

Quality sorting and trade:
Firm-level evidence for French wine
Supplementary materials for burgundy

Matthieu Crozet* Keith Head† Thierry Mayer‡

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Abstract

This document provides the regression results for red burgundy wines.

*CEPII and University of Reims.

†Sauder School of Business, University of British Columbia, CEPR

‡Paris School of Economics (Université de Paris 1), CEPII, and CEPR.

1 Results

1.1 Individual level analysis

Table 1: Firm-level regressions for quality-rated Burgundy exporters

	(1)	(2)	(3)	(4)	(5)	(6)
	$\ln p_{dt}(j)$	$x_{dt}(j) > 0$	$\ln x_{dt}(j)$	$\ln x_{dt}(j)$	$\ln x_{dt}(j)$	$\ln x_{dt}(j)$
$\ln s(j)$	0.29 ^a	0.89 ^a	0.87 ^a	4.25 ^a	3.57 ^a	4.16 ^a
	(0.02)	(0.01)	(0.03)	(0.06)	(0.06)	(0.07)
$\ln s(j) \times \ln(y_{dt}/y_0)$						0.13 ^b
						(0.05)
Method	OLS	Probit	OLS	Tobit	Tobit	Tobit
Observations	11966	283362	11968	283362	226895	254181
Within R ² /Pseudo R ²	0.066	0.396	0.082	0.220	0.205	0.215
FE share of variance	0.44		0.26			

Note: Destination-year (dt) fixed effects for all columns. Column (5) restricts the sample to non-francophone countries and $s(j)$ is based on RVF guide only. $y_0 = \$6,800$ is the all-country average GDP per capita (1998–2003). Standard errors in parentheses. Significance levels: ^c $p < 0.1$, ^b $p < 0.05$, ^a $p < 0.01$

1.2 Country mean regressions

Table 2: Red Burgundy: Mean-gravity regressions for exporter quality, prices, and quantities

	(1)	(2)	(3)	(4)	(5)	(6)
	$\ln N_{dt}$	$\ln \tilde{s}_{dt}$	$\ln \tilde{p}_{dt}$	$\ln \tilde{q}_{dt}$	$\ln \hat{A}_{dt}$	$\ln \widehat{F}_{dt}\sigma$
ln popn. (M_{dt})	0.51 ^a (0.051)	-0.06 ^a (0.010)	-0.06 (0.037)	0.51 ^a (0.069)	1.07 ^a (0.146)	-0.30 ^a (0.078)
ln inc. p.c. (y_{dt})	0.93 ^a (0.054)	-0.09 ^a (0.017)	0.31 ^a (0.048)	0.63 ^a (0.104)	1.87 ^a (0.170)	-0.33 ^a (0.073)
ln cons p.c. (b_{dt})	0.10 ^c (0.057)	0.00 (0.015)	-0.16 ^a (0.048)	0.00 (0.083)	0.26 ^b (0.122)	-0.28 ^a (0.071)
ln prodn ($\searrow P_{dt}$)	-0.09 ^a (0.027)	0.01 ^c (0.005)	0.06 ^a (0.022)	-0.12 ^a (0.031)	-0.20 ^a (0.072)	0.06 ^c (0.037)
ln distance ($\nearrow \tau_d$)	-0.12 (0.101)	0.02 (0.016)	0.16 ^b (0.062)	-0.09 (0.072)	-0.12 (0.251)	0.38 ^a (0.112)
French ($\searrow \tau_d$)	0.95 ^a (0.175)	-0.17 ^a (0.042)	0.18 (0.168)	0.63 ^b (0.275)	2.00 ^a (0.500)	-0.23 (0.246)
Method	OLS	GLS	GLS	GLS	OLS	OLS
Observations	640	422	422	422	422	422
R^2	0.735	0.508	0.570	0.701	0.689	0.451

Note: GLS regressions are performed with $\text{weight}_d = N_d$. Standard errors in parentheses are robust to arbitrary forms of remaining heteroskedasticity and clustered by country. Significance levels: ^c $p < 0.1$, ^b $p < 0.05$, ^a $p < 0.01$

Table 3: Red Burgundy: Mean-attractiveness regressions (unconstrained)

	(1)	(2)	(3)	(4)
	$\ln N_{dt}$	$\ln \tilde{s}_d$	$\ln \tilde{p}_{dt}$	$\ln \tilde{q}_{dt}$
$\ln A_{dt}$ (FE estimate of attractiveness)	0.40 ^a (0.013)	-0.04 ^a (0.003)	0.06 ^a (0.014)	0.21 ^a (0.028)
$\ln \widehat{F}_{dt}\sigma$ (entry threshold)	-0.32 ^a (0.028)	0.01 ^b (0.005)	0.19 ^a (0.040)	-0.05 (0.062)
Method	OLS	GLS	GLS	GLS
Observations	516	473	473	473
R^2	0.905	0.654	0.382	0.625

Note: GLS regressions are performed with $\text{weight}_d = N_d$. Standard errors in parentheses are robust to arbitrary forms of remaining heteroskedasticity and clustered by country. Significance levels: ^c $p < 0.1$, ^b $p < 0.05$, ^a $p < 0.01$

Table 4: Red Burgundy: Mean-attractiveness regressions (constrained)

	(1)	(2)	(3)	(4)
	$\ln N_{dt}$	$\ln \tilde{s}_d$	$\ln \tilde{p}_{dt}$	$\ln \tilde{q}_{dt}$
$\ln A_{dt}$ (FE estimate of attractiveness)	0.38 ^a (0.010)	-0.03 ^a (0.002)	0.00 (0.020)	0.21 ^a (0.028)
$\ln \widehat{F}_{dt}\sigma$ (entry threshold)	0.38 ^a (0.010)	-0.03 ^a (0.002)	0.00 (0.020)	-0.05 (0.062)
Method	OLS	GLS	GLS	GLS
Observations	516	473	473	473
R^2	0.903	0.612	0.122	0.625

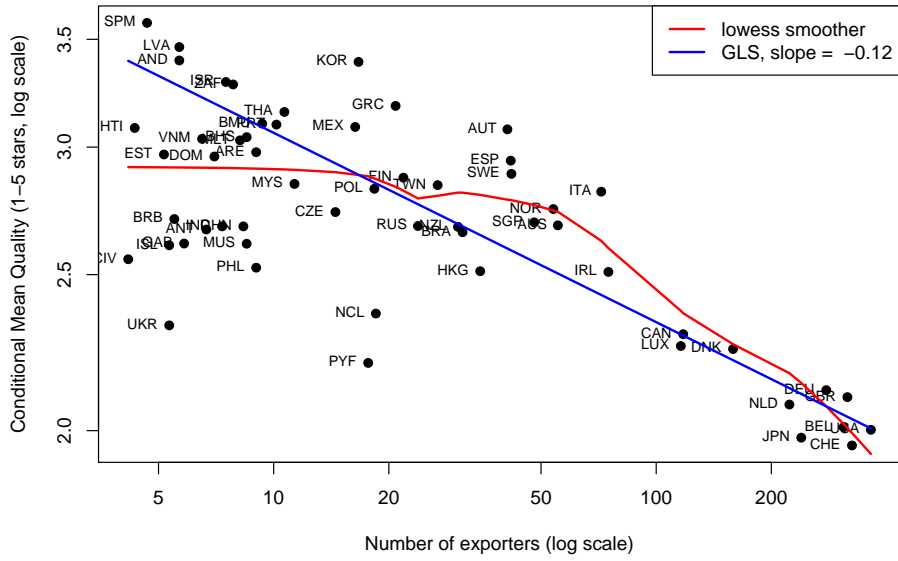
Note: GLS regressions are performed with $\text{weight}_d = N_d$. Standard errors in parentheses are robust to arbitrary forms of remaining heteroskedasticity and clustered by country. Significance levels: ^c $p < 0.1$, ^b $p < 0.05$, ^a $p < 0.01$

Table 5: Red Burgundy: Mean-popularity regressions for exporter quality, prices, and quantities

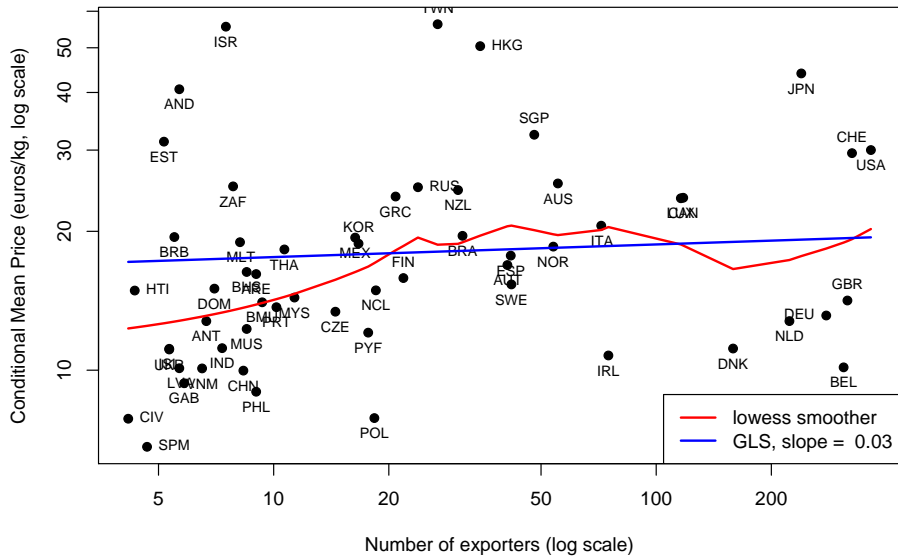
	(1)	(2)	(3)
	$\ln \tilde{s}_d$	$\ln \tilde{p}_{dt}$	$\ln \tilde{q}_{dt}$
$\ln N_{dt}$ (popularity)	-0.10 ^a (0.007)	0.05 (0.062)	0.63 ^a (0.076)
$\ln \widehat{F}_{dt}\sigma$ (entry threshold)			0.10 (0.072)
Observations	473	473	473
R^2	0.609	0.132	0.627

Note: All regressions are GLS performed with $\text{weight}_d = N_d$. Standard errors in parentheses are robust to arbitrary forms of remaining heteroskedasticity and clustered by country. Significance levels: ^c $p < 0.1$, ^b $p < 0.05$, ^a $p < 0.01$

(a) Quality



(b) Price



(c) Quantity

