

Chapter 9

Investigating Regulatory Challenges in India's Wine Industry: A Path to Policy Reform for Sustainable Growth

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ABSTRACT

The investigation of regulatory issues in India's wine business, as summarized in the research, explores the complexities and obstacles that the industry must overcome. The goal of the research is to find opportunities for policy reform that can lead to sustainable growth through a thorough analysis. This study explores the complex regulatory environment of the Indian wine sector, highlighting obstacles from the perspectives of law, economy, and culture. The report puts up a thorough reform agenda that calls for simplified licensing procedures, more sensible taxation, and a transformation in society's perception of wine drinking. To provide a consistent business environment, it recommends looking into standardized rules among states. Using expert insights and foreign models, the research seeks to provide policymakers with well-informed suggestions to support a flourishing and sustainable wine market in India. The study presents a comprehensive reform plan that includes a range of actions to address the impediments that have been identified.

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INTRODUCTION

Growth of Indian Wine Industry

Over 90 officially recognized wineries are currently producing more than 17 million liters of wine annually throughout the nation. Over 450.00 crores have been invested in this area thus far. Wine from Maharashtra is exported to the USA, UK, Singapore, France, Italy, and Belgium. Mumbai (30%), Delhi (20%), Goa (20%), Bangalore (15%), Punjab (5%) and the remaining 10% of India make up the country's wine consumption trend. But given that the OIV data for 2017 states that the world produced 25 million t of wine, with France, Italy, and Spain accounting for over 40% of that total, we are lagging far behind. Compared to 30-45, the average person's annual wine intake in India is less than 10 mL. At present more than 90 registered wineries are operating in the country crossing the 17 million L of wine production. Investment made in the sector has now reached to more than 450.00 crores. Maharashtra is exporting wine to France, Italy Germany, USA, UK, Singapore, and Belgium. The wine consumption pattern in India stands at – Mumbai (30%), Delhi (20%), Goa (20%), Bangalore (15%), Panjab (5%) and the rest of India accounts for 10%. However, considering the global wine production of 25 million t as per OIV report for the year 2017 and the contribution of France, Italy, and Spain to the extent of around 40%, we are far behind. The wine consumption in India per person per year is less than 10 mL as against 30-45 L in France and Italy, 30 L in Australia, 10 L in the USA and less than 2 L in China (2015). The Indian Grape Processing Board (IGPB) (Ministry of Food Processing Industry) was also playing a vital role in deciding market policy of Indian wines in the past until 2013. APEDA is presently monitoring export of Indian wines to European and other countries with the help of NRC for Grapes and other nominated laboratories and certifying agencies. After becoming member of OIV, the Indian wine industry has a chance to occupy its footprint on the global arena. Leading wineries are also engaged in import of quality plant material in terms of grapevine and their compatible rootstocks and arranging the production of grafted plant material of high quantity in their own nursery units to supply to their contract farmers to produce quality wine grapes and ultimately high-quality wine (Adsule, 2018).

BACKGROUND AND SIGNIFICANCE OF THE INDIAN WINE INDUSTRY

Worldwide, grapevine (*Vitis vinifera* L.) is mostly planted for wine production; nevertheless, commercial wine grape production has only recently started in India. India has had remarkable success producing table grapes, and global grape yield levels have risen to somewhat higher levels. Roughly 78% of grapes cultivated in India are eaten raw. 1.60 million tonnes of grapes are produced annually on an area of 60,000 hectares (FAO, 2005). In the states of Maharashtra, Karnataka, and Andhra Pradesh, there are about 1200 hectares planted with wine grapes. Owing to low domestic wine consumption and the lack of standard wine varieties to make high-quality wines meeting international standards, research to boost wine production was not given significant priority. (Karibasappa & Adsule, 2006) In ancient times, wine was commonly called samarasa; the Vedic scriptures also mention soma. Additionally, Drakshsava is mentioned in Ayurvedic texts. Drakshsava was essentially a digestive preparation made with natural alcohol, cinnamon, vidanga, tejpatra, pippali, and black pepper, as well as matured grapes (Rathish, 2009). The oldest recorded reference of grape-based wine dates to Chanakya's writings from the late BC, when he was Emperor Chandragupta Maurya's chief minister. In his writings, Chanakya

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