





Nashik Wineries-A Case Study of Sula Vineyards

DISCOVER INDIA PROGRAM 2018

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CERTIFICATE

This is to certify that the work incorporated in this report entitled "Nashik Wineries- A Case Study of Sula Vineyards" submitted by the undersigned Research Team was carried out under my mentorship. Such material as has been obtained from other sources has been duly acknowledged.

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ABSTRACT

In the research, we have explored the position of contract farmers in the Sula Vineyards' ecosystem. We have also attempted to study the socio-economic impact of Sula Vineyards' growth on the grape farmers in Nashik. The wine industry in Nashik is dominated by the Sula Vineyards and hence, we chose it as a case study of contract farming. Religious tourism has always been a fairly large industry in Nashik.

Thus, we also studied the impact of the recent wine tourism attributed to Sula Vineyards. Since contract farming is an agricultural policy which is getting a major push in many countries all around the world, a qualitative sociological study of its impact on the contract farmers of Nashik is important.

In order to comprehensively answer our research question, we employed qualitative research methods such as semi-structured interviews as well as in-depth interviews and quantitative research methods like questionnaires in some cases. Questionnaires were dynamic and evolved with every interview. Structured interviews were used to interview Sula officials. To carry out this methodology, a group of 4-5 members visited each set of stakeholders - contract farmers, Sula officials and other stakeholders.

This research enabled us to explore the reality behind the rhetoric presented by corporates like Sula Vineyards. It facilitated a better understanding of the ecosystem of Nashik wine industry. Sula Vineyards had a great impact on the city of Nashik and its culture and economy- this impact was largely felt by the grape farmers. The contract farmers have not been touched by the emerging wine tourism in the city. Even though the community appreciates the revolution Sula has brought to agricultural management, it is facing problems which have not been addressed by the company.

This research faced several limitations including the time constraints and limited access to a diverse sample of the stakeholders in the industry. The intensity of the interviews was restricted by the intimidation caused by video cameras. The untimely rains also proved to be a hindrance since we were interviewing farmers who are materially affected by the rains.

This research holds value for policy-makers in the field of agriculture, activists for farmers' rights and welfare, and academics who wish to pursue this line of research in greater depth. It also holds an even larger relevance in 2018, where we have already seen a Red March in Mumbai and other farmers' movements gaining momentum all over India.



CHAPTER 1 INTRODUCTION



CHAPTER 1 Introduction

Nashik is popularly called the "Napa Valley of India" as it shares a climate similar to that in Napa Valley- the wine capital of the world. Nashik is thus, the perfect location for setting up vineyards and wineries. In recent years, Nashik has become the hub of the wine tourism in India due to the several big Indian brands such Sula, York, and Soma opening their doors for people from all over India and the world to the intricate process of making some of the best Indian wines. Nashik had always been a tourist destination, however, there has been in a shift in the kind of tourism that Nashik has been receiving, which used to be mainly religious tourism from Trimbakeshwar and Panchwati Temples (Pawar, 2016).

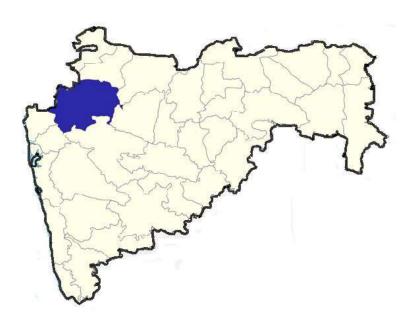


Fig. 1 Map of Maharashtra, Highlighting Nashik Source: commons.wikimedia.org



1.1 About Nashik

Nashik is located in northern Maharashtra, 2,300 meters above sea level (Lopez, 2016). Nashik district was formed in the year 1869 and has an area of 15,582 sq. km (6,015 sq. miles) and is one of the largest districts in Maharashtra. This division is positioned itself in the upper Godavari basin and Tapi basin. The Godavari rises near Trimbakeshwar and is also celebrated as the "southern Ganga" Its district headquarters is the Nashik city. It comprises five Talukas: Dhulia, Nandurbar, Nashik, Jalgaon, and Ahmednagar. For administrative purposes, the Nashik sub-division is again broken down into specific areas: Dindori, Igatpuri, Nashik, Nashik road, Peint and Trimbakeshwar. Nashik district has a literacy rate of 82.3 percent which is equal to the state rate too. The sex ratio is 894 per 1000 males The Currency Note Press and India Security Press is also situated in the main Nashik city. (Savale, 2010).

The climate is usually dry throughout the year except for when it's the monsoon season. Monsoon starts in the month of June and usually ends by September. The average rainfall for the whole Nashik division is about 2600 to 3000mm. As per the Report of the Irrigation Department of Nashik District, Nashik city has been by far the best district with regards to rainfall as compared to the other districts in the Nashik division. (Savale, 2010).

The population of Nashik division has doubled between the years 1981 and 2001. In 2001, the total population was 4,993,796. (Savale, 2010). The population has increased to 6,107,187 in 2011. In the year 2001, the census reported that the Nashik city in total had 76 villages and 4 towns. But the number has changed to 73 villages and 7 towns, according to the 2011 census. Talking particularly about the Nashik city, it is the most populated city with 1,486,053 inhabitants (DCOM, 2011). It is also the most urbanised city in the whole division with 90 percent urban population.

Nashik city is 588.79 sq. kilometers in area and inhabits 203,058 people (DCOM, 2011). Out of the whole population, 143,164 are literates (DCOM, 2011). Alok Chandra of Business Standard calls Nashik city the "wine capital of India." (Government of Maharashtra, 2013).



Table grape cultivation had started in 1925 in Ojhar, a small town near Nashik by a citizen called Raosaheb Jairam Krishna (Government of Maharashtra, 2013).



Fig.2 Sunset in Nashik

Source: Discover India Program (2018)

1.2 Wine Industry

1.2.1 History of Wine Making

"A Grape is the non-climacteric fruit, botanically a true berry, that grow on a perineal and deciduous woody vine of the genus Vitis" (Mahale, 2010).

The oldest fermented commodity known to mankind is most probably wine. Its origination dates back to around 6000 B.C.E in Georgia (Kumar et. al., 2016, p. 24). While wine has been part of several cultures around the world for a long time, commercialization in India has spanned over only two decades. Viticulture- or the growing of grapes- was first introduced in India by Persian traders in the 4th millennium. Wine-making was, however, not in the picture. Paintings from the past show table grapes as the outcome of this viticulture. During the Vedic Age, wine became a drink of the privileged Kshatriyas and nobles. The



lower classes were confined to beverages made from barley and wheat. (Chandrahar, 2010). The origin of wine dates back to the time when early European travelers came to the courts of Mughal emperors Akbar, Jahangir, and, Shah Jehan and tasted wines from the royal vineyards. A number of vineyards were established in Kashmir, Baramati and in Maharashtra in the nineteenth century but they were destroyed in the 1890s for because of a louse called Phylloxera. As wine was not consumed very largely in India and standards for wine varieties were available, research wasn't given much emphasis. However, commercial grape wine production started in the 1980s in India (Mahale, 2010).

In India over 60,000 hectares of land is used to grow grapes with an annual production of 1.6 million tonnes. Unlike other countries, India has made remarkable success in producing table grapes (NHB as cited in Mahale, 2010).

Wine was considered an unknown exotic for the longest time. Over the past few years, the wine industry has been growing at a rapid rate. Where, in 2001, wine consumption stood at two million liters, 2007 saw it grow to 10 million liters. In 2009, wine production stood at 13 million liters. Indian consumers only changed their mindset with increased travel overseas. The need to have the "good things" in life incited the need for luxury items- wine being one of them. This niche population prefers the symbol of cultural capital, that is wine, to its cost. However, it is still not enough. Realizing the need to cultivate and capitalize on this trend, vineyards have, over the years, started promotional activities such as plantation visits and festivals. Nashik's Sula Vineyards has an annual Sula Fest which attracts thousands of visitors every time (Chandrahar, 2010).

Wine tasting is also a great promotional tool. Visitors are encouraged to use the four steps of the routine- "See, Swirl, Smell and Sip" with different varieties and blends. The added knowledge of which wine combines with which type of food promotes a habit and culture of wining and dining (Chandrahar, 2010).

1.2.2 Global Wine Industry and Trends

Europe is the prominent producer as well as of the world's wine and the three countries of Italy, France, and Spain accounted for nearly half (49.5 percent) of the 260 million hectolitres produced in 2016, according to the International Organisation of Vine and



Wine (IOIV), followed by the US, Australia, China, Chile, South Africa, Argentina, Germany, etc. (Millington, 2017). Global consumption in 2015 was estimated to be 240 million hectolitres (mhl). The leading wine consuming countries are US, France, Italy, Germany, China, UK, Argentina, Spain, Russia, Australia, etc. (Millington, 2017). These facts prove that India is neither the top producer nor the top consumer of wine because initially people believed that the Indian cuisine and wine were not a combination.

During September 2016, when the first Global Conference on Wine Tourism was held at the United Nations world tourism organization in Georgia, more than 200 experts gathered from more than 50 countries, establishing the fundamentals. Such as wine tourism was considered a fundamental part of gastronomy and sustainable tourism, and also considered an important unit in preserving cultural and natural resources, etc. (Millington, 2017).

In 1999, when Great Wine Capitals Global Network with the aim of encouraging travel, education and business exchanges between the prestigious wine regions involved, in both the northern and southern hemispheres. Since inception, GWC has developed and introduced several projects, initiatives, and programmes, and excellence in wine tourism is a key objective (Millington, 2017).

Wine is made in almost every country of the world and is categorized as either Old World or New World, classified on the basis of their origin. Wines from the old world are from places studied as the origin or source of wine and have an elongated history of wine production. They are absolutely European, such as the recognized and high-producing areas of Germany, Italy, Spain and France and also include Georgia, Austria, Greece, Lebanon, Israel, Switzerland, Georgia, Romania, and Hungary (Millington, 2017).

New World wines originate from countries that were previously colonies and are generally in warmer temperatures, including Chile, South Africa, New Zealand, USA, and Argentina. As a result, such wines are frequently fuller-bodied and have bolder flavours. New World wines generally implement altered labeling methods, using both grapes and the growing region for acknowledgment (Millington, 2017).



1.2.3 Indian Wine Industry

India is one of the largest alcoholic beverage markets in the world. In India, wine is produced mainly in Maharashtra and Karnataka owing to the optimum climate for wine grape cultivation in these states. Other popular wine grape growing areas in India include the states of Andhra Pradesh, Tamil Nadu, and Himachal Pradesh. Sauvignon Blanc, Chenin Blanc, Rosé, Chardonnay, Sparkling Brut and Rose, Shiraz, Merlot, Zinfandel, Cabernet Sauvignon, Viognier, Riesling are the most common variety of wine grapes cultivated in India.

Maharashtra is the hub of wine production in India. Over two-thirds of the Indian wine estates are located in Maharashtra. Nashik district of Maharashtra is known as the Napa Valley of India owing to the large wine grape vineyards located in this belt. There are over 50 vineyards in and around Nashik with 40,000 hectares of grape cultivation out of which only 2 percent is used to make wines (Pradeshi, 2016). The first international standard winery was set up in the 1980s in Narayangaon near Pune, Maharashtra. As 5 more were established and were functioning till 2000 (Sula Vineyards being one of them in 1999), the wine industry saw a boom in production as 60 more wineries were set up in the next decade. In Maharashtra, Nashik, Sangli, Pune, Solapur, and Osmanabad are the major wine regions. The industry was around 200,000 cases strong in 2000 and from 2003 onwards it started growing at the rate of around 25-30 percent (the peak being 1.5 million cases of wine) till 2008, where there was a slump in its growth which lasted for 3 years till 2011. The market did almost close near the peak in 2011-12 but it was predicted to grow at around 20-25 percent for the next few years. Out of the 75 wineries set up in Maharashtra, 50 including 35 in Nashik are not operating due to financial woes, the reason for which includes low sales of their wine brands. The industry is slowly becoming oligarchic in which only a handful of companies like Sula, Zampa Grover, Fratelli, etc. will survive and occupy the majority of the market (Kaddi, 2015).

Nashik has perfect conditions for viticulture that focuses on grapes for the purpose of wine-making. Sula Vineyards are one of the major producers of wine (Chandrahar, 2010). Nashik is considered India's primary wine-growing region. Tropical climate, hot summers, and cool, dry winters, are ideal for growing grapes. (Lopez, 2016)

The market is primarily characterized by the production and distribution of Indian Made Foreign Liquor (IMFL), Country Liquor, Wine and Beer. "According to World Health Organization, the Indian hard liquor market has 93 percent whiskey or vodka drinkers with



only 7 percent of beer drinkers. India's wine drinking population is very low with only 1 percent" (Srivastava & Singh, 2018, p.17). The per capita consumption of wine in India amounts to only 0.07 litres per year as compared to 60-70 litres per year in France, Italy, and Germany. The consumption of wine in India is low compared to that of hard liquor beverages like whiskey, vodka, beer and rum (Pradeshi, 2016). Though India is still among the lowest wine-consuming markets, changing lifestyle, rising levels of disposable income and tourism have slowly transformed the wine industry into a booming industry (Srivastava & Singh, 2018). According to Associated Chambers of Commerce and Industry of India (ASSOCHAM), the wine market is the fastest growing alcoholic beverage market in India at the rate of 30 percent annually. Recent years have also seen significant growth in the consumption of wine specifically in metropolitan cities. Mumbai accounts for 40 percent of the total wine consumption in India, followed by Delhi at 23 percent, Bangalore at 9 percent, and the rest of India at 20 percent (Pradeshi, 2016).

Like every other business, the wine industry had its issues at first. Poor storage and transport facilities, as well as lack of proper promotion and an unfavorable position in the domestic market, were contributors to the initially stunted growth of the industry. However, the industry recovered and made a name in both foreign and domestic market spaces. In the international arena, Indian brands such as Chantilli and Omar Khayyam were even showcased in the London International Wine Fair in May of 2008. (Chandrahar, 2010).

1.3 Contract Farming

The Indian rural landscape has transformed in the last five decades and this is not only due to technological changes like the Green Revolution but also institutional changes like different arrangements for providing credit, extensions and raw material, notwithstanding the infrastructure developed to market the produce. Contract farming is one such deliberate institutional instrument which was expected to augment the rural income and help small and marginal farmers face the emerging challenges of the slumping rural economy. Unlike other steps were taken by the state, contract farming involves the contribution of the private sector as well. By encouraging private sector participation through contract farming and other institutional initiatives, the capital inflow in the sector will be accelerated and the marketing



of the produce will be assured. These are the premises behind the encouragement of contract farming (Singh & Asokan, 2005).

Rajeev Samant and Kerry Damskey, the founders of Sula, envisioned an expanded portfolio of single-varietal brands of wine when they started to achieve above market-growth rates. In order to continue their growth in business, they required more consistent quantity and quality of grapes from their owned and rented ,on-contract vineyards (Lopez, 2016). As their business grew, Sula felt the need to increase its manpower. Therefore, they came up with the idea of contract farming.

As Sula grew in business and became an established brand name, the founders of Sula came up with the idea of making it a pioneer in environmentally friendly winemaking. It hence started monitoring its water use, carbon footprint, recycling, and vermiculture, under the programme name of "Green Sula". It did so by developing drip irrigation operations in all its vineyards, including the ones of its contract grape growers (Lopez, 2016).

Sula also started harvesting rainwater and recycling its wine bottles. Since stored rainwater did not require softening or filtration, it further cut down the power costs and waste production. Sula's water saving and power saving strategies were then shared with contract growers and other wineries in Nashik through educational seminars and workshops, wherein future plans were discussed to educate and expand water saving practices across India (Lopez, 2016).

To further expand their business model, the organization used public relations strategies like Sula Fest to expand the consumers' product awareness. Using such initiatives, Sula tried to negotiate with regulators in the federal and local governments concerning permits, taxes and tax rates, and so on. Samant also pointed out, in discussions with government officials, that taxing wine heavily would harm the grape farmers as it would cut down their profits. In addition to this, the grape cultivation proved to be good for creating rural jobs, hence ensuring a steady method of income for the Sula contract farmers (Lopez, 2016).



1.4 Tourism

The climatic conditions of Nashik make it the perfect location for setting up vineyards and wineries. In recent years, Nashik has become the hub of the wine tourism in India due to the several big Indian brands such Sula, York, and Soma opening their doors for people from all over India and the world to the intricate process of making some of the best Indian wines. Maharashtra is the largest producer of wine in India, due to the fast-paced growth of wineries and vineyards in Nashik and Pune in the 2000s, wine tourism has become very important in Nashik's economy.

In the words of Jessica Kelley, "Wine tourism, the practice of tourism that includes visiting vineyards, wineries, wine festivals, and events, and tasting and consuming wine while experiencing the attributes of a wine-growing region, has been enjoying considerable growth over the past few years" (Millington, 2017). Wine tourism comes under the category of niche tourism and special interest tourism. The products offered in these areas are wine festivals vineyard resorts, wine tours, and other vineyard based activities for wine lovers. The success and growth of wine tourism depend completely on the establishment of a regional identity in the area where the wine is produced. For brand-building of a tourist destination, the destination image must be very unique and special, which is also needed for product differentiation. Hence, structured wine trails, roads, and tours are important because a bounded space is essential to displaying a unique and contained cultural heritage (Kaddi, 2015 and Bruwer, 2003).

Wine tourism is essentially the combined working of the two industries- wine and tourism. In this capacity, they contribute to each other's growth. Wine tourism as described by the South Australian Tourism Commission is "any experience relating to wineries or wine production in which visitors participate when on a day trip or longer visit." (Kirkman as cited in Kaddi & Suklabaidya, 2014). Nashik had always been a tourist destination, however, there has been in a shift in the kind of tourism that Nashik has been receiving. "After religious tourism, Nashik may well become the hub of wine tourism in the country" (Pawar, 2016).

1.5 Aims and Objectives

Our research question is "To study the socio-economic impact of Sula Vineyards' growth on the grape farmers in Nashik" To achieve this our aims and objectives are:



- 1. To understand the relationship between Sula Vineyards and their contract farmers
- 2. To investigate the growth of wine tourism due to Sula and the impact it has had on the grape farmers
- 3. To study Sula Vineyards' structure as a case study for contract farming module

1.6 Rationale

Sula Winery in Nashik is a motif in the larger pattern of privatization of agriculture through contract farming all over the world. In the wine industry, contract farming is the norm which is being encouraged in the agriculture policies of many countries. There has been a pattern of exploitation of farmers through corporations in many such examples. The case study of Sula can help us understand this pattern more closely and evaluate its impact on various stakeholders. There has been very less qualitative and sociological research done on this topic and most of the research is economic or policy-based. In the one week, we have been provided, we wished to get to know the stories of contract farmers to understand not only the economic but also social relations between the corporation and the contract farmers. This research will contribute to the existing academic research on contract farming and the impact of tourism on the same by closely analyzing the case study of Nashik. It can be useful to policy-makers, sociologists and activists trying to understand agricultural modules and their impact on the farmers.

1.7 Methodology

We aimed to utilize the time in an effective manner and answer our research question by using the following plan of action:

1. Preliminary Research – The first step of our research included a survey of the secondary sources available on the wine industry as a whole and Sula Vineyards in particular. A lot of secondary sources such as scholarly articles, newspaper articles, and books were used to get a general understanding of the topic. Based on our primary research, we decided to understand the effect Sula Vineyards has had on the farmers of Nashik and on the wine and tourism industry. We explored the data



available to us to get a clear understanding before we went on-field to make the most of the opportunity given to us.

- 2. On-Field Research We used the qualitative method of research as it allows us to use the various method of data collection. The qualitative method helped us to have deep insights from various interviews which added valuable information to our research.
 - Sample Our sample included officials of Sula, contract farmers, table grape farmers and resort managers. We were able to connect the dots and explain the relationship between various samples and how one has affected the other.
 - II. Sampling Technique We used purposive sampling to interview the officials of Sula. We interviewed those officials who suited best for the purpose of our study. We used convenience sampling method to interview the farmers as we weren't able to find contacts of enough farmers. We had to rely on a few numbers of farmers.
 - III. Method for Data Collection We used semi-structured and structured interviews to collect information from our key informants. We had to stick to structured questionnaires to interview Sula officials as we had to follow their protocol. To interview farmers, we used semi-structured interview which enabled the conversation to go beyond the listed questions providing us with more detail and insights.
 - IV. Tool for data collection Our primary tool for data collection was questionnaires. The initial questions were general questions to help build a rapport and as the interview progressed more open-ended questions were used to allow the interviewee to provide extensive answers.



Sr. No.	Stakeholder	Number of Interviewees	Tools Used
1	Sula Officials	3	Structured interviews
2	Contract Farmers	6	Semi-structured interviews, in-depth interviews
3	Other Stakeholders	2	Semi-structured interviews, in-depth interviews

Table 1: Research Methodology and Stakeholders



CHAPTER 2 LITERATURE REVIEW

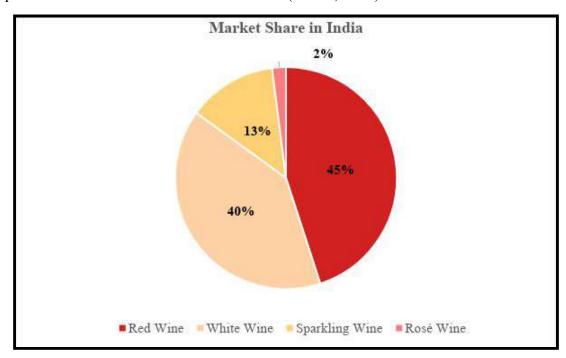


Literature Review

2.1 Indian Wine Industry

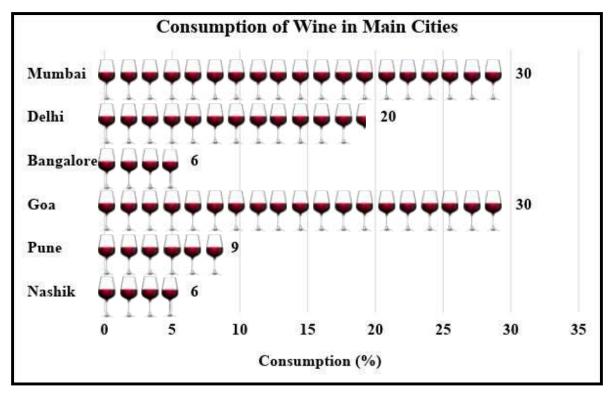
India is home to one of the largest alcoholic beverage markets in the world. The total share of the wine market in India is 1.5 percent with a consumption of about 0.5 million liters per annum (Hande, 2010). The Indian Wine Industry is growing at 25-30 percent per annum over the years and escalated to around 1.5 million liters during the financial year 2009.

As per the types of wine consumed, the largest market share is of red wine (45 percent of total consumption) followed by white wine (40 percent), sparkling wine (13 percent) and rosé wine (2 percent). Surprisingly, the consumption of wine is unevenly spread across the country, with mostly the economic capitals as the large consumers. Mumbai consumes about 30 percent of the total wine consumed in India, Delhi consumes around 20 percent, Goa around 30 percent, Bangalore at around 6 percent, Pune consuming 9 percent, and Nashik consuming 6 percent of the total consumption. These cities hence contribute to approximately 85 percent of the total wine consumed in India (Hande, 2010).



Graph 1: Market Share of The Various Types of Wine in India Source: Data from Hande, 2010.





Graph 2: Consumption of Wine in Main Cities Source: Data from Hande, 2010.

In 2015, the Indian Government took a step forward by forming Indian Grape Processing Board (IGPB) which aims to standardize Indian wine standards with International Organization of Vine and Wine (IOIV) guidelines. The wine industry of India started to grow tremendously in the year 2000 and has reached great heights today. Maharashtra and Karnataka are the leading producers of grape in India. The Government of Maharashtra implemented the 'Maharashtra Grape Processing Policy' in the year 2001 which caused a huge increase in the annual production of wine in the State to 20 million liters in 2008-09. The Karnataka State Government implemented the 'Karnataka Wine Policy' in the year 2008 which aimed to reduce various restrictions and simplify the process which in turn encouraged the producers to invest in the wine market. Various incentives were provided by the state to promote the wine industry which included integrated wine parks, exemptions from excise duty and subsidies (Shira, 2015).

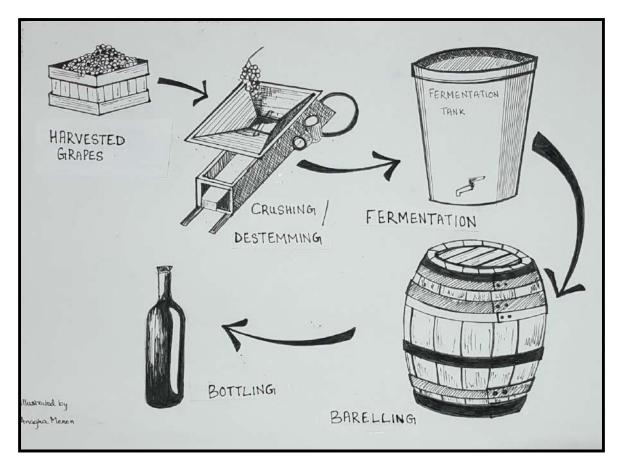


In the international context, Indian wine exports face stiff competitions from countries like France, Spain, Italy where wine has been produced for centuries, and are far better in terms of variety and quality. In addition to these pioneers, new-world countries like Belgium, Australia, and the USA have also entered the global competition for wine manufacturing (Patnaik & Sahoo, 2009). The percentage of exported wine to total wine consumption in the country has gradually decreased from 56 percent (as in the financial year 2004) to 39 percent (as in the financial year 2009). Most of the importers of wine are upscale hotels, embassies, and other such institutions, which target the upper class and upper middle class as their main consumers (Hande, 2010).

2.1.1 Reasons for the Expansion of the Market for Wine

- 1. Changing lifestyle habits- The increase in globalization has played a huge role in the increase in the wine-manufacturing industry, as more people are getting exposed to new culture. Awareness about the benefits of wine drinking has increased, and wine is gradually becoming a part of urban Indian lifestyle.
- 2. Rising disposable income- As the disposable income of young Indians have increased, there is a growth in the consumption of wine in India. This, in turn, has encouraged various domestic organizations to produce more and better wine, and this has led the foreign players to offer new varieties (Patnaik & Sahoo, 2009). Wine is now looked at as a status symbol more than an alcoholic beverage since it has a natural finesse attached to it in the urban society.
- 3. Expanding distribution channels- Earlier, within India, wine was available only in hotels and posh restaurants. Today, wine has been made available even in local liquor shops and supermarkets. With the government allowing the sale of wine in supermarkets and with the fall in excise duty, Indian consumers have suddenly found wine within their reach. India itself is a large market for wine and has grown as a manufacturer, thus attracting players from countries like France, Spain, South Africa, Italy, Chile, Japan, Argentina, Australia and the USA (Hande, 2010).





Illus. 1: Process of Wine Making

2.1.2 Challenges faced by the Indian Wine Industry

- 1. Consumer tastes and preferences: The consumer behavior in India shows a preference of hard liquor over wine by consumers which has a drastic impact on the industry. Most Indians prefer beer, whiskey and rum, and sometimes even home-brewed spirits which have a higher alcohol content, as compared to more sophisticated alcoholic beverages like champagne and wine (Shetty, 2006). India has about 200 million consumers of whiskey which is the largest in the world. Therefore, it may take time for people to appreciate wine in India and be able to spend money on it (Shira, 2015).
- 2. Niche market: Wine basically caters to the privileged classes of the Indian society, which is just a small percentage of the Indian population. The winemaking industry in India is a product of urbanization and globalization, hence caters to only those people who have the privilege of interacting directly with the international system. (Hande, 2010). Only people



with high levels of disposable income are able to purchase wine. This pattern will change with time but there is a long way to go before it can be achieved. (Shira, 2015).

- 3. Unsuitable climate conditions: The wine grapes are to be produced in specific conditions. Most wineries try to match the European weather conditions so that the wine produced matches the quality of the European wine. Since India is a tropical country, the climate is hotter as compared to Europe. Hence the wine quality differs in the hotter regions of the country, thereby affecting the state of the winery in the international system (Shetty, 2006).
- 4. Low prospects for Foreign Investment: The wine industry could benefit immensely from Foreign Direct Investment (FDI) through technology, capital, and expertise. However, the fragmented nature of the wine market also discourages foreign investment. In some states, wine is still subjected to heavy taxation and prohibition. Hence, it is difficult for foreign investors to invest in this complex industry (Shira, 2015).
- 5. Complex legislative system: In India, an alcoholic beverage is a state government subject. State Governments have the exclusive authority to levy excise duties on alcohol and determine their rates. As a result, the licensing, taxation and registration procedures with regard to manufacturing, and distribution of wine differ from state to state. The wine industry has to go through a lot of cumbersome procedures to get licenses, pay huge amounts of excise duty which in turn increases the price of the product (Shira, 2015). This, in turn, makes wine exorbitant and out of reach for a large segment of the drinking population.
- 6. Poor storage and transportation facility: Wine production in India is mainly concentrated in and around Nashik region, so distribution to the far-off markets like Delhi and Bangalore causes a reduction in the wines' shelf life due to the poor transit condition. The market is also severely constrained by inadequate storage options.





Fig 3 Barrel Room at Sula Winery
Source: Discover India Program (2018)

7. Lack of infrastructure and machinery: The grape processing facilities of several wine production units are inadequate which result in poor price realization on produce. "The international demand for adherence to quality parameters, coupled with a severe lack of infrastructure to support the high investment crop, has seen many producers suffer severe economic loss due to an overexpansion in supply. As a result, many domestic wine companies are struggling to recover, with over 50 percent of Maharashtra's wineries closing, lying dormant or reverting to the production of table grapes" (Pradeshi, 2016, p.158).

2.1.3 Problems Grape Farmers Face

The following research has been done by Ghanshyam Pandurang Mahale with Dr. Aldas Janaiah, a senior scientist and economist, as his advisor. It is titled "Production



constraints and marketing of wine grape varieties in Nashik region (Maharashtra)". It was carried out in Nashik for Prathamesh Wines Private Limited. The results and observations from the study are summarised below.

Most of the farmers growing grapes have large land under wine variety cultivation. Farmers are categorized into three groups depending on the land they have under cultivation. About 36 percent of farmers have 4-10 acres of land under grape cultivation thus becoming 'large farmers'. Over 29.66 percent farmers are cultivating grapes in plots ranging between 2-4 acres making them 'medium farmers' and 34.33 percent farmers have up to two acres of land under cultivation and are called 'small farmers'. Training, awareness and modern techniques of grape cultivation are taught first to the large and medium farmers as they have the capital to initiate them. The semi-medium and small farmers get influenced by this follow these practices (Mahale, 2010).

Most of the farmers face a lot of problems due to diseases and pests in the plantation. They also face moderate constraints when it comes to availability of credit, quality planting material, and expert advice. Majority of the farmers are influenced to choose planting material three main factors- resistance to disease, berry colour and more production (Mahale, 2010).

Most farmers are aware of the quality aspects of wine grapes. Some of them are acid level, sugar content, berry size, storage, packing material, etc. The marketing/distribution constraints that are ranked highest by the farmers are lack of credit facilities from companies and perishability of produce that are followed by non-remunerative prices, transportation, and promptness in payment. Difficulty in packaging is not a major constraint (Mahale, 2010).

According to the calculations made by Mahale, keeping in mind the fixed and variable cost of production, the cost of grape production per kilogram is Rs. 24.12. Wine grapes are sold mainly to the wineries situated in Nashik. The farmers either have a contract with a company or they sell their produce through middlemen. From the data collected, it is observed that the farmers make 12.1 percent profit when they directly approach the company whereas, they get 7.94 percent profit if they take help of agents or middlemen (Mahale, 2010).



In conclusion, this project shows us that most of the farmers in the said study area have large lands under cultivation and are the driving force for other, smaller farmers to adapt to new technology for grape cultivation. Disease and pest infestation are the major problems faced by grape growers and they try to combat these by regularly spraying pesticide and fungicide. Although the study area is located near Godavari and Kaveri rivers, due to the irregular supply of electricity in this region, irrigation and fertigation become difficult. These practices are crucial to maintaining the humidity in the atmosphere, moisture, and nutrients of the soil. Farmers face problems in getting credit from nationalized and private banks and are kept waiting by the National Horticulture Board for subsidy amount. Abrupt climate changes result in damaging the produce. While the company gives consultations to farmers, expert visits are not very frequent. Majority of the farmers are highly aware of the quality aspects of grapes. The author mentions that initiatives from the company and the government that could help grape growers minimize their losses and can give them more knowledge. Developing an export market with the help of government and private companies can help viticulture grow (Mahale, 2010).

2.1.4 Sula Vineyards

Sula Vineyards is the brainchild of Rajeev Samant, a former employee of Oracle. In 1993, Samant set out on an entrepreneurial venture by using his father's 20-acre land in Nashik to grow mangoes. The venture was met with failure. His subsequent cultivation of teak wood also met a similar fate. "Success knocked at his door in the form of wine production when he found an uncanny resemblance between Dindori hills' landscapes of Nashik in India and those at Napa Valley in California. His research made him realize that these hills could be used to cultivate wine-producing grapes while everyone else is following traditional table grape production" (Srivastava & Singh, 2018, p.12). In 1999, Samant established Sula Vineyards in Nashik. Samant partnered with Kerry Damskey, a renowned winemaker from California with a goal of producing wines that would match international standards. Sula planted its first wine grapes in 1995 and the first bottle of wine was sold in 2000 (Srivastava & Singh, 2018).



The aim of Sula has always been to target the growing number of wine-consumers in India and to promote its own premium wine. As Sula's name grew popular, sales picked up and the company grew. However, during the economic setback of 2008-2010, Sula was hit quite hard. In order to turn their fate around, they invested in a number of more sustainable options to reinvent the industry. Organic agriculture, energy reduction, and water conservation were imperative goals (Lopez, 2016).

Sula's "Great Comeback" was accompanied by the change in perception and eco-friendly initiatives. Change in prices were also initiated as a result this in 2008-2010. Rajeev Samant said, "If somebody wants to get on the bandwagon, the pricing had to be right. Once the person is on with the right price, he can climb the ladder." (Lopez, 2016).

Over the years, Sula has grown to become India's leading wine producer. With its presence known in 32 states across India, the company is presently the biggest wine producer in India occupying over 65 percent of the market share. Sula wines are also exports to 20 countries across the globe including Japan, USA, and UK (Srivastava & Singh, 2018).

Through Sula, Samant also pioneered the culture of wine tourism in India.

He used *wine-tasting events* and *entertainment events* (Sula Fest) as promotion tools for tourism. He brought people closer to wine by having wine tours at his winery along with 'experimental tasting' of wines. The wine tours were open to all the visitors, including a peek into the vineyards, wine-making process, wine tastings, courses and special events. This made people leave their inhibitions about wine and gave them connect with wine (Srivastava & Singh, 2018, p.15).

Wine was perceived as a social taboo. However, Sula encouraged wine as a sophisticated drink which was more of a social "glue." He also advocated for the health benefits of red wine and commented on how viticulture was increasing the jobs in and around Nashik (Lopez, 2016).





Fig. 4 Vineyards around Sula Vineyards Source: Discover India Program (2018)

"Green Sula" was an initiative undertaken by Sula in an attempt to make their vineyards both more eco-friendly and more cost-effective. First on the list was vermiculture-composting with the use of earthworms. Drip irrigation was also introduced as part of the green initiatives. Sula invested in wastewater treatment plants, water harvesting mechanisms, and efficient water recycling irrigation methods. Rainwater harvesting also plays a large part in their vineyards. Their carbon footprint has reduced by almost 30 percent from 2010 to 2012. These water conservation methods are encouraged throughout their contract growers networks and other wineries. Sula is a pioneer when it comes to implementing these green initiatives (Lopez, 2016).

Energy conservation has also been also implemented in Sula. All fermentation and insulation tanks are insulated and light bulbs have been replaced by more energy-efficient CFLs. Solar energy collected by solar panels have also been installed for the heat-exchange systems. Sula also encouraged manual labor so as to minimize tractor use and avoid soil



compaction. Sula also believes in the recycling of glass bottles and makes sure recycling centers receive these bottles. They are then cleaned and sterilized and used again by Sula (Lopez, 2016).

2.2 Contract Farming

2.2.1 Contract Farming as a System

In this structure, "a processing unit purchases the harvest of independent farmers under certain pre-negotiated terms and conditions on price, quantity, quality and input supply." This allows the company to reduce instability and maintain a steady and certain supply of raw materials. Contract farming contract can be distinguished from other simple contracts or forward agreements because it is an arrangement between the growers and the private buyer which substitutes the open marketplace. The diverse and varied assets of different independent farmers are linked to a central unit for processing, purchasing or export and the latter regulates price, quantity, product quality, production practices and credit. Such arrangement occupies the area between the open market and directly vertically integrated agribusiness firms (Singh & Asokan, 2005).

Those in favour of the above rhetoric claim that contract farming allows synergy between the growers and agribusiness firms where there is mutual benefit and no sacrifice of rights on any end (except, obviously, the fact that the firm regulates the farming practices and the price). Contract farming is critiqued by many scholars for being the cause of disruption of subsistence farming which would inevitably lead to the malnourishment of rural poor. Since farms would be growing commercial products for the firms they are in agreement with, they will not be producing the essential goods they need for self-consumption. They would then have to buy these goods from the market at higher prices which would affect the household budget and disposable income of the farmers. Contract Farming also manifests an unequal power relationship between the growers and firm. Roger A. Clapp, in his paper titled "The Moral Economy of the Contract in Living under Contract: Contract Farming and Agrarian Transformation in Sub-Saharan Africa" in 1994 had called this system "a disguised form of proletarization" where the corporate has secured the farmer's land as well as labour while still keeping him "independent" only as a formal title. The company's control is effective despite



being indirect. Farmers' control is illusory, despite being legal, thus making the farmer a "propertied labourer" (Singh & Asokan, 2005).

There are two types of contract- production and marketing. In the case of former, the firm dominates the terms of the contract and has authority over quality and quantity throughout the farming process. Whereas, in the latter, the growers have power and ownership over the produce until the time he sells it to the firm. This is a system which allows agribusiness firms to procure a steady and inexpensive supply of raw materials. To ensure that this remains the case, there needs to be a long-term contract between the growers and the firm where both are committed to one another. Exploitation of farmers can cause the breakdown of this system. Even farmers would have to resist the temptation of the occasional spurts in prices and continue honouring the contract and selling to the firm rather than in the open market for short-term gains (Singh & Asokan, 2005).

Studies done on contract farming in Latin America and Africa have revealed that these contracts are largely unduly biased towards the firms. They have also, in many cases, manipulated the contents of the contract for it to be lopsided. The whole argument of the neoclassical economists and advocates of agribusiness companies is that this contract is based on mutualism and is freely entered into. It is mutual because the transaction cost is shared and this shared advantage depends on factors like bargaining power and access to information and alternatives. If all these factors are particularly favourable towards one party in the contract, then the contract is automatically not freely entered into. The contradiction lies in the fact that if there is monopsony (presence of only one buyer) in the market, the one firm can behave unethically but if that is not the case, farmers can behave opportunistically (even though the latter has never been witnessed). Even leaving the contract is a luxury contract farmers do not have, considering the significant fixed investments they have already made. In addition to this, the system of contract farming requires the role of the state to become diminished and the process of agricultural production to become specialized. This can make the market less competitive and inefficient. Monocropping can also lead to deskilled labour, unavailability of food, increased farmer risk and underemployed farmers. Many critics have also called it another instrument of capitalist penetration in agriculture in order to encourage more capital accumulation and exploitation of the farmers. The firms also value large farmers more than the smaller and more marginal ones and, finally, the large farmers end up being dependent on



the firms due to the large quantity of produce generated by them. Even recommendations to make the contract more equitable have been questioned because the processor and the farmer are clearly unequal entities (Singh & Asokan, 2005).

2.2.2 Indian Experience in Contract Farming

"Indian agriculture is predominantly a small holder's occupation. More than 80 percent of the holdings are of a size less than two hectares and these are getting further subdivided and smaller." The kind of crops that are grown are predominantly (more than 83 percent) food crops for the purpose of self-sufficiency. The economic reforms of the 1990s and the World Trade Organisation agreements have further intensified the challenges faced by small farmers. Their interactions with the outside world have become more complex and they have to be facilitated by big complicated organisations. The variety of forces and authoritative entities farmers have to deal with has increased and they have to meet increased demands (Singh & Asokan, 2005).

In an environment of pervasive risks, contract farming has the ability to provide credit, information, means of production and insurance to the farmers. Processors or firms require qualitatively homogenous product in time and of a certain quantity. Middlemen further complicate and distort the transmission of market signals and communication between growers and processors and they also do not have the incentive to ensure quality. If the processor herself/himself goes to each and every farmer, the transaction and decision cost will be too much and the quality of raw material will still be uncertain. The processor cannot grow the raw material by acquiring sufficient land because of the organisational restraints. Even the land ceilings do not allow the purchase of huge tracts of land. So, contract farming is an ideal solution for processors as they can have control over the production process without owning the land and there is the stability of suppliers and supplied quantity and quality. They also have access to the unpaid household labour as well as the state funds directed towards the farmers and the agricultural sector in general by developmental agencies (Singh and Asokan, 2005 and Singh, 2008).

Historically, contract farming in India has not treated the farmers well. The seed companies used to sell seeds of cotton, indigo and poppy to the farmers and, in turn, demanded the produce. They also lent money in the name of credit and many farmers fell into



deep debt traps with these companies and the only solution was to grow more of these cash crops rather than food crops (which were more beneficial to their survival). The company used to refuse produce of below-average quality and since it was a monopsony economy, those goods could not have been sold to anyone for a reasonable price. Hence, farmers became slaves of the company due to the incessant exploitation on the basis of a contract signed by illiterate, uninformed and helpless farmers (Singh & Asokan, 2005).

2.2.3 Cases of Contract Farming in India

Punjab Government had attempted contract farming to change the cropping pattern in the state from paddy-wheat rotation in 10 lac hectares of land in 2003. Companies like Mahindra and Mahindra, Pepsico, Rallis and United Breweries were invited to the state and the state promised to buy the produce that is not bought by the private firms. It ended badly and the Punjab Government had to buy most of the produce in order to calm the agitated farmers who were dissatisfied with the provided inputs, contract prices which were less than the open market price and quality interpretation of their produce (Singh & Asokan, 2005).

There have been such teething problems with Pepsico (tomato farming) earlier as well and also in the states of Haryana and in western Uttar Pradesh (poplar tree farming). Attempts to exploit farmers into making them grow cocoa by a chocolate multinational corporation in the seventies have still kept the Government of Kerala wary of the system. Production of Gherkin in Karnataka is an exception where contract farming has worked not too badly. In Karnataka's case, the contract farmers held bargaining power since the contract was not the only source of income. Loyal farmers who have been producing good quality produce for a long time were also appreciated and rewarded in subsequent years. Nonetheless, the wage rate was not significantly impacted. But, then again, stability, sustainability and certainty have improved, which is also a luxury in the unstable profession of farming where the climate and the price are very volatile, not to mention the challenges of globalisation (Singh & Asokan, 2005).

What is important to understand about contract farming is that it is not just a legal or economic phenomenon. It is a historical and cultural phenomenon. The contract is not the relationship. The contract represents the relationship and the context of the contract is more



comprehensive than the contract in itself. How the farmers define their relationship with the firm is instrumental in understanding contract farming as a social phenomenon (Singh, 2008).

2.3 Wine Tourism

2.3.1 Wine Tourism in the World

Traditional winemaking areas have been admired, however, they do not attract tourists or enrich the tourism potential of the area. Even though the final product is unquestionably exquisite, wine areas in Portugal, France, Spain and Italy have not held the same way with tourists as those in the modern world. In the US, Australia and South Africa, wine tourism has become a magnificent force, and in some specific cases now reports for larger profit than the retail sale of the wine (Glennen, 2017).

Enotourism- also known as wine tourism- is a reasonably fresh expansion in the wider trend of agritourism, or experiences that focus around agriculture, produce and farming. The desire to consume food that is prepared in the very location where it was produced has existed for some time but, until now, traditional World vineyards have not had many encouragements to jump on the trend (Glennen, 2017).

The traditional world of wine has a very unusual history. After producing wine over thousands of years and creating reputations as leading producers, destinations like Italy, Portugal, France and Spain have not been dependent on tourism as the Fresh World. In its place, these traditional world places advanced extensive linkages of wine brokers to sell their wines too, many of which still exist today (Glennen, 2017).

As tourism as a whole continues to post apparently overpowering growth, the economic benefits of inspiring and providing for tourists have become too big to ignore for almost every industry. While wine tourism products in Europe have only just begun to organise, they already tend to outstrip New World competitors in terms of experience (Glennen, 2017).

Of course, for traditional world wineries to uphold the attraction that makes the experience of visiting them so extraordinary, they need to equalize modern-day expansion with the prodigious history in the region (Glennen, 2017).





Fig. 5 Wine Tasting Room
Source: Discover India Program (2018)

2.3.2 Wine Trails and Wine Tourism Circuits

The concept of regional identity holds importance in both tourism and wine since even wine is identified by the area where it originated. In order to attain a competitive advantage, a wine brand must stress upon the rhetoric about the origin of the grapes, grape farmers, soil and climate which gives the wine a unique flavour or texture and the cultural heritage which situates the wine in that particular region and not any other region. Wine routes or trails are basically a group of wineries or vineyards in an area mapped around one route. The creation of this route helps in developing a wine tourism circuit where tourists can visit all wineries or vineyards in an area by going along the established wine routes. These routes may also have non-wine based attractions. The trail part also emphasizes aspects like exploration and discovery associated with journeys. "They are the roadways to the core attraction in wine tourism" (Bruwer, 2003). There can be natural attractions, physical



attractions like wine estates and signposts which guide the tourists through the trail in these travel routes. Many wine trails are identified as a bounded space which is distinguished as a separate wine region with a unique cultural heritage or a region with Geographical Indication (GI) Tag, where the identity becomes a brand in itself (like Champagne in France and Stellenbosch in South Africa). Even though champagne is sparkling wine, Sula or any other winery, other than the ones at Champagne in France, cannot brand or market it as champagne because of the copyright of a particular region over it. This is also called appellation control (Kaddi, 2015; Bruwer, 2003).

Wine trails can be one day long or can also be extended to several days in case of scattered and highly developed wineries and tourism circuit. Various factors should be considered while building these trails, the most important of them being the geographical and cognitive distance between the generating region and the destination. The cognitive (perceived) distance can be different from the geographical distance due to geographical features like winding or steep roads or huge cultural differences between two regions that make the distance feel greater than what it actually is. If certain wineries do not fall in the small region where the other wineries are concentrated, it should consider collaborating with tourist operators who run 2 or 3-day trails and their own local accommodation managers or consider establishing an overnight-stay facilities in their own estate (Kaddi, 2015; Bruwer, 2003).

Wine Tourism involves activities like visiting wineries and attaining first-hand knowledge about grape cultivation and winemaking process. The process of wine-making basically involves harvesting and processing grapes, fermenting them and then packing the wine into battles after the barrelling is done. The atmosphere is that of inquisition, relaxation and socialization. This is stimulated by the alcohol consumption during the wine tasting. There are also wine festivals which have accelerated seasonal tourism. The wineries benefit from wine tourism in two important ways. One, they sell wine and get a larger base for regular customers. Second, by making people aware of the wine-making process, consumer awareness becomes better and this further triggers more motivation for buying among the customers. "The process of selecting, growing, caring of vines and harvesting of grapes is



Viticulture, whereas the science of crushing grapes, fermenting, clarifying, maturing & blending of wine before bottling is termed as Vinification or Oenology" (Sharma, 2015).

2.3.3 Wine Tourism in India and Nashik

In the case of Indian wine tourism, the irony has always been that import of wine from foreign countries is promoted but not vinification (development of a local wine industry by producing wine from grapes). Since the middle-class population is constantly increasing and they have time and energy to spare, the introduction of wine as a drink accompanied by meals for the masses will be welcomed. There are optimistic arguments about cheap labour in India being used to compete with the production and preparation of wine in other countries and India becoming an outsourcing destination for the production of grapes. But, this pauper labour argument should not lead to below-average working conditions and welfare opportunities for farmers and employees in the wine industry (Sharma, 2015).

The first international standard winery in Maharashtra was established in the 80s. Five more wineries were up and running by the 2000s. The next decade witnessed the birth of sixty more wineries, and thus the decade is considered to be a significant one for the Indian wine industry, The important wine regions in Maharashtra are Nashik, Pune, Sangli and Osmanabad (Kaddi & Suklabaidya, 2014). After the 2008 recession, there was a dip in the production and consumption of wine, for a few years. Post 2011/2012, the industry expected a 20 to 25 percent growth over the span of half a decade (Arora as cited in Kaddi & Suklabaidya, 2014). According to the researchers, Kaddi & Suklabaidya, "Wine Tourism in Maharashtra has moved from being in a nascent stage to growth stage akin to its parent industry –wine industry." Nashik district in Maharashtra, being the major wine-producing region in India and the most important one in Maharashtra, has become the prime location for wine tourism initiatives in the state (Kaddi & Suklabaidya, 2014).

Westernisation and globalisation play a key role in the success wine tourism have achieved in recent years. Millennials want to know all about wine and that comes largely from the conventional western imagery of what it means to be an adult: to know one's wines and to have opinions on them. Further, the connotation that a "wine getaway" makes one look



posh and makes for "instagrammable" images has contributed to the growing interest in the demand for infrastructure for the same. The wine industry has provided the same by building "wine resorts" that conduct wine tours, grape stomping, food pairing and wine tasting sessions at their expansive properties that the tourists can visit for a day or spend a few days at. The open spaces and lush views also provide a relief from the concrete jungle that is the landscape in nearby cities like Mumbai, Pune, Bangalore, etc. Although Mahabaleshwar, Lonavala, Hampi, and other hill stations have the similar appeal of landscape, they are rather boring and lackluster to the families and peers looking for something "more". Soma and Sula have built their vineyards to be a wine resort where their guests can indulge in all the activities mentioned earlier in the paragraph. York is a vineyard and winery located at a short distance from the two, making it a convenient extra stop for guests that visit or stay at Soma and Sula. The Four Seasons Vineyard too provides a getaway as luxurious as its competitors in Nashik. It can be inferred that these vineyards have succeeded and continue to succeed because they have built the relevant infrastructure to support the progress of tourism associated with their industry. Although Grover Zampa Vineyards did not build guesthouses or leased land to cafes and restaurants on their premises, they tied up with the best hotels in the area for visitors that might want to stay over.

The key attractions for wine tourism are wine knowledge and the winemaking process. Attractions form but one part of the necessary tourism infrastructure. Lone, Rather and Jain opined that the 'infrastructure development holds the key to sustained growth in the tourism sector.' (Kaddi & Suklabaidya, 2014).

For an overall experience for the tourists, the parties involved in creating the experience need to do more than merely the "opening of cellar doors." The journey, stay and other basic necessities need into account as well, for which we need to understand what consumers are expecting." (Kaddi & Suklabaidya, 2014).

The results of the survey conducted to better understand the reality of the condition of infrastructure facilities in wine tourism in Maharashtra indicated that accessibility was not up to the standards that the tourists expected. Public transport to the wine tourism regions and vineyards was also not perceived as good. There is a good network of government-run transport system to cities that are near the wine region, however, there is a lack of transport



network to and from, as well as within the wine region. Further, wine tourists believed the involvement of the Maharashtra Tourism Development Corporation was moderate. Clearly, there is a need for the states tourism development to be more involved in wine tourism in the state (Kaddi & Suklabaidya, 2014).

In order to promote the wine tourism in Nashik, the state government has enabled hotel and tour bookings of the various vineyards and wineries on its official website. "We are positive about the online booking project for wineries through MTDC's website. Tourists from Mumbai and other cities will be able to make online bookings to spend their weekends in Nashik, which will help boost wine tourism in the district" (Bade-Misal as cited in Pawar, 2016). This endeavor has proved to be successful. In 2017, there was an increase in the tourism that Nashik received. This was also credited to the long weekends that gave people the opportunity to go and explore the new world of wine. According to a Sula spokesperson, "Usually there is a rush of tourists in weekends. But this time the footfall has increased by at least 20 percent" (Pawar, 2017). Sula has been one of the most popular vineyards and wineries in India, since it was established established in 1999. It has been a popular tourist spot with their wine tours and tastings and the famous music festival hosted by them, named the Sula Fest. (Cook, 2017).

"The country has 95 wineries, of which 77 are in Maharashtra. Nashik district has 39 wineries. The major wineries in the district are Sula Vineyards, Soma, York, Vallonnie Vineyards, Grover Zampa, Renaissance, and Good Drops" (Pawar, 2017). A majority of the tourist rush comes from the nearby cities of Mumbai, Pune, and Bangalore. In 2017, according to the All India Wine Producers Association, there was an overall increase of 25 percent as compared to the previous years. Most of this increase is attributed to the various holidays that made the weekends longer.



Sr. No.	Theme	Sources	
1	Wine Industry	Production Constraints and Marketing of Wine Grape Varieties in Nashik Region, Maharashtra- Mahale, 2010 A Brief Overview of Indian Wines and Wineries - Kumar et. al., 2016 Wine Tourism - Millington, 2017 Critical study of wine industry: A new hope for sustainable development for grape producers in India-Pradeshi, 2016 Sula wines: A foray into uncharted territory-Srivastava and Singh, 2018 Understanding Value Chain for Growth: A Case of Indian Wine Industry- Patnaik and Sahoo, 2009	
2	Contract Farming	Production Constraints and Marketing of Wine Grape Varieties in Nashik Region, Maharashtra- Mahale, 2010 A Brief Overview of Indian Wines and Wineries- Kumar et.al., 2016 Wine Tourism - Millington, 2017 Critical study of wine industry: A new hope for sustainable development for grape producers in India-Pradeshi, 2016 Sula wines: A foray into uncharted territory- Srivastava and Singh, 2018 Understanding Value Chain for Growth: A Case of Indian Wine Industry- Patnaik and Sahoo, 2009	
3	Wine Tourism	South African wine routes: Some perspectives on the wine tourism industry's structural dimensions and wine tourism product- Bruwer, 2003 Longer Weekends Pushing Wine Tourism- Pawar, 2017 Wine Tourism Next Big Draw- Pawar, 2016	

Table 2: Literature Review Matrix



2.4 Gaps in Literature

2.4.1 Wine Tourism

The articles do not talk about the existing wine tourism in Nashik and the steps that wineries have already taken to encourage wine tourism. Many studies are very quantitative in nature and their methodology involves questionnaires distributed among 60 to 70 people where they have ranked tourism facilities from 1 to 10. Hence, there is no qualitative study. A case study analysis of one particular winery would have been useful but that is missing. Also, the socio-economic impact of wine tourism on the region itself is not researched.

A limitation of the research conducted by Kaddi and Suklabaidya (2014) is that the data collected by them accounted for the wine tourists alone. It is critical to also consider the other stakeholders in the region such as local residents, farmers, tour operators and more. This limitation in their study provides an opportunity for us to conduct further research and attempt to collect data about the tourism infrastructure (expected level vs actual level) from other stakeholders and also understand how wine tourism affects these stakeholders.

2.4.2 Wine Industry

Since the wine industry in India is still at a blooming state, limited research has been done in the state of the industry in a global frame of reference. Since the target market itself is so limited, the existing research also takes a very small sample, which includes only a specific class of the Indian society, and hence is not representative of the Indian population. Thus, the research is very restrictive.

Although the article "Sula Wines: A Foray into Uncharted Territory" is a comprehensive case study on Sula Vineyards as a corporate success, it has not addressed the socio-economic impact of Sula on the farmers of Nashik. The article has also been evasive about the employment generation scope among local wine cultivators in Nashik. Only the big wine oligarchs are mentioned.



Many articles also seem to have a bias towards major wineries such as Chateau Indage, Grover Vineyard and Sula. These papers are, in some cases, either funded by wine research institutes or wineries themselves. Therefore, claims that discount the local wines as being of inferior quality or those that make touting the medical benefits of wine can rightly be called biased and thus, not completely valid.



CHAPTER 3 WINE INDUSTRY



CHAPTER 3

Wine Industry

3.1 Contract Farmers

Contract farmers are part of the wine industry's ecosystem. Climatic conditions, yield, farm planning, and outside help are all part of the wine industry from their perspective. Unreliable weather conditions like rains have a drastic effect on agriculture. While the adequate amount of rain is vital for the healthy growth of crops, heavy rains can completely destroy the produce. This concern is no different in the case of wine grape cultivation.

Unpredictable rains have been singled out as the main challenge faced in wine grape cultivation by every farmer That was interviewed. "Everything is dependent on the weather," says Nitin Khode, a contract farmer working with Sula. "If the climate is good the harvest is good."

Another Sula contract farmer, Laxman Yadav, had similar opinions when asked about the major risk associated with grape farming. "The biggest risk when it comes to grape farming is rain. It comes and goes whenever it wants. Even now you can see how the weather is. If you had come an hour before you would have thought it would rain heavily but it's not. This is the main problem."

Wet weather is not always desirable for grape cultivation. The pruning process specifically demands certain key environmental conditions like rainless days. Grapes are pruned in dry weather when rains are not in the forecast. Rains in between the pruning process lead to a higher exposure to microbial infections, as wounds provide an opening into the tree for rain- or wind-carried spores and bacteria (Parsons, 2018). The adverse effects of these rains can only be combated by increasing the use of pesticides and fertilizers. Therefore, unanticipated rainfalls compel farmers to spray more chemicals making the grapes less organic.

Farmer Sanjay Kahandal comments on the consequences of rains during pruning as follows:

"If it rains after the pruning is done then our work increases. Till the time pruning is not done, we have less work. Now if the pruning is done and it rains, we have to spray



again, sometimes even spray twice. Moreover, the pesticides are costly. But these things are normal so we are used to it."

Wine grape cultivation is considered more lucrative than vegetable or fruit farming. The inputs are cheaper and the market is profitable. Moreover, wine grape farming is far less labour-intensive in comparison to other crops. Majority of the wine grapes in Nashik are produced in collaboration with one company or another.

Farmer Santosh Shelar comments on this as follows:

"Yes, they (Sula) provide help when we face any problem by giving advance payments. Majority of the vineyards in Nashik have contract with some company. Grapes produced individually (without affiliating with a company) have very negligible value in the market. If you want your produce to fetch good sale prices you need to be in a contract with one company or another. Onion farmers went to Thane for the protests, not wine grape farmers. They went for the rates and they weren't from that area as these people don't even need to go to the market. They only sell to the company who have the weighing machine."

The wine grape contract farmers usually employ daily wage labourers to perform tasks like spraying, pruning, etc. Most of the daily wage labourers are recruited from in and around Nashik, while some are recruited from other parts of Maharashtra and Gujarat. According to the farmers, wine grape cultivation is less labour-intensive than table grape farming.

"Unlike table grape farming, labour is not a pressing concern when it comes to wine grape farming. In case of table grape farming, you have to do dipping and thinning and various other tedious tasks. We do not have to do it for these grapes. Wine grape farming is less troublesome." Laxman and Sagar Yadav

"We do not face any problems with the labourers at least in this part of the city. We have 8-9 rooms for them. We accommodate them in 16-17 rooms in the farm with 2-3 labourers in each room." Santosh Shelar

One of the contract farmers, Nithin Kode, claims that the gram panchayat provides no help for their vineyards. However, Sanjay Kahandal played a different tune. The road to the vineyard is constructed by the gram panchayat itself. Additionally, plenty of developmental work goes on in the area. While there is no contact between the farmers and the gram



panchayat, Mr. Kahandal does say that the gram panchayat constructs road till wherever possible. Once the Zilla Parishad has approved a project- say of building a 1 km road- the project is followed through.

Santosh Shelar sheds light on the tonnage and the area used for normal grapes as opposed to wine grapes. In comparison to the 12-13 tons of normal grapes produced in an area, wine grapes only add up to 6-8 tons. However, the cost of labor, as well as pesticides, is lower. For a farmer that owns 10-15 acres, 2 tractors with all families members pitching in are not enough- a minimum of 5 tractors is needed to harvest all the normal grapes the land yields. On the other hand, wine grapes need only one tractor to harvest.

Losses do occur- previously Mr. Shelar's 30 acres had yielded only 20 tons of wine grapes. However, he brushes off this loss saying, "But it is okay, not all years are ours."

Mr. Kahandal comments on the instability of wine grape cultivation. Interest does play an important role in the long run. Those farmers that put in thought into their farming technique do see increased yield. The difference in result between these farmers' lands as opposed to those without proper planning is evident.



Fig. 6 Contract Farmer for Sula Source: Discover India Program (2018)



Name	Land under wine grape cultivation (in acres)	Before wine grape cultivation
Laxman and Sagar Jadhav	-	Tomato, cabbage, brinjal, methi, onion
Sanjay Kahandal	10	Bamboo, wheat, table grapes
Rajendra Kate	35	Table grapes, tomatoes and bell peppers.
Santosh Shelar	20	-
Sanjay Kahandal	10	Vegetables, bamboo, wheat, cauliflower
Rajendra Sonavne	15	Vegetable

Table 3: Contract Farmer Profile

Source: Discover India Program (2018)



CHAPTER 4 WINE TOURISM



CHAPTER 4

Wine Tourism

4.1 Sula Officials

Tushar Nikam, Assistant Manager of Hospitality, claimed that on regular days, Sula holds around 50-200 wine tours and tasting sessions. During long weekends, more than 1000 tours and tasting sessions take place. The tourists come mostly from metropolitan cities like Mumbai, Pune, Delhi, and Bangalore. Around 5-10 percent of Sula's total visitors are from different countries including Japan and the USA. The footfall of Sula in the previous year (financial year 2016-17) was around 3.5 lakhs, with the maximum tourists coming in between October to December until the Sula Fest. Sometimes during long weekends, Sula entertains around 6000 visitors a day.

As Sula gets around 3.5 Lakh people a year, Sula Vineyards has the highest footfall throughout the world. Though regions like Berdov, Bavandi, and Napa have a greater number of tourists, the maximum footfall is experienced by Sula. "Sula even got awarded the Drinks Business Award for promoting wine tourism in India," mentions Tushar, gleaming with pride.

Mr. Nikam believes that Sula is not completely responsible for the tourism in Nashik since people also come for visiting Trimbakeshwar or Panchavati or Phalke Smarak for pilgrimages and tourism. Nikam believes that tourism in Nashik is not Sula-centric.

When Rajiv Samant initially founded the organization, the per person consumption of wine in India was less than 5 ml, whereas today it is around 15 ml. A 10 ml increase in the context of India's population demands a huge production of wine. The major contribution is made by the tour and tasting session. In 2005, Samant felt the need to teach people how to enjoy wine so that it could complement their food, thus making wine "sophisticated". Hence the tasting room was started wherein the tourists were explained how the wine was made, the different styles of making wine, the types of wine and their difference, the correct method for tasting (including seeing, swirling, sniffing and then tasting). Another aspect of this was wine and food pairing, wherein proper cuisines that could be paired up with that specific type of wine was researched on. Sula also introduced sparkling wine and *kanda bhajiya* which got a very good response for public relations (PR).



Nearby hotels like "Gateway" and "Express Inn" also benefit due to Sula's tourism. For example, on some long weekends, Sula entertains 200-300 guests from Gateway itself. Hence Sula plays an important role in improving the economy of Nashik, believes Tushar.

The initial challenges that the organization faced were that wine grapes were new to India and the industry was in its nascent stage. This is still a prevalent issue today. Farmers had reservations that the wine grapes were different from the regular grape, which was an area of concern for them when they had to reproduce their crops in front of Sula. However, in the last 20 years, Sula has not rejected any type of grapes. Year after year, it has built the confidence with the farmers and now more farmers are approaching than their target plantation. The farmers are also provided free technical guidance throughout the year.

4.2 Contract Farmers

The type of tourism in Nashik has changed over the past few years. There was a time when people from all over Maharashtra and India came to Nashik to visit the temples like Trimbakeshwar. However, this is no longer the case. In 2018, a majority of tourism from Pune, Maharashtra and other big cities has been due to Sula Vineyards and their Sula Fest. However, has the tourism completely diverted or has an increase in wine tourism added to the influx of tourists in Nashik? While most contract farmers have claimed that the increased tourism at Sula has not benefited them, Rajendra Kate, a contract farmer believes that the increase in tourism brought about by Sula will soon benefit them as well. The increase in tourism will lead to the hotel business and the agriculture flourishing due to the increase in demand. Sagar and Laxman Yadav believe that tourism is a very important aspect in their life as well and also believe that Sula should start tours of the Vineyards on the outskirts of Nashik as well. If the tourism to Sula stopped, the functioning of the winery may also cease.

4.3 Other Stakeholders

4.3.1 Marketing and outreach strategies to promote tourism

Sula has well-planned strategies for promoting their brand to attract tourism. They try to increase awareness about the company through outreach ideas, a lot of which includes



partnerships with government bodies like Gram Panchayats. In an interview with Mr. Narendra Diwate, we found out that Sula advertises on billboards and other signages, all the way from the beginning of Nashik city to the road to Sula's factory on the outskirts.

4.3.2 Ambiance

Sula tourism also depends heavily on word of mouth, for which Sula makes sure it provides a good ambiance to the tourists. Narendra Diwate claimed,

"Sula has one outlet in Nashik, where they let people come, sit, have a wine tasting session, many more things they have. They also have a grape farm right in front of the seating arrangement which creates a good atmosphere for these guests. That's why people go to Sula and look at the brand through a high standpoint. And then it automatically gets advertised because of the greenery, grape farms around them which they can go into and enjoy their drink side by side. They have made a place to sit on the second floor, from which you can only see greenery, that's why people are so attracted and say "I should go there," "I went to Sula, I had a lot of fun, I was sitting upstairs, I clicked so many good pictures'. They have also kept big bottles which attract people to click pictures with it in a fancy way."

This is a distinguishing factor from other wineries, and is one of the reasons why Sula has been able to successfully establish itself as a brand name.

4.3.3 Sula Fest

One of the greatest trademarks of Sula apart from the wine industries is Sula Fest, where people from all over the world attend this music festival and celebrate with wine and beer, two of Sula's most popular alcoholic beverages. Although Sula claimed that the farmers are invited to the fest, there seems to be a stigma in the laborers and farmers about their entry into Sula fest.

"Generally we, people of Nashik don't go to Sula fest. Rarely people from rich families and all, who can afford these expensive things, they go. Mostly people from Mumbai, Pune, Delhi, and international people, foreigners come to Nashik. That time it gets too rushy", claimed Narendra Diwate.



"The farmers and local people, none of them interfere there. Only the higher class people prefer Sula fest. Because it's already 1000 rupee ticket, plus the other expenses also happen. So local people avoid going there." Clearly, Sula is targeting the upper middle class and upper classes for marketing their brand. Due to stigma on class difference, and due to the expensive ticket, the farmers and daily wage labourers do not actively take part in the fest.

4.3.4 Impact of marketing outreach on tourism

To much success, Sula has been able to attract a lot of tourism and establish itself as a brand in the Indian wine industry. The tourism in Nashik changed its meaning when Sula started attracting tourists in large numbers every day. Narendra Diwate explained how tourism had shifted from a religious perspective to a picnic spot. In the past, the popular tourist destinations included pilgrimage sites Today, Nashik is looked at as a weekend retreat and a picnic spot, where youngsters drink to their joy. Diwate hence believes that the once pilgrimage city has been transformed into a wine capital. He also mentioned that the tourists belong to a younger age group than the older tourists who previously frequented the city.

4.3.5 Impact on local liquor shops

Narendra Diwate, who was also a local liquor shop owner, said "The guests who come from abroad prefer Sula. The local Nashik people prefer other brands. People from Mumbai and all who come after seeing ads, they prefer Sula. And the rate difference also between Sula and others is very much." Sula, he claimed, is more expensive and caters to the needs of international tourists or tourists from the privileged classes of Indian society. However, the local Nashik people, including farmers, did not really opt for Sula, owing to the cost of the wine. This seconds our claim that wine today, has become a status symbol in our society, and is looked at as a "sophisticated" drink meant to be consumed only by the classes higher in the hierarchy of the Indian society.

The shop owners do experience an increase in the sales during Sula fest. "If they (attendants of the fest) don't find wine there, or it gets over, then they come to our shops. Because that time they suffer some stock problems, so people purchase from outside. That time only, sales increase a little."



4.3.6 Impact on Accommodation Facilities

Due to the Sula Fest, Nashik sees herds of people coming in. According to Mr. Diwate, "There's a lot of crowd, hence the lodging charges, from regular charges, it gets doubled. Meaning, the rooms that used to be booked for 3-4k, that become 8-10k. 2-3 days it becomes very crowded. Traffic also increases too much. Some get tourist cars, some get personal cars, so traffic also increases."

Sula fest is organized on the same day as new year's eve, this leads to a rise in the number of people who visit in order to celebrate the end of a year. During this fest, popular deejays and musicians are invited to perform, recreating the same environment one would enjoy in a city like Mumbai. This leads to the resorts and hotels welcoming more people, as well as, increasing the price. The surge in prices results in higher profits for the resort owners. Other than Sula fest, a lot of people come to Nashik as a quiet getaway from the busy cities and the monotonous routines.



CHAPTER 5 RELATIONSHIP BETWEEN SULA AND THE CONTRACT FARMERS



CHAPTER 5

Relationship Between Sula and the Contract Farmers

5.1 Sula Officials

Tushar Nikam, Assistant Manager of Hospitality at Sula, explains that most of the staff of the organization are its farmers, majorly belonging to the two places of Gangaware and Sawargaon. Some farmers have been working with Sula for more than 15 years. Most managers in the viticulture and landscaping department are also farmers. For instance, Mr. Nanashelke looks after the viticulture and farmers engagement with Sula production, whilst also being a farmer. Most of the workers and senior managers were also once farmers. Other than that Sula has 2100 acres of land under plantation, most of which are under contract basis and have been selling their goods to Sula for a number of years, and are being paid well in return due to the increase in demand for raw materials.

Contract farming was introduced in Sula in 2001 by Vinayak Rajaram, Head of Contract Farming at Sula. The organization started contract farming from a 20 acre plot of land in a village called Sangvi, which then started growing. Today, contract farming uses around 1200-1300 acres of cultivable land. Owing to this growth in contract farming by Sula, Nashik district has maximum cultivation by contract farmers.

One of the main challenges faced by the contract farmers is the non-ideal weather of Nashik. Wine grape cultivation requires water, soil and electricity, which is not available in Nashik at the scale that Sula needs. Sula tries to help reduce these challenges by teaching and monitoring the wine grape farmers throughout the process of cultivation. It also provides them with samplings. Depending on how early the contract farmers give the harvest and the quality of the grapes, the company decides the wage and benefits the contract farmer receives.

Vinayak Rajaram also mentions that some residents of nearby villages have their own farm on their own land. Sula hence uses them as its wine grape farmers. The population of a nearby village is 700-800, of which Sula has hired 20-25 people as farmers. This provides them with a steady job, hence ensuring the economic development of individual households and also the village. They are have been taught the relevant skills of spraying and driving tractors.



However, the condition of the wine grape farmers is very different from the wine grape farmers in developed nations. In India, farmers work throughout the year for grape cultivation, since harvesting is done twice a year. Viz-a-viz, in countries like France and California harvesting is done only once a year with a six-month dormant period of no growth. The farmers have to spray pesticides and carry out the cultivation operation according to what Sula demands and instructs. If it rains 15 days before harvesting or if there are hailstone showers, Sula adjusts the harvest deposit date by 10 days, thereby trying to create an inclusive and understanding relationship with the farmers.

There is no committee of all contract farmers of Sula, but there is frequent communication between Sula and the farmers. When asked about the role of contract farmers in the growth of Sula, Vinayak claims that the company has contributed to their economic development because the people who used to plant 10 acres of wine variety now cultivate over 15-20 acres of land. Hence, he believes, that the contract farmers must be profiting and increasing their plantation. The company also increases the rate by 2 percent after every 3-4 years.

Pushkarraj Prafullamali, Assistant Manager in the Contract Farming Department in Vineyard Operations at Sula, explains Sula's growth in contract farming by saying that the responsibilities that come with his job have increased over the years since Sula is increasing at a rapid rate. Sula has established a relationship of trust with the farmers so that it proves beneficial for both the company as well as the farmers, from the time that contract farming began. Every year the company decides on a number of acreages to be planted, and accordingly approaches farmers. The farmers are selected according to the soil type, area and their available resources, and the decision of recruiting farmers is taken solely on agricultural terms.

Some of these terms are landholding and terrio. This is a key part because it has more influence on wine grape quality. Apart from that, the water availability is the biggest concern, hence good available water resources are one of the terms, in addition to the farmers' willingness to do the contract is one of the key considerations in the terms, as explained by Pushkarraj Prafullamali.

For training the farmers, some expertise from outside India is taken. Officials from the global market are invited to train the farmers. Apart from that, the regular visiting staff



also gives them training on their regular visits, on matters like irrigation management, pesticides, and disease management. Whenever newer technologies are introduced in viticulture, Sula keeps the contract farmers updated and conducts seminars and training sessions for them from time to time, free of cost. The field staff visits all the contract growers at the intervals of approximately 15-25 days. Since the wine quality depends on the condition of the grapes and the grapevine health, phase of grapevine growth and so on, the field staff visit each contract farmer at least once a month or more than that to ensure the quality of grapes remains up to mark.

The use of pesticides and artificial chemicals is minimal for wine grape cultivation. The farmers are also encouraged to take necessary precautions such as wearing masks while spraying the crops, since they can be hazardous for their health. However, safety equipment is not provided.

The farmers maintain a good relationship amongst themselves despite not having a proper functioning committee. The officials of Sula visit the farmers on a regular basis in order to understand how they are doing, and then take them to their fellow farmers' vineyards. This promotes healthy competition between the farmers and motivates them to do better.

Pushkaraj Prafullamali, assistant manager in the contract farming department in vineyard operations at Sula, believes that one of the biggest roles are played by the farmers since the whole manufacturing process depends on the quality of the grapes that the farmers produce. The farmers are treated as part of the Sula family and in the growing season, a daily contact goes to the field to check the status on the growth, pest and disease levels, etc. This is the time when the farmers share all their problems with the company and hence, the bond is stronger. If pesticides cannot be ordered in time, then Sula gives them resources, alternative solutions so that the cultivation process is not hindered.

With the available forecast, the farmers are told in advance about any difficult weather conditions approaching. Accordingly, spraying or inter-cultural activities or management practices are implemented. There are set rates for the grape farmers as a starting value. The rates have then differed on the basis of the sugar level in the grapes. Higher levels of sugar in the grapes call for higher rates, and the rates of grapes are decided as per the industry standards. No incentives are given to the farmers, but they are offered certain



benefited since they have been associated with Sula for a long period of time. Old farmers are generally preferred for new plantations since they have more experience and knowledge. This, however, doesn't imply that the new farmers are completely ignored.

Prafullamali empathises with the farmers' conditions and views on wages by saying that:

"The farmers [sic] actually gamble all the money that he has into a crop, which he doesn't know how much he's going to earn from. I cannot actually express. He puts whatever he has at home and expects that at least he will get whatever he put in. Not benefits but at least the initial amount that he has invested."

He says that Sula has an agreement with the farmers where he is required to produce *x* kgs of grapes for a certain price, it will be purchased at a particular rate. He hence knows the rate, how much he can invest in the crop and how much is his profit ratio.

He believes that:

"Contract farming is the unique part here and this kind of a model should be used, not only in the wine grape industry but other places too, because it gives farmers good chance to make sound money, and a technical guidance too because we make ourselves available for them, they can call us anytime, share their problems and we will provide them with a solution".

He hence emphasizes the relationship that Sula has built with the farmers.

5.2 Contract Farmers

5.2.1 Contact between Sula and the Farmers

Sula sends a viticulture official or doctor to every contract farmer regularly in order to assist them with the production. One person is assigned to every 200 acres of land. He recommends pesticides and steps that should be taken in case of untimely rains. They also advise which variety of grapes would be suitable for which farm after inspection of the soil. Every farmer we interviewed mentioned a different frequency of visits by the doctor. One said he comes once or twice a month and the other mentioned once or twice a week. One of the farmers, Laxman Jadhav also mentioned how the frequency of these visits depends on the season. After harvesting, their visits increase and before that, they do not come a lot. He also



mentioned how accessible they are on phone and can show up if requested by the farmer. What the doctor says has to be done as it is part of the agreement with Sula. Santosh Shelar, who owns 20 acres of land and has been with Sula for 22 years said "... they will tell about the varieties, we do not have anything in our hand. We only have to grow the grapes and give it to them."

Some farmers were satisfied with Sula's technical guidance and their relationship with the doctor was good. They did not face any problem with the viticulture group. In fact, one of the farmers, Sanjay Kahandal, appreciated the sharing of farming knowledge encouraged by Sula. He said that Sula's guidance had helped him, even though his family has been doing farming for a long time, and that the doctor communicates properly.

Some of the farmers we interviewed are upset that their contact with Sula has been reduced to that with the viticulture group. Even the contact with the viticulture officials is strictly advisory and formal and they actually have no use for farmers who have been farming for a long time and who are now aware and hold expertise in the occupation. One of the contract farmers we interviewed, Nitin Khode, who is the owner of 27 acres of land and has been with Sula for the past 8 years, had not found this intervention beneficial and said, "Training means we give them training, what training will they give us, we know more than they know. The person who is on the field always has more experience."

Till around 4-5 years ago, Sula had periodic meetings with all the farmers. This not only helped farmers establish conversation among each other, but also helped Sula understand their common problems and complaints better. This meeting used to happen once in a year and farmers used to gather together and even try to solve each other's problems. In these events, there were also awards for farmers who made the best yield that year. Now, farmers have no contact with each other and they cannot unite or unionize against the company. All the farmers have different takes on whether Sula discourages such meetings or the farmers themselves do not unite. According to Sanjay Kahandal, it will be a logistical problem for Sula to handle the exponentially increased questions of the farmers if they unite, since the number of questions posed will only increase with an increase in the number of farmers. He also feels that there is no point making a committee of 500 farmers who will all have different mindsets and perspectives. Rajendra Kate, one of the contract farmers, also said that it not difficult for the farmers to contact each other. He recounted contacting the



viticulture official and asking him for contact details of other farmers who are in agreement with Sula. He even visited one of them a few days before the interview. According to Rajendra Kate and Laxman Jadhav, one of the contract farmers, Sula stopped conducting these events because of incidents with some of the non- contract farmers getting inebriated and creating a ruckus. He says:

"The thing is, the company used to hold a meeting yearly which they haven't been taking since 4-5 years. That's the reason the farmers are upset, because they don't call us or don't keep contact with us. I can go and meet any other Sula contract farmer but, earlier they used to hold a program which they don't anymore. What happened is, they used to serve alcohol to the farmers and sometimes farmers would drink too much. That the reason they stopped having programs."



Fig. 7 Vineyards owned by Contract Farmers Source: Discover India Program (2018)



5.2.2 Payments by Sula

The one significant advantage that contract farming offers is stability for the farmers against the volatility of market prices and threats of climate. However, Sula does not offer any protection to farmers if the rains are unfavourable. Even though Sula may give advances when farmers are incurring losses, they cut that out of future payments. The advances only cover the cost of raw material. This happens even in climatic contingencies. The damages have to be borne by farmers. Sanjay Kahandal says:

"They don't help anyway in such situations (off-season rains). They only look at the grape and pay according to the quantity. No matter how many ever problems we go through, they (Sula) don't get involved with it. The less kota/ quantity we supply; the less money we get. That's why we try to complete the kota. If we supply less quantity, they (Sula) won't suffer but we will have to bear the loss."

In fact, farmers believe that they are solely responsible for what happens to their farms, so, they do not mind Sula's detachment. If there are damages, they bear them and if there are benefits, they reap them. The farmers we interviewed were, in that sense, righteously against subsidies provided by corporates. One of the farmers also defended Sula by claiming that the company, too, has a lot of work during times like these. Rajendra Kate says, "It is a company after all. They have dues that they have to give us in 15 days or a month sometimes, it takes 2 months to come. Even we should adjust sometimes."

There is some disagreement among the farmers about the timeliness of payments. They appreciate the payments that happen even when they are delayed. For them, the point is that they get money. According to one farmer, Sula offers an increment on the payment after every three years. But, the expenses rise every year without fail and this becomes a point of dissatisfaction for the farmers. One of the farmers, Laxman Jadhav, also mentioned a specific price policy of Sula which has upset his production process, "They have a concept, if we do the cutting in August, we will get 9 rupees extra. If we do the cutting in the first week of September we will get so and so amount extra. This process is called pruning. We (farmers) feel that instead of this, they (Sula) should give us this price and we will give them good grapes." Because of this policy, he sold 200 tonnes of grapes instead of 300 tonnes last year.



They also want the rates to increase and be based on quality and not just quantity because all the farmers, whether they give a good yield or not, are offered the same payment by the company. Considering the rate at which Sula is growing and inflation, the incremental increase in percentage after every 3 years is very low is not sufficient. This is what Sanjay Kahandal has to say: "They should pay attention towards farmers. They do actually pay attention towards us, but they should do give attention to the rates." Nevertheless, they do not mind the price being low than the market price of table grapes as the cost is also lower compared to the other markets. The farmers still very much appreciate the fixed and stable nature of the payments and call Sula the game-changer in contract farming in Nashik.

5.2.3 Absence of Competition

All the interviewed farmers unanimously claimed an absence of choice or competition in the market against Sula. Some of them also had contracts with others like York and Soma before but dropped out of it because of tardiness in payments and treatment. They blamed it on their small scale of business compared to Sula's international reach. This was a significant point emphasised on by all the farmers we met, either proudly or sullenly.

This was especially mentioned after conversations about what Sula does *not* do for farmers. They raised many complaints but always ended with their lack of choice in the case. As mentioned in the literature review, one of the important conditions for contract farming is the monopoly of the buyer. Monopsony is the kind of market which evolves when there are many sellers but only one buyer and no reasonable alternatives. This is to prevent farmers from selling their produce to the other wineries. So, the presence of 60 or 70 wineries in Nashik is not of any material significance if they are not reasonable alternatives to Sula. This makes it very easy for Sula to exploit the farmers since they have the most bargaining power.

Sula has also taken over companies that crush the grapes. By infiltrating the ancillary industries like this, Sula is monopolizing the entire value chain as well. Even table grape farming is not an option because of the volatility in the climate as well as prices. There was even a march of 30,000 farmers from Nashik to Thane in March 2018, where farmers demanded loan waivers. Every year, around 100 farmers commit suicide in Nashik, majorly due to debt traps and unfavorable climate conditions. In such an environment, contract



farming is the best bargain many of these farmers have, as it offers them something to fall back on in times of trial.

At the same time, Sula is not really beneficial to the farmers who have small tracts of land, as their maintenance cost bypasses the benefit. It only works when the farmers have economies of scale. Hence, automatically the richer, land-owning class reaps the benefits of the stability offered by corporates like Sula. The landless or small farmers do not have any part in whatever development Sula is doing. Even the new farmers have to face a lot of instability in the first few years. One of the interviewed farmers, Sanjay Kahandal, who has been growing grapes since 2003, said, "You have to plant these tree then wait for 2 years then it all depends on the climate. If the climate is right then the yield is good, if it's not good then 3 years just go waste." Such considerations and other complaints the farmers have are going unheard because of the unreasonable amount of power Sula has in this equation.

A few farmers also mentioned Sula's strengths as reasons for maintaining a relationship with it. Mr. Kahandal also mentioned how Sula has encouraged and supported him in the growth of his own local winery. According to him, Sula is revolutionary as it brought technology and structure to the wine industry and has now expanded the world of the farmers by processing their grapes and selling the wine worldwide.

Provided that this may be the case and Sula may actually be not explicitly exploitative towards its contract farmers, the simple absence of any alternative may be considered inherently oppressive (Singh & Asokan, 2005). Farmers are rendered helpless as any other occupation, product or company does not really exist. Contracts cannot be signed between two unequal entities. This could have been compared by some to something like slave labour if not for the ownership of the farms were still in the name of the farmers. Sanjay Kahandal mentions a similar sentiment when he says:

"I feel Sula is the best but, I feel there can be a better company than Sula for the farmers. Sula has a very big share in the market. There was a company in Narayangaon, that lost its market share and the other companies around have a lot of difficulty in development because they have to take a lot of government permissions. That is why other companies should also come here. Sula as a company is fine but, the government should think about helping other companies develop."



CHAPTER 6 CONCLUSION



Chapter 6

Conclusion

6.1 Inferences

Through our research, we have inferred the following:

Wine tourism in Nashik has had no direct impact on the contract farmers. Even though Sula has been trying to encourage wine tourism and create a market for wine consumption in India, the contract farmers have not been a part of this process. Unlike other New World countries, vineyard tourism is not a part of Sula's wine tourism. It involves only winery tourism where the process of making wine is explained. One of the farmers, who prefers to be anonymous, had said that Sula has fake vineyards as showpieces at its entrance to provide the semblance of nature and agricultural greenery. The tourist activities do not involve any engagement with the vineyards where the wine grapes are produced. Even the contract farmers are detached from the tourist activities and hence, have not seen any personal or economic growth due to the booming tourism.

There were subtle differences in the narratives of the Sula officials and contract farmers and the latter interviewees unanimously expressed their want for better and more reasonable prices. Sula officials were convinced of their enthusiastic initiation of training and other financial assistance to the farmers, but the ones we interviewed were not as excited about the training and some even said that it failed to help them at all. Even the financial assistance provided by Sula during slack seasons were advances which were cut later from their payments. The rhetoric of equitable payments to all was also broken down as the farmers expressed dissatisfaction because of it. They said that this policy was not fair to farmers who produced good yields constantly and even complained against the quota system and other such arbitrary policies which restrict the farmer from experiencing mutual growth. Despite the strong commitment of all the farmers to Sula, their complaints have not been addressed because of the massive bargaining power Sula holds in Nashik.

All contract farmers as well as Sula officials held a reverence for the brand of Sula and the impact it has had on Nashik's economy. The choicelessness of farmers and absence of competition or monopoly of Sula over the wine production in Nashik was visible in this admiration and worship.



6.2 Learnings

The case study of Sula has confirmed the qualms and critiques of academics and activists regarding contract farming. The farmers of Nashik are in a vulnerable state, especially now, when the number of farmer suicides in the district is increasing every day. These suicides are results of debt traps, zero protection from the state combined with unfavorable climatic conditions which have led to bad yields. Sula has taken advantage of the volatility of their occupation by offering them the one luxury they desire: stability of income. Mutuality cannot exist in a contract between two unequal entities. Sula clearly has much more bargaining power than the contract farmers. The latter cannot even resist the low rates and constant intervention because they are not mobilized. They do not meet each other and the one event where they did meet has not been organized for the past 4 to 5 years. During our interviews, we saw the farmers opening up only when we told them about the narratives of other interviewees. They did not know that they had many common experiences among them due to this lack of contact. This lack of solidarity has alienated them not only from each other but also from the process of wine tourism.

All the growth Sula sees, either due to the premium pricing or tourism revenue, does not trickle down to the farmers except through an incremental increase of 3 percent every 3 years. Since Sula is not a listed company, an annual report or financial statement analysis could not be done to further prove the premium profitability of Sula and its capacity to pay sufficient amount of payments to its contract farmers. The farmers' inability to resist is a result of the toxic monopsony and lack of farmer solidarity. Instead, farmers righteously accept the burden of climate woes as an occupational hazard. Not only this, the hesitance of the officials in handing over the contact details of farmers itself revealed gaps in their rhetoric.

As researchers, we were even asked to be unethical and use "dummy farmers" which was truly appalling. Not only this, they "amiably" warned us about the complaints farmers might have because of apparently the bad climatic conditions for a few months. Such comments by the Sula officials further reveal their conscious complicity in keeping the farmers at the threshold of development and giving them just enough of it. With a bloody



history rooted in plantation slavery and exemplified in colonialist applications, its past has also not been flowery. This relates very well to the fact that most of the top wine-producing countries were previously colonies like South Africa, Chile, and Argentina. India itself has seen the dark ways in which contract farming has played out in parts of Bihar and Uttar Pradesh where poppy seeds and indigo were made to grow instead of food crops. Despite this history and present, the future does not look promising as more and more countries' agricultural policies are encouraging, initiating and funding contract farming models.

6.3 Limitations

"Research is what I am doing when I do not know what I am doing."

- Wernher von Braun

There is obviously an immense scope for further research. The central concern is that we got the contact details of the contract farmers from Sula itself instead of an independent or unbiased source. It will not be surprising if the company has given the details of a certain category of satisfied and complacent farmers. In spite of that filter, we were informed about the complaints of the farmers against Sula so it would be interesting to see what other farmers have to say, especially those who have small areas of land and have joined recently. Snowball sampling is the methodological tool that needs to be used more liberally in further research. Since our field research was conducted over only 5 days, research involving more participant observation, where, perhaps, the viticulture doctor visits to the farms can be monitored, will contribute to a better understanding of the relationship between Sula and the contract farmers through more extensive studies in the future. Even the mandatory documentary called for video footage requirements which further restricted the intensity of conversations with contract farming.

Another set of stakeholders which we were not able to contact were the daily wage labourers who work in Sula's vineyards in Dindori. Since Dindori has seen many farmer suicides recently, it is very important to understand the reasons landless farmers occupationally migrate to daily wage labor. Sula's non-cooperation in the name of company guidelines became an obstacle in the interviews scheduled with the laborers. Thus, a wider range of stakeholders needs to be covered and understood, which we failed in doing due to time and bureaucratic constraints. Qualitative sociological research involving oral histories



and lived experiences are specifically required to understand the nature of various relations between different stakeholders. The urgency cannot be emphasized enough, considering the levels at which contract farming is gaining fame in different countries.



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Image Attributions

Grape Vine:

https://ubisafe.org/explore/grape-drawing-wine/#gal_post_7271_grape-drawing-wine-4.png

Map of Nashik:

Maximilian Dörrbecker (Chumwa) [GFDL (http://www.gnu.org/copyleft/fdl.html) or CC BY-SA 3.0 (https://creativecommons.org/licenses/by-sa/3.0)], via Wikimedia Commons

Wine Glass::

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Appendix

Transcripts

Interview with Laxman and Sagar Yadav

FROM - 00 to 22:00 min

- J- Juhi
- F- Farmer 1 Laxman Jadhav
- F2 Sagar Jadhav
- F- My name is Sagar Laxman Jadhav, I'm a resident of Pimple gaon
- (A few lines in marathi I couldn't understand)
- J- What did you use to do before shetkari (contract farming) what did your family do?
- F- My father's family background is in farming only. He did post-graduation and after that he did B Ed. and joined a school as a teacher. My mother's family background is in farming as well. My whole family is involved in farming.
- I myself am an Engineer and I work at the site and the rest of the time I work at the farm, in the morning and evening.
- J What farming did you do? What crop did you use to grow?
- F Before it used to be tomato, cabbage and flower also brinjal, dhaniya and methi. There was onion as well previously.
- J- So, from where did you get the idea of cultivating grapes? You were the first one to enter into a contract?
- F- See, technically there are four villages in total nearby. 1st is pateri gaon, in the middle tarigaon, pimple gaon, ahead of it vadvit gaon. Each village is at the same distance from each other. Each village is in a distance of 2-2 kilometres.

In this village, we are the only ones that have a vineyard in this area in these four villages. You'll find all grape here. In the front as well as back you'll find grape cultivation.

- J- Table grape
- F- Tausan, and other grape varieties. You'll find them here.
- J- It's all yours.
- F- Yes
- J- From where did you get to know about Sula?



- F Actually, there was a manager in Sula, initially named Pradip Paanch Patil, who was a college friend and roommate of my father. He gave us the idea and from there only in 2003 we started.
- J- How many people/workers work in your farm?
- F- Over here, 2 people work currently.
- J- Does your family help you in farming?
- F No, no one is here during the day. My father goes around 10 and come back around 6/7. My mother goes around 7 in the morning and comes back at 1 in the afternoon. Nothing other than this. Me and the two workers work here.
- J What problems have you faced while working as a contract farmer or what risks you have faced while working?
- F The first and the main risk is rains. It comes and goes whenever it wants. Even now you can see how is the climate now. If you had come an hour before you would have thought it would rain heavily and now it's not. This is the main problem. And also, labour problem at times.
- J What labour problem?
- F I can't find labourers/workers at times. For example, now we have to remove the fail foot after 10 days. The workers come from where. Peat surgana and some from Gujarat side, from boundary side, Maharashtra and Gujarat boundary. If they have a son then they go back. If it's time for harvesting rice, they go back to their homes. This causes a bit of trouble.
- J Whole year round do you work at the grape Field or do you do some other work during off season?
- F No, I just work at the grape field. I also cultivate tomatoes and rice in a small plot of land.
- J- Whatever risks you face; what role does Sula play in protecting and reducing the risks.
- F- They protect us a lot. The more they protect us the better it will be in the long run. And they also help us. If there's any problem, they say we'll solve it. Then it works.
- J How many times does the field officer come?
- F Field officer comes after 10 days of harvesting. We perform cutting. This field grape was cut on 22nd September. So, Field officer starts coming by then. He also comes before that but before harvesting they visit us less. Sometimes after 15 days or 20 days. But when proper



harvesting period of grape start they come and check every 10 days. After that If we feel that we are facing any problems we can call them up.

- J- When there is a bad harvest in any season, what does Sula do?
- F- Nothing. They protect us. They give us payment on the number of grapes we've sent them. The rest they adjust in the future. The contract is based on tonnage basis. Our payment is based on the tonne of grapes we send to them. They will help you if you want any help in between. If you say them, they will help you. They don't leave us on our own, that's not the case. They protect us.
- J- What is the rate at which you sell it to them? Has the rate increased in recent years? If it has increased, then is it beneficial?
- F- When we started initially the rate was 30 Rs, in between there was a period when there was recession, the rate fell. It fell up to 22 Rs after that it increased and now it is 50 Rs. It might increase, by next year it must increase I feel.
- J- In the past few years Sula, Company has profited a lot, in tourism as well. Do you feel that you have benefited due to that increase in terms of rate or field?
- F- According to the quality, the rate is decided for the next year.
- J- Let's assume your quality of grape is very great and there's another contract farmer whose quality isn't that great. Is there any difference in payment?
- F- No, the payment rate is same for both of us.
- J The increment which happens, it happens in a period of how many years?
- F In the past four years it has increased in a period of two years. This year it didn't increase but I feel next year it will.
- J The tourism has increased in this area. What is its effect in your life? There are so many people who come to Nashik and stay in Sula as well. How has it affected you?
- F Actually whatever the agreement is, it is depended on tourism. If tourism stopped, this would also stop. If tourism stopped then the winery will also be stopped.
- J so tourism is important aspect
- F yes.
- F2 Actually, this is depended on Sula. For example, when we go to a foreign land to see a vineyard they charge us a specific amount of money. The same way even Sula should do. All the farmers vineyards under Sula, they should charge fees for tourists to visit. When I went



there to see the vineyard, they took payment from us two days before only. Something like that should happen.

- J- Tourists should pay before they come to visit vineyard? Even now..... (muffled voices)
- J- He's your father.
- F2 Yes, he's my son
- J- Even you would have seen, whatever your journey with Sula has been so far, you are from the previous generation.

Muffled voices.

Henil - Change the angle

Juhi - Due to light

Manya - Can you introduce yourself once.

F2 - My name is laxman Sakharam Jadhav. I'm a resident of pimple gaon, Nashik. I'm associated with Sula since 2004. When Sula was opened in 2000, since then we know each other. Paanch Patil Saab, who was a manager in Sula previously, he was my classmate we studied together. It's because of him, I got associated with Sula. About Sula, whatever I say is less because in farming they brought a revolution in Nashik. Due to them, the table grape farmers of Nashik who were depended on it, they choose a different path of wine, market was very high. For example, a normal human being won't come under it. Still, whatever market there was Sula has captured it in a brilliant way. Their wine is exported in many countries. Wherever you go, in whichever country you go if you take Sula's name the atmosphere changes. And that I've experienced. Many foreigners who come they first of all ask when is Sula? About this farming.... About rate we have being saying them for 4-5 years as the rate of pesticides and fertilizers have increased a lot. According to that level, the rate of grape is not increasing. Everything is manual. As it is manual, a worker's hard work of the whole day and the payment that we make to them has increased. when in 2004 I cultivated grapes, I used to pay 50rs to a worker. Now we're giving 200 Rs but still we are unable to find workers. We have just one demand. We even talked to the government. We made a committee for it, we talked to them. They said We'll give subsidy to the company and that subsidy will benefit you farmers. But even now, no subsidy is given to the company. we also haven't benefited. Today we sell grapes at 40 or 50 Rs but the rate of grapes should be 60 or 70. Only then they will be a balance. But today our whole money is spent on winners who work in the field. We pay



them. This has created a problem for the farmers. We are working on "Vazandaari in kheti". What we say, kutumbh, there should be growth, there should be quality of life that is not happening. We are working and making it but there's not that much profit for us. We should get profit. This is our demand. They should increase the rate for us as all the raw materials cost has increased due to which even Grapes rate should increase. Even wine cost should also increase because no one is going towards wine. No one is taking the risk but we have taken it, we work hard. Whatever we can and should do we do, even the quality which you were talking about, we make A grade quality of grapes. We do the benefit of that. Our grape plant has given us good harvest every year since 2004. We never failed because the maintenance that we do, we do it proper. Whatever the plant needs we give it that and every year we make A grade grapes whose quality is the best among others. Weight is also good. We don't let any effect/disease of climate harm our harvest. My elder kid, he has been looking after the farm for 3 years. I used to take care of it previously and we produce great quality every year. If you all can help and make our voices heard in the top management of the organisation, then we would like to just say that the amount of hard work that a farmer does in the field, the benefit/profit of it we don't get. If you can make this message heard in Sula, if you can convince them we will be forever thankful to you all.

Juhi - It will be our good luck if we're able to do it.

- F2 It's required someone has to do it.
- F Everyone should get what they deserve. All the farmers that work even in table grapes, the profit is not that much as compared to them.
- F There is a limit in wine, 1 acre can produce 6 to 7 tonnes of grapes which is really less. If we do table grape we can go up to 15 tonnes per acre.
- J According to you who's fault is it that the rate you get is so low?
- F2- Government. Government is not making it open market.
- F If the government puts it under open market then the rate will increase a lot.
- F2 If you look at wine what would you say, wine meaning alcohol. This thought should change.
- F Wine is not alcohol. If you look at it, it won't come under alcohol.
- F2- In foreign countries, the way you drink tea, the same way they drink wine.
- F A 5-month-old kid drinks wine over there because it's good for health.



J - What does Sula do with respect to the Government.

Henil- Juhi Juhi juhi...

Muffled voices. Set up being done.

F2 - Are you making a project

All in unison – Yes

Interviewer: Juhi Jotwani

Interviewees: The Jadhav's (Father and Son)

Transcribed by Tanisha Jain

22:10-22:30

Juhi (interviewer): Sula has had so much success. I mean.. in a way Sula has shared the entire market and they get so much for tourism as well so what can Sula do on their part.. Sula is such a big corporate so do you think they have a hand in increasing the rates?

22:30-22:50

Juhi: Actually we have spoken to them as well we went to Sula (Vineyards) yesterday and we interviewed them after getting permission (from them).. according to them they are doing a really good job and they do not believe there are any problems and have stated something else with regard to the rates.... the farmers should be receiving the benefits of that what are your thoughts on that? (something about the govt having it already but what about sula??)

Interviewee: So we have already stated that there is a limit - in one acre 6/7 tonnes - so if we make good quality (of grapes)...

22:50-23:10

Jadhav (father): So if the quality is good.. Then for the produce (son interjections to say grapes) Sula or we make we need the full payment and there's where there is an issue... they do not pay us for the extra...

Jadhav (son): So last year if you see our total produce...

23:10-23:30

Jadhav (son): we had to give them 27 tonnes. (father says 28). We have an agreement of 28 tonnes. 28 for the entire plant (farm?). So they pay us for the full 28 tonnes. Last year we had 35 tonnes of produce.

23:30-23:50



Jadhav (son): So if you calculate the extra (2+5) it is 7 tonnes.. They should have paid us for the extra 7 tonnes. It's okay to not us the full amount but they should pay us at least 75 percent of the rate (that has agreed upon for the 28 tonnes of produce)

23:50-24:10

Jadhav (son): but instead they pay/paid only 30-40 percent which is too much of a loss for us Jadhav (father): We have had to spend the full cost of growing the produce right. They are of good quality as well it's not like we lack in quality and the level of sugar (son says sugar) is also maintained.

24:10-24:30

Jadhav (father): We don't get paid (enough)

Jadhav (son): Yes we receive less and then we wonder what was the point of working so hard Jadhav (father): and we can't really tell / do not now what Sula's margin in is and how much profit they receive.. but in farming.. Whatever change is happening in the market

24:30-24:50

Jadhav (father): The rate changes that are happening in the market... they should compare (and match) their rates with that and increase the rates for us.. but they increase their rates once every 4-5 years..which is not right

24:50-25:10

Jadhav (son): If your see the weather now you can see that it has not rained in the past two months in Maharashtra and even the country..

25:10-25:30

Jadhav (son): If you go from Nashik to Sinnar the situation is such that

Jadhav (father): There is no water to drink

Jadhav (son): There is no water to drink but also but whatever wine plots are there or table grapes are grown

Jadhav (son): Since last month they have not had enough water for the crops as well

Jadhav (father): They have to buy water

Jadhav (son) ((simultaneously)): They have to buy water for the crops.

Jadhav (son) That extra cost is their own loss.

Jadhav (father)(simultaneously)): Their losses increase

25:30-25:50:

Jadhav (son): Their expenses... their expenses are increasing

Jadhav (father) (simultaneously): Their expenses are increasing

Jadhav (father): From next month they will have to get those tanker and water the crops (son says water the crops as well -.-)



Juhi: In such a scenario where the issue is the weather and the farmers can not do anything what do you think Sula should do...

25.50-26-10.

Juhi: ..to help the farmers in this situation because if the farmers are going in a loss directly or indirectly it will affect Sula

Jadhav (son): Sula also faces losses in these situations. If you consider the Sinnar area I think the grape plant(s) they have there.... I think they have the most over there

26:10-26:30

Jadhav (son): They have majority of their plants in the Sinnar area. At least 50-60 percent of their contracted farms are there - which is more than they have here in Nashi or in Dindori. Majority of their contracted farms are there.

26:30-26:50

Jadhav (son): So they incur losses there. If 50 percent of their produce is coming from there then they will only have face the losses.

Juhi: So who has to face the losses?

Jadhav (son): The farmers. Ultimately its them.

26:50-27:10

Jadhav (son): There is nothing anyone can do about the weather- not the farmers not the government not even the company. The climate is what it is.

Jadhav(father): i just want to say that if the government paid more attention and gave subsidies...

27:10-27:30

Jadhav (father & son): ...it would benefit the companies as well as the farmers. The government always claims we will get subsidies next year. We even met the Chief Minister two/three times

27:30-27:50

Jadhav (son): He said that x amount has been approved and such but none of it seems to reach us.

Jadhav (father): it is all just shown on paper

27:50-28:10

Jadhav (son): Something needs to happen... What do we call it? *kranti*... an uprising/revolution needs to come about. Now if you consider the expenses of cultivating...

28:10 -28:30



Jadhav (son): Or the overall expenses for a farmer for a year... that is not matching up to our revenue

Jadhav (father): The expense-revenue calculation is not evening out

Juhi: Many farmers say that Sula can do something.. What Sula can do is.. Its true that their troubles are not the same as that of the farmers

28:30-28:50

Juhi: We were told that a product that can be sold at 50 rupees is being sold at 1000 which is well business and profits... so the loss that the farmers face... some of them were blaming Sula for it and not the government because..

28:50-29:10

Juhi: ..Sula is the one that is profiting.. (Jadhav uses the word "work" when Juhi speaks of profit) So who according to you is to blame?

29:10-29:30

Jadhav (father): You can not directly blame Sula for that. They have guided us so much. Today we are standing here in front of you and even for that we have to thank Sula. With table grapes we could not have earned so much. There are immense difficulties in the table grape market.

29:30-29:50

Jadhav (father): Today if a vendor disappears (runs away) then the farmer gets set back by 20 years.. We are lucky in that way...

29:50-30:10

Jadhav (father): Our payments are timely. Yes we get a few rupees less (rate wise).. If you see the table grape farmers they take more money than we do but are payment is sure.

30:10-30:30

Jadhav (father): Our produce is guaranteed to sell. We do not have to rely on the market and/or the vendors.. And Sula and us share a bond now

30:30-30:50

Jadhav (father): No one can take their place in the market. The quality they maintain and the market value that they have established is extremely good and it is because of them that we earn. We do get less money but we are happy and..

30:50-31:10



Jadhav (father): Being happy is all a man can hope for. And if we ever manage to save some money we use it for our house so we would just lie to request that....

31:10-31:30

Jadhav (father): They increase the rates a bit.

(static/crumpling noises till 31:30)

31:30-31:50

Juhi: Have you considered/tried working with any of the other wineries? If not was there any reason for it? Adds: because there so many other wineries in the area

Jadhav (father): We are founding members at Sula. The payment Sula has made...

31:50-32:10

Jadhav (father): There were problems in the market once but we did not leave Sula and they did not leave us. For two years from 2007-2009 there was a *jagtik mandi* that time and Sula's position was very bad but

32:10-32:30

Jadhav (father): they gave us... (trying to recollect the word)

Jadhav (support): Support

Jadhav (father): Reassurance. And even we gave them support too...

32:30-32:50

Jadhav (father): They told us that they intend on paying us every rupee that is owed but we had to wait and we showed them our support by not asking for our money - all the farmers waited till their position in the market improved.

32:50-33:10

Jadhav (father): When they were in a better position they paid the money they owed for the two years to every farmer - the rates were reduced by a few rupees but

33:10-33:30

Jadhav (father) We received a lot of offers then and receive them even now. Whenever the harvest is ready we get offers from various wineries but we turn them down - we tell them that this year you might increase the rates by 5 rupees or so but what about the years that follow?

33:30-33:50

Jadhav (father): What is the guarantee for the next year whether they even want our produce or not...but with Sula we have a that guarantee Even if there's a problem they buy our



produce and even if the market is down they buy our produce - we can understand the payment being a little less in that case.

33:50-34:10

Jadhav (father): Farmers understand that we take risks anyway and wait for their payments but to this day Sula has never stopped any payments or delayed them. If a farmer really needs the money...

34:10-34:30

Jadhav (father): If there is a problem at home or their is a marriage or a medical problem then we just have to submit a form (RG) and within four days they give us the money. Once the produce is sent to them...

34:30-34:50

Jadhav (father): ...they cut the amount from our payment. Sula and us have become a *kutumb* (family) and we are a part of that *kutumb* so we can not just leave.

34:50-35:10

Jadhav (father): The guidance we need in terms of tools and skills... their people come here and come teach us - about pesticides and such.. If we are receiving so much guidance why would we leave?

35:10

Juhi: So does every farmer face this rate issue?

Jadhav (father): Yes, every farmer

Juhi: If every farmer is facing this issue and request for a increase in rate, and Sula can do it, then if a committee of farmers is created, together, what do you think about it? Why has it not happened yet? What is reason for it?

35:30

Jadhav (father): We had created a committee 4-5 years ago, with 10-12 workers, and we met with the Sula Wine owner Rajeev Samant.

35:50

He said that now if we take a higher rate and he faces a problem in the market, and he does not buy their produce, then we will be in trouble and so will he.

36:10

He said that as soon as they make profits, we will receive payment. Since he said that,...

36:30



...we thought that in a big market like Sula if he did not buy our produce, because of our demand for an increase in rate, then what will we do with the produce. This produce cannot be used in our food.

36:50

That is the reason we are scared. If we strike against Sula, or do anything against them,...

37:10

...then they will not buy our produce. So we farmers think let it be, if not this year then maybe next year they will give.

Juhi: Can it be said it apart from Sula you have no other option?

37:30

Jadhav (father): Directly, we cannot say that, because in the market there are 10-12 other companies in Nashik, and they come to buy our produce every year.

37:50

But we cannot leave Sula, because even in our bad times they have supported us, we supported them in our bad times and they did us.

38:10

So why would we sabotage our constant income? Yes, we get less money, but we guaranteed get the money. If we leave Sula, whichever company we have seen in the market in Nashik,...

38:30

...have not paid their farmers for 2 years. (Jadhav 2 says simultaneously). The oher companies...

Jadhav (son): companies owned by others

Jadhav (father):...are nothing like Sula. Sula pays us within 2-3 months. Not being paid for two years, and increasing pay by 5 rupees, we end up in the same situation.

Static/crumpling noises from 38:50-39-25

39:25

Juhi: Like there is a Sula fest held for whole day, is there any event for the farmers? Like you mentioned there is Kutumbh, so is there any event like it? Or do you get discounts at the Sula fest? What other things do you get from Sula apart from farming?

39:45

Since you have been with the company for so long.

Jadhav (father): Sula at first, for the farmers,...



Jadhav (son): would take a yearly meeting, like a get-together (jadhav 1 says simultaneously), once in a year

40.05

Jadhav (father): ...twice in a year (jadhav 2 says simultaneously). So a first they set it up well, they used to host lectures, and have food and wine.

Jadhav (son): gardens, whatever else there is

40:25

Jadhav (father): But they has issues, like i could take four people with me

Jadhav (son): they had not kept passes, that only farmers can go in, it was not like that. They thought that only farmers would go to attend

40:45

Jadhav (son): But people started taking more people with them. So the number of people increased.

41:05

Jadhav (son): For me, when i went to these things I know I am a farmer and I know how to behave, but the others were not like that. They would say or do anything. That created issues. But it was nice, what they arranged, the lectures, they were good for work.

41:25

Jadhav (son): The additional non farmers coming would create issues.

Jadhav (father): From 2010,2011,2012 the meetings did not happen.

Jadhav (son): Then Sula stopped it completely. (Jadhav 1 says simultaneously)

Jadhav (father): But they should continue hosting it (Jadhav 1 says simultaneously), we hope and wait for it, they should start it again.

41:45

Jadhav (father): For it if they gave farmers passes,...

Jadhav (son): if they give farmers proper guidance (jadhav 1 says simultaneously)

Jadhav (father): ...if there are proper arrangements, then it is possible. And it should be possible. Through this we understand what the situation in the market is...

Jadhav (son): where we stand in the market. What the sinnar side of farmers think, going ahead,...

42:05

Jadhav (son): ...how they work, we get to know that. They also had farmers as presenters. Framers would present their yearly experience/report. That stopped.



Jadhav (father): That should happen

42:25

Juhi: that is how all the farmers will come together...

Jadhav (father) & Jadhav (son): Yes

Juhi: ... like i said, you all can come together and raise your queries, that is how you can meet. Forgive me, but can I know what did they say when you all went there that a ruckus was created that?

Jadhav (father): They did not say anything. (son says the same thing simultaneously)

42:45

Jadhav (father): What happened is, when they serve wine, a person staying in a city and a person staying in the farms have a different style of living (son says simultaneously). In a city if someone gets just 2 pegs, the person is happy...

43:05

Jadhav (father): ...but over here people are not satisfied / keep drinking until they are on the floor because of how alcohol - which is what happened over there (at the get together)

43:25

Jadhav (son): It is not that there are just farmers like me there - company people are there, managers are there, the higher authorities are present and then a scene is created.

43:45

Jadhav (father): If they stop serving wine...

Jadhav (son) (simultaneously): If they stop serving wine after a point... Then the people who were drinking and are now drunk ... see I am a farmer so if I drink one and then they stop serving, I can understand it because I are here for a meeting...

44:05

but the people who we came with us, they start fighting.

Jadhav (father) saying similar things about guests creating a scene.

(distorted audio form 4:15 to 4:25)

44:25

Juhi: From how much I have understood of your situation, you would like to continue working with Sula, right?

Jadhav: Yes, we are a part of Sula now and we will remain that way till the end of the line.

Jadhav (son): Yes, till Sula is there, we are a part of them. Beyond that we will see when the time comes.



Interview with Nitin Khode

1:20- Interview starts

Prachiti: What is your name? Nitin: Nitin Gangadhar Khode

01:21-01:30: Prachiti: Are you from Nashik?

Nitin: Yes

Prachiti: How many years have been to your contract with Sula?

Nitin: This is our eighth year.

01:31-01:40: Prachiti: How many acres land do you have here?

Nitin: 27 acres land.

Nothing

01:41-03:20: Nothing

03: 21- 03:30: Nitin: My name is Nitin Gangadhar Khode. My contract with Sula is for 8

years now.

03: 31- 04: 00: Nothing

04:01-04:10: Explaining what to say

04:11-04:20: Prachiti: Why did you choose to work with Sula

Nitin: There was no other option

Juhi: There are other vineries as well

Nitin: They are small companies and have payment issues.

04:21- 04:30: Prachiti: But York vinery is big and also there is Soma

Nitin: I had contract with York before

04:31-04:40: Prachiti: Why did you break the contract?

Nitin: Their management was not good

Prachiti: You are working with Sula for 8 years then?

Nitin: yes

04:41- 04:50: Prachiti: So, before Sula you had contract with other wineries as well

Nitin: Yes, but only with York.

Prachiti: How many years?

Nitin: two years

Prachiti: So you are in this business of growing grapes from a very a longtime?

04:51-5:00: Nitin: Yes.

Prachiti: So, what does Sula help you with? They told us that help you right

from the start?

05:01- 05:10: Nitin: There is a viticulture group which gives a visit every 15-20 day. Which pesticides to spray and what to do if it rains.

05:10- 05:20: Prachiti: What are the problems in the vineyards? Sometimes it rains and sometimes is no good harvest.

05:21- 05:30: Nitin: Everything is dependent on the climate. If the climate is good the harvest is good Otherwise the harvest is not that good.



Prachiti: What are the problems with the climate of Nashik?

05:31- 05:40: Nitin: When there is the return of the monsoon, the rain at that time is not good and affects the crop

Prachiti: Any other problem due to the rain that happened last night?

05:41-05:50: Nitin: Yes, there were problems due to the rain.

Prachiti: So, the Sula people were saying that if there is rain or damage of crops they Help you with the damage.

05: 51- 06:00- Nitin: No, there is no help from their side.

Prachiti: So, whatever damage happens is on you

Nitin: Yes, whatever damage happens is on me

06:01- 06:10- Prachiti: What if one year there is no good harvest? What if your are not able to give them good crop one year, what do they do?

06:11- 06:20- What will they do? Everything is on us. If the crop is good, it is good for us. If the crop is not good then the company will not do anything.

06:21- 06:30: Prachiti: Since the time you have joined Sula? How has the change been?

06:31-06:40: Nitin: Change is okay now, we actually don't have an option

Prachiti: So by that do you mean that somewhere you have to sign a contract so is it Because Sula is better or...?

04:41- 06:50: Nitin: The payment is on time, sometimes the payment gets delayed but we get the money.

Prachiti: What do you think are the problems of Sula even though they might be big or small?

06:51-07:00: Nitin: They don't the treat the farmers well.

07:01- 07:10: Nitin: They used to take meeting earlier, but now they don't take meetings. Meetings used to be once in a year.

Prachiti: With you people?

07:11- 07:20: Nitin: Every year there used to be a meeting of all contract farmers that doesn't happen now.

07:21- 07:30: Nitin: All the (contract) farmers used to come together and solve each others Problems. That doesn't happen now

07:31-07:40: Prachiti: Sula is growing bigger and bigger, is it affecting you in any ways?

07: 41- 07:50: Nitin: They have fixed policy of increasing increment every 3 years and Because of that other expenses also increase.

07: 51- 08:00: Ruchika: After every year 10 percent or after every three years?

08:01-8:10: Nitin: After every three years for the third crop that means in 2022.

Prachiti: So now in 10 years sula has grown so much how has it affected you, do you think that the focus has shifted...

08:11-08:20: Prachiti: Because as you said there used to be meetings every year?

Nitin: Yes.

Prachiti: How is their behaviour towards you?

08:21-08:30: Nitin: The management says they will do this they will do that.



Prachiti: So there is no proper communication?

Nitin: Communication is now only with the Viticulture people.

08: 31- 08:40: Nitin: Earlier when sawant sir used to come he used to meet everyone but now there is nothing like that

08:41- 08:50: Nitin: Earlier there used to be awards for the people who had best yield of the crop

Prachiti: Now what do you expect from them?

08:51-09:00: Prachiti: like earlier what help do you expect from them?

09:01- 09:10: Nitin: Everything they should provide. The rates should increase. And ever if we are in loss...

09:11- 09:20: Nitin: Like if any loss because of company we don't ask for anything to the company The company doesn't even provide anything. But people who give good cro should be given good money..

09:21- 09:30: Nitin: Many farmers don't even look at their vineyards. They don't spend on the crop that is Why they don't get good crop....

09:31- 09:40: Nitin: The quality is not good. The grapes that are needed are not there. There are same rates for both people who make good yield, and also people who don't make good yield.

09:41- 09:50: prachiti: Do you get any help from the Gram Panchayat?

Nitin: No. They can't make roads what will they help us.

09:51-10:00: Prachiti: For how many years is your contract for?

10:01- 10:10: Nitin: Just now we renewed it. It is till 2019.

Prachiti: Are you going to continue with Sula?

10:11- 10:20: Nitin: Will continue. As I said there is no option. Sula is huge so I am with Sula

10: 21- 10:30: Nitin: If you look then there is York, Grover Zampa, Soma.

10: 31- 10:40: Nitin: Here there is one which is shut now and at Vinchur there are many small Companies.

10:41- 10:50: Prachiti: So the best is Sula?

Nitin: Yes, Sula a lot of Sula's material goes at places for crushing and Sula has taken over few of them.

10:51-11:00: Prachiti: Sula people were saying that they visit every month.

11:01-11:10: Nitin: Visit means only the Viticulture people.

Prachiti: So they just visit and don't do anything

Nitin: What will they say to people who do their work properly, people don't do are told about it

11:11- 11:20: Nitin: They are told what is to be done and all

Prachiti: They also help you with which variety of grape is to be grown.

11:21-11:30: Nitin: Yes

Prachiti: They also help you like they give you training?



Nitin: Training means we give them training, what training will they give us, we know more than they know. The person who is on field always has more experience.

11:31-11:40: Ruchika: Did their training benefit you in anyway?

Nitin: Benefit as in nothing much.

11:41- 11:50: Ruchika: They say that these grapes are organic so are they really organic or do you still use pesticides?

Nitin: The crop can't be organic.

11:51-12:00: Nitin: No crop can be organic

Ruchika: But when they come to check they might come to know that.

12:01- 12:10: Nitin: The pesticides which are ban even we don't use that.



Interview with Sanjay Kahandal

Sanjay Kahandal (the interview starts from 4:30):

- 4:30-4:40- S-we started growing wine grapes from 2003. we had an agreement with Sula with 6-10 acres of land.
- 4:40-4:50- we started getting good refunds and Sula's service was also good.
- 4:50-5:00- during the time of depression our grapes were grown in large numbers without the agreement. We started a small plant of our own. it is Maharashtra's smallest plant.
- 5:00-5:10- we got a lot of knowledge about the grapes and we also gave Sula also some grapes and used some ourselves.
- 5:10-5:20- good grapes means good wine. There is no other definition to it. Sula also cooperated well with us.
- 5:20-5:30- their visitors used to come and give good guidance also. the grapes that were given to them were different and the grapes that we used were different. So, we used to use some and give some to them.
- 5:30-5:40- the grapes that are supposed to be given to them is completely separated and their visitors come and give guidance.
- 5:40-5:50- after checking the pesticide levels, acid and other quality standards they take all the grapes
- 5:50-6:00- J-how many times do the field officers or the viticulture people come? S-They come every 15 days approximately.
- 6:00-6:10- J-so whatever the guidance they give, does it actually help? S-Yes, yes, they help, we do not face any problems in that. J-And they talk properly also?
- 6:10-6:20- S-yes, they talk properly and they give good guidance as well. J-So, they are always in contact with you? S-Yes, they are always in contact with us.
- 6:20-6:30-their service has been good since the past 15 years. J-So, if you ever face any problems due to sudden changes in the weather, can you approach them?
- 6:30-6:40-S-yes, they come on field first and tell us what sprays to put.
- 6:40-6:50- so we also have all their knowledge. J-What did you do before you started growing grapes, like your father or even you?
- 6:50-7:00- S-we have been growing grapes for 30 years. We used to grow vegetables, bamboo, wheat on the side, cauliflower
- 7:00-7:10- we started growing grapes since 1981.J- How did you get to know about Sula?
- 7:10-7:20-S- we were thinking of doing something different for some time. It used to come in the newspapers also that we should grow wine grapes
- 7:20-7:30- so we went to Sula and they also needed some farmers who grew wine grapes.
- 7:30-7:40- so then we got in contact in 2002. So, then we grew chenin blanc as they also wanted it.
- 7:40-7:50- as it is a good crop so we grew it. J- There are other wineries also like York, soma 7:50-8:00- so did you ever think about them. S-No so they came later on, Sula is the oldest, so we have contact with them since then. The others came later so there was no need to contact them.



- 8:00-8:10- and we are working with Sula well. J-What problems do you face while growing grapes?
- 8:10-8:20- S-we do face problems like with labourers, climate change
- 8:20-8:30- and the acid is costly so that is a regular problem. But it is normal so we are used to it. So nothing different.
- 8:30-8:40-J-do you get all the payments from Sula on time or have they ever been late?S- No, we have been paid on time.
- 8:40-8:50- J-different farmers grow different varieties of grapes
- 8:50-9:00- so do they tell you what grapes to grow?S- Yes they tell beforehand when we contact them
- 9:00-9:10-if they want us to grow so they first do inspection of the soil
- 9:10-9:20- after that only they tell which variety will suit this soil.J- If your harvest of the grapes has been very good
- 9:20-9:30 so do they give you anything extra for your land if yours is better than the others or will everyone get the same
- 9:30-9:40- S-no we get the same, we do not get anything different. J-If your harvest for a particular year was not good
- 9:40-9:50-because of the climate or the labourers or the grapes did not grow properly so then what does Sula do in this situation?
- 9:50-10:00-S- they will see the grapes and give the money other than that they will not help. They only give money for the raw materials, nothing else
- 10:00-10:10- J-so even if it is not your mistake that year? S-Yes that is there.
- 10:10-10:20- J-do the Sula people give you any advance? S- They gave advance for 2-3 years
- 10:20-10:30- but after that they did not give it. But we also did not ask for it.
- 10:30-10:40- J-because of contract farming, in the market
- 10:40-10:50- have you benefited? Like you get the money properly or do you think it is better than the market price?
- 10:50-11:00- S-no it is not better than the market price but we have a security. Because sometimes you do or do not get money in the exports but here we have security
- 11:00-11:10- less harvest goes but it goes on time and we get the money also on time.
- 11:10-11:20- J-it rained a lot on Monday even though it shouldn't have then what did you do? Did you have to come for the pesticides
- 11:20-11:30- S-no so what happens is that if it rains after the cutting is done then our work increases. Till the time cutting is not done, we have less work.
- 11:30-11:40- now if the cutting is done and it rains, we have to spray, sometimes we have to spray twice. J-So does Sula help you in that.S- No, there is no help in that by them. They wont help because
- 11:40-11:50- they also have a lot of work. J-And in march when
- 11:50-12:00-40,000 farmers had gone walking to Thane, in that
- 12:00-12:10- were there any grape farmers or any vineyard farmers involved in that? S-No there were no participants from here



12:10-12:20- that was different and we are different. J-There are many tourists that come to see Sula

12:20-12:30- they come to see the wine in Nashik only, so because of that you as a farmer

12:30-12:40-have you been benefited, like have your rates gone up?S- No, the rates have not increased because of the tourists

12:40-12:50-the rates are according to the company. The footfall in Sula does not benefit us

12:50-13:00 -J-we talked to many farmers and they said that there should be a committee for the farmers

13:00-13:10-who can keep their problems in front of Sula so some of them were saying that Sula is not letting them keep the committee

13:10-13:20- some were saying that we are not united and some were saying that it is not necessary so what do you have to say about it? S- So, what happens is that

13:20-13:30- if a greater number of people come then the number of questions will also increase, they will have to handle more, so according to that they don't let them come or we don't want to come that I don't know

13:30-13:40- so what happens is that everything on the professional level is good, there are almost 500 people and all of them have different mindsets so the opinions differ

13:40-13:50- so what will we do by making a committee. J-Do you have any suggestions for Sula?

13:50-14:00- or do you think that you should have gotten something from them that you are not getting, did you get to know about something others are getting but you are not

14:00-14:10-you have your own winery now but before that.S- No before also I did not have any problems and now also I don't have any.

J: Some farmers said that they face some difficulties in the initial years, is that true?

I: what kind of difficulty?

J: difficulty in setting up...

I: yes, you have to plant these tree then wait for 2 years then it all depends on the climate. If the climate is right then the yield is good, if its not good then 3 years just go waste.

J: do you think Sula should do something for the new people who are working with them?

I: they have a policy for this. I can't tell what Sula should or shouldn't do, because some people are capable and some are not. If I am capable then I will grow grapes, if I am not then I'll think about something else.

Henil speaking to Juhi

J: some other farmers said that Sula is the best choice for them to work with. They don't have any other choice, what do you think about this? Do you think Sula might not be the best but, is the only option?

I: no, I feel Sula is the best but, I feel there can be a better company than Sula for the farmers. Sula has a very big share in the market. There was a company in Narayangaon, that lost its market share and the other companies around have a lot of difficulty in development because they have to take a lot of government permissions. That is why other companies should also



come here. Sula as a company is fine but, the government should think about helping other companies develop.

J: the gram panchayat has help Sula quite a lot, it has made the road leading to Sula and has done a lot of good work with Sula. Has the gram panchayat done any public work like making the roads in this area or making schools here?

I: the gram panchayat here? yes, they (gram panchayat) has made this road. The gram panchayat is doing developmental work here too. If there is a problem regarding water or anything else, the gram panchayat works towards solving it.

J: has Sula changed your life? From the first year that you joined Sula to now, how has your life changed?

I: my line of work was different before, I used to grow table grapes. we used to just work on that, the environment was different. The environment changed because of them (Sula) and my line of work also changed. There was a change in thought and development that came by because of them. I feel connect to the world because of them.

J: is it because your grapes go to different parts of the world?

I: yes, it is also because of the grapes, as a result of export we have connected to the world.

R: there might be some farmers around here who might not be working with Sula. Do you ever talk to them and compare that you are doing well with Sula and they aren't? Like you said, the gram panchayat made this road but, have you spoken to someone who doesn't work with Sula and the gram panchayat hasn't looked at the road near them?

I: no, its not like that. The gram panchayat makes the road till wherever it ends. There is not such contact between the gram panchayat and the farmers. Once the ZP, Zilla Parishad approves the road, if say its 1 km, it will go (will be made) till there, the people who put in a lot of thought, study and do farming, they are doing fine but, those who don't put much thought into farming, there is a lot of difference in the result.

R: so when you speak to them, you feel that it's not stable

I: yes, I feel like its not stable.

J: do you think Sula should increase their rates? Do they increase their rates every year, the increment they give you? Because costs keep increasing every year so considering that, do you think Sula should bring any changes in their rates?

I: yes, there should be a change in rates. Growth is growing by 10 percent and theirs is growing by 3 percent, that too after 3 years. There should be changes in the rates.

J: the rates grow by 3 percent after 3 years?

I: yeah, the rate increase by 3 rupees after 3 years. Now, if you see the price of pesticides in the market, they have risen by 20 percent, the market is growing by 10 percent. They should at least go by that rate.

J: Sula in itself is growing quite a lot.

I: yes, that is there

J: so they should show some concerns towards the farmers.

I: yes, they should pay attention towards farmers. They do actually pay attention towards us, but they should do give attention to the rates.



J: what do they pay attention to?

I: they look at the quality and give it according to the market.

J: but they don't change the rate depending on the quality?

I: no, they don't change the rates too much according to that.

R: if it rains off-seasons, you have to use pesticides. So they don't help you by providing you with pesticides?

I: no, they don't help any way in such situations. They only look at the grape and pay according to the quantity. No matter how many ever problems we go through, they (Sula) don't get involved with it.

(20.25) J: so can you say that, if you grow grapes, they will give you the money depending on the quality and if you don't, they won't pay you.

I: no no, it's not like that (20.37)

R: is there a fixed quantity that you have to supply to them each year? Is there a kota?

I: the less kota/ quantity we supply; the less money we get. That's why we try to complete the kota. If we supply less quantity, they (Sula) won't suffer but we will have to bear the loss. (Riya and Juhi talking about taking a break. Interviewee realizing that he speaks too fast but,

Riya assured him that it's fine unless they understand what he's speaking)

note:

"I" and "S" stands for Interviewee

"R" stands for Riya

"J" stands for Juhi



Interview with Santosh Shelar

Santosh Shelar: (The actual interview starts from 2:50)

- 2:50-3:00- P-What is your full name? S-Santosh Kalu Shelar. P-And are you from Nashik only? S-Yes, I am from Nashik. P-Is this entire land of 20 acres yours? S-Yes, yes.
- 3:00-3:10- P-This land is on whose name? Is it on yours? S-No, it is on my grandfather's name. ok. P-And what do you grow in these 20 acres?
- 3:10-3:20- S-No, we grow only wine grapes.P- Ok. Have you been growing wine grapes from the beginning? S-Yes, from the beginning, since we bought the land.
- 3:20-3:30- S-Since the company opened, we are their first customers. P-Oh, so you have been growing since then. S-Yes, yes. It's been 22 years since we have an agreement with the company.
- 3:30-3:40- P-So you have a 10-year agreement with the company. S-Yes, now it is for 10 years but before this they had agreements for 2 years only. Now they have started the 10-year agreement since last 1 to 2 years.
- 3:40-3:50- P-And how was the yield of your wine grapes this year? S-It was good, the grapes were good. Last year also it was good, we had 12 acres and now we have a new plantation of 8 acres, so in total we have 20 acres of land.
- 3:50-4:00-P- usually do you face any problems regarding the wine grapes? S-Usually the climate plays a big role in this. The kind of weather we have now
- 4:00-4:10- if it continues for 7-8 days then if we have plantations at this point then we face problems. Then the amount of fertilizers used, increases. P-Now these Sula people say that
- 4:10-4:20- it is completely organic but you use pesticides.S- No, so in this kind of weather organic does not work as well as pesticides do.
- 4:20-4:30-P- and how are the rates of Sula for the grapes? Yes, so that is a benefit as the cost is lower than other markets, now we have 42rs. Yes, but then
- 4:30-4:40- the average of wine grapes is also lower than the normal grapes. We do not get that much tonnage. The normal grapes have a tonnage of 12-13 whereas these have a tonnage of 6-8. But then the cost of labour and pesticides is less.
- 4:40-4:50-P- but then what is better between wine and normal grapes? S-No, so for a bigger farmer with 10-15 acres of land, it is not easy to handle the normal grapes.
- 4:50-5:00- even if all the family members came to help with 2 tractors also it is difficult. We would have to keep 5 tractors. These grapes we can handle with only one tractor also.
- 5:00-5:10- P-so it is less troublesome. S- Yes, it is less troublesome. And the cost of labour and pesticides is also less.
- 5:10-5:20- P-and do the Sula people give you training? S-No there is no training, they have one doctor who comes once or twice a week and tells what spray to put.
- 5:20-5:30- they have kept a person for every 200 acres to visit. P-They were saying that they come to tell you what spray to put. S-Yes, they do.
- 5:30-5:40- they tell about the spray, how to work, so we have to work under them, we have to agree to all the company rules, then only they do an agreement with us.



5:40-5:50- P-they tell about the varieties,S- yes they will tell about the varieties, we do not have anything in our hand. We only have to grow the grapes and give it to them.P- But then the amount of cost you put into labour and pesticides

5:50-6:00- do you get all the money back, S-yes, we do,P- so you do not incur any losses,S-no we do not get losses, it might happen in some year. 2-3 years ago

6:00-6:10- we got only 30 tons of grapes for 20 acres of land. That entire year we were in losses. But it is ok, not all years are ours.

6:10-6:20- P-but they were saying that if you face any losses then they help you.S- Yes, they give an advance but then they cut that amount in the future payment.

6:20-6:30- P-so do you find it beneficial to work with them?S- Yes, we find it beneficial, we have not faced any problems till now. But people with 1-2 acres of land cannot afford it. You need a bigger farm for it.

6:30-6:40- P-and did you face any problems with the labourers or anything.S- No, we do not face any problems with the labourers at least in this part of the city. We 8-9 rooms for them. In one room we have 2-3 of them

6:40-6:50- so we have 16-17 of them staying here. And if we require more then we get them. P-Are you the only one who manages all this.S- Yes, I am alone. Yes, because it does not make sense

6:50-7:00- because it is easy to manage it whereas it is a bit difficult to manage the normal grapes. P-Has it ever happened that Sula has asked to do something and it has not happened

7:00-7:10- or have you faced any problems with them?S- No, till now we have not faced any problems, they pay us on time, they give us money in 3-4 instalments.

7:10-7:20- they give the full payment by June-July on the basis of the grapes given.P- So is the payment once a year?

7:20-7:30- S-so the grapes are grown once a year and they pay in 3 instalments.P- So your income for the entire year only comes from the wine grapes?

7:30-7:40- S-yes, it only comes from wine grapes.P- And how much is your total income from this for a year?

7:40-7:50- S-so if we get 6 tons of grapes, so you multiply it by 40. P-So do your family members also help? S-Yes, they do.

7:50-8:00- P-who all are there in your family?S- There are 2-3 people.

8:00-8:10- P-so only the doctor comes on the field? S-Yes, the doctor comes from Sula.P-and how is your relationship with the field officers? S-It is good, a person comes every 2-3 days

8:10-8:20- they tell what work to do, what spray to put and all. P-Do they come every month? S-No, they come every week.

sts

13:50-14:00- do you know anything about that? Were there wine grape farmers also? S-No they were farmers who grow onions.

14:00-14:10- because of the rates. P-Yes. so none from this area.S- No we do not face any problems and don't have to go to the market also.



14:10-14:20- we just have to give the grapes to the company, they have a weighing machine. P-So do they send someone to collect the grapes?S- No we have to send it in our car and once it goes inside the gate

14:20-14:30- they have a big weighing machine where they weigh it and then empty the car. P-So during these 20 years with Sula did you face any problems? S-No we did not

14:30-14:40-P- so do they check the quality of the grapes?

14:40-14:50- do they check it after you give it to them or they check it on the field also?S-No, so their person comes to check it on the field. They tell us not to spray hard sprays and a person from the lab comes to check it.

14:50-15:00- P-so overall you have had a good experience with Sula.S- yes, we have had a good experience. P-So what did your father do on the 20 acres before?

15:00-15:10- S-no so we have been in this only since the beginning. P-So when does the harvest come? S-It comes in the first week of march.

'P' is for Prachiti- interviewer

'S' is for Santosh Shelar- interviewee



Interview with Tushar Nikam

0:45 Sec – Hello Everyone! Myself, Tushar Nikam. I am working as an Assistant Manager in the Hospitality Business. I am working with Sula for 4.5 years. My job role is basically business support. It is all related to day to day activities regarding the resort or tasting room which is the main attraction of this place. Other than that, India's biggest music festival, The Sula Fest.

1:15 – I am part of the organizing body of that festival. Other than that all my work is related to the HOD Mr. Monit Dawade, I am EA to VP which is my additional responsibility over here.

1:30 – Prachiti: Nashik is known as the Wine Capital of India and Sula is the leading producer, so what makes Sula Wine so famous?

Tushar: The Key to every business is the innovation. So we started off with the first winery in 1998 but our first plantation happened in 1996 in this place. So the first Sauvignon La of India was introduced by Sula. First zinfandel of India was introduced by Sula. First Riesling was introduced by Sula. Recently we introduced India's first red sparkling wine.

2:05 – So this is what makes a big difference to Sula and the marketing department of Sula plays a very critical role making Sula stand out compared to any other wineries. Usually we entertain around 3.5 Lakh people. Sula fest is one of the biggest marketing activities which we do every year which was started as a harvesting fest but now is India's biggest music festival. All of this make Sula stand out compared to different wineries in India. We have various other wineries in Nashik but they are very small scaled.

2:50 – Prachiti: So you are responsible for all the wine tours that happen over here so can you tell us how many tours happen throughout the day?

Tushar: So it differs, from day to day. On regular days there are 50-200 tour and tasting. During long weekends more than 1000 tour and tastings can take place.

3:15 – Prachiti: You must have a general idea about the kind of tourists that come to Sula. Could you tell us if the tourists come from one particular area?

Tushar: No, they come from different regions. Our maximum client base if from metropolitan cities, mostly Mumbai, Pune, Delhi, Bangalore. Few foreigners also, 5-10 percent of our total visitors are from different countries. Japan and the USA are major areas from where we get our tourists. But most are from the metropolitan cities of India. More than 50 percent are from Mumbai and Pune. Others are from Bangalore and IT cities and Delhi because they will not get this experience anywhere else in India.

4:05 – Prachiti: So what is approximate footfall of tourists every year in Sula.

Tushar: 3.5 Lakh last year.

Prachiti: Is there any particular season where you experienced hikes in the visitors?

Tushar: Yes, during long weekends as I said and from October until Sula Fest. This is our main season where we experience maximum footfall.

4:25 – Prachiti: What is the maximum footfall during that time?

Tushar: During long weekends, sometimes we get 6000 visitors a day.



Prachiti: What are the major highlights of Sula that make it such a huge and famous tourist destination?

Tushar: As I said, innovation, introduction of the new grape variety, experiences such as the Sula fest which is the main marketing activity we do, sparkling shiraz which we just introduced, which is the first red sparkling in India. Other than that lots of activities such as WSET Wine and Spirit Education Trust, so we organize the sessions so that people can be a part of the wine life. They will come know about the different wine regions of the world. They will pass the exam and get the certificate which is the renowned exam which we also conduct in Sula. Other than that we are introducing new wines and new wineries. Recently, we introduced new wine which is called Padu specifically for South India. So this is very different from what other wineries are doing.

5:30 – Prachiti: So can you tell us a little bit about how The Sulafest affects tourism or was the Sulafest a result of the tourism?

Tushar: Its vice versa, so you can see as I said, it was a harvesting festival so in the first Sula fest was attended by hardly 300-400 people. But now in two days of the Sulafest we entertain 11000-12000 people. Sula Fest is a different market. It is not only wine, it is wine and music. We get artists from all over the world. So last year we had parov stelar, Amit Trivedi. This year we are looking for a big name in Bollywood, whose name I cannot disclose. Other than that how it attracts is most of the attendants are music lovers. However other than music we also have wine and other drinks form our sula portfolio like beluga, Janice, jay which is our brandy, then eclipse which is our whiskey introduced by Sula. So people get to know about the different taste of music and the different taste of drinks. So this is how we do our public relations. We get more than 10 Crore in PR due to the Sulafest because of which of course we got a platform on the music industry as well so people came to know about us who don't drink but they came for the music. So this is how it is beneficial to us. Other than that we have the big customer or guest client who love wine. So Sula Fest is supported by our wine and music lovers.

7:30 – Prachiti: When was the first Sula Fest held?

Tushar: 2008.

Prachiti: How was the response then?

Tushar: As I said, hardly 300-500 visitors out of which most were invited from Mr. Rajiv Samanth,, our CEO & Founder.

Prachiti: So what role does sula play when it comes to promotion of wine tourism?

Tushar: As I said we get around 3.5 Lakh people a year. So Sula Vineyards has the highest number of footfall throughout the world. So there are lots of regions like Berdov, Bavandi, Napa, there are more number of tourists in these regions but maximum footfall is experienced by Sula Vineyards only throughout the world. So in 2015-16 we got the drinks business award which is to promote wine tourism in India. So this is a well-known award throughout the world which we got. Other than that we introduce new wines every time for which people come and the tour and tasting number is also huge around 50000-60000 people do this every single year. So we introduced them to the new world of wine. How wine differs from the hard



liquor which is how we attract people and increase the number of tourists by offering a different experience in Sula and Nashik.

9:00 – Prachiti: You also said that one of the main reasons why Sula is such a huge industry is because of the market. So what platforms and initiatives are used by you to market?

Tushar: As an event, The Sula Fest, as an activity, the tour and tasting activity. Other than that the Social media page we have more than one lakh people are there on twitter. We organize a lot of fan visits. There are lots of magazine covers which Sula Drinks introduces all their new wines to who have a large audience. They write their experience in their magazines. This is how we get new clients.

10:00 – Prachiti: What role do you think Sula plays in facilitating Nashiks tourism in general?

Tushar: The numbers I already shared with you, 3.5 Lakh for the tour and tasting sessions, 5000-6000 during Sulafest, during long weekends 6000-7000 people visit Sula. So they don't even come for the drinks. At the end they want to spend a day or two on activities. So they visit nearby places like trimbakeshwar or panchvati or phalke smarak hence Nashik is not only for Sula but also for pilgrimages. So they used to visit all these places. So this is how they also earn because of Sula.

10:40 – Prachiti: We got to know that how consumption of Wine in India is very less because people are uneducated about it for the most and the low alcohol percentage of it. So what do you do to promote wine?

Tushar: Just to give you an example how we have grown so when Rajiv sir started this winery at that time per person consumption of wine in India was less than 5 ml, right now it is close to 15 ml. The population of India is so huge that the 10 ml increase contributes to a huge production capacity. Now if we come back to the question of how we help the wine consumption of India, the major contribution is made by the tour and tasting session. How we started, in 2005 Rajiv sir realized that we needed to teach people how to enjoy wine. It's simply not meant to drink and sleep over. It could complement your food. How you should appreciate the wine, how if you pair it with the proper food, how you can appreciate the wine and food. Thus wine is a product for lifestyle. Not only for drinking or just the alcohol. Keeping this in mind we started the tasting room in 2005. Since 2005 you are here in 2018, you can see the entire place and see the tour and tasting where we explain how we make wine, what are the different styles of making wines, why they are different, how red wine, sparkling wine, white wine, rose wine is made, what is the serving temperature, see, swirl, sniff are the basic steps on which we elaborate to people during the tasting part. Also the wine and cheese pairing, the wine and food pairing, the different kinds of cuisines we have, recently we introduced sparkling wine and kanda bhajiya which got a very huge PR. This is how we teach Indians how to appreciate the wine and introduce wine in their day to day activity. So per person consumption in France is 15 litres and in India is 15 ml. Because they know wine is something that goes with your lifestyle. So which wine you like and which wine is good for you depends on your palette. This is what we want to teach people and this is how we think we can grow in the Indian market.



13:30 – Prachiti: How long have you been working with Sula?

Tushar: 4.5 years.

Prachiti: How has your journey been so far?

Tushar: I joined as a club sula executive. Club Sula was an initiative by Sula to engage more and more people who love wine and want to drink wine again and again. Thus people used to buy in bulk. So in an event go elaborate to them about the club Sula activity and discount structure, our different wine introductions, our emailers regarding the activities happening in Sula make them aware about it and engage them with this membership and sign them up using the form and sell to them. Through this I came into the sales and from sales to event and now I am in business support. In 4.5 years I have learnt many things about Sula ranging from engaging the customers to subselling and team building to supporting the business entirely. It has been a very wonderful journey.

15:00 – Juhi: The Job opportunities in Nashik, how does Sulas wine tourism contribute to this because there are some frameworks different from Nashik where farmers become tour guides in non-cultivating seasons thus benefiting from tourism in some or the other way. So how does that work out in Nashik?

Tushar: If you go through our staff list, most of our staff were farmers. The two places gangaware and sawargaon where majority of our workers are from. They are working with us for more than 15 years. Most of the managers in witty culture department in the landscaping department are also farmers. For example Mr. Nanashelke who looks after the witty culture activity and farmers engagement with Sula production he's also a farmer, Vinayak Nehe, he is also a farmer. Most of the workers and senior people were also farmers who are now working with us. Other than that we have more than 2100 acres of land under plantation most of which are under contract basis. They have been selling their goods to Sula for years now for which they are getting a good price because the demand of the wine is increasing and simultaneously the demand for raw materials are increasing. Thus they plant them repeatedly and are assured of their returns. In terms of wine tourism people looked after lots of activities when they visit Sula. So for that all the hotels like express inn, gateway they get business as a result of Sula. Thus every long weekend we get 200-300 people from gateway itself. So this is how wine tourism and Sula help the economy of Nashik as a whole. During Sula Fest these tour and travel organizations, accommodation partners like gateway and expression and other big partners get business. This is how sula and wine tourism are supporting the economy of Nashik.

Reintroduces himself.



Interview with Rajendra Kate

0.00- 0.10: H: you don't have to look at the camera and talk when she's talking to you...

0.10- 0.25: R: yeah, you can look at me and talk, talk like there's no camera. It can stop anytime. Speak normally, don't feel pressured/nervous because of the camera. So first you... you started?

Claps

0.26-0.33: Riya: first you introduce yourself, give some information like since when are you staying here, your name.

0.34- 1.02: I: my name is Rajendra Ramesh Kate; this is my father Ramesh Kate. Our farm is very old. I have been farming since 2005. I completed my graduation in 2007. I've done a B.Com. When the concept of contract farming came in Sula, that is when I joined Sula.

1.03-1.05:Riya: what were you doing before that?

1.05-1.12: I: we used to grow table grapes, tomatoes and bell peppers.

1.13-1.17: Riya: now that you are growing wine grapes, how big is your farm now?

1.17-1.19: I: 35 acres

1.20-1.27: Riya: 35 acres. If it rains, what do you have to do differently?

1.28-1.30: I: we have to increase our spraying.

1.31- 1.35: Riya: what do you do in the season in which grapes don't grow?

1.36-1.42: I: we grow cash crops like tomato, bell peppers.

1.43-1.51: R: we heard that Sula give you training. Do you get the training from Sula?

1.52-1.57: I: one person comes each week for a visit and he gives us guidance then.

1.58-2.04: R: other than that, has Sula supported you in any way?

2.05-2.10: I: yes, when I was new they helped me out with the plantation.

2.11-2.13: R: has it reduced now?

2.13-2.14: I: No no

2.15-

R: so is your relation good with them?

I: yes, our relation is good, there is no problem. 2.20

2.21- 2.30: R: so what do you do all day? Are you on the field or do you have to look after anything else?

2.31-2.32: I: we are on the field only.

2.33-2.47: R: do you think Sula give you a big margin? Was it better before?

2.48- 3.11: I: no no, contract farming came because of Sula, so now we have a fixed figure that we get. We get a fixed rate for the grapes according to quantity which is a good payment for us. Because of contract farming we get a fixed income like people get salary every month.

3.12- 3.22: R: but we spoke to some other farmers and they say that they haven't been getting their payments on time since some years. Has that happened to you?

3.23-3.38: I: actually, it does happen sometime. It is a company after all. They have dues that they have to give us in 15 days or a month sometimes, it takes 2 months to come. Even we should adjust sometimes.



3.39- 3.42: R: do you have contact with other farmers working with Sula?

3.42-3.43: I: yes, I do.

3.44-3.52: R: I've heard that Sula doesn't let you (farmers) for groups.

3.53- 4.12: I: no its not like that, when the field officer comes, we can ask him how many farmers are working with Sula and we can also take their contact numbers and meet them. Just day before yesterday I went to 'khedegaon', they sent me to another farmer. I went to meet him. There's no such problem.

4.13-4.40:

R: do you get any incentives except the money you get from grapes?

I: yes, I do get it.

R: do you think you could earn more by growing some other crop than wine grapes?

I: I do get it from other crops like tomato and bell peppers.

R: but grape is your main crop?

I: yes, its it main crop.

Henil speaking to Riya about interview questions

5.09-5.32

R: he is asking, if you are facing any problem like if it rains too much or you don't have pesticides, does Sula provide you with any different kind of help that is different from the normal that they give you?

I: no, how is that possible? The farm is mine so I'll have to do everything.

* Henil speaking to Riya*

5.39-6.19:

H: you said that an officer come every week or does he come every month?

I: he comes every week. He come to keep a record of the pesticides we spray. Farmers don't keep record of this. He also gives guidance about which pesticide is for which fungus.

6.20-6.45:

H: okay, so he detects which fungus has affected the crop and what should you use to get rid of it?

I: usually when farmers go to a shop to buy pesticides the shopkeeper sells them a pesticide saying it will work. That's not always the case. This is a special pesticide.

6.47-7.04:

H: out of the 35 acre land how many acres do you use to grow Sula grapes?

I: almost 22.

H: you've been working with Sula for 11 years, are you happy with them?

I: yes, I am.

7.10-7.37:

R: the table grapes that you used to grow, they were for normal consumption right, not for wine?

I: normal consumption meaning, they were exported.



R: they are exported... Now that Sula has grow so much and are very famous and are also growing in tourism, do you think that their contact with you has reduced?

I: yes, a little bit. It has been affected a little

7.38-7.49:

R: has tourism impacted you in any way? Has Sula told you that people will come to visit.

I: no, no such thing has happened.

7.50-8.33:

H: but the impacted is less, not too much right?

I: now the thing is, the company use to hold a meeting yearly which they haven't been taking since 4-5 years. That's the reason the farmers are upset, because they don't call us or don't keep contact with us. I can go and meet any other Sula contract farmer but, earlier they used to hold a program which they don't anymore. What happened is, they used to serve alcohol to the farmers and sometimes farmers would drink too much. That the reason they stopped having programs.

8.34-8.48:

R: do you have any expectations from Sula, anything you feel they should provide? Have you discussed this with any other farmers and what do they have to say about it?

I: everybody will have some expectations.

8.49-9.20:

R: can you give an example?

I: they have a concept, if we do the cutting in August, we will get 9 rupees extra. If we do the cutting in the first week of September we will get so and so amount extra. This process is called pruning. We (farmers) feel that instead of this, they (Sula) should give us this price and we will give them good grapes.

9.22- 9.43:

I's father: if we do the cutting too soon the grapes can be damaged. That means only the cost will be recovered.

I: last year, I was supposed to give them 300 tons of grapes but I ended up giving them only 200 because of this concept.

I's father: The excess stock that is supposed to remain with us is not remaining. The company should understand this. Company looks only for itself.

9.44-10.02

I to I's father: there is a reason behind this appa; In the harvesting period in winters the sugar level of grapes is proper. The temperature of the grapes is cool and thus, the wine quality is better. They are not wrong either.

10.03-10.33:

R: but they haven't discussed this with you?

I: no, they discuss everything with us. This year I pruned 10 days late.

R: is that because you thought the grape was not ready?

I's father: it was because of the rain.

I: last year the tractors were not working here. How would we spray pesticides?



* Henil speaking to Riya*

10.45-11.03:

R: now that Sula is a very big company and has gained a lot of success, do you think they will increase your rate as they are earning more or is it a fixed rate?

I: they increase the rates every 3 years by 10 percent.

R: so it happens, it is implemented

I: yes, it happens

* Henil speaking to Riya*

11.17-11.50:

R: people used to come to Nasik for Trimbakeshwar or other temples, now they come to Nasik for Sula and good wine. Do you think Sula should just focus on their wine or should they also help grow tourism here?

I: there should be a balance of both. If tourism flourishes, the hoteling business will flourish, when hotel business will grow more vegetables will be grown.

R: and three years later you will also get the benefit from this.

I: yes, yes

* Henil and Riya speaking*

12.20-12.29:

R: does Sula provide for insurance or anything for your family?

I: no, it doesn't

R: okay, now even are out of questions.

*note:

"I" stands for Interviewee

"H" stands for Henil

"R" stands for Riya

8:20-8:30- so we have to work according to them.P- So were your father also into this or you started it. S-No, my father was not there

8:30-8:40- it started after we had an agreement with Sula. whoever is having an agreement with Sula or growing under their them, so their person is compulsory.

8:40-8:50- P-no so for 20 years it's been only you or someone else also?S- No, not 20 years, my father used to do it before. P-So how do you feel

8:50-9:00- so before Sula came did you grow grapes only? S- No, we started when Sula came. We are their first customer from this area.



9:00-9:10- so a person also keeps coming continuously.

11:00-11:10- P-so for the normal grapes not the wine grapes, what is the difference between the two? S-You have to do dipping and thinning for the normal grapes, we do not have to do it for these grapes.

11:10-11:20-P- so it is less troublesome. S- Yes, it is less troublesome. It also requires less labour compared to the normal grapes. P-What is your daily schedule like?

11:20-11:30- since morning we do the spraying, then we have to clean this part.

11:30-11:40- this part should be completely dry so that the spray stays properly. P-So you have people who do it, you just come and check it. S-Yes, I come and check.

11:40-11:50- so I have to tell the workers in the morning what to do.P- So do you feel that if not Sula and these wine grapes, you could have done something else? S-No, I feel this is fine.

11:50-12:00- not anything else. It is better that vegetable or fruit farming. It is cheaper and market is also good

12:00-12:10- and manually also it is fine. P-No problems related to water?S- No, no problems related to water. P-And if you face any problems, do the Sula people help? S-Yes they help.

12:10-12:20- they help by giving advance payments. P-And since Sula has come the tourism had also increased

12:20-12:30- S-yes tourism has increased a lot.P- So have you faced any changes?S- No, we did not have any effect of it, only Sula's business increased. P-So do your prices increase.

12:30-12:40- S-yes it increases every year by 10 percent. P-And Sula and the gram panchayat also work together for their CSR.

12:40-12:50- they do a lot of work in the villages. S-Yes they work, they have 2-3 villages under them so they have developed very well. P-So do the gram panchayat or the government do anything for you?

12:50-13:00- S-no they do not do anything,P- so they do not help?S- No they don't.P- so the other vineyards who do not work for Sula

13:00-13:10- what is the difference? S-So all the vineyards have contract with some company 13:10-13:20- so you cannot grow wine grapes if you do not have contracts with a wine company.

13:20-13:30- so these grapes have 0 value in the market, if you want to sell them. P-What about exports? S-No, they cannot be exported because you have to take out its juice only.

13:30-13:40- so you can only grow them if you have a contract with a company.

13:40-13:50- P-recently some farmers went till thane for prote



Interview with Narendra Diwate

0:15: introduce yourself.

S:0:17 I'm narendra diwate, I stay in Nashik, I have a beer and wine shoppee.

0:26 you also look after some of farmhouses right?

0:29: s: yes, I also look after farmhouses as a caretaker.

0:34: in your wine shop, which brand sells the most? Does Sula have a majority?

0:40 s: ma'am, Sula has become famous everywhere. There's a lot of advertisements and they also have Sula fest and also billboards on roads that say "don't drive and drive" are all over Nashik. These boards are on the way towards where their factory is located. That is why they are popular.

1:11 because of Sula, does your wine shop be prone to the impact of their brand image?

1:15 s: it's like they have their brand name already established, Sula Sula Sula everywhere. After 6:30 they don't allow anyone to enter into Sula. The guests from Mumbai, Delhi then prefer to get the Sula wines, after Sula shuts. It's very well known, and hence they prefer Sula. Otherwise there are more like York, indiwines and many more. But people prefer Sula more, it's expensive, but still Sula is people's choice.

1:47 even though there are so many other brands existing, how come only Sula is in the limelight? Do people not know about the other brands?

1:52 s: ma'am, Sula has one outlet in Nashik, where they let people come, sit, have a wine tasting session, many more things they have. They also have a grape farm right in front of the seating arrangement which creates a good atmosphere for these guests. That's why people go to Sula and look at the brand through a high stand point. And then it automatically gets advertised because of the greenery, grape farms around them which they can go into and enjoy their drink side by side. They have made a place to sit on the second floor, from which you can only see greenery, that's why people are so attracted, and say "oh I should go there," "I went to Sula, I had a lot of fun, I was sitting upstairs, I clicked so many good pictures" they have also kept big bottles which attract people to click pictures with it in a fancy way.

2:55 in general, in your shop, after Sula started, has wine consumption increased?

3:00 I can't second that statement. The guests who come from abroad prefer Sula. The local Nashik people prefer other brands. People from Mumbai and all who come after seeing ads, they prefer Sula. And the rate difference also between Sula and others is very much.

3:18 is Sula more expensive?

3:19 s: yes Sula is more expensive.

3:21 that means local people don't prefer Sula.

3:23 s: yes, they don't.

3:26 how is your wine sale affected during Sula fest?

3:31 s: Sula fest is like, the local people or farmers and all, they don't go this fest. Generally us, people of Nashik don't go to Sula fest. Rarely people from rich families and all, who can afford these expensive things, they go. Mostly people from Mumbai, Pune, Delhi, and international people, foreigners come to Nashik. That time it gets too rushy. So if they don't



find wine there, or it gets over, then they come to our shops. Because that time they suffer some stock problems, so people purchase from outside. That time only, sales increase a little. But it's just a brand name, Sula, that's why it's like that.

4:23: but people at Sula we're saying that they serve not just their wines, but also other drinks like beer, whiskey, etc. so because of that do your sales go down?

4:35 s: no ma'am, the everyday regular sale to the local people, that keeps happening. I already mentioned before, that the farmers and local people, none of them interfere there. Only the higher class people prefer Sula fest. Because it's already 1000 rupee ticket, plus the other expenses also happen. So local people avoid going there.

4:59 Nashik city during Sula fest has any impacts?

5:04 s: ma'am, there's a lot of crowd, hence the lodging charges, from regular charges, it gets doubled. Meaning, the rooms that used to be booked for 3-4K, that become 8-10k. 2-3 days it becomes very crowded. Traffic also increases too much. Some get tourist cars, some get personal cars, so traffic also increases.

5:34 apart from Sula fest, do they have any other events?

5:38 s: no, they have only one event, the Sula fest and otherwise there's lot of people going there on Saturdays and sundays, but mostly Saturday's are crowded. Sunday, people from Mumbai and all, go back.

6:29 during Sula fest, their accommodation also gets full, so do they prefer staying outside, now that you have a farm stay reference?

6:36 s: 31st December, and Sula fest, both are same they happen on the same day. We always think that it's 31st dec, let's go somewhere and have a good stay and we should also drink and enjoy. Otherwise the fun that we would have in Mumbai and all, that's the fun they have recreated in Sula. They called rockstars, djs and have stage shows, that's why people get attracted towards going to Sula. And your saying according to tourism, resorts and everything all over Nashik, are full. And as I mentioned earlier, the rates are doubled.

7:26 you look after farmhouses, so what impact has Sula played on your farmhouse bookings?

7:31 s: apart from the regular rates, during Sula fest they get higher, so even we increase our rates. If I book at 10k today, I'll book it for 15k 16k during that time.

7:47 the people that come to your farmhouses, what do they come to Nashik for? Maximum people prefer to see what in Nashik?

7:54 they come for Sula fest during Sula fest dates, in general they come for some college work, some come just to roam, relax thinking that they can go out of their city and routine life.

8:31 Sula has now become a huge tourist destination, so because of that how has it made an impact on Nashik? Negative positive both?

8:44 s: the traffic on Saturday on Gangapur road, is full on. Same on Sunday. Mostly they go back on Sunday. They stay somewhere on sat in some resort of lodging or some place.

Sulas road is also very congested. They established contact with gram panchayat and made a good use of it by helping them out whether there was cement, tar for the road and all. Till



they had to save their business they maintained sweet contact with the panchayat and cooperated, but now that their business is settled and all, they don't care about the road. There are so many potholes on that road now, that two cars cannot fit together. Before they said, they'll develop the road, make a garden, get the water problem solved, but now, nothing. Now there's no use or need of that.

10:43 Nashik from before was known for its temples like trimbakeshwar, etc. but now that Sula has come do you think tourism in Nashik has changed?

10:53 s: previously, ram mandir, Sita gufa, tapovan, trimbakeshwar, Someshwar (next to Sula) and it's waterfall were famous. Pandavleni, chamberlain,saptshrungi, were famous because the people were devotional. They came to Nashik with the intention of serving and praying to god. The youngsters from outside, come for enjoyment to Nashik. Let's go to Sula, we'll have fun, etc etc is why they come. First Nashik was looked as a devotional place, welcome to the city of pilgrimage. Everywhere even today, there are boards which say this. But now we should rather say, welcome to the city of Sula. People crowd there, drink wine there, have fun there, so it's become a picnic point.

11:56 pilgrimage city turned into wine capital

11;57 s: yes ma'am yes ma'am

12:01 ahe difference, first old people used to come

12:03 s: no ma'am it's nothing like that, before also everyone we used to come, even when I was small, now I'm 47, but back then also if someone asked where I was going I'd say, I saw this temple this god today.

12:33 people look at Nashik in a different way now. Because of sulas marketing and ads.



Interview with Pushkarraj Prafullamali

P: Sir, could you please introduce yourself?

I: Yes, my name is Pushkarraj Prafullamali. I am working as an assistant manager in the Contract Farming Department in Vineyard Operation. My job is to provide technical guidance to all the contract growers, which are associated with Sula. (0:39) (2:00)

P: How is you... when did you join Sula and how has your journey been? (0:45) (2:06)

I: Yeah, I have joined Sula...July 2102...so it...almost six years now. So far, I have joined as a field officer. The job was almost same throughout the years but the responsibility has grown up. (2:30) We are increasing our area year on year. And...it's really challenging job but that is the, say...fun of this or...this encourage us to do better. Working farmers is definitely a nice job (1:29) (2:50).

P: When was the first time contract farmers were introduced to Sula and what was...could you please brief us through the recruiting process? (1:38) (2:59)

I: Okay, the first contract growers Sula approached was in the year 99'- 2000. So, from the beginning of Sula, Sula has firm belief in contract growing, which is mutually benefit for the company and the farmers also. The...As you asked, the selection process... Every year, we decide number of acreage to be planted. Accordingly, we approach farmers. Also, farmers are...Now, Sula is well known brand and farmer also interested to do farming with Sula. They also themselves approach to Sula. According to their soil type, their area, their available resources, we select the farmers. The decision is taken on purely agriculture terms. (2:46) (4:07)

P: Could you just tell us, if you don't mind, a few terms and conditions of the contract? (2:53) I: The main terms is landholding first, second, the terrio. That is the key part because that has a more, most influence on wine grape quality. Apart from that, water availability is the biggest concern so, good water availability. And farmers' willingness to do the contract. That is the key things. (3:24)

P: The contracts you have for these farmers, is it the same or does it differ from farmer to farmer? (3:28)

I: No, we have same contract for all growers. (4:52) There is no difference in any contracts. It is similar for all. (3:36)

P: (4:59) Did you have any problems at the beginning when you were, when Sula was not so huge as it is now. Did you have any problems recruiting farmers for contract farming? What was their reaction? Were they willing to participate in this? (3:52)

I: Initially, definitely. Vine grapes were new to India, and still they are in the – what do you say- nascent stage of...as compared to world. (5:28) Initially, yes. Farmers had reservations that these grapes differ from regular grapes- table grapes. (5:39) Then what if there is some problem and Sula doesn't- didn't accept the grape. They had this thing in mind, (5:46) but it...in the last twenty years, it has never happened that Sula rejected any type of grapes. (5:53) so, it has year on year built the confidence and now the thing is more farmers are



approaching than our target (6:00) plantation. So, Sula has gained that confidence and we're growing fast. (4:48) (6:09)

- P: Do you give them some benefits or incentives to gain their confidence or like loyalty towards Sula? Any sort of benefits or... (4:46) (6:17)
- I: No, not like that. But yeah, we provide them technical guidance free of the cost (6:23) around the year. (5:06)
- P: What type of training do you give the farmers, related to what? (5:11)
- I: We have some expertise from outside India. When they come, we keep training session for the farmers. Apart from that, our regular visiting staff also give them a training on (6:50) ourduring regular visit. So, whatever newer technologies are introduced to viticulture, we keep them updated (6:57) and time to time we take some seminars and training session for them. (5:44)
- P: Do you have any prerequisites or like rules if a farmer has to... if... a farmer is willing to get into a contract with Sula. So, do you have any prerequisites? (5:55)
- I: All the prerequisites are based agriculture- the land quality, soil health, farmer willingness to the contract- that's it. (6:07) (7:28)
- P: And do you monitor the work throughout the- (6:10)
- I: Yes, definitely. Our field staff visit all the contract growers, by the interval of say 15 to 25 days. So, (7:44) that is depends on the condition and the vine health, phase of vine growth-so based on that our field staff visit to the each contract grower at least once in a month or more than that. (6:42) (8:03)
- P And if these contract farmers have some issue or some problem, how do you deal with them? Do you provide any assistance? (6:51)
- I: As I said that our field staff gives them all the technical regarding, say, irrigation management pest and disease management (8:24) whatever problem they are facing to grow grapes, those issues were cleared during the visit. I think that's it, that all what they face-difficulties those guys face during grape growing- that's it. (7:23)
- P: Do you have any awareness programs because of the health hazards, like, because of the pesticides they use? (7:29)
- I: Definitely, we do. Wine grape cultivation... we try to minimize use of pesticides (8:58) and other chemical- artificial chemical stuff. And we also encourage farmers to take all the necessary precautions- (9:09) which can be hazardous for their health. We always encourage them definitely. (7:54) (9:15)
- P: Do you provide them with equipment of any sort when they're using these-
- I: We do not provide them but yeah we keep them aware, we keep them updated what is new technology available in the market (9:30) which they can use and minimize their risk. (8:13)
- P: Have you. . . from 2012- have you faced any problems when you've working with these contract farmers? Like any issues? (8:24)
- I: I think personal issues are not there, (9:48) but yeah, in terms of grape growing lots of challenges. Because, as you are aware, grape is a very sensitive crop to...climate things. So,



every year we face a different challenge regarding managing grapes. (10:08). So every year we face that, but we, with the farmers and all, we easily deal with it. Yes. (8:57)

P: And do the farmers have a committee of their own, like if they have all the farmer together, in case they have any problem. (9:02)

I: Not a formal committee but they (10:26) have a good bonding with each other, because for long time they are associated with Sula and they know each other very well. So, informally they meet each other, visit each other vineyards, (10:38) just get an idea how individual farmer is doing and they share the exchange and we also promote them to (10:46) visit each other's vineyards so they can understand who's growing better and why he's doing better. So, by this way we are actually promoting them to do better, by looking at each other's vineyard. (9:37) (10:58)

P: And according to you what...according to you what do the contract farmers play, what role do they play in the Sula's growth that has happened? (9:48) (11:09)

I: Phenomenal. Biggest role, I will say. Because if you say there is a...a quote is there that "Wine is made in the Vineyard." So, if they do not take care of those grapes, regarding the quality and all, there will not be a good wine. So, they play major role. (10:09) (11:30)

P: And what is your personal relationship with the contract farmers? Do maintain a contact? Do you contact them frequently and assist them personally? (10:21) (11:42)

I: Yeah definitely.... It is like a part of the family... they're a part of Sula family and in a growing season, we have a daily contact, you can say, because we need to check how the growth is? What are the pest and disease levels? It is like a family, talking to the family, talking with them, understanding their... because it is a full process in which they share their problems, we share ours, and it makes that bond stronger. (11:01) (12:22)

P: So do you predict the weather beforehand and let them know if there are some preventive measures that can be taken? (11:08) (12:29)

I: Uh..Yeah. With the available forecast, we do inform if there is any difficulty or challenging weather conditions ahead. Accordingly, we suggest them some sprays or inter cultural activities or management practices to be done, that we do. (11:31) (12:52)

P: And if somebody is not able to get those medicines or those pesticides on time do you still-I: Yeah definitely, we give them resources, we give them alternative options, or from which source they can get those pesticides- whatever the requirement of the farmer, definitely.(11:56) (13:17)

P: And... in some case, if because of climatic changes because it becomes so unpredictable-if there are any problems, do you still provide assistance to them? (12:05) (13:26)

I: As I said earlier, we provide 24/7, 365 days assistance to the farmers (12:12) (13:33) so, anything is... happens to the grapes, we provide them assistance, we give them alternate options, what needs to be done, what are the level of incidences on the- whatever it is- but we provide them assistance throughout the year. (0:19) (13:53)

P: Also based on what do you decide the rates of the grapes because... does it depend on farmer to farmer? If somebody is facing problem- (0:29) (14:03)



I: No, the rates are similar for all farmers. Another stuff we decide the rates on is the sugar level in the grapes. So, for higher level of sugar in the grapes we provide higher rates. And the rates of grapes are decided as per the industry standards. (0:52) (14:26)

P: And how often do you meet up with these farmers personally? (0:57) (14:33)

I: Almost once or twice a month? (1:00) (14:36)

P: And so there are lot of farmers who have been with you since the beginning? (1:08) (14:41)

I: Yes.

P: So do you provide any benefits, or some incentives for them who have been working with you since the very beginning? (1:16) (14:50)

I: Um, actually, not because they are since- working since long, but definitely they have benefits because they're associated with Sula for long. So whenever we have to plant new plantations, we will prefer old farmers, because they know more, they know vine grapes. That doesn't mean we ignore the new ones but definitely, we give preference to them to plant vine grapes. (1:50) (15:24)

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P: Just a minute, we'll take a break here. (16:44)

P: So do you have any questions for us?

I: No.

P: Anything you would want to know about our project.

I: Yeah definitely. You want to do it on camera? (16:52)

P: Yeah, we don't mind.

I: Okay

P: If you don't want the camera, that's fine too.

I: Yeah definitely, I have the curiosity of what project you are doing and definitely I can give you a feedback about whatever. So what is the tagline of your project? (17:09)

Juhi: Nashik Vineyards. (17:09)

I: That's it? (17:10)

Juhi: And we're taking Sula as a main case study. (17:12)

I: Okay. (17:13)

J: Yeah yeah go ahead.

I: Yeah yeah. (17:14)

J: Sula is the main case study, um since obviously like, I don't think I need to explain why (17:20)

I: Okay. (17:21)

J: We're actually, mainly trying to understand how Sula works, (17:24)

I: Okay. (17:25)

J: For example, contract farming is there, taking in laborers for your own vineyards, so we're trying to understand this framework, because it's very interesting how farmers are getting so much out of this. Because normally in India, like right now farmers, it's something like, primary occupations are becoming extremely scarce. (17:45) Mainly we're actually trying to



understand the role that government plays, even if you like, you can see our questionnaire, how should government do something about it. Since corporations are already becoming popular, they are becoming better in providing more opportunities. How can the government work towards that? Even government organizations can probably do something like this.

M: So how due to wine and tourism the work opportunities for farmers have increased, and how their situation has improved. (18:25)

J: It is a unique case because if you look at 10 years ago, this wasn't the situation, and now it is the Napa valley of India, the second Napa Valley, the wine capital of India, it is extremely unique which is why we chose this. (18:43)

P: Also from the interviews we had yesterday, no one had any complaints, they were very happy with Sula. And also the march that was there from Nashik farmers, no one from the vineyards was there. (18:55)

I: The thing is that, as I told you day before yesterday, in an agriculture market, the commodity price, swung very rapidly. So when farmers, farmers need to initially invest for the product. The farmers actually gamble all the money that he has into a crop, which he don't know how much he's going to earn from. I cannot actually express. He puts whatever he has at home and expects that at least he will get whatever he put in. Not benefits but at least the initial amount that he has invested. So what Sula is doing differently, Sula is giving an insurance to the farmer that if he is going to produce x amount of kgs, it will be purchased at a particular rate, so he knows the rate, he knows how much he can invest into the crop and his profit ratio. That is the unique part of this contract farming stuff. how much he can Apart from that, if you go around looking in Maharashtra I don't think you will find any place where this kind of contract farming has been successfully carried out for 20 years. Definitely the market size is small, because the wine industry in India began just 30 years ago, and even the consumption, I am not very sure about the numbers but, previously it was 1ml person, now it is 5ml, and if compared to Europe, it is 5l or something. So you can see how small this industry is. We still struggle in some terms regarding government policies and all, whereas in Karnataka, the first wine policy was released in 2001 I think, I'm not really sure so you should check the numbers/the years. But Karnataka's wine policies are revised time-to-time whereas Maharashtra's are not. We are still working on the 2001 policy. They are encouraging farmers to plant wine grapes, they are giving incentives whereas in Maharashtra, there are some policies for grape growers, but they don't really encourage wine grape growers. But yeah, contract farming is the unique part here and this kind of a model should be used, not only in the wine grape industry but other places too, because it gives farmers good chance to make (22:27)

VIDEO BEGINS AGAIN

(0:00) sound money, and a technical guidance too because we make ourselves available for them, they can call us anytime, share their problems and we will provide them with a solution. In fact, just now before coming here, I got a call from a farmer who asking me what he has to do next now that he was done with a inter cultural activity. We do this the whole year, it is not just me, there is a team sitting at the office, we all have been allocated farmers,



and we are responsible for their Vineyards, for disease and pest free Vineyards and for the production also. It is also our responsibility that they make sound income and profit from their Vineyards. (0:52) (23:20)

P: So according to you, what kind of assistance should be provided by the government for the Wine industry as well as the Vineyard farmers? (1:01) (23:28)

I: I don't think I can speak for the Wine industry as such, but farmers, yes. Long term loans with less interest rates are one, another is the industry, the research regarding grape in India is less compared to the other countries- they are far, far ahead. Maybe we can't invest, we can't get that knowledge so quickly over here. What we can do is at least we can import that knowledge from outside so there should not be restrictions. There should not be restriction for technology import, that's where the government can help. There is a large domestic industry for wine and vine grapes. (2:09) (24:37)

P: So, if the CSR Gram Panchayat and Sula work together for a lot of things, still Gram Panchayat provides any assistance for farmers or is it only Sula? (24:49) (2:20)

I: Those are two different topics. I am not in any position to comment about it but those are two different topics because CSR is a different stuff and contact farming is another. (24:58) (2:31)

P: But do you get any assistance from the government as of now for the farmers? (25:05) (2:36)

I: That is not for wine grapes that is for all grape growers. That is regarding the vineyard establishment, NHB provides loan, that is a medium term loan and that's it- that is the main they assistance they get. (25:30) (3:02)



Glossary

- 1. ASSOCHAM- Associated Chambers of Commerce and Industry of India. (pg. 8)
- 2. Barrelling- Barrelling refers to the process of storing wine in wooden barrels. Barrelling is done to make the wine softer and more palatable. It also gives the wine a wooden flavour and aroma. (pg. 18)
- 3. Crushing- The process of extracting juice from the grape through a pneumatic press is called crushing. The juice extracted is transferred to tanks while the residual skins and stems are taken out manually. The capacity of these tanks normally range from 10000 litres to 85000 litres. (pg. 18)
- 4. Destemming- It is the process when the grape berries are separated from their stalks or stems in a machine called Crusher Destemmer. (pg. 18)
- 5. FDI- Foreign Direct Investment (pg. 19)
- 6. Fermentation- A specific type of yeast called Saccharomyces cerevisiae is used for the fermentation process in wine making. (pg. 18)
- 7. IGPB- Indian Grape Processing Board (pg. 16)
- 8. IMFL- Indian Made Foreign Liquor (pg. 8)
- 9. IOVI- International Organisation of Vine and Wine (pg.6)
- 10. kanda bhajiya- Crispy onion fritters, an Indian snack. (pg. 44)
- 11. MTDC-Maharashtra Tourism Development Corporation (pg. 34)
- 12. NHB- National Horticulture Board (pg. 5)
- 13. PR- Public Relations (pg. 44)

