production of wine from own grapes has increased in Poland, both from the demand and supply side. For many vineyard owners, this is a hobby that is unrelated to the professional work. The aim of this study is to identify the most important determinants that are beneficial to the development of wine-making and wine tourism in Poland. The analysis of secondary sources was used, including data collected by the Polish Agricultural Market Agency (since 2018 *National Support Centre for Agriculture*), the International Organization of Vine and Wine (OiV) and the Institute for Market Research GfK Polonia. It was found that the most important factors favouring the development of vines and vineyards in Poland are: global warming; production of more resistant vine strains; increased experience and skills of vineyard owners in the area of viticulture and wine production; activities of non-profit organizations related to vineyards; inclusion of Poland into the EU zone as a country with wine potential; legislative changes; promotion of Polish viticulture; increased wine consumption and the search for innovative and profitable forms of agriculture in rural areas.

Key words: wine, business, rural areas, tourism

INTRODUCTION

The development of winemaking and wine tourism can be approached in two ways: firstly, as an opportunity to stimulate the development of rural areas that have good conditions for grapevine farming; and secondly, as a new direction for the development of wine tourism, which is an original and fashionable form of leisure activity. In fact, these two approaches complement each other, since wine tourism cannot exist without wineries and wine-making; whereas wine-making without tourism generates a lower income, as is demonstrated by the experiences of countries that are traditionally associated with wine. It is worth noting that

this tourism activity was embraced by winery owners as part of their search for new channels of distribution for the wine they had produced. At the same time, it has generated other benefits, such as the possibility to create databases, conduct consumer research, become familiar with the consumers, build loyalty among visitors to the wineries and strengthen a brand.

Thanks to the attractiveness of this segment of the market, many persons now view vineyards and the production of wine as a potential source of income, and have decided to engage in these activities. However, the development of small wineries is important not only because of the income that the individual winery owners may achieve, but also because of the potential

benefits for a given region that stem from increased tourist traffic and the growth of tourism-related services. This creates what is referred to as economic multipliers; while social, cultural and environmental changes can occur as well. Furthermore, the development of wine tourism plays a significant role in the building of a regional brand, which allows the region to be identified in a larger sense. Local vineyards may therefore promote a region and its features, such as the local cuisine, traditions or cultural heritage. The establishment of wineries in Poland is part of the notion of multifunctional growth, which is meant to spur the development of rural areas and takes place thanks to the broadly-defined entrepreneurship of the people living in those areas. However, such Polish entrepreneurship differs considerably between individual municipalities. Frequently, the same community is comprised of entrepreneurial persons alongside many more persons who are helpless, have no vision for their future and respond passively to new developments [Kłodziński 1997]. Vineyards and winemaking may constitute an innovative direction for the development of activities in rural areas, which will not only lead to an increase in earnings and employment¹, but will also stimulate entrepreneurship and create models for those persons who are less willing to take on new forms of activity.

The interest in vineyards and wine-making has grown in Poland in the last decade, in terms of both the supply and demand. The Polish Agricultural Market Agency reports that 230 wineries were registered during the wine-making year 2018/2019, compared to 25 in the first year after the law requiring wineries to be registered was introduced. The aim of this study is to identify the most important determinants that are beneficial to the development of wine-making and wine tourism in Poland. The hypothesis of this work is following: The expansion of vineyards in Poland are determined by many factors. The most favourable factors seem to be: global warming; the production of new grapevine strains; growth of experience and skills winery owners and their activities, often in the form of NGOs; Poland's inclusion in the EU Zone A as a country with wine-making potential; legislative

changes; the active promotion of Polish wine-making; fashion; increasing consumption of wine in Poland; and the search for innovative and lucrative forms of activities in rural areas.

MATERIAL AND METHODS

Secondary sources were analysed; in particular, the legal acts concerning the production and sales of wine, and data collected by the Polish Agriculture Market Agency (ARR, since 2018 *National Support Centre for Agriculture* KOWR) concerning wineries that are registered in the agency and sell their own wine. The subject literature was also reviewed.

RESULTS

Wine-making in Poland

Even as late as in the 20th century, vineyards and the production and commercial selling of wine were rarely seen. It was only in the first decade of the 21st century that changes in the popular approach to wine-making began to appear, while legislative changes allowed citizens to establish wineries and formally recognised their activities. Since the economic year 2008/2009, the Polish Agriculture Market Agency has been obliged to collect statistics related to the sales of wine produced in private wineries. Twenty-five wineries were registered with the Polish Agriculture Market Agency in the first year; however, shortly thereafter the difficulties and inconveniences related to private wine-making caused the number of wineries registered with the Polish Agriculture Market Agency to drop. A breakthrough took place after the introduction of beneficial conditions for the production and selling of wine, which will be described further on in this study. As a result, the number of wineries in Poland began increasing every year, reaching 230 in the economic year 2018/2019. The number of wineries differs between regions, and depends on the local climatic conditions, soil quality and social conditions. The data collected by the Polish Agriculture Market Agency in 2018/19 indicates that the largest number of wineries is located

¹ Studies estimate that the establishment of a single agritourism site in a rural area generates employment for about 10 persons [Knecht 2009].

in the Małopolska Region (43), Lubuskie Voivodeship (34) and Podkarpackie Voivodeship (33).

The surface area of Polish wineries began to increase slowly as well, although it is still small in comparison to other countries (as the fact that it is not included in the European statistics indicates). According to Eurostat, there are no wineries in Poland. However, the Polish data indicates a considerable change: over nine years, the surface area of the vineyards has increased by eight times. In the economic year 2018/2019 it was 396.4 ha. A systematic increase in the surface area has taken place in the Lubuskie Voivodeship and Wielkopolskie Voivodeship.

The data indicates that Polish vineyards are expanding systematically. However, this expansion only concerns the wineries that are producing wine commercially. The surface area of vineyards is possibly higher – but due to the small size of some wineries and the relatively small amount of wine they produce, many owners have not registered with the Polish Agriculture Market Agency (ARR, since 2018 *National Support Centre for Agriculture* – KOWR).

Factors affecting the development of vineyards in Poland

The first factor influencing on the vineyards development is global warming. The year 2010 was yet another year in which the global temperature was higher than the average from the 20th century; it also marked the end of the warmest global decade in the history of the direct observation of temperature. Research shows that the global temperature has been increasing for the past 40 years, albeit with spatial and temporal irregularities. Every decade since the 1960s has been consistently warmer than the preceding one. However, the observed upward trend shows a high natural variability, which means that the average temperature in any given year or month may be much higher than the general trend. Temperature does not increase evenly; nonetheless, the average rate of warming in the last 25 years is a few times greater than that over the last 100 years [Kundzewicz 2012]. The climate warming that has been observed in Poland in recent years seems to affect every season. However, researchers believe that the temperature will increase the most in winter. On the other hand, the most significant deviations

from the current trend also occur in this season: some winters are very mild, while others (albeit relatively less often) are very cold; for instance, in the winters of 2005/2006, 2009/2010 and 2010/2011 [Kundzewicz 2012]. The climate warming in Central and Eastern Europe, including in Poland, creates the opportunity for farming thermophilic plants, although the recurring freezing temperatures in the winter and the ground frost in spring can still endanger such plants. Furthermore, climate warming entails many harmful phenomena, including the increasing occurrence of heatwaves, intense rainfalls, droughts during the growing season or strong winds that cause significant damage in rural areas [Kundzewicz and Kozyra 2011].

Despite the beneficial upward trend in the temperature, the conditions for grapevine farming in Poland remain much more difficult than in traditional wine-making regions. The climatic conditions and soil composition yield grapes that have a lower sugar content (usually 17–23%) and, consequently, a lower alcohol content, with high acidity and a high polyphenol content. On the other hand, the advantage of these conditions is a better balance between the sugar content, acid content and pH, as well as a better accumulation of certain aromatic compounds, which allows for the production of very high-quality table wine. The high acidity can also provide a feeling of freshness, especially in the case of white wine [Izajasz-Parchańska et al. 2012].

Another factor having an impact on the development of wine-making in Poland is production of grapevine strains that are more resilient against cold. Extensive experience from recent years shows that grapevines can be farmed in the colder regions of Europe. However, to achieve a high-quality wine, the strains of these grapevines have to be chosen appropriately to match the environmental conditions. Therefore, Polish wineries benefit the most from the introduction of new strains, especially those referred to as complex hybrids (crossbreeds of European and American grapevines). Compared to common grapevines, these complex hybrids are more resistant to freezing temperatures, and require less warmth during the growth period [Rusnak 2012] while providing a better yield and more resistance to diseases. Experiments show that complex hybrids are well-suited for integrated tilling and ecological (organic) farming [Myśliwiec 2013].

A majority of the most popular strains of grapevine in Poland are complex hybrids, which are much more resistant to weather changes and the difficult Polish climate. At the same time, they provide grapes and wine with a good consumptive value. Complex hybrids are also now used in countries with long-standing wine-making traditions, such as the Regent variety in Germany or the Bianca in Hungary. Polish wine-makers are also attempting to grow strains of the common grapevines, such as Riesling, Sylwaner, Weltliner and Traminer. However, these strains are more vulnerable to diseases and to cold and usually provide a lower yield. Moreover, the potential quality of the wine obtained from the common grapevine in a colder climate is debatable due to the shortened growth period, less sunlight during the fruit maturation period, and the heavy clay soils which are present, for instance, in the Podkarpackie Voivodeship. It seems that the warmer areas of Poland are the most suitable for the common grapevines, such as in the Lubuskie Voivodeship. However, the fact that Polish wine-making will likely benefit the most from complex hybrids, such as Regent, Rondo, Hiberna or Jutrzenka, has been confirmed by the medals that the manufacturers of these wines have won in international competitions (Vinoforum and Enoexpo) [Myśliwiec 2013, Golis 2014].

Growth of experience and skills of winery owners is another development factor of vineyards areas in Poland. With the growing popularity of wineries, more and more people are becoming interested in growing their own grapevines. However, the lack of a wine-making tradition in Poland means that knowledge on this subject is not passed down from generation to generation, unlike in the practice of pomiculture. Consequently, those persons who decide to start private wineries have to make the effort to learn on their own, often through trial and error and by looking up information on various on-line forums and specialist publications for wine-makers. Courses and programmes organised by wine-making associations and institutions that support the wine-making activities in Poland have also contributed significantly to an improvement in the relevant knowledge and skills. Such courses are conducted on a regular basis by the Podkarpackie Wine-Maker Association and the Zielona Góra Wine-Making Association. Apart from the traditional forms of

teaching (lectures given by experts on the subject), the wine-making associations organise field trips to wineries in which the participants can learn how to correctly plant, grow, trim and care for the grapevines directly, as well as trips to foreign wineries that allow Polish wine-makers to observe their more experienced colleagues, ask questions and take part in practical classes.

The legal regulations also contributed to the changes in Polish wine-making. Poland is among the EU member states whose law permits selling wine produced in the country's domestic wineries, as per the Council Regulation (EC) 2165/2005 amending Regulation (EC) 1493/1999 on the common organisation of the market in wine, as of 1 August 2006. According to the regulation, Poland now belongs to the wine-making Zone A, which is one of three such zones within the EU that were established according to such factors as the climatic conditions, surface area or type of soil. Each zone has a set of permitted wine-making practices. For instance, the wine-makers in Zone A are allowed to increase the natural volume of the alcohol content using particular methods, as long as the content does not exceed 3% Vol. (compared to the stricter limits of 2% Vol. and 1.5% Vol. in Zones B and C, respectively) [Skiba 2011].

Up until 2008, Polish private wine-makers had very limited possibilities to sell their products due to the legal entries that obliged them to maintain fiscal warehouses, which required appropriate machines, private laboratories and certificates from various institutions. All of these obligations formed unsurmountable barriers for the fairly small manufacturers of wine, due to the high amount of time and funds needed to fulfil them. In 2008, a change was introduced to the Excise Tax Act and the Act on the production, bottling and selling of wine products and the Organisation of the Wine Market. According to the new regulations, those wine-makers who produced grape wine in an amount no greater than 1,000 hl per year were exempt from the obligation to own fiscal warehouses. However, despite this beneficial change, the wine-makers still faced many significant problems such as the ambiguity of the regulations concerning the legal status of their businesses. A new Act on the production, bottling and selling of wine products and the Organisation of the Wine Market was only introduced as recently as 12 May 2011. The aim of this act was to improve the conditions for the development of

wine-making in Poland and to encourage the commercial production and selling of wine produced in private wineries. The act imposed a considerable number of obligations on the wine-makers, but also specified several opportunities in more detail. The most important of these changes were [Mazurkiewicz-Pizło 2013]:

- The possibility to produce wine from one's own grapes in an amount no greater than 1,000 hl without the need to register a winery as an economic activity. This means that those farmers who grow grapes and produce wine do not lose their right to insurance in the Farmers' Social Security Fund.
- The possibility to sell wine for retail purposes at the manufacturing site. This means that wine-makers do not need to have a dedicated building for wine selling, which previously had to comply with particular requirements and receive approval from the Sanitary and Epidemiological Inspectorate;
- A clear distinction between wine produced from grapes grown in private vineyards located in Poland and wine produced through the fermentation of grape juice, manufactured as part of the exemption that was given to Poland². Since 2012, wine cannot be labelled as Polish wine, if it is produced from imported grape juice. Such products are now termed wine made from grape juice.
- Regulations established concerning the registration of protected geographical symbols and the names of origin of Polish grape wines.
- Any wine that is labelled with the name of the grapevine strain from which it is produced and the year of production has to be certified according to the EU regulations.
- Most strains of *Vitis vinifera* are allowed for wine production, except those that are excluded from legal farming.
- Popular strains of grapevines that are not registered in other member states were legalised in Poland, such as Muszkat Odeski, Jutrzenka, Frontenac and La Crescent.

In the vineyards development the significant role play also non governmental organizations. Such wine-making associations, which are usually established by winery owners, allow for not only exchanges of knowledge and experience, but also the organisation of theoretical and field training, the stimulation of tourism-oriented actions, the organisation of wine-making events and the designing of wine-making routes [Mazurkiewicz-Pizło 2015]³. Each wine-making region of Poland also undertakes actions to encourage interest in the vineyards and wine tourism among tourists. These actions are undertaken not only by the winery owners (as the parties that directly benefit from them), but also by NGOs, some local and regional authorities (such as municipality of Janowiec or the town of Jasło) and businesses related to tourism. Actions aimed at stimulating the development of wine tourism in Poland include: organisation of wine-making competitions and annual wine-maker gatherings, wine-making events, such as wine days, grape harvests or festivals, establishment of wine-making routes (such as the Sandomierz Winery Route), encouragement of media interest in Polish wineries (public relations). The variety and broad scope of these actions has had a stimulating effect on the development of wine-making and wine tourism in Poland. These actions involve not only the broadcasting of information about the existence of the wineries, but the far-reaching education of both wine-makers and tourists. Furthermore, the actions are undertaken by a vast range of entities, such as individual winery owners, trade organisations or local and regional authorities (through the sponsorship of pamphlets, wine festivals, catalogues, etc.). As one example, the Lubusz Cluster of Wine and Mead has operated in the Lubuskie Voivodeship since 2006. The cluster was established by the Lubusz Wine-Makers' Association, and focuses on promotional actions and activities to encourage the establishment of wine-making traditions and the development of wine tourism in the region.

² Wine produced through the fermentation of grape juice does not fall under the EU's regulations on the common organisation of the market; in contrast to wine that is produced from grapes grown in private vineyards, which does fall under these regulations.

³ More information about the role of NGOs in the development of wine-making in Poland can be found in Mazurkiewicz-Pizło [2015].

Finally, it seems that an important factor of vineyards development in Poland is increasing the wine consumption in our country. The yearly consumption of wine in Poland, despite fluctuations over the years, showed an upward trend. In 1995 the Poles drank 300,000 hl of wine during the year. However, in 2014 there were 1,014,000 hl almost four times more [OiV 2018].

The yearly consumption of wine per person varied between countries. In some countries, such as Italy, France and Portugal, it exceeded 40 l per person; while other countries, such as the Czech Republic, Bulgaria, Lithuania and Slovakia, showed a much lower level of consumption. The consumption of wine in Poland was very low compared to other countries (Turkey and Latvia were the only countries with a lower yearly consumption of wine measured at 1 l per person). Furthermore, while the yearly consumption of wine in Poland has increased systematically, the increase is insignificant when compared to other countries. Since 2007, the average Pole has consumed 3l of wine per year, compared to about 2l before 2007 [OiV 2018]. Thus, a very slow increase has taken place, and it will likely persist due to the many factors that are stimulating wine-drinking, such as fashion, prestige and promotions on the part of winery owners, wine distributors and sellers, and also its role in the film industry. It can be observed that the characters in many recent films and television series drink wine in various situations; for instance, when they are feeling sad or happy, or when they are having a bad day.

The increase in the consumption of wine in Poland has also been confirmed by research conducted by the GFK Polonia market research institute. According to the institute, the grape wine market in Poland noted an increase in 2015, in terms of both the number of buyers and the amount of products bought. The analysed category encompassed the purchases of grape wine for consumption at home. In 2015, over half of all households (55.6%) bought wine at least once in the year. An increase of 0.7% was noted when compared to 2014, and the value of the purchased wine increased by 2.7%. On average, Poles bought wine five times per year. During a single visit to a store, the average Pole would buy 1.1 l of wine for an average price of PLN 18.20 (EUR 4.3); while 67% of the respondents repeated the purchase at least once within the following 12 months. Poles spent the most money (39% of all grape wine

purchases) in discount stores, followed by hypermarkets (24%) and supermarkets (17%). In 2015, Poles bought primarily red wine (which constituted 56% of the total volume of purchases), white wine (33%) and a small amount of rosé wine (11%). The largest increase of purchases compared to the preceding year was noted for white wines [GFK Polonia 2016].

SUMMARY

The above considerations clearly indicate that vineyards and wine tourism in Poland are developing consistently, thanks to the aforementioned determinants. The following actions should be taken to maintain this development:

- Education in grapevine farming should be supported by introducing formal education in this area: for instance, in vocational schools, gardening colleges or university courses.
- Non-governmental organisations should be supported in terms of developing wine-making courses, the promotion of grapevine farming and vitourism and the organisation of wine-making events.
- Legal procedures related to running a vineyard and producing and selling wine should be simplified as much as possible;
- Tax reliefs or grants should be given to the vineyard owners who conduct tourist activities, as they are promoting their respective regions and increasing local tourist traffic.

The emerging wine-making branch in Poland and its contribution to the country's development are admirable. Nonetheless, it is also worth pointing out that this new branch may also have negative effects, such as alcohol addiction. The intense promotion of wine sends messages to the public, such as the not necessarily scientifically-verified view that drinking wine can help to maintain or even improve health and well-being, which may be misunderstood by the society as encouragement to drink wine as a cure for various ailments of the body and soul.

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CZYNNIKI ODDZIAŁUJĄCE NA ROZWÓJ WINIARSTWA I ENOTURYSTYKI W POLSCE

STRESZCZENIE

Od początku XXI wieku w Polsce wzrosło zainteresowanie uprawą winorośli i produkcją wina z własnych winogron, zarówno producentów, jak i konsumentów. Dla wielu właścicieli winnic jest to hobby niezwiązane z ich pracą zawodową. Celem niniejszej publikacji jest identyfikacja czynników sprzyjających rozwojowi upraw winorośli w Polsce. Wykorzystano analizę źródeł wtórnych, w tym dane zebrane przez Polską Agencję Rynku Rolnego (ARR, od 2018 r. Krajowy Ośrodek Wsparcia Rolnictwa KOWR), Międzynarodową Organizację Winorośli i Wina (OIV) oraz Instytut Badania Rynku GfK Polonia. W wyniku analizy stwierdzono, że najważniejszymi czynnikami sprzyjającymi rozwojowi upraw winorośli i winnic w Polsce są: globalne ocieplenie; produkcja bardziej odpornych szczepów winorośli; wzrost doświadczenia i umiejętności właścicieli winnic w obszarze uprawy winorośli i produkcji wina; działalność organizacji non profit związanych z winnicami; włączenie Polski do strefy UE jako kraju o potencjale winiarskim; zmiany legislacyjne; promocja polskiego winiarstwa; zwiększenie konsumpcji wina w Polsce oraz poszukiwanie innowacyjnych i dochodowych form rolnictwa na obszarach wiejskich.

Słowa kluczowe: wino, business, obszary wiejskie, turystyka