

SUCCESS STORY

YOUNG ENTREPRENEUR RETURNS FROM DIASPORA TO BUILD A NEW-GENERATION WINERY

Young Moldovan entrepreneur turns tradition into jobs, leveraging USAID and Sweden support to restore local heritage, attract foreign tourists and strengthen an emerging industry in his ancestral village.

Investing in the heart of Moldova's rural economy

Arcadie Fosnea stands on the steps of his former kindergarten, looking out at 12 hectares of grape vines. "It used to be a nobleman's house, and during Soviet times it's where I went to primary school" he says. Now, Fosnea owns both the beautiful old building and the vineyards which surround it. With the help of the Moldova Competitiveness Project (MCP), his business, Mircesti Winery, is becoming a leading example of how small wineries can create jobs and economic opportunity in rural areas of the country.

Wine is at the heart of Moldova's cultural heritage and also its modern economy. Four percent of the country is covered in vines, the highest national density in the world, generating revenue for over 200,000 people. Wine also makes up five percent of all exports. When Moldova's largest market, Russia, launched two trade embargoes, exports shrank three-fold and the industry fell into recession. Grape growers and bulk wine makers across Moldova suffered huge losses, but outdated winemaking practices and legislation prevented them from reorienting their efforts.

In response, MCP predecessor projects worked hard to reform Moldova's wine laws, making it possible for small wine makers to emerge and professionalize their



Photo caption: Arcadie Fosnea, winemaker and owner of the Mircesti Winery
Photo credit: Anatoj Tomsa, MCP

greatest resource: their small plantations of vines. Arcadie Fosnea is one young entrepreneur who has taken advantage of this enabling environment and found success at every level of Moldova's wine industry.

From skilled winemaker to skilled entrepreneur

After completing his studies in Germany, Fosnea returned to Moldova and became the chief winemaker at Chateau Vartely, one of the country's most successful producers of bottled wine for domestic and export markets. But he wanted to apply his expertise to his own, modern vineyard, so he returned to his home village and bought the old school and the land around it to create a small winery, 'Mircesti'. The winery currently employs three people from the village full time, and creates jobs for up to 15 people during the harvest and production season.

Fosnea plans to expand even further and capitalize on the growing market for wine tourism. He has applied to MCP for a grant to develop tourism services, and invest in 6 rooms for visitors to stay in. With this new resource, he can attract tourists from the cities to his winery, and keep them over night, bringing more valuable income to the village and creating more jobs.



Photo credit: Anatol Tomsa, MCP
Photo caption: Old maison from Mircesti in the reconstruction phase.

A high-tech vineyard for a modern wine industry

Fosnea doesn't just make wine, he is investing in the future of Moldova's wine industry. Mircesti Winery is home to experimental plots within the "Best Grapes" research project, led by PGI Association "Valul lui Traian" with support from MCP. Quality grapes are the foundation of a quality wine industry, and Best Grapes researches how Moldovan grape growers can ensure the quality of their crop. Within the project, the meteorological stations installed on demonstration plots in different Moldovan wine regions generate cutting-edge data to help manage weather and climate risks in vineyards. To date, the study has provided key information for Moldovan wine growers on when is best to irrigate and apply inputs, improving the financial and environmental sustainability of grape growing businesses, and also demonstrated how wine growers must alter their techniques to adapt to climate change.

Investing in Moldova's future small wine makers

Arcadie Fosnea credits his success to the reforms in Moldova's wine industry facilitated by USAID, enabling small wine makers to emerge, and subsequent support from MCP. "Through MCP support for the Association of Small Winemakers, we are able to survive and thrive

"Now, I have been able to legally establish my own winery, and share my experience, gained locally and abroad with other vintners ensuring the overall growth of wine quality across the sector".

Arcadie Fosnea, winemaker

as small winemakers. Before, I would never have been able to create a business like this, exporting quality bottled wine to in line with my expertise", he says.

Now, he is giving back to the industry. Fosnea has become the President of the Association of Small Winemakers, which supports other wine startups to emerge and thrive through a combination of technical and methodological support. Through his young, innovative leadership, and his demonstrated success as a winemaker and entrepreneur, he will support the next generation of small wine makers to establish themselves, adopt sustainable wine growing techniques, and create jobs in their rural communities.

MCP supports the Association of Small Winemakers to provide expertise and access to equipment to small wine businesses emerging as a result of Moldova's liberalized wine regulatory environment. In addition to its well-known Mentorship program, the Association owns a wide array of technical winemaking equipment, including a bottling plant, which small winemakers can rent for a few days at a time, reducing barriers to entry for small businesses. MCP's support for small producers of bottled wine is part of a long-term strategy to shift Moldova's wine industry from large scale bulk production to modern bottled wines, attractive to high-value markets in Europe and Asia, and resilient to threats from future Russian embargoes.

Moldova's heritage wine industry is still recovering from the effects of two Russian embargoes, and USAID and Sweden support the industry to reorient to quality market in the EU and elsewhere. As a result, it is now in the top 10 exporting wine countries in the world, with 73% of bottled wine exports worth \$54M USD heading to the EU, Asia and other high value markets.



Photo credit: Anatol Tomsa, MCP
Photo caption: Landscape view of the Mircesti winery vineyards