

Economics of value addition to grapewine

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ABSTRACT

The study was conducted in Bijapur district of Karnataka state with over all objective of studying the value addition to grapewines. Data were collected from 60 grapewine growers spread over the district and from the winery existing in Bijapur town. The per hectare total maintenance cost of grapewine orchard during bearing period was Rs, 186,043.25. The total yield per ha was 14 tonnes, the price per tonne was Rs. 40000 and the total returns per ha were 5, 60,000. The total cost involved in production of wine for 44500 (400500 litres) cases of wine was Rs. 1028.48 lakhs, price per case (9 liters) of wine was Rs. 4260. Quantity of raw material used (grapewines) was 870 tonnes and net value addition to one tonne of grapewines is 0.99 lakhs.

INTRODUCTION

Wine has been made in India as early as 5,000 years ago. It was the early European travellers to the courts of the Mughal emperors Akbar, Jahangir and Shah Jahan in the sixteenth and seventeenth centuries A.D. who reported tasting wines from the royal vineyards. Due to limited domestic consumption of wine and non availability of standard wine varieties to produce good quality wines of international standards, much emphasis was not given for research during previous decades in India.

There is a steep annual growth rate of about 20 per cent in the present turnover of around Rs. 200 crores in wine business. Besides, demand for imported wine is increasing day by day in India. About 38 private wineries have come up in the country, 36 exist in Maharashtra and two in Karnataka and one in Goa.

These private wineries were initially established under joint set-up with European collaborations, preparing wine from standard varieties. The most popular red grapewine varieties in cultivation are Shiraz, Cabernet Sauvignon, Pinot Noir and Merlot and for Rosae still wines and Zinfandel. The most popular white grapewines are Chenin Blanc, Sauvignon Blanc, Ugni Blanc, Viognier, Chardonnay and Riesling.

To meet the domestic demand and for exporting wines from India, good quality wines comparable to standard wines of Europe and

USA have to be produced. To give impetus to the grape processing and wine industry and for the benefit of farmers, Maharashtra state announced a comprehensive 'Wine Policy' in 2001 and recently in September, 2005 it has established 'Maharashtra Grape Board' especially to develop marketing channels for grape products in our country. Keeping in mind the welfare of the farmers of Karnataka and with an intention to develop wine production and marketing and also to provide suitable incentives in the direction, the government Karnataka state has enforced the 'Karnataka Grape Processing and Wine Policy-2007.'

During the year 2005, the total annual production of wine in India was 6.214 million litres, out of this 5.4 million litres was produced in Maharashtra alone that comprises 2.54 million litres of red wines, 2.69 million litres of white wines, 0.15 million litres of sparkling and 0.036 million litres of rosae wines. This is a very small fraction as compared to world's annual production of 32,000 million litres. The country also imports 72,000 wine cases (9 litres/case) in a year where 32,000 cases are bottled in origin and remaining 0.36 m litres are imported in bulk flexi bags and subsequently bottled by Indian wineries. Besides this, about 12,000 –15,000 wine cases are sold through gray market.

The biggest consumption up to 80% is however confined to major cities like Mumbai

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orchard, Raw
material,
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