

RIVERINA WINE GRAPES MARKETING BOARD

For the City of Griffith and the local government areas of
Leeton, Carrathool and Murrumbidgee



Riverina
WINE GRAPES
MARKETING BOARD

MEDIA RELEASE

19th March 2015

BOARD ADVISES GROWERS TO CONSIDER FUTURE OPTIONS

The Riverina Wine Grapes Marketing Board is concerned that unless a price recovery occurs in the industry growers will not be able to maintain vineyards and produce winegrapes at quality levels required by wineries to meet market demand. Consecutive years of depressed grape prices have left many growers in a negative economic position that could signal forced departures from the economically strained industry. Growers now need to take the time to consider their future in the industry.

As the 2015 vintage comes to a conclusion growers in most circumstances are again counting their losses. Grape production costs prior to harvest make up around 70% of the total cost of production, leaving growers in the uncomfortable position of accepting price offers made by wineries when grapes mature or lose the crop. Invariably growers are unable to negotiate these as the majority of the Riverina region's production is not covered by the Wine Industry Code of Conduct.

The Riverina Wine Grapes Marketing Board is now advising all growers to talk directly with their wineries about the prospects of the industry conditions improving for the following year. It is not acceptable to continue to grow grapes and receive less money than what it took to grow them. Wineries should be asked directly to provide indications as to what the prices in the market will be in the next vintage and growers may need to be considering mothballing vines or remove them from production if conditions are not looking to improve.

"This season we understand that a small percentage of the regions winegrapes will be left on the vines to rot as wineries reduce their intake this season amid declines and/or plateau of sales." Brian Simpson CEO of the Riverina Wine Grapes Marketing Board stated. "These are difficult and challenging times for the grower base as they will be required to make the hard on the ground decisions about their own future. The Riverina Wine Grapes Marketing Board will work to present to growers the options they have and ensure that our government is acutely aware of the issues facing the industry as they may be able to provide support."

The Riverina Wine Grapes Marketing Board is determined to help growers face the ongoing downturn in the industry and is currently preparing to hold an Agricultural Options Day on 5th May 2015 at Calabria Family Wines to present to growers with some alternative farm practices and business opportunities that they may wish to consider instead of winegrapes. This will be the second time that this Options Day has been held so it will build on the success of the event held in 2014.

Following that all growers will be encouraged to attend a multi government agency visit on 12th May 2015 at the Griffith Exies that is being prepared by the NSW Small Business Commissioner office following representations made by the Board for assistance. This is part of their Regional Activation Program to assist small business and winegrape producers come under their influence. Representatives of the Small Business Commissioner, Australian Taxation Office, Australian Competition and Consumer Commission, NSW Department of Primary Industries, Rural Financial Counselling plus others will descend on the region to hold a panel question and answer session that will provide these organisation's with a greater level of understanding of the issues facing growers and hear what is needed to assist the industry.

END

ENQUIRIES:

Brian Simpson Chief Executive Officer 0438 388 828 or 69 62 3944 (during office hours)