

# ITALY'S TOP FIVE

Italy is the world's biggest exporter of wine, with some of the world's most illustrious brands to its credit. Along with the family names that have carved an international reputation, explains Michèle Shah, are the agricultural co-operatives.

The identity of the five biggest wineries in Italy may come as a surprise to many. They are not the flagship brands that most would recognise at a glance. They are large, efficient and well-run co-operatives, which include: Cantine Riunite, Caviro, Mezzacorona, and Cavit. The only private winery among the top five is Fratelli Martini, owned by the same family.

## Backdrop

To understand and appreciate this surprising result, one needs to re-trace Italy's history up to post-World War II, when in 1947 a law was passed which encouraged and privileged the setting up of agricultural co-operatives. Their turning point came in the 1970s, as they began to reap the fruits of the fiscal and legislative measures, which had been implemented with the aim of assisting Italy's post-war fragmented agriculture.

Jumping ahead to recent times, 2012 saw yet another milestone in Italy's agricultural economy. In terms of value, today Italy is the largest global exporter of wine, which in 2012 equated to €4.7bn (\$6.15bn) in value and 21m hL in volume, according to statistics published by Confagri. Italy's main exports in 2012 in volume went to China, a market which grew by 77m bottles (+15%), Japan (+28%), Canada (+11%) and the US (+6%). In Europe, volumes decreased and export value rose in the UK (+5%) and Germany (+4%). Clearly Italy's market strength lies in its exports.

Against this backdrop, in terms of exports, F.lli Martini take the lead with 93% of turnover generated by exports, Mezzacorona with 80%, Cavit with 75%, Cantine Riunite with 45% and Caviro with 20%. Much of Italy's success also rests on the shoulders of its top private family enterprises where the branding of the family name and its territories have played a major role over the last 30 years in placing Italian wine on the global map, generating Italian identity, life style and guaranteeing the quality of Brand Italy through their global international identity and success.

In the present climate of economic crisis and volatile markets, each of these wineries and co-operatives are battling with a changing market and changing climates, which require companies to take long-term views in production. Other issues and economic fluctuations involve cutback policies in plantings, which in many areas have caused an increase in the price of grapes. Within the commercial sector the constant competition with increased production from New World countries has forced companies to adopt and adapt to more aggressive marketing, and focus on both brand-building and quality production at competitive prices, while maintaining indigenous and territorial identity.

## CAVIRO

Co-operative

Turnover: €198m (wine only)

Exports: 20%

Production: 34 associated wineries in six different regions of production: Emilia-Romagna, Friuli, Abruzzo, Toscana, Sicilia and Puglia; 31,000 ha and 13,000 growers.

CEO: Sergio Dagnino

Caviro exports only 20% of its production, yet it is one of Italy's top wineries in terms of turnover, up by 15% on 2012; 90% of its turnover is generated by supermarket retail. Its main export markets are the UK, Germany and Russia (where it supplies Italy's top three brands in terms of sales), France and Japan.

Founded in 1966 in Faenza, its real turning point came about in 1983 when the company implemented their 4xP strategy: production, placement, price and promotion, creating the brand Tavernello in tetra pak. This was a daring, ground-breaking move to place such an unconventional package in a traditional, conservative market dominated by wine sales by the bottle. Being different, Tavernello was easily identifiable on supermarket shelves, allur-



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Rolando Chiossi, vice president, GIV

ingly inexpensive and massively promoted by TV advertising, backed by intelligent communication that focused on its reliability, innovative brand identity and good value for money. Today Tavernello sells 96.5m L per year and is the national brand leader in terms of wine sales in Italy, according to SymphonyIRI. Caviro has continued over the years to promote, renew and update its image by investing heavily in publicity campaigns, so much so that 53% of Caviro's turnover is generated by supermarket sales.

Other brands include Romio, VoloRosso and Castellino, all of which are intended for 'everyday' consumption. Export brands include Tini and Terre Forti, which are mainly exported via distribution partnerships to the UK, Germany, Russia, France and Japan. Caviro is also Italy's major private label producer in supermarket distribution and sales (in particular with Conad).

"Innovation, investments in promotional and publicity campaigns focusing on brand

reliability, are Caviro's strategy," explains Sergio Dagnino, CEO. "Our way of confronting existing market crisis and increase in production prices is to increase our national and international distribution partnerships." According to Dagnino the recent partnership with Cantine Leonardo Da Vinci and Dalle Vigne Spa for the global distribution to over 40 countries of the premium brands Leonardo Da Vinci and Cantina di Montalcino has proven successful.

## CANTINE RIUNITE

### Co-operative

**Turnover:** €192m (does not include GIV)

**Exports:** 45%

**Production:** 15 associated wineries; 2,000 grape growers; 4,000 ha; 105m bottles/year

**President:** Corrado Casoli

**Cantine Ruinite** is the one of the most powerful co-operatives in Italy in terms of turnover. Founded in Reggio Emilia in 1950, Cantine Riunite's range of production and distribution is particularly strong in the Lambrusco and sparkling wine sector, which according to Riunite is enjoying a real comeback due to the improved quality of their production and distribution of Lambrusco. This distribution includes the brands Cantine Riunite & Civ, Cavicchioli Lambrusco and Maschio Prosecco, a leader in the production of Prosecco. Possibly their most prestigious distribution is GIV (Gruppo Italiano Vini), purchased in 2009. GIV (turnover €372m) which is a separate entity, has a portfolio of 15 wine estates including 1,250 ha of its own vineyards across a range of Italian regions across Italy, from Veneto in the north, to Sicily and Puglia in the deep south. GIV's company philosophy is to let the focus fall on each of its wineries as a distinct, regional business, and not to publicise the group or its central role.

According to Rolando Chiossi, vice president of GIV, Cantine Riunite's turning point was when they started seriously focusing on exports. "In order to keep abreast with the present crisis our strategy has been to cut down on costs and improve the efficient running of the company, so as to incorporate higher costs in grapes," explains Chiossi. "As well as taking a medium- to long-term view on exploiting brand image, our real focus has been on

improving our position in export markets by widening our distribution network." Cantine Riunite & Civ produce 30% entry level and 70% premium wines. These include the core brands such as Cella, Bella Tavola and Maschio which are exported to the UK, Germany, Russia and Spain, with their main share going to the US, where it is considered one of the leaders in Italian imports.

When it comes to technology, Cantine Riunite is considered one of the world's most avant-garde wineries. In 2008 they invested some €8m in a five-year strategy to upgrade their winemaking equipment with the aim of increasing quality.

## FRATELLI MARTINI SECONDO LUIGI SPA

### Family-owned

**Turnover:** €166m

**Exports:** 93%

**Production:** 80m L; 600 grape growers

**CEO/Owner:** Gianni Martini

**Fratelli Martini** is the only private family enterprise among the top five. Founded in 1947 in the Langhe in Piedmont, it is the biggest exporter, with 93% exports. Although production from start to finish takes place in Martini's cellar in Cossano Belbo in the province of Cuneo, Fratelli Martini has no vineyards of its own, sourcing its grapes from 600 growers in the area. The company philosophy is based on three key points: product, service and logistics.

"Our turning point came in the 70s when we looked outside Italy to what was to become over the years a global market for us," comments owner Gianni Martini. In the 1980s the company took steps to improve technology in order to improve quality in production and



**CEO/Owner:**  
**Gianni Martini**

constant investments have been a commitment that the company has continued to carry forward throughout the years. At present they are enlarging their cellars, to be completed by 2014.

Fratelli Martini's top brands are Sant'Orsola in the medium/high range for the national market and Canti in the entry to premium range for international markets. The Canti brand, created by Gianni Martini in 2002, is by far the most widely exported company brand, basing its image on an Italian lifestyle, with particular emphasis on its Piedmontese roots and range of wines, exporting to markets such as Russia, the UK and Germany. It is no surprise that a company which exports 93% of production has, for the past 18 years, concentrated on expanding its distribution network, which today reaches some 55 global markets. Their main aim has been to create well-established joint ventures with partners to keep them one step ahead of the market's trends and needs, as well as keep a keen eye on the competition.

Martini's philosophy and their family ties to the Piedmont are an important part of their image. The family ownership extends to four Piedmont estates with a total of 280 ha of vineyard between them, each with their own identity, and producing premium Piedmont wines under their own individual company brand: Cascina Lo Zoccolao in Barolo, La Toledana and Cascina La Doria in Gavi, and Villa Lanata in Cossano Belbo producing Moscato d'Asti and Chardonnay. These include top-range products, which are mainly exported to the on-trade in Germany and Russia. In order to expand distribution and cater to an array of markets Fratelli Martini have contracted arrangements with a number of wineries in other Italian regions aimed at producing mid-range wines, which include the brands Collezione Marchesini, 35 Parallelo, and Il Cortigiano. So as not to leave any segment of the market uncovered, Gianni Martini has, over the years, established agreements for the production of private labels.

## MEZZACORONA

### Co-operative

**Turnover:** €160m

**Exports:** 80%

**Production:** 47m bottles; 1,600 grape growers; 3,500 ha, of which 2,800 are in Trentino and 700 in Sicily.

**CEO:** Luca Rigotti

The Mezzacorona co-operative was founded in Trentino in 1904. Trentino has one of the

longest-standing histories of agricultural co-operatives in Italy; almost 80% of Trentino's production comes from efficient, well-run co-operatives. Mezzacorona is one of the largest, producing wines from the grapes that derive from its 1,600 associated grape growers.

Exports constitute its main turnover, the main markets being the US, Germany, Austria, Switzerland, Scandinavia, Japan, UK, Holland, Poland and Russia. Mezzacorona's Trentino labels include mid-range to premium brands: Mezzacorona (off-trade), Castel Firmian and Rotari Spumante and Metodo Classico TrentoDOC sparkling (on-trade). In recent years, Mezzacorona purchased the co-operative Feudo Arancio in Sicily, including the brands Feudo Arancio (on-trade), and Feudo Arancio Stemmari (off-trade). Mezzacorona's principle markets are Germany and the US, where they have their own distribution companies and a vast network. In the face of recent economic trends, Mezzacorona took a decisive step to develop its export market, particularly into the US, and have made consistent investments in publicity campaigns to promote brand-building, alongside tasting promotions and product presentations aimed at consumers.

"It's really thanks to the co-operative's united, compact social structure which has enabled Mezzacorona to pursue a gradual and continuous climb to success," says Fabio Maccari, managing director of Mezzacorona. "Mezzaco-

rona is completely autonomous in production thanks to a very efficient structure."

## CAVIT

### Co-operative

**Turnover:** €153m

**Exports:** 76%

**Production:** 11 associated co-operatives; 60m bottles; 4,500 grape growers; 5,500 ha – 60% of Trentino's production

**CEO:** Enrico Zanoni

Cavit, Founded in 1950, has greatly contributed to developing the region's winemaking history and tradition, focusing on cultivating Trentino's indigenous grape varieties and by diversifying its cultivation techniques to achieve a modern approach to winemaking.

"We made our breakthrough in the 70s as one of Italy's largest exporters at the time, signing our first export contract with Palm Bay in the US, exporting volumes at an attractive price," says general manager Enrico Zanoni. "Since then, Cavit has built its core business on exports, primarily to the US, the UK and Germany, asserting the potential of Trentino's wine within the international arena." Pinot Grigio still today represents the lion's share of Cavit's exports to the US, reaching 50% in volume. New export

markets include China, Japan and Canada, with a view of forming joint venture partnerships with long-term strategies. Cavit's top brands include Cavit Collection, Mastri Vernacoli, Bottega Vinai and the Maso range, all in the mid- to premium range, with exports mainly directed at the US (56%) and Germany, followed by the UK. In 2012, Cavit increased the production of its premium Trentino DOC Sparkling Altemasi Graal label by 29%, to take advantage of the increasing global demand for sparkling wine.

Cavit has always been environmentally and sustainably sensitive when it comes to production choices, such as installing photovoltaic technology which can show the growers which varieties grow best in their soils, and what is the optimum use of irrigation and vineyard treatments, as well as general vineyard management. ■



Cavit in Trentino

## ITALY'S TOP FIVE FAMILY WINERIES

As already stated, Italy's winemaking families – some of which can trace their lineage back centuries – have been instrumental in putting Italian wines on the global map.

### MARCHESI ANTINORI

**Turnover:** €150m

**Exports:** 80% to 140 countries

**Production:** 22m bottles; 2,540 ha in Italy; six estates in Tuscany; one estate each in Umbria, Puglia, Piedmont and Lombardy

**CEO:** Renzo Cotarella

**Owner:** Piero Antinori

Marchesi Antinori, Tuscany's largest family-owned estate, has been making wine since

1385, when they officially joined the Vintners Guild in Florence. Yet their real ascent into the global market came with the twenty-fifth generation, in 1960, when 22-year-old Piero Antinori joined the family business. His farsighted vision has led Antinori over the past 50 years to expand its Italian portfolio, acquiring new estates in Tuscany, Umbria, Piedmont, Puglia and Lombardy. More recently, starting in 1987, Antinori has led the company into a wider international arena, purchasing and in-



CEO: Renzo Cotarella

vesting in vineyards in California, Hungary, Malta, Washington State and Chile.

Antinori has weathered the economic storm by increasing research and quality. "Our philosophy is not to base our exports and distribution on the supermarket channels; we focus on the restaurant trade," says Piero Antinori, going on

to explain that as a family-owned business Antinori is not interested in discounts or promotions. The focus is on organic growth. "Quality wine business is, by definition, a long-term business and it is not possible to compromise."

Exports constitute 64% of the total turnover and the main export countries include Germany, Switzerland, Canada and Russia. Its main brands replicate the family estates: Santa Cristina, Villa Antinori Chianti Classico, Guado al Tasso and Castello della Sala Orvieto.

## GRUPPO ZONIN

<b>Turnover:</b>	€140m
<b>Exports:</b>	75%
<b>Production:</b>	42m bottles; 2,000 ha
<b>CEO:</b>	Massimo Tuzzi
<b>President/Owner:</b>	Gianni Zonin

Gruppo Zonin is Italy's second-largest family estate and is family-run, with the Zonin brothers and their sons full-time in the business. Today Zonin includes 10 individual wine estates spread over Italy's most important regions: Friuli, Veneto, Lombardy, Piedmont, Tuscany, Puglia and Sicily. The company's philosophy is to focus on premium wines with a local identity. "Each region has its unique history, landscape, traditions and culture, and the production of wine has always been identified with such values," says Gianni Zonin. "Our aim is to cater to every segment of the market, offering quality wines."

The company targets each segment of the market, starting with entry-level wines and working their way up to premium quality. Their main export markets include the US (22%), Germany (9.5%), Scandinavia, Australia, Japan, the UK, Benelux, Canada and Korea, distributed by an efficient network to over 100 countries. The most successful export brand is the one that carries the name 'Zonin', constituting 52% of sales, 25% of which come from sparkling wines. The best-known brands include: Castello del Poggio (Asti), Tenuta Ca' Bolani in Friuli, Rocca di Montemassi in Maremma, and Castello d'Albola in Chianti Classico in Tuscany, with a 40m bottle production. Entry level brands include Borgo SanLeo, Tenuta Ca' Vescovo and Villa Cerina. Their wide range and price levels have allowed them to multiply their exports six times over in the last seven years.

## CASA VINICOLA BOTTER

<b>Turnover:</b>	€104.5m
<b>Exports:</b>	98%
<b>Production:</b>	180 ha
<b>CEO/Owner:</b>	Annalisa Botter

At the helm of **Casa Vinicola Botter**, a private family property founded in Fossalta di Piave (Veneto) in 1928, is Annalisa Botter, third-generation producer. It is no real surprise that the wines from this winery are not known nationally, for the very reason that they export 98% of production. Their vineyards in Motta di Livenza in Treviso are basically exclusively destined for export to 40 different countries. Main markets include the UK, the US, Denmark, Canada and Germany.

Botter really made its mark in the 1980s when they turned their attention to export markets and readily understood that to be successful it was necessary to provide good-quality wines from a number of different regions, as well as to offer a quick, flexible and efficient service. Their main brands include a premium brand, *Là di Motte*, offering a range of indigenous and international varietal wines from Veneto. Botter, *Vivolo di Sasso* and *Il Palù* follow with traditional Veneto wines, while *Caleo*, *Roccalanna* and *Lunate* brands offer Sicilian wines, *Koiné* wines from Puglia, and *Picco del Sole* from Benevento in Campania. Botter have a dedicated brand of *Riserva* wines from different regions in Italy and a dedicated sparkling and *Prosecco* brand.

## GRUPPO SANTA MARGHERITA

<b>Turnover:</b>	€95.3m
<b>Exports:</b>	60%
<b>Production:</b>	16m bottles; 286 ha, of which 177 belong to the company
<b>CEO:</b>	Ettore Nicoletto
<b>Owner:</b>	Gaetano Marzotto

Established in 1935 by Count Gaetano Marzotto, Santa Margherita's breakthrough came in the 70s with the fashion for Pinot Grigio, which opened the door to the US, where it still remains the leader in Pinot Grigio imports. Santa Margherita is a privately owned group headed by the Marzotto family, with an extensive range of brands. Just to name the main brands in the top export markets:



**CEO Ettore Nicoletto**  
**Santa Margherita**

Santa Margherita, Torresella, Marchi Toscani and Marchi Siciliani in the US; Santa Margherita and Torresella in Canada, and Santa Margherita, Ca' del Bosco, Torresella, Marchi Toscani and Marchi Siciliani in Germany. Other important markets include Australia, Japan, Switzerland, Belgium, Russia and travel retail.

## MARCHESI DE' FRESCOBALDI

<b>Turnover:</b>	€83.5m
<b>Exports:</b>	68.5%
<b>Production:</b>	10m bottles; 1,200 ha
<b>CEO:</b>	Giovanni Geddes da Filicaja
<b>Vice President/Owner:</b>	Lamberto Frescobaldi

Based in Tuscany, **Marchesi de' Frescobaldi** is one of Tuscany's oldest family estates, boasting generations of winemaking since 1308. Today a range of wines come from the family estates, including *Nipozzano Riserva* and *Castelgiocondo Brunello di Montalcino*, both premium brands, with the *Remole Toscana IGT* at entry level. Frescobaldi acquired one of Italy's most revered brands by purchasing both the *Ornellaia* estate *Luce della Vite* in March 2005. The focus of exports are the US, Canada, Germany, Switzerland and Asia, which constitutes a growing 7% of exports and is one of the regions where Frescobaldi intend to increase their percentage. "Frescobaldi has always aimed at building its image by excellence in quality and communicating the added value of wines with a unique history and territory," explains Lamberto Frescobaldi. "In a growing global market it is important to understand, communicate and target the right brands to the right markets." ■



**The Frescobaldi family**