

MINISTER FOR PRIMARY INDUSTRIES NAIL BLAIR MLC VISITS REGION

The Minister for Primary Industries, Niall Blair recently attended the region to meet with the Board to discuss grower issues. Whilst in the region the Minister used the opportunity to inspect a State government funded weather station located at McWilliams Wines Hanwood.

The weather station is part of a regional network of stations that provides online access for all growers to obtain information regarding the weather.

profitability - and that's great news for NSW winegrape growers."

Mr Blair said the program is about improving NSW winegrape productivity by boosting technical skills and providing access to vital local information.

"Weather data can be broken down by day, week, month or year with measurements of temperature, rainfall, humidity, solar radiation and leaf wetness," Mr Blair said.

"The program also delivers a fortnightly VineWatch newsletter, which delivers information on weather, pest and disease outbreaks and grapevine development in the Riverina and Mudgee regions."

Real-time weather data from the Australian Wine Research Institute website is available online now,

www.awri.com.au/industry_support/weather-nsw/



(Second from right) NSW Minister for Primary Industries, Niall Blair, with (from left) NSW DPI Viticulture Development Officer, Darren Fahey, Riverina Wine Grapes Marketing Board Chairman, Bruno Brombal and the CEO Brian Simpson at McWilliams Wines Hanwood Estate.

The network is part of the NSW Viticulture Skills Development Program, funded by the NSW Government with the NSW Wine Industry Association and delivered by the Australian Wine Research Institute.

"The NSW Liberals & Nationals Government is working hand-in-hand with industry to make it easier for our farmers to do business," said Mr Blair during his visit in May.

"These weather stations log data at 10 minute intervals which can be viewed in real-time this means growers have access to the right information to make the best decisions for their businesses.

"This initiative allows growers to better predict the potential risk of pest and disease outbreaks and make better-informed vineyard management decisions.

"The local information it delivers will help maximise the quality and quantity of future vintages and improve the

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BOARD ACTIVITIES REPORT



Vintage Laboratory: The staff reported that there were less samples processed at the Board office laboratory this season than the previous. This was because of less project work being undertaken by the staff. A greater number of growers used the Board's free testing service this season.

- **HACCP Auditing:** The Growers are requested to contact the Board office for booking in your second party HACCP audits by Board staff.
- **Trade Immersion group:** During June the region will host its next group of trade and media representatives. This time they are from Australia.
- **NSW Small Business Commissioner:** The Board were successful in getting the NSW Small Business Commissioner to the region along with representatives of other industry relevant agencies. A report of the forum can be found in this newsletter (*page 4*).
- **Australian Small Business Commissioner Round Table meeting:** The Board were invited to participate in a round table discussion held in Adelaide on the issues currently being faced by the

industry and discussion on what could be done to assist the industry. A report of this round table discussion can be found in this newsletter (*page 5*).

- **Federal Senate Wine Industry Inquiry:** The Board wrote a submission on behalf of industry and provided assistance to those growers that were able to provide input into the Inquiry.
- **Australian Grape and Wine Authority regional roadshow:** The region was to host the AGWA regional roadshow that would launch the market programs of the authority and provide attendees with a state of play report on the industry. Unfortunately there were insufficient registrations for the 3 hours workshop so AGWA cancelled holding the event in the Riverina.
- **Riverina Field Day:** The Board again sponsored the event held at the Griffith Show Ground. Members of the Board were pleased with the level of attendance by growers and used the opportunity over the two days to talk with many growers.

Growers are encouraged to talk to members of the Board and staff about the activities and actions of the Board. Growers should also use the public meetings to raise any matters you wish to discuss



Attendees of the Boards Asian Media tour held in March 2015 at Calabria Family Wines with Bill and Michael Calabria. Following this Board staff have been monitoring the feedback via social media on what these delegates are telling their followers about the region.

REGIONAL PROMOTIONS UPDATE

The Wine Grapes Marketing Board continues to work to advance the Riverina region as a source of quality grapes and wine. While our brands have become household names, there has been the ever present concern of supply imbalance and market issues. These problems cannot be solved by doing nothing. The wine market is a complicated place and while other regions in Australia invest in promoting their regions identity, ours will forever fall of the map and out of the fore front of the consumers' and the buyers' mind. For these reasons, the WGMB investment in promotion is underway and gaining interest from many in the industry as a once silent region is now making some big steps into the area of promotion.

Regional Visitor Program

Wine Australia (AGWA) offers market immersion programs for regional partners to invest in. The appropriate people to participate in the visits are handpicked by Wine Australia knowing the expectations from the investor regions. The visitors are highly educated on the wine industry and have demonstrated an interest in the Australian wine regions.

The Wine Grapes Marketing Board has hosted two trade and media groups in the Riverina so far this financial year. Both these groups were from Asia, and while some delegates had never been to Australia, others had been many times but never to our region. This opportunity to educate these influential people provides a voice for our region and our brands into these emerging

markets.

The Chinese group reported 'The Family connections in the large scale wine making process were impressive. Guests were interested in the irrigation plan, Italian heritage and the Mediterranean varieties'.

The Asian group reported 'Riverina was a very creative visit - the Italian cooking experience was such a fun and wonderful way to gain insights into not just wine but also the regions history, heritage and culture. Most Riverina wineries produce good to great noble rot sweet wines'.

The Riverina region will host 10 Australian wine buyers in June 2015 as part of the Australian Trade Immersion Program. This group consists of both buyers looking for larger volumes such as Dan Murphy's and Cellarbrations, and also sommeliers seeking smaller volumes and improved regional knowledge.

You Tube Videos

The Board has also invested in the production of 5 You Tube videos to date. 'Riverina Wine Grapes' is the You Tube account name where the videos created by Vince Bucello are available. The videos feature a number of Riverina grape growers and local wineries to transfer the message of the accomplished wine region that is capable of meeting the markets needs by producing high quality standards.

The videos are available via a link from our website, along with direct access to our other social media accounts www.wgmb.net.au

Anthony and Dom Schrippa from Hanwood on their vineyard talking positively about the quality of the regions production in one of the promotional online videos



WINE GRAPES MARKETING BOARD

NSW SMALL BUSINESS COMMISSIONER FORUM UPDATE

On Tuesday 12th May 2015 at the Griffith Exies Club 12 Agencies from government attended a forum for the winegrape industry.

The agencies participating were:

- Federal Department of Industry and Science - Business "AusIndustry"
- Australian Competition and Consumer Commission
- Australian Small Business Commissioner
- Australian Taxation Office
- Australian Fair Work Ombudsman
- NSW Small Business Commissioner
- NSW Trade and Investment
- NSW Rural Financial Counselling Service
- NSW Department of Primary Industries
- Service NSW
- Small Biz Connect
- NSW Workcover

There were 18 winegrape growers in attendance at the meeting with the main focus of the discussions on terms and conditions of payment and the behaviour of wineries in the region.

A few in attendance spoke of their frustration that the industry is not getting better and that they are not sure of what part that they can play in the industry. The Commissioner referred these growers to the Small Biz Connect group.

The NSW Small Business Commissioner Robyn Hobbs had this to say to ABC Riverina Rural Reporter Ms Laurissa Smith on the day:

The NSW Small Business Commissioner says she is appalled by the way some wineries are treating grape growers in south-west New South Wales.

This week Robyn Hobbs joined state and federal agencies in Griffith, including the Australian Competition and Consumer Commission, the Australian Taxation Office and the Rural Financial Counselling Service.

They met with grape growers and small businesses in response to concerns from the Riverina Wine Grapes Marketing Board.

Chairman of the Board Bruno Brombal said some farmers would not survive another vintage.

"It's at a stage where some growers will have to walk off the land," he said

"Banks are making it pretty difficult now, they're cutting

off any overdrafts.

"They're not getting any extra funds to carry on for an extra 12 months, so it's very difficult."

On her forth visit to Griffith as Commissioner, Mrs Hobbs said she was not surprised some grape growers were in such a dire predicament.

"I don't think it's tenable that grape growers have to wait nine months to be paid," she said

"Or sometimes are being paid in lots of three.

"I don't know, quite frankly, of any other business that encounters that."

The Commissioner acknowledged other wine grape regions in the country were also suffering.



Various agency representatives at the Industry Forum held especially for grape producers

However, she said cash grants to exit the industry were not an option for growers at this point.

She said there were ways to support growers to diversify and grow other crops.

"Now it's fair to say that a lot of growers I've met in the last year or so actually want to exit the business," Ms Hobbs said.

"They're close to retirement, they've done enough and they want to move out.

"It's really the next generation below that, the young people who are keen to stay on the land, but sometimes the farm itself has a lot of debt attached to it.

"So I've encouraged growers at this forum, to engage with small business advisors and let them help them on marketing plans and if they want to exit the business, how to do that.

Mr Brombal said he hoped to continue negotiations with state and federal agencies to find ways to support growers.

AUSTRALIAN SMALL BUSINESS COMMISSIONER ROUNDTABLE

On 5th May 2015 the Board Chair and CEO were invited to participate in a roundtable discussion in Adelaide about the problems in the industry.

- Current contracting and management practices in the wine industry,
- Best practice dealings from industry participants (including innovative ways to meet business needs of all parties),
- Business relationships in the wine industry, including the industry-led voluntary Australian Wine Industry Code of Conduct,
- Business practices that are less sensitive to the boom and bust cycles of the wine industry, and
- Pricing decisions and options the industry could adopt to work better together.

The Roundtable discussions on the day were facilitated by Mr Alan Wein, Principal Mediator and Special Legal Counsel of Wein Mediation Pty Ltd.

At the outset of the discussions the framework and context were set in that the industry is presently in disarray, hence the current senate inquiry. Attendees also noted that the current Wine Equalisation Tax (WET) Rebate had the potential to mask false profitability within the industry as more growers participate in this route to market.

Many agreed that there needs to be a greater level of cohesion within the market (between growers, wineries and retailers) and price realisation at the farm gate needs more work to allow growers to understand how the prices are formulated and give them sufficient time to make informed business decisions.

Others talked about the use of objective measures within the industry and their concern about contracts not being renewed by wineries. Issues such as collective bargaining, retention of title and terms and conditions of payment need to be further explored by participants with the assistance of government where needed.

Many talked about the continued need to ensure better uptake of the current industry Code of Conduct. Most of those in attendance from the industry agreed that a

code is needed within the industry to ensure that the business practices of each player in the market were articulated, disputable and operational.

The current risk burden within the industry needs to be altered as it was described that growers not only are required to take on the agricultural risk within the industry but they are expected to carry a too high of a percentage of the market risk of the winery.

It is discussed that the industry needs to continue to build resilience despite the current economic conditions. Government can assist in training opportunities and ensuring items like price determination (how the price is formed and when) do not continue in an ad-hoc manner.

Some at the meeting agreed that presently supply and demand factors do not apply and quality incentives that are unattainable do not exist to any large extent within the industry.

As a grower representative on the day it was important that we presented a compelling argument to the various Small Business agencies that were present, these were the Australian, Victorian, South Australia and New South Wales. All of these groups are now actively engaged and are more aware of the issues that are facing industry participants.

The major retailers within the domestic market also received a mention in relation to their significant impact on the industry in terms of the duopoly that exists, i.e. Coles and Woolworths.

From the meeting it appeared as though we reached a consensus of minds that the industry needs to be working more actively toward with the development of a mandatory code of conduct. Delegates of growers left the meeting with a sense of relief that after six years of working toward a decent functional code of conduct there was acceptance that what the industry needed was regulation to assist it. While Government departments are now more aware of the critical situation within the industry we anxiously await the outcome of this event and the opportunity that opening up a dialogue with the Small Business Commission will present to all of the industry.

INDUSTRY RUMOURS AROUND

Every year it seems that one or more rumours about the activities of our regional wineries goes around the grower base and into the community. If you have a rumour that is not slanderous in nature but want to find

out if there is any substance to it please contact the Board. The Board is prepared to ask the question of the winery directly and advise you of the outcome. No anonymous "rumours" will be dealt with.

WINE GRAPES MARKETING BOARD

WINE GRAPES MARKETING BOARD ANNUAL GENERAL MEETING

The Riverina Wine Grapes Marketing Board urges growers to attend the forthcoming Annual General Meeting. It will be held at the Yoogali Club, Yoogali commencing at 7:30pm on Tuesday 16th June 2015.

Notices have been sent to all growers with a copy of the Annual Report for 2014. As this representative body is funded by all independent winegrape producers it is important that producers get to have a say into the operations and functions of the Board.

Guest speaker for the evening will be Darren Fahey NSW DPI Viticulture Development Officer to talk about the NSW Viticulture Skills Development Program and how growers can become involved in it.

Industry Development Officer Kristy Bartrop will provide a presentation on the ongoing promotions activities of the Board and what is being planned to develop regional brand recognition and grow sales of wines produced from this region.

If you can only get to one meeting a year make this the one as it is important meeting as the Board discusses its financial position and the forthcoming levy return of \$2 per tonne to growers in the region based on 2015 production levels.

Apologies can be phoned to the office on 6962 3944 up until the afternoon of the meeting. Growers can speak to Brian Simpson CEO for further details.

YENDA GRAPE GROWERS ASSOCIATION NEEDS SUPPORT

The current committee of the Yenda Grape Growers Association are holding a special meeting of the Association on Thursday 18th June 2015 at the Yenda Diggers Club commencing 7:30pm.

The purpose of the special meeting is to decide the future of the Association which has seen member attendance decline over the past 24 months.

The Association committee believe that if there is insufficient interest from within the regional grape growing community to maintain the body then it will need to close.

Growers are urged to come along and have your say on the future of the Yenda Association.

WINE GRAPES MARKETING BOARD ELECTIONS EARLY 2016

Every four years the Wine Grapes Marketing Board holds an election to confirm the members of the Board.

At the commencement of 2016 the next elections will be held. Prior to this however nominations will be called for from all constituted growers. These nominations will need to be signed by up to six current winegrape grower members.

There are currently 5 elected member of the Board:

Bruno Brombal	Elected in 1989
Robert Bellato	Elected in 1995
Lou Dal Nevo	Elected in 1999
Tony Baggio	Elected in 2003
Rod Gribble	Elected in 2013

The remaining two positions are selected by the Board and are appointed members. These positions are currently filled by:

Eric Berton	Appointed in 2005
Bruno Altin	Appointed in 2011

To be eligible to stand for the Board you are required to be a constituted winegrape producer. These means that you must sell your winegrapes

to a processor and fund the activities and operations of the Board. If you do not currently pay the Board's service fee then you are not able to stand for election.

If you want to find out more information about the Board it would be beneficial to talk directly to any of the current members or speak with the Board CEO Brian Simpson on 6962 3944.

The Board meets once per month throughout the year and also holds special meetings as required throughout the year. A small sitting fee is paid to all members.



Deputy Chair: Robert Bellato, CEO: Brian Simpson, Chair: Bruno Brombal discuss WET Rebate issues with Michael McCormack MP at the 2015 Riverina Field Day.

AUSTRALIAN FARMERS AMONG WORLD'S LEAST SUBSIDISED

Source: <http://mobile.abc.net.au/news/2014-02-14/malcolm-turnbull-correct-on-farmers-subsidies/5252596>

There's been intense debate about the Federal Government's refusal to subsidise General Motors and SPC Ardmona. And there are still questions about the Government stepping in to assist Qantas.

Federal Treasurer Joe Hockey has said the age of entitlement is over.

On ABC TV's Q&A program, (10th Feb 2014) Communications Minister Malcolm Turnbull was asked whether the Government's hard line on subsidising the manufacturing industry also applied to agriculture.

He said: **"Our farmers are among the least subsidised in the world, the least supported in the world."**

International comparisons

A report published by the Organisation for Economic Co-operation and Development last year, 'Agricultural Policy Monitoring and Evaluation 2013', looks at agricultural policies in its 34 member countries and a range of

emerging economies, including the important

agro-food markets of Brazil, China, Indonesia, Kazakhstan, Russia, South Africa and Ukraine. These 47 countries account for almost 80 per cent of global agricultural output, according to the report, which covers the period 2010 to 2012.

In the report, the OECD measures subsidies by using a "producer support estimate". This measures the total subsidies farmers receive from government as a percentage of farm revenue.

The report shows Australia has a producer support estimate of 3 per cent, making it the second lowest in the OECD, and the third lowest in the report. The OECD average is 19 per cent and of the 47 countries in the report the average is 17 per cent.

The only OECD country with lower subsidies than Australia is New Zealand, and the only non-OECD country is the Ukraine.

Chile and South Africa have the same levels of subsidies as Australia. Countries in the southern hemisphere "are characterised by consistently low and stable levels of support," the report said.

The report says Australia's agricultural policy has

undergone "continuous and significant" reform since the 1980s. There has been a reduction of market price support to zero, which means government no longer provides commodity-wide assistance to producers of sugar or cotton. It says the subsidies have instead moved to "targeted direct payments".

The targeted payments listed in the OECD report include payments to farms for relief from natural disasters, income tax averaging and irrigation programs. From 2010 to 2012 there were no significant drought relief payments to farmers, which in previous years had increased the amount of subsidies paid by government.

'One of the world's most efficient'

The Department of Foreign Affairs and Trade backs up the claims made in the OECD report. "Australia provides agricultural produce to world markets without the high levels of financial support, protection and other trade-distorting practices used by some countries," it said. "This has resulted in Australia being one of the

world's most efficient agricultural producers."

Mick Keogh, executive director of the Australian Farm Institute, which acts on behalf of farmers and researches agriculture policy, says the OECD report uses national reports provided by each country, and is the most valued and comprehensive report for comparing agricultural subsidies.

Alan Oxley, former Australian ambassador to the General Agreement on Tariffs and Trade, which evolved into the World Trade Organisation, says the OECD report is the most authoritative on global figures, and is used by the WTO. "It's really the only set of global figures because some countries, particularly those within the EU, can be guarded about sharing information on agricultural subsidies," he said.

The Productivity Commission's ['Trade and Assistance Review 2011-12'](#) also says it estimates "assistance to the sector overall has declined to around 3 per cent".

Mr Keogh says agricultural subsidies may also be measured by "tax support estimates", which calculate government subsidies as a percentage of tax paid, or "consumer support estimates", which are used mainly by the United States when the government subsidises the price of food.

SENATE INQUIRY INTO THE WINEGRAPE INDUSTRY

As stated in direct correspondence to growers regarding the Federal Senate the Board sought growers support in writing to the Inquiry giving them your personal views on the winegrape industry.

The Board would like to thank those growers that took the time to participate in this. It is acknowledged that such actions are not easy to comply with especially when you already have your own business to run.

The Board also on behalf of all growers provided a detailed submission that referred to the 2005 Senate Inquiry outcomes that were not completely adopted and the 2010 NSW Upper House Inquiry of which the

outcomes were completely dismissed by the current government. These previous investigations into the industry showed a large amount of problems with regard to business behaviour.

The Board urged government to support industry and look at mandating the current industry code of conduct. If all wineries and growers operated within the same trading framework it would stand to reason that the industry would be more efficient and effective. Growers would ideally know "where they stand" in terms of the price setting methodology and the terms and conditions of payment. It is currently ad-hoc from winery to winery and creates inefficiencies within the market.

RIVERINA FIELD DAY

The Field Day for 2015 was well attended by winegrape producers. The Board is currently locked in as a sponsor for the 2016 year and a decision to participate in future years has yet to be made.

It was great to see numerous growers come to the event this year and discuss the current trading conditions. The opportunity that this event holds for the region and its farming community to see the latest equipment is excellent and we should encourage all our retailers to show off their products at this event.



INDUSTRY SUMMIT - A FOCUS FOR ACTION

In August this year the Winemakers Federation of Australia and Wine Grape Growers Australia, the two peak industry bodies will hold an industry summit, titled: Wine 2015 - A Focus for Action.

The event will be independently facilitated and will host representatives from all winegrape representative bodies nationally and within each state.

While the initial purpose of the summit was believed to be to address the issues of concern that are impacting on the industry's profitability, since planning for this event has commenced it appears the agenda has moved. It could be assumed that this is in light of the current Senate Inquiry into the winegrape industry and

the discussion paper that is shortly to be released in relation to the Wine Equalisation Tax.

The agenda of this "Focus for Action" will be industry representation and where do industry levy funds end up. It will be a way of addressing industry representation and discussion on the next steps and possible workshops that may need to be developed.

At this stage representation is still being finalised but the Board is in a strong position to have 2 representatives attend this, one via our involvement with Wine Grape Growers Australia and the other via NSW Wine Industry Association. It is hoped that the outcomes will be valuable for the industry.

WINE GRAPES MARKETING BOARD - proudly serving winegrape producers since 1933
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