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# Humbled Ruble Breathes New Life Into Swiss Winemaker's Russia Venture

By The Moscow Times

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Renaud (L) and Marina Burnier attend an interview in Moscow, March 27, 2015.

For Swiss winemakers Renaud and Marina Burnier a drop in the ruble has opened up new possibilities for a Russian venture they once doubted would get off the ground.

The currency's 30 percent fall since mid-2014 has spurred demand for the premium wines they produce from around 70 hectares of land on the Black Sea coast.

While hurting importers, the ruble's decline against the dollar and euro — mainly a result of a weak oil price and Western sanctions imposed over Ukraine — has benefited local businesses.

"On the one hand — it's a crisis so it's difficult to repay loans. But on the other, it creates conditions for the development of Russian wine," said Renaud Burnier, whose family has been making wine near Bern for more than 400 years and one of whose ancestors was a governess to Russian royalty.

"We now have many orders in Russia because foreign wines have suddenly become very expensive," Marina Burnier, his Russian-born wife, added in an interview.

The Burniers' vineyard enjoys a sub-tropical climate and lies at roughly the same latitude as Bordeaux and Piedmont, and they are carving a niche that sits several grades above the mass market that most of Russia's historically troubled wine industry caters for.

They sell their Merlot to local restaurants for 750 rubles ($15) a bottle. Their Krasnostop — a native red grape — goes for 1,350 rubles, and they also produce a Cabernet Sauvignon and a white made from a blend of different grapes.

Although they import bottles, corks and paper labels, for which there are no suitable Russian-made alternatives, they have not raised their prices.

"Shops and distributors from all over the country write to us, everyone wants to buy European quality wine for the price of Russian-made wine," Marina said.

Restrained by logistical issues, such as a lack of their own distribution system and Russia's long distances, the Burniers plan to sign a contract with the local unit of German retailer Metro on supplying wines to its stores in Russia.

That should help them reach their target of a sevenfold increase in sales to above 100 million rubles ($2 million) this year, though Marina admits that breaking into foreign markets might offer an easier route to success.

"We sell a lot in [the southern city of] Sochi. In Moscow it's more difficult because of logistics. For us it's easier to export to Switzerland," she said.

While exports so far account for only around 10 percent of turnover, their wines are also sold in Britain, Germany and Hong Kong and soon will be in Sweden.

### Thorny Path

Renaud was first taken with Russia as a child when his great-grandfather's sister told him about the country where she had served as a governess to a sister of the last tsar, Nicholas II.

He later learned about Russian winemaking traditions, which date back to pre-revolutionary times, from a professor at a Swiss wine academy. After he met Marina, Renaud planned to export his Swiss wine to Russia.

But on his first trip to Moscow in 1999 he was shocked by the lack of good Russian wine and, when he traveled south, found the winemaking region that his professor had praised was largely neglected.

He decided to set up his own Russian vineyard. But by the time they made their seventh trip to Russia's south to find a suitable plot, the Burniers were about to give up.

And even when they stumbled across a deserted vineyard, they had to overcome obstacles such as trying to persuade Russian bureaucrats to let him use technology they had never heard of.

"We had to get so many permits! Modern technology had made great strides while Russian rules were based on technology that was 40 years behind," he said.

In a country where Soviet leader Mikhail Gorbachev ordered the destruction of most vineyards in the 1980s as part of an anti-drinking campaign, the couple also struggled to find skilled labour.

They produced 30,000 bottles in their first vintage in 2005, rising to around 250,000 in 2014, but the Burniers said boosting production had never been their purpose.

"We want to talk about our project, change the stereotype, show that one can make good wine in Russia," said Marina.

Most Russian-made wines, which dominate the local market, are produced on an industrial scale and are often of low quality. According to Euromonitor, wine sales in Russia were an estimated $6.5 billion in 2014.

The Burniers' Russian vineyard, funded mostly by loans from foreign banks, has yet to turn a profit. It only started to return investments — which had run at an annual $1 million in the past 15 years — after regular sales began in Russia in 2014.

Now that servicing their Swiss franc loans has become more expensive, they are also under financial pressure to export more.

Despite the difficulties, Renaud says he has no regrets.

"I like Russians and Russia because in the end a solution to any problem gets found and no one is afraid of anything."

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