



# How co-operatives can be game-changers in Italy

*The wine industry has a very complex structure in Italy and navigating through the hundreds of native vines and denominations is no easy task. In addition to this, the industry has some idiosyncrasies that are little known abroad, one of which is its significant number of co-operative wineries.*

By Francesco Saverio Russo – Photographs: courtesy of the estates



Cantina Sociale Casorzo: typical Malvasia di Casorzo vines with the town in the background

**T**he term “cantina sociale” refers to co-operatives that produce and sell wine made from grapes grown by their member growers. Italy boasts the highest number of co-operative wineries, even though this type of winery was not created in the country. In fact, in the 19<sup>th</sup> century the first co-operative wineries were created in Germany (under the name of Winzergenossenschaft), through the co-operation of German vine growers who banded together to produce wine from their grapes in one winery and under a single brand. However, shortly after, Italian winegrowers followed suit and by the end of the 19<sup>th</sup> century the first co-ops were established, starting with Oleggio in Piedmont, which dates back to 1891.

### POOLING RESOURCES

The past, and to some extent, present-day success of co-operative wineries in Italy is due to the opportunity that this kind of company offers small growers to concentrate on vineyard management and on producing grapes, without having to worry about processing. This makes the vine growers’ work much easier and less burdensome. They do not have the responsibility of launching and managing a winery and its equipment (fermentation tanks, barrels, temperature control and bottling facilities); they do not have to hire a winemaker because the co-op’s in-house winemaker

# ITALY

– HISTORY –



One of the Casorzo co-operative's member growers checks a bottle

handles production; and they do not have to think about selling their wines. Growers can therefore concentrate entirely on growing the grapes they will take to the co-operative and get paid for according to the kind of grapes and vineyard acreage. As the growers mostly own small vineyard plots, in an ideal situation this kind of collaboration can guarantee a very high level of attention and quality, even if we often think otherwise. Consider a winery managing 100 ha of vineyards single-handedly, using its own resources – not only is the cost high, it is also difficult to evenly distribute care and attention to each individual plot. Now consider the same 100 ha divided between 100 small owners – growers manage their plots first-hand, in some cases tending to them like a garden. Consequently, the co-operative receives grapes from these small-scale vineyards and is unlikely to experience slowdowns or delays in pruning or harvesting.

## ECONOMIES OF SCALE

Co-operative wineries therefore have very different dynamics to their private counterparts managed by a single producer or family, as is often the case in Italy. But it is important not to underestimate their potential - many virtuous businesses have demonstrated and continue to demonstrate how successful wine co-ops can be and their potential to craft great wines. They also enjoy economies of scale: expenditure on equipment, technical consultancies (winemakers and agronomists), materials (bottles, corks, capsules, labels, etc.), promotion and marketing (marketing campaigns and exhibitions) are divided among member growers, greatly alleviating the burden for each single winegrower. Admittedly, not all present-day co-operative wineries are top-performers. To create a virtuous system, there has to be a balance between the growers' remuneration (the price paid per kilo of grapes) and the winery's income generated by the sale of the end products.



Alessandro Vella, managing director of one of the largest Prosecco (Val d'Oca) wineries in a region mostly dedicated to growing the Glera grape variety

## SOUTH TYROL LEADS THE WAY

The quality of the wines and market positioning differ considerably from one co-operative winery to another. In this respect, the co-ops in South Tyrol are a benchmark and it can safely be said that they play one of the most

# ITALY

– HISTORY –

important roles in the world. Approximately 70% of total wine production (40 million bottles) in South Tyrol comes from co-operative wineries, proof that the region is a firm believer in this business model and how successful it can be. Edmund Mach, the founder and original director of the San Michele institute, was the first to believe in co-ops, demonstrating their potential to enable small growers to weather the storm in times of major crises. The concept is straightforward, but was not necessarily easy to explain to farmers at that time, despite the fact that Tyrolean co-operatives could guarantee the livelihood of member growers respectfully. They could also become a benchmark for quality in the Italian and global wine arena through shared production and storage facilities, optimisation of winemaking techniques and more appropriate and professional sales management. Entering the market with a larger critical mass was a game-changer.

## RIGHTS AND OBLIGATIONS

What differentiates the co-operative system from selling grapes to large private companies (often more focused on keeping prices low than on the quality of the grapes) is improved remuneration for growers and the chance for them to play an active role as genuine company partners. Co-operative growers are therefore paid fairly for their work and both sales and financial statements are accessible in a transparent and democratic way. Europe also supports agricultural co-operatives through tenders and public funding, facilitating financial aspects for co-operative wineries. From a size perspective, there are very small co-operatives with very few members and conversely, co-operative behemoths with hundreds of growers who, as full-fledged company partners, can decide whether new growers should be allowed in. Grape growers must abide by specific statutes drafted by the founding members, which can be modified at an AGM. Their duty is to bring the grapes they grow personally to the co-op. Their grapes are used to make wines collectively - only on rare occasions are their grapes used to make stand-alone wines, if for instance they have unique characters. Assessing the quality of the fruit brought to the co-operative implies knowing



Cantina Val d'Oca: the hillsides of Prosecco de Conegliano Valdobbiadene are a Unesco heritage site, and the scene of heroic winegrowing



"The staff at the Valpolicella Negrar co-operative supervise every stage of production, from receiving the grapes to winemaking, maturation and bottling," point out chairman Renzo Bighignoli, director Daniele Accordini and vice-chairman Gianmichele Giacomuzzi



Cantina sociale Valpolicella Negrar: Over 700 hectares of vines and 700 member growers in various parts of the Valpolicella Classica area. Most are hillside vineyards and monitored daily by an in-house team of agronomists and winemakers

whether the State makes it compulsory for growers to hand over their entire production, or not. If this is not mandatory, growers can be tempted to keep the best grapes for themselves, and take their second-choice fruit to the co-op.

#### A HEALTHY CO-OP CAN BENEFIT AN ENTIRE REGION

Because all of a co-operative's profits are generated by the sale of its wines, they are distributed fairly among member growers. Not all co-ops run successfully in Italy and there is a direct link between the fate of some Italian wine areas and local co-operatives. It is often said that where there is a "healthy" co-operative winery, the region and private companies as a whole can benefit. Conversely, as some co-operative wineries with a firm regional rooting - Sardinia is an example - have gone to the wall, this has unleashed the creative energy of small winegrowers. The transition from co-operative to independent winegrower is not easy, but it is fundamental

# ITALY

– HISTORY –

if quality growers are to emerge in the marketplace. In the past, co-operative wineries focused more on quantity than on quality. Today, an increasing number of co-ops are being guided by quality and ramping up their sustainability credentials. Many oblige or encourage their growers to use environmentally-friendly, or in some cases organic, vineyard management. Grapes from organically certified vineyards are paid more, offering a strong incentive for growers to farm sustainably. They know that the responsibility for safeguarding their region is vested in them, and in this way, their attention to detail can be properly rewarded.

## OUR SELECTION OF ITALIAN CO-OPERATIVE WINERIES

Across Italy, some co-operative wineries are a benchmark for quality in their local region. As mentioned earlier, South Tyrol is home to quality co-operatives that account for a large chunk of production. Two striking examples of this, among leading Italian and non-Italian wineries, are Tramin (300 growers and 250 ha of vines) and Terlano (143 growers and 190 ha of vineyards). Cantina Cortaccia/Kellerei Kurtatsch (190 members and 190 ha) and Cantina Colterenzio/Kellerei Schreckbichl (300 members and 300 ha) also deserve a mention. Quality and careful management also stem from consistency in member growers and hectareage, with an average area under vine of around one hectare per grower.

## TRENTINO AND ITS HEROIC GEMS

Trentino is home to some interesting wineries, ranging from the sizeable and well-known Cantina La Vis (1,300 growers over 1,350 ha), which is also responsible for Cembra Cantina di Montagna, to the smaller Cantina di Trento le Meridiane (400 growers over 650 ha of vineyards). Unlike neighbouring South Tyrol, co-operatives in Trentino generally have different commercial objectives and focus on higher numbers, even though they too are able to produce high quality wines. Moving West, in the Aosta Valley, is one of the smallest Italian co-operatives - the 'Caves Coopératives de Donnas' (80 growers with 30 ha of vineyards). The proponents of heroic viticulture, farming tiny plots,



The Valpolicella Negrar 'cantina sociale' is very attached to traditions and to a region that has been farmed by generations of men and women



To gain a secure volume foothold in national and international markets, a hard-hitting, targeted sales plan, like that of sales director Andrea di Fabio supported by charismatic chairman Tonino Verna (Cantina Tollo), is essential



Cantina Tramin: The winery has successfully scaled the heights of quality by paying high prices for the grapes grown by its members

they have made the co-operative wineries in this region absolute gems, able to produce wines on a par with those of independent wineries.

#### QUANTITY BUT ALSO QUALITY IN VENETO

Veneto can boast some of the most successful co-operative wineries that illustrate the region's finest offerings and produce its most important denominations. These are most notably, the Cantina di Soave producing Soave (2,300 growers over approximately 6,000 ha of vineyards); Cantina Montelliana (400 growers over 700 ha of vineyards) and Colli del Soligo (about 700 growers over more than 800 ha) for Prosecco; Cantina Valpolicella di Negrar making Valpolicella (230 growers over 700 ha); and Cantina dei Colli Euganei for Fiori d'Arancio (680 growers over about 700 ha). Venetian co-operative wineries tend to be large and process higher volumes, but this does not undermine the quality of their wines.



Cantina Carpi e Sorbara: The unique Lambrusco Salamino by this major Emilia-Romagna co-operative

### PIEDMONT ON A PAR WITH INDEPENDENT WINERIES

Piedmont is the location for two of the most representative Italian co-operative wineries: Terre di Barolo (about 350 growers over more than 600 ha of vineyards) and Cantina dei Produttori di Barbaresco (with its 50 families and 100 ha in the heart of the region). Both still produce wines that can stand comparison with those of many private wineries. The achievements of the Cantina di Casorzo also deserve praise: with 95 growers farming 195 ha of vineyards, mostly planted to Malvasia and Barbera, it is a gem among Piedmont co-operatives.

### POLITICS AND CO-OPS CLOSELY LINKED IN EMILIA ROMAGNA

Another region to watch for its co-operative wineries is Emilia Romagna, particularly wineries producing Lambrusco such as Cantina Carpi & Sorbara

# ITALY

– HISTORY –



Focusing on sustainable winegrowing safeguards old vines belonging to member growers and adds incredible value to wines produced by the co-operative (Cantina Carpi e Sorbara)

(1,200 growers over around twice the hectareage) and Cantina Quistello (about 300 growers over 350 ha of vineyards). Both are located in one of the bastions of co-operative wineries, a region where politics and co-operatives have gone hand in hand for years.

## EXCEPTIONS TO THE RULE IN TUSCANY

In Tuscany, a special mention should go to Vecchia Cantina a Montepulciano, the “oldest” Tuscan co-operative winery (400 growers over 1,000 ha). Cantina Sociale dei Colli Fiorentini is also a must as the largest producer of Chianti (850 growers over 1,500 ha under vine). Co-operatives are not as plentiful in Tuscany as in other regions due to good prices, which have encouraged producers to set up independent wineries, and large bottling firms that take in a lot of the fruit grown by small producers.

## CO-OPERATIVES HAVE STRONG NETWORKS IN UMBRIA

In Umbria, Cantina del Trasimeno Duca della Corgna (200 growers and 300 ha of vines) and Cantina dei Colli Amerini (400 growers and 700 ha of vines) are among the largest businesses by volume. Winegrowing in Umbria is enjoying a new lease of life and many small growers are starting their own wineries to the detriment of co-operatives. However, co-ops still have strong connections with the network of micro growers across the region.

## HIGH QUALITY CO-OPS IN MARCHE

In Marche, Cantina dei Colli Ripani (400 growers and 850 ha) stands out for its quality and foresight - it is always in keeping with the times. In Verdicchio, Cantina Moncaro (928 growers and about 1,400 ha of vineyards) is a key player, as is Pro.Vi.Ma. (180 growers and 100 ha) in Matelica, an historic local co-operative that was forcefully established under the Fascist regime but nowadays runs a successful business, producing extremely high quality wine, some of them organic. There are many co-operatives in Marche, but increasing numbers of growers, particularly the younger generations, are leaving the co-operative system to produce their own wine.



Cantina Carpi e Sorbara: The vines that produce wines under the Lambrusco Salamino Dop, Lambrusco di Sorbara Dop, Lambrusco di Modena Dop, Lambrusco Reggiano Dop, Lambrusco Mantovano Dop, Lambrusco Grasparossa di Castelvetro Dop and Pignoletto Doc and Docg appellations

# ITALY

– HISTORY –



Carlo Piccinini, 46, is vice-chairman of the Cantina Carpi e Sorbara and has fuelled constant growth at the co-operative after initiating the merger (7 years ago) of two major, long-standing players in the Modena wine industry

## CO-OPERATIVES DRIVE NEW-FOUND QUALITY IN ABRUZZO

Abruzzo is experiencing a watershed moment in terms of quality. Among the drivers of this are co-operative wineries such as Cantina Tollo (700 growers and 3,000 ha), which has emerged as one of the top co-operatives over the past few years. Abruzzo is also home to a conglomerate of nine co-operative wineries in the province of Chieti: Citra Vini, producing over 18 million bottles from grapes grown by a staggering 5,000 members.

## FAR-SIGHTEDNESS IN CAMPANIA

Campania houses one of the oldest Italian co-operatives: Cantina di Solopaca (600 growers with 1,300 ha of vineyard available to the co-operative). This particular co-op deserves a mention as it was established during a challenging period for the local wine industry. Its group

# ITALY

– HISTORY –



The founding principle of the Ruvo di Puglia co-operative, established in 1960 by a group of far-sighted winegrowers, is sharing. 1,200 members now pool their experience...



The 1,500 hectares of vines managed by members of the Ruvo di Puglia co-operative mainly include the Nero di Troia, Bombino Bianco, Bombino Nero and Pampanuto varieties

of far-sighted, courageous winegrowers promoted its resources and gave a boost to wine production across the entire region.

## VALUE FOR MONEY AND PRESTIGE IN APULIA

In Apulia, stand-out co-ops include Cantina di Ruvo di Puglia – Terre del Grifo (600 growers with over 1,000 ha of vineyards), which produces wines showing excellent value for money, yet still focuses on quality winemaking and overseeing vineyard management for its member growers. Cantina Casaltrinità (200 growers farming 600 ha) has been successful both in terms of quality and market choices: over the past few years it has demonstrated its ability to produce prestigious wines that can compete with the most-awarded independent wineries.

## THE STANDARD-BEARERS OF BASILICATA

Basilicata is home to Vulture and Aglianico. Cantina di Venosa (400 growers over 800 ha of vineyards) became one of its standard-bearers, through the trust placed in the region's wines and the strength of small producers of high quality grapes, able to create excellent labels.

## CAMPOBASSO'S BENCHMARK FOR QUALITY

Cantina San Zenone (200 growers and 300 ha of vineyards) was established in Montenero di Bisaccia in the province of Campobasso and is a benchmark for quality. The co-operative, which focuses on the protection and promotion of Tintilia, has been able to combine modern technologies and viticulture that shows respect for its contributing winegrowers by creating excellent wines.

## CO-OPERATIVES MAKING HISTORY IN SICILY

Sicilian cooperatives deserving a mention include Cantina Cooperativa Birgi (900 growers over 2,500 ha of vineyards), which has made and is still making history in this region, thanks to generations of winemakers who have always grown stellar grapes in the Marsala area. There is also Sicily's largest



Cantina Settecani: The winery was founded in 1923 in Castelvetro by a group of land owners with adjoining land. They banded together, first as a company, then as a co-operative

co-operative, Cantine Colomba Bianca (2,450 growers over 7,500 ha of vineyards) whose growers are united around the brand name.

Generally speaking, the structure of co-operative wineries in Italy has undergone a sea-change in recent years, with many member growers leaving to set up their own wineries. Nevertheless, the co-operative remains an important part of Italy's complex and diverse mosaic of wine. The hope is that the focus will increasingly be placed on quality and not only on quantity. Many co-operatives have already gone down this route, and are benefitting from the supervision of agronomists in the vineyards and increasingly experienced and respectful winemakers.