	Geographical Indication Product Database - Step 1- **Khvanchkara Semi Sweet Red Wine - GEORGIA**	**SOURCE :** **Author : Talis Tisenkopfs** **Compilation from internet sources** **Institution : University of Latvia** **Date : 20/08/2006**

1. **NAME OF PRODUCT :** ***Khvanchkara Semi Sweet Red Wine***

2. **COUNTRY AND REGION IN THE COUNTRY: Georgia, Ambrolauri Region, West Georgia**

3. **TYPE OF PRODUCT : (including the possible substitutes and imitations of the product)**

Khvanchkara Semi Sweet Red Wine is made of grape varieties Alexandreuli and Mujuretuli in the Ambrolauri Region in the Western part of Georgia.

4. **DESCRIPTION OF THE PRODUCT AND ITS AREA (including its specific characteristics, conditions of production, main differences with the substitutes) :**

The most well known semi sweet Georgian wine. Due to the scarcity of the grape material and the limited land available to re-plant new vineyards the name is often used incorrectly by other manufacturers of this style of wine. The wine is fermented traditionally with wild yeast from the vineyard that has developed to give unique fermentation characters to this wine. The fermentation vessels are open oak vat with special boards to keep the skins submerged during the fermentation process. At the appropriate time the wine is taken from its skins and only the wine that drains freely is used for this exclusive wine. The wine is non vintage and is blended with the intention that it should be consumed shortly after purchase. Since 1996 Khvanchara wine has won 15 prizes at different wine competitions and concourses including six gold medals, four silver medals, and two bronze medals.

5. **LINK WITH THE GEOGRAPHICAL AREA (tradition, know how, reputation, soil, climate, etc.):**

Wine has been produced in Georgia since 5000 BC and the vineyards, located between the Black Sea and the Caspian Mountains, are widely acknowledged as the "cradle of wine". Georgian viticulture can be considered unique because of the number of historical grape varieties that are still grown and which continue to produce wine of individual character. Wine is embodied in Georgian culture and has generated a lifestyle based upon hospitality, conviviality and good, simple, well-presented food. No Georgian meal is complete without wine and a *Tamada* means the host or toastmaster, whose role is to create a ambience and ensure that everyone present can socialize and enjoy the occasion.

6. **PRODUCTION SYSTEM / SUPPLY CHAIN (some data about the number of producers, processors, market structure..) :**

Wine sector in Georgia is being transformed during the last decade or so. After the breakup of the Soviet Union, Georgia's collective farms were broken up and the wine industry was privatised. Farmers were no longer guaranteed that the government would purchase a certain portion of their harvest. Instead, each farmer was forced to find a buyer among the multitude of wine factories and private companies that had sprung up. Adding to their problems was the fact that many factories, in order to boost profits, produced counterfeit wine – either by buying a cheaper sort of grape, or else simply adding food colouring to alcohol made from other fruit (apples, for example). Now Georgian government is introducing a system of wide-ranging reforms that will reorganise the wine industry along international lines and boost wine production. The reforms include a countrywide registration of all the vineyards, wine regions and different types of wine; strict monitoring of the types and amount of grapes that are sold and wine produced; and regular testing of wine quality. Companies in Moldova, Bulgaria, Russia, Ukraine and Spain, according to information of Georgian Ministry of Agriculture, have produced on average annually some 150 million bottles of so-called Georgian wine.

A joint-stock company Georgian Wines and Spirits (GWS) is the major producer and distributor of Khvanchara wine. GWS has been operating since 1994 and is affiliated with Pernod Ricard Group. GWS disposes of 700 hectares of vineyard and vine land parcels, it owns Telavi's wine producing factory "Achinebuli", cooperates with primary and secondary viticulture establishments in Georgia thus ensuring the arrangement of the whole production cycle (cultivation and processing of grapes, production, processing, bottling and marketing of wine). During a vintage time the company is capable of processing 30 000 tons of grapes and can store 20 million liters of wine. The "Tamada" label is used as a common label for several famous wines produced by GWS: Khvanchara, Kindzmarauli, and other.

7. MARKET AND REPUTATION (size, price premium, attractiveness, growth) :

Russia and Ukraine are the major export markets for Georgian wine, up to 90% of export goes to Russia. GWS products including Khvanchara wine are being sold through exclusive distributors also in the following other countries: Armenia, Azerbaijan, Belarus, Estonia, Japan, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Sweden, United Kingdom, USA. The issue of counterfeiting is acute. The Ministry of Agriculture revealed that in 2005 the country had exported 17 million bottles of Khvanchkara and Kindzmarauli, when the countries wine factories had bought grapes for only 2.4 million bottles – the scale of falsification is estimated at 80-85%. In 2006 the leading Georgian wine-producing companies (GWS; Teliani Valley, Tbilvino, Khetsuriani, Wineman, Shumi, Vazi-1, Askaneli Brothers, Telavi Wine Cellar, etc.) established the Georgian Wine Producers' Union in order to promote Georgian wines, monitor the vintage process in the country, combat counterfeiting, and carry out judicial proceedings against falsifiers. Currently two major threats for Georgian wine industry are falsification and blockade of wine export to Russia for reasons of political dispute. The latest downturn in Georgian-Russian relations began in March 2006 and resulted in Russia's ban on the import of Georgian wines, reported to be counterfeited and containing impurities. According to official information, Georgia exported more than 36 million litres of wine to Russia in 2005, worth around 63 million dollars, equal to one per cent of the country's GDP, therefore bans are catastrophic for the Georgian wine industry.

7. APPLICANT / HOLDER (IF ANY) :

RELEVANCE : Why is this case important for research in general and for SINER-GI in particular ?

- Alleged prevalence of counterfeited wine on certain international markets in comparison with genuine GI product; severe "rivalry" by the counterfeited wines that are sold at much lower prices. Counterfeit domestically and internationally.
- Reorientation and diversification of Georgian wine export markets.
- Trade and political disputes, bans on import of Georgian wine (Russian – Georgian recent trade dispute as example – the government in Tbilisi says the Russian measures are an organised political campaign and a response to Georgian threats to veto Russia's membership in the World Trade Organisation, because of Moscow's economic support for the breakaway territory of Abkhazia).
- The role of Georgian Wine Producers association in promoting export, fighting against counterfeit of Georgian wines, monitoring and developing traditions of viticulture.
- The role and efforts of Georgian government to regulate and promote wine sector.

CATEGORY :

☑ Origin Product **✓ GI product** **☐✓ Recognized GI**