

# THE IMPACT OF CLIMATE CHANGE ON THE QUALITY OF WINE PRODUCTION – DEVELOPMENT OF A SYSTEM DYNAMICS MODEL

MAJA BORLINIČ GAČNIK,<sup>1</sup> ANDREJ ŠKRABA,<sup>2</sup>  
ČRTOMIR ROZMAN,<sup>3</sup> BORIS PREVOLŠEK<sup>1</sup>

<sup>1</sup> University of Maribor, Faculty of Tourism, Brežice, Slovenia  
maja.borlnic@um.si, boris.prevolsek@um.si

<sup>2</sup> University of Maribor, Faculty of Organizational Sciences, Cybernetics & Decision  
Support Systems Laboratory, Kranj, Slovenia  
andrej.skraba@um.si

<sup>3</sup> University of Maribor, Faculty of Agriculture and Life Sciences, Hoče, Slovenia  
crt.rozman@um.si

The aim of this paper is to explore the key factors and interrelationships within a system that examines the impact on how climate change affects wine quality and working practices in vineyards and how winegrowers can adapt to these changes while maintaining their unique wine characteristics. We utilize systems thinking and the system dynamics model to facilitate our investigation. The theoretical section introduces the concepts of systems thinking and system dynamics. The subsequent section outlines the system's structure, including a Causal Loop Diagram (CLD) highlighting significant feedback loops and their dynamic behaviours.

DOI  
[https://doi.org/  
10.18690/um.fl.1.2023.4](https://doi.org/10.18690/um.fl.1.2023.4)

ISBN  
978-961-286-800-0

#### Keywords:

climate change,  
wine quality,  
wine production,  
CLD model,  
system dynamics



Univerzitetna založba  
Univerze v Mariboru

## 1 Introduction

Climate change has become a predominant topic in both research and societal discourse, with far-reaching implications for our natural environment, economies, and ways of life (Sokolickova, Meyer & Vlahov, 2022). While numerous aspects of these changes are under scrutiny, the impact of climate change on agricultural production has emerged as one of the most pressing challenges for global food security (Fones et al., 2020; Gomez-Zavaglia, Mejuto & Simal-Gandara, 2020). The agricultural sector, which provides sustenance for the world's population, is notably sensitive to shifts in climate conditions, including rising temperatures, altered precipitation patterns, and an increased frequency of extreme weather events (Praveen & Sharma, 2019).

As climate change unfolds in diverse forms, such as global temperature increases, shifting rainfall patterns, and the escalation of extreme weather occurrences, it continues to generate a host of difficulties and challenges within the agricultural sphere (Shattuck et al., 2023). Among the many industries affected by these changes, viticulture, or the cultivation of grapes for wine production, finds itself at a critical juncture where traditional practices confront an altered climatic landscape (Bardsley, D. K., Bardsley, A. M., & Conedera, 2023). Increasing temperatures, changing rainfall patterns, and more frequent extreme weather events have introduced challenges that impact grape production, the quality of grapes harvested, and, ultimately, the wine industry as a whole.

The content is structured into two primary sections. Initially, we delve into the theoretical foundations of systems thinking. Following the introduction to systems thinking in the first part, we examine the challenges posed by climate change in the context of agricultural production, specifically within the wine industry. This analysis leverages the application of a causal loop diagram, serving as an invaluable tool for decision-making and understanding the complex interplay between climate variability and wine quality.

## 2 Literature review

### 2.1 Systems thinking

Sterman (2000) underscores the pivotal role of systems thinking in effective decision-making. It is a well-established approach that has been refined and honed for more than six decades. This methodology, as articulated by Richmond (1993), embodies a multidimensional perspective:

- **Model-Based Thinking:** Systems thinking encompasses the creation of conceptual models, providing a mechanism to translate acquired knowledge into real-world applications. This enables decision-makers to develop a robust understanding of complex systems and their interdependencies.
- **Dynamic Thinking:** One of the core tenets of systems thinking is dynamic thinking. It empowers decision-makers to anticipate the future behavior of systems while accounting for time delays, fluctuations, and feedback loops. Dynamic thinking is particularly valuable in situations where changes occur over time and where linear cause-and-effect relationships fall short.
- **Interrelated Thinking:** Systems thinking perceives the world as an intricate web of interrelated components, acknowledging that a single cause seldom leads to a solitary consequence. Rather, outcomes are shaped by a multitude of indirect influences, reflecting the complex and interconnected nature of real-world systems.
- **System Management:** Among these dimensions, the pragmatic facet of system management stands out. It encompasses the practical application of systems thinking in real-world contexts, facilitating more effective and adaptive decision-making.

Both systems thinking and system dynamics address similar classes of problems. However, system dynamics, through the employment of computer simulations and mathematical models, offers a unique capability — the ability to visualize how a real system behaves when subjected to various decision scenarios (Dangerfield, 2014). System dynamics models were used in their studies by many authors who researched

the areas of agricultural systems, for example, Žibert et al., 2021; Jung et al., 2021 and Rozman et al., 2013.

In the forthcoming sections, we will introduce the concept of causal loop diagrams, a fundamental tool within the system dynamics framework (Sterman 2000). These diagrams capture variables and their causal relationships using labeled arrows, with distinctive markings to denote whether they represent reinforcing (R) or balancing (B) feedback loops. Reinforcing loops illustrate a scenario where an increase in a particular variable results in an amplified effect on another variable, creating a snowball effect. In contrast, balancing loops portray situations where an increase in a variable leads to a compensatory decrease in another variable, maintaining equilibrium within the system. Causal loop diagrams are indispensable for mapping the dynamic relationships within complex systems and are instrumental in uncovering insights for informed decision-making.

### **3 System structure – CLD diagram**

This chapter of the study delves into the heart of the matter, introducing a Causal Loop Diagram (CLD) model that vividly illustrates the intricate relationships between climate change and wine quality. In this chapter our objective is to unveil the dynamic connections and feedback loops that underpin this complex interplay, shedding light on the profound impact of climate shifts on the world of viticulture. This paper introduces a decision support method based on system dynamics (SD). In Figure 1, we present a causal loop diagram that depicts the system's structure, specifically focusing on how climate change affects the quality of wine.

The model aims to investigate how climate change affects wine quality and working practices in vineyards and how winegrowers can adapt to these changes while maintaining their unique wine characteristics. With the model, we analyze different scenarios and strategies for managing climate challenges in the wine sector. Figure 1 represents a qualitative model and discusses the important relationships of causal loops.

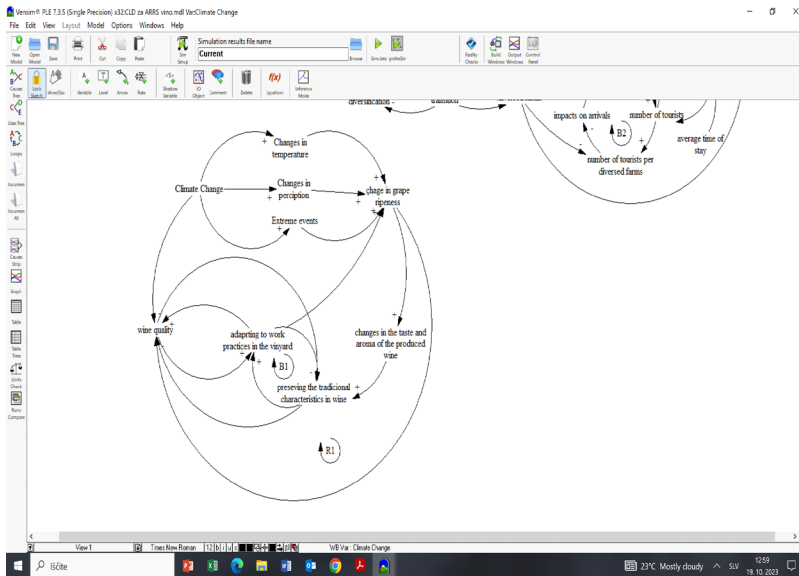


Figure 1: Causal loop diagram - how climate change affects the quality of wine.

Source: own.

The model comprises several key components:

- **Climate Change:** This fundamental force represents changes in temperature, precipitation, and extreme events.
- **Changes in Temperature, Changes in Precipitation, Extreme Events:** These intermediate variables reflect different aspects of climate change, all of which impact "Changes in Grape Ripeness."
- **Changes in Grape Ripeness:** This pivotal variable directly affects the quality of wine produced. Any alterations in grape ripeness due to climate change will influence "Changes in the Flavor and Aroma of the Produced Wine."
- **Changes in Flavor and Aroma of Produced Wine:** This variable signifies the direct influence of grape quality on the final wine product. Climate-induced variations in grape ripeness can lead to changes in the taste and aroma of the wine.

- **Adaptation to Vineyard Work Practices:** Here, we observe how winegrowers respond to climate change. The implementation of suitable practices can enhance grape quality.
- **Preservation of the Traditional Characteristics of Individual Wines:** An essential aspect of the wine industry, this variable illustrates winegrowers' efforts to maintain the unique traits of their wines despite climate challenges.
- **Wine Quality:** This variable represents the overall quality of all wines produced in the vineyard.

The model provides a clear representation of the causal connections between climate change, vineyard practices, and wine quality. It highlights two significant feedback loops:

- **Positive Feedback Loop (R1):** When major climate changes affect "Changes in Grape Ripeness," wine quality may decline. This can motivate winegrowers to adapt their practices and work harder to preserve the traditional characteristics of their wines, potentially resulting in improved wine quality.
- **Negative Feedback Loop (B1):** Conversely, improving vineyard practices related to "Grape Maturity Changes" can enhance wine quality. This might reduce the need for substantial practice adjustments and the preservation of traditional characteristics since the wine quality may already meet market requirements.

The diagram indicates that climate change has a multi-faceted impact on the wine industry. Changes in temperature and precipitation directly affect grape ripeness, which subsequently alters the taste and aroma of wine. The wine industry, in turn, attempts to mitigate these changes through adaptive practices in vineyards, aiming to preserve the traditional wine characteristics.

Extreme events are another primary concern as they directly impact quality.

## 4 Conclusion

This study has delved into the pressing issue of climate change and its effects on agricultural production, with a particular focus on the wine industry. By reviewing existing literature and presenting a system dynamics model (CLD), we have aimed to address the strategic inquiries surrounding the dynamic relationship between climate change and agriculture. This model is designed to be a valuable decision support tool, enabling stakeholders to gain insights into the complex interplay between climate variability and wine quality.

The agricultural sector, including viticulture, faces significant challenges arising from shifting temperature and precipitation patterns, as well as an increased frequency of extreme weather events, all consequences of climate change. These changes impact the ripening of grapes, and ultimately, the quality and flavor of the wine produced.

Our model illustrates the causal relationships between climate change, vineyard practices, and wine quality. It highlights two crucial feedback loops: one demonstrating how major climate changes affecting grape ripeness can negatively affect wine quality but potentially encourage winegrowers to adapt their practices, and the other showing that improved vineyard practices can lead to better wine quality, potentially reducing the incentive to make further adaptations.

By examining these complexities, our study provides a foundation for understanding the far-reaching implications of climate change on agriculture and the potential strategies to mitigate its adverse effects. The insights gained from this model may assist in making informed decisions to enhance the sustainability and quality of agricultural production in the face of a changing climate.

The model, developed as part of this research, not only contributes to our understanding of the challenges but also offers a valuable resource for decision-makers, farmers, and stakeholders in the agricultural sector. It provides a platform for exploring the consequences of different choices over time, aiding in the development of effective strategies to navigate the complexities of climate change and maintain the quality and tradition of wine production. Its utility lies in its potential to guide effective responses to climate challenges, thereby safeguarding the future of agricultural production and the quality of the products it delivers.

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