

# BERTON VINEYARDS LOOKS TO INDIA FOR NEW OPPORTUNITIES

EXPORT CASE STUDY | APRIL 2020

Berton Vineyards was founded in 1996 by Bob Berton, who is also the Managing Director. The winery is based in the New South Wales rural township of Yenda, in the Riverina wine-growing region around 550 kilometres southwest of Sydney.

Berton Vineyards is one of the top 20 wineries in Australia, and was the ninth largest exporter in 2019. Its products have received accolades and a number of international awards in recent years including two Trophies, six Double Gold Medals and 35 Gold Medals in 2019 alone.

This modern winery has the capacity to crush 20,000 tonnes and features a sophisticated production line. It can store over 20 million litres of wine and packaged over 12 million bottles in 2019. The company owns a 35-acre vineyard in South Australia's Eden Valley (part of the famous Barossa ranges), where it grows some of its flagship premium wines. Its portfolio of award-winning products ranges from super premium through to more accessible, commercially priced wines.

Berton sources wine from a number of geographical regions in Australia and its varietals include Shiraz, Chardonnay, Cabernet Sauvignon and Sauvignon Blanc. Through its key stakeholders, the winery has a further 900 acres of vineyards in the Riverina region. Berton Vineyards now exports half of its products to 28 markets.

## An Indian journey

Berton's Indian journey gathered pace in 2018 when, late in the year, the company participated in a 16-member NSW Food & Wine Exporters Mission to India. This Austrade-organised event saw Andrew Cudmore (Export Manager), Jason Wood



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Andrew Cudmore, Export Manager, Berton Vineyards

(Production Manager) and Jamie Bennett (Finance Director) immerse themselves in a six-day program in Delhi and Mumbai.

Cudmore was effusive about the mission: 'Austrade organised two wine tastings by Sommelier Magandeeep Singh, B2B meetings with wine importers, visits to a custom bonded warehouse, modern retailers, wine stores and restaurants. We were really supported by Austrade on the ground with logistics and with meetings.

'Through the mission, Austrade assisted us to identify a good importer (Monika Enterprises) for our own labels/brand and AWS Global for the launch of a private label to India. We are excited to see where the Indian wine market will go in coming years.'



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## India's market potential

India is home to approximately 700 million people above the legal drinking age – a number that grows by 19 million each year. Although wine in India has only penetrated a small segment of the population, it enjoys positive consumer associations among an increasingly aspirational consumer base. As Indians travel in ever greater numbers, and as social media drives awareness of international trends, consumer tastes are rapidly becoming more global in this distinctive market.

In 2018, India imported approximately 550,000 cases of wine, an increase of 75,000 on the previous year. The Indian imported wine market has grown at a 15% compound annual growth rate over the last three years, making India a market that international winemakers should be aware of in their expansion plans.

As Cudmore says: 'Berton Vineyards views India as an important emerging wine market with significant long-term potential. We recognise we're going to need to invest and support the development of our Outback Jack and Metal Label wines in these exciting early days for this expanding market.'

The Outback Jack range is both affordable and popular. The Metal Label range is a mid-priced presentation of single varietals that is the company's most successful export line.

'While China is currently a great market for Australian wines, it is always advisable to consider entering into an emerging wine market like India,' says Cudmore. 'We understand the challenges, and to get a footprint in the market know it is likely to take at least 4 to 6 years.'

### A market with distinctive features

The landscape for wine in India is quite distinctive. The hospitality sector has a major share of the wine market, in comparison to the organised retail sector, due to Indian Government regulations which allow duty-free imports by hotels (equivalent to 5% of the average foreign exchange earned).

Securing the right distributor is key in a market like India. 'It's not a suppliers market but an importers market as many international wineries are trying to enter the Indian market. So the first step is to bring an importer on board, who has complementary wines rather than similar wines from other countries,' says Mark Morley, Trade and Investment Commissioner, Austrade India.

Morley further indicates that regular market visits are important for any aspiring exporter. Conducting wine tastings at five-star hotels and leading restaurants shows support for importers in their decisions to include the ranges in their portfolios. Helping to secure listings with leading modern retailers is also hugely valuable as is the provision of support in the form of marketing promotion to build the brand(s). Indian wine drinkers are primarily brand-focused purchasers.

The market is not without its challenges. Import taxes for wine are high and value-driven brands have been the first to see early commercial success. There is, however, a small but growing market for more premium products that target an increasingly sophisticated and aspirational consumer audience.

A ban on alcohol advertising also means suppliers have a more limited marketing arsenal at their disposal, and differing state and federal levies on imports can be complex to understand and manage. However, when seen within the context of a long-term and very large emerging market, India remains a market to be explored.

Austrade has a network of offices across India and works with a number of exporters in the wine sector.

'Austrade's Food and Beverage team in South Asia is focused on raising the profile of Australia in the Indian wine sector with extensive use of social media, webinars and market insights, and equipping companies with the information they need to make an informed choice about the market,' says Morley.

### About Austrade

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- › develop international markets
- › win productive foreign direct investment
- › promote international education
- › strengthen Australia's tourism industry
- › seek consular and passport services.

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