

Indian wine looks for stronger presence in global market

Nanda Kasabe April 12, 2019 4:09 AM

The move could not only catalyse formalisation of the sector but could dramatically increase Indian wines' access to various export markets.



In India, the FSSAI has been following codex specifications.

India's fledgling wine industry is getting into the global league. The wineries in the country started affixing labels on the beverage bottles from April 1, declaring the standards and specifications of the products in a globally compliant manner.

The move could not only catalyse formalisation of the sector but could dramatically increase Indian wines' access to various export markets.

The standards put out by the Food Safety and Standards Authority of India (FSSAI) are in consonance with the global best practices prescribed by the Paris-based Organization of Vine and Wine (OIV), which consists of 46 wine-producer countries, including India.

The FSSAI labels indicate the origin of wine, declare the range of sugar, variety of grape used, residues/preservatives used, vintage etc. These also carry statutory warning of alcoholic content.

Pawan Kumar Agarwal, CEO at FSSAI, told FE: "Old unused labels and printed cans are given six months (for phaseout). Wine manufactured prior to April 1, 2019, can be sold in the market up to March 31, 2020."

India was nowhere on the global wine industry map until the Sula winery off Nashik in Maharashtra caught the attention of wine connoisseurs in recent years and emerged to become the first Asian winery outside China to sell 1 million cases in a year. While the domestic wine industry has an annual turnover of just Rs 600 crore now — global wine sales were to the tune of \$327 billion in 2018 — Sula Wines accounts for three-fourths of it.

In India, the FSSAI has been following codex specifications. While codex standards are regarding food safety, OIV standards are benchmarks for correcting the faults in wine and improving the quality of wines.

The new labelling standards for Indian wines come at a time the global industry is poised to enter a high-growth phase after several years of stagnant growth. While the annual growth (CAGR) of the global wine industry was just 1.9% in the 2013-2018 period, a recent study has predicted the growth to be around 5.8% between 2017 and 2023.

According to Agarwal, since the wine standards have been framed on a par with international practices, these will create a positive impact on the industry, not only in the country but also globally.

Yatin Patil, president, All India Wine Producers Association (AIWPA), said, "The new norms would mean that there are proper definitions of red wine, white wine and wine producers would also be required to share details about the root stock that goes into the making of the wine. This would bring in standardisation in the industry." Patil was invited by the OIV a few years ago to be part of the worldwide process to decide on international labeling norms and standardising codex specifications for the industry globally.

The country's wine sector is more than a decade old. The total production is nearly 2 crore litres annually and consumption stands at 1.5 crore litres per year. Exports barely account for 10% of the total production. There are around 110 wineries in India, including 72 in Maharashtra.