



GRAPE PRICE RECOVERY OCCURRING

Growers are seeing a change in fortunes within the industry with a number of wineries announcing higher offer prices for the 2018 season than has been evidenced for a number of years. For all growers it is important to now capitalise on this and look to secure an agreement with a winery for a few years. However it is important that if signing a contract that you are confident that the price per tonne is profitable for you and your circumstance. The Board has evidenced many growers over the past years that have been left with little choice but to sign unprofitable agreements and are in many circumstances still tied into these.

Grape prices moving up in response to the lower than expected international crush during 2017 (which has been reported in great detail) and strong demand within export markets, notably China. China is growing into a major market for Australian wine particularly red winegrapes and they are seeking both bottled product and bulk formats of Australian wine. China is now Australia's largest export market behind the United States in terms of value of wine sold into the market.

The Board has a number of winery price lists that it has received (please send in these to assist us) and notes that the race for more fruit commenced in late 2017 with DeBortoli Wines coming out very early in the Riverina market, they have since increased their price on some varietal reds. In 2017 McWilliam's Wines put their cards on the table with indicator prices or minimum prices for their contracted growers, the Board believes that these minimum were not generally well received and a number of growers have been negotiating with the company on this very important topic.

The Board encourages all growers to have a conversation about the price offers this year with your winery. Movement in the prices to be paid for wine grapes should be guaranteed given the shifts occurring in the market place for both bottled and bulk wine.

Reports from our counterparts in the Riverland have noted some wineries seeking fruit at \$530 per tonne for varietal red winegrapes, no yield restrictions, no colour requirements whatsoever, these buyers are challenging the status quo with many of the major buyers sitting at

\$500 per tonne for varietal red winegrapes. Yields in these regions are also normally much higher than the Riverina (as their wineries tend to be less restrictive).

There is also a new winery being constructed near Mildura that is seeking to purchase 85,000 tonnes in 2019. They are currently buying some fruit off growers and are having these processed by local wineries. In 2019 they will likely spread their reach into the Riverina to balance their risk. Growers should be ready for some greater opportunity in the near future.

In the last newsletter the Board placed a call for growers to let it know if you had any fruit available. The Board can report that no fruit has been lodged with the Board that is available. For growers this is the first time in a long time that the market is seeking winegrapes and a positive sign that change is occurring and demand is growing.

Wine Australia announced 23rd Jan 2018 that the exports for wine reached \$2.56 billion. This represents a 15% increase in value and an 8% increase in volume of exports. Almost all categories of wine have shown volume and value increases.

\$1.8 billion of total exports sold below \$10 per litre, this represents 70% of all Australian exports which is made up predominately of the inland regional fruit. The below \$10 per litre price range increased \$206.3million (60% of the total value increase). Reports are this trend is well placed to continue.

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BOARD ACTIVITIES REPORT



Review of the Board

The Board is still waiting anxiously for the NSW DPI to provide a formal response to the review process that was completed at the end of August 2017. Once the position of the NSW DPI is known it will be sent out to members. Unfortunately the timing of this could be right in the busiest time of the season for members, this was a concern that was raised with the government at the outset. However, we are required to wait.

Board Fees and Charges set for 2018

The Board held its annual Budget meeting on Wednesday 29th November 2017 at the Yoogali Club it was attended by 36 voting growers. In total 57 growers and their partners came together to enjoy a meal and a healthy discussion about the market conditions for 2018.

If you pay the fees and charges of the Board you should attend this one meeting to hear what is happening in the market for winegrapes. Guest speaker at the meeting Mr Jim Caddy from the Riverland had some very positive news based on bulk wine prices and increased sales of bottled wine into the overseas market.

Since this presentation the market has in fact been more positive than expected by many counts with wineries making early price offers and the starting price for many varieties lifting up.

The growers in attendance moved a motion that the Statutory Fees and Charges of the Board remain at \$3.90 per tonne for 2018 and that this charge be deducted from wineries via an Agency Agreement.

The Board also advised its members that it would be providing to all growers at the end of 2017 a return based on \$1.50 per tonne. Over \$300,000 has been paid back to members resulting in a net loss for the year which has been covered by the Board's cash reserves.

Hail Damage impacts part of the Hanwood Region

In November 2017 an isolated hail storm caused significant damage to parts of the Hanwood region. Growers have maintained those vines and while initial losses could have been as high as 1,500 tonnes the industry will not know the full extent until vintage.

Variable Message Boards being setup again for the region

For the past few vintages the Board has funded the installation of variable message boards in the Griffith region to let local road users know that the vintage is underway and that they should be mindful and aware when traveling on local roads and entering intersections.

The installation of the Board has corresponded with a reduction in the amount of spillage being reported to the Board. However it is also up to truck drivers to ensure that they do not overload or spill their loads on the way to the winery. The grapes have been harvested and it is such a waste to have this on the ground.

The Board also has a number of truck signs left at the office for use on the back of grape trucks. These act as both a warning sign and a marketing opportunity for the region.

Chair and Deputy Chair elected for 2018

Bruno Brombal has been re-elected by the Board to once again lead the Board as its Chair. This will be Bruno's 21st year in the role of Chair.

Robert Bellato was also elected by the Board to remain in the position of Deputy Chair of the Board.

Both of them were elected unopposed.

National Alcohol Strategy

The Board will be addressing the recent publication titled the "National Alcohol Strategy". The strategy is about reducing the harmful effects on society from alcohol and wine is likely to be targeted due to the cheap nature of wine when sold in bulk formats such as cask.

The report states that a single unit of alcohol can be purchased for as little of \$0.40, 1 in 4 Australians are drinking alcohol at risky levels, 25% of all frontline police officers' time is taken up with alcohol-related crime, 10-15% of emergency department presentations are alcohol-related, 1 in 4 of all road fatalities can be attributed to drink driving and alcohol is a leading cause of drug-related death - with more than 5,500 deaths estimated to be attributed to alcohol in any year.

Growers are also invited to provide their own submissions into this process. Contact the WGMB CEO for info.

BOARD LABORATORY UP AND RUNNING

New equipment being used by the Wine Grapes Marketing Board in 2018 will see it close the gap in terms of colour analysis with regional wineries.

The Board during 2017 reviewed a number of winery laboratory operating procedures in terms of how they tested for and assessed the colour within red winegrapes. The Board's system follows closely the Australian Wine Research Institute (AWRI) which has a variety of equipment used, particularly in the processing of the red grapes into an homogenate.

During 2017 the Board purchased a Retsch Grindomix GM200 blender. The same equipment that is used by Casella Family Brands laboratory. Initial tests of red winegrapes that the Board had in the freezer showed that the machine was more capable of fine blending the grapes and therefore the process was able to extract a higher colour than the Warring Blenders that have been used by the Board (also used by the AWRI).



The Board is now waiting to commence the process for the 2018 vintage confident that the apparatus used is going to provide growers with a result comparable to wineries in the region.

Growers are reminded to ensure that when sampling within the vineyard that you take a representative sample.

Before you sample make sure it is only undertaken in the cool morning period, since sugar levels of grapes collected in the heat of the day will register artificially high. Also look to avoid sampling during rain, dense fog or dew, which can produce diluted values.

The first step in collecting a representative sample is to develop a sampling scheme that collects fruit from vines in every portion of the vineyard block. Sample vines can be selected either randomly throughout the block or



by a grid system (for example, every twentieth vine in every fourth row). Avoid sampling from vines at the end of rows, or from odd vines that are obviously different than the majority or vines in the vineyard block. It is best to determine the sampling scheme before you enter the block, and maintain the prescribed sampling routine.

Sample size should be related to the degree of variability within the block. Vineyards with a high degree of variability require sampling a larger percentage of the vines to obtain a representative sample.

Fruit samples should contain proportional quantities of fruit collected from exposed and shaded locations in different parts of the canopy and on opposite sides of the row. Secondary cluster and sun burned or diseased fruit should only be included in the sample if they will be harvested and processed along with the rest of the crop.

The Wine Grapes Marketing Board expects a minimum of 20 bunches of red winegrapes to enable it to sample for colour.

Please ensure that your sample is not wet from rain as this will not allow for an accurate reading of your colour.

If you are wanting the results of a red winegrape colour sample the same day please ensure that you provide your grapes before 10am Monday to Friday. Office staff will let you know if the sample cannot be undertaken if it has too many to process. Grapes delivered after 10am on Friday's will not be tested until the following week. Therefore it is best to bring in fresh samples.

YELLOW TAIL PUSH INTO CHINA

Yellow Tail Wine push into China to be led by Paper Stone Scissors as creative agency.

Australian creative agency Paper Stone Scissors has been appointed by Casella Family Brands to localize the Yellow Tail brand for Chinese consumers. Paper Stone Scissors will be responsible for the strategic, digital and creative development and production of the 2018 campaign in China.

The agency has worked with companies such as Coca-Cola, Herman Miller and the Hilton Group to localize their brands into the Chinese market.

"We are thrilled to be taking this iconic Australian brand to China. We've been working in China for nearly a decade and been witness to a dramatic sophistication

of the market in this time," said Atia Cader, creative director and founder at Paper Stone Scissors.

"We are excited to work with Paper Stone Scissors to grow our brand in China – a unique and complex market," said Libby Nutt, general manager, marketing and export sales at Casella Family Brands. "Not only have Paper Stone Scissors demonstrated a great understanding of the Chinese market and consumer, but they have also demonstrated how to successfully bring the Yellow Tail brand to life in China. We look forward to seeing the positive results of the Yellow Tail campaign in 2018 and beyond."

Story by **Diana Gadong** 12-12-2017. <https://brandinginasia.com/yellow-tail-wine-china/>

WINE AUSTRALIA AND CSIRO SIGN \$37M AGREEMENT

A five-year \$37 million co-investment agreement was signed on December 13 between Wine Australia and the CSIRO. The agreement will benefit the Australian grape and wine sector and consumers alike, with research into areas such as winegrape quality, climate adaptation and disease resistance under the microscope.

The agreement, which will run from 2017 to 2022, covers research and development activities that reflect a high level of strategic alignment between the two partners, allowing for longer term strategic investments that will benefit levy payers and the whole Australian wine sector.

"CSIRO has worked with Wine Australia since its inception to deliver solutions to problems facing the Australian grape and wine community," said CSIRO Agriculture and Food Research Director Dr Lynne McIntyre.

"This new co-funded collaborative agreement recognises the importance of developing innovative solutions to the economic and environmental challenges facing the Australian wine sector over the next 30 years, and will build on past achievements, as well as utilising exciting new technologies."

Key grape and wine sector priorities to be addressed under this agreement include:

- breeding new rootstocks with greater tolerance to pests, salinity, heat and water stress
- producing wines with unique flavours from grape varieties bred specifically for Australian conditions
- developing new strategies to manage harvest timing and alleviate compressed ripening and harvest windows caused by climate change
- new digital technologies to better estimate yield, crop condition and grape quality, and
- future proofing Australia's grapevine germplasm.

Wine Australia chief executive officer, Andreas Clark, said he was delighted to continue the long-term partnership with the CSIRO.

"Growers and winemakers will also benefit from better vineyard management tools, and an ongoing source of excellent planting material for the Australian winegrowing community," said Clark.

Under the strategic partnership agreement, Wine Australia will contribute \$19 million and the CSIRO \$18 million towards the priorities.

This agreement is the second in a series of bilateral partnerships between Wine Australia and major research institutions under a new research and development funding framework.

- developing and evaluating new winegrape varieties with robust disease resistance

CASK WINE SALES FALLING

Cask wine, mainstream beer sales falling as Aussies drink “less but better”, BWS CEO Guy Brent says

Goon’s days may be number. The head of Australia’s largest liquor retailer has some bad news for fans of the silver pillow of death. The head of the country’s largest liquor retailer has warned the classic silver pillow is doing it tough, as Aussies increasingly shift to drinking “less but better”.

BWS chief executive Guy Brent said the cask wine category had been declining by around 5 per cent annually. “Cask wine as a category is declining,” he said. “It’s holding up reasonably well, but it has been declining for the last couple of years. But again even in cask wine, we’re seeing there is more demand for the two- and three-litre casks than there is for the five-litre.”

The Woolworths-owned bottle store, which has more than 1,300 locations around the country, has over the past 12 months been using “big data” to roll out customised product ranges for every store.

BWS says it plans to gradually roll out home delivery — free for orders over \$100 and \$10 for orders over \$20 — across more of its regional network, after launching in 400 metro locations in October.

In terms of a percentage of sales, Mr Brent said home delivery now made up “single digits” in stores which offered the service, but it was growing rapidly.

“This weekend is going to be critical to ensure we’re providing the right type of customer service in the busiest trading period of the year,” he said.

“We launched in metro areas partly because that’s where we see the greatest customer need but also because that’s where the logistics are easiest, but it’s a service we want to roll out more broadly across the network. “BWS is a convenience player, this absolutely is a service customers are finding solves a lot of their problems.

“We do a mixture of planned deliveries and in-the-moment — so if you’re having a party, we can do arranged delivery for you at a specific time, or if you’re a mum

with kids and you don’t want to carry too much, we can deliver to your home.”

Fergus Taylor, executive director of peak body Alcohol Beverages Australia, said Australians were “getting healthier and smarter about the way they drink and this is reflected in the new and interesting drinks they’re looking for”.

“Non-traditional offerings like low-carb and lower-alcohol beers are a fast-growing segment which today accounts for one quarter of all beer sales in Australia,” he said.

“Lighter wine varietals like Rose and Prosecco, that go well with a variety of foods, are also proving hugely popular and even cocktails are getting lighter, with Japanese whiskies and soda finding a niche and lower sugar mixers and experimenting with smaller batch spirits, being keenly sought after by curious and adventurous consumers.

“These exciting new drinks reflect a rapidly evolving drinking culture which is seeing binge drinking decline and a more sophisticated premiumisation of drinking around food and experiences take hold across the country.”

With brands including BWS, Dan Murphy’s and Cellarmasters, Woolworths is the nation’s biggest liquor retailer, with a 44.3 per cent market share of the \$11.5 billion industry, according to IBISWorld.

At the group’s first-quarter update in October, the Endeavour Drinks division reported a 3.3 per cent increase in comparable sales to \$2 billion.

www.news.com.au 19 Dec 2017, Frank Chung



BWS CEO Guy Brent

COULD ALCOHOL BE GONE WITHIN A GENERATION?

Scientist: We'll stop drinking alcohol within "a generation" after swapping it for a synthetic alternative

Enjoy your favourite wine, cocktail or beer now as you may not be drinking alcohol within a generation, according to a top scientist.

A TOP scientist said synthetic alcohol called alcossynth will replace real alcohol in just 10 or 20 years.

Professor David Nutt, a former government drugs adviser of Imperial College London, said the man-made liquor will have the same intoxicating effect on us but won't harm our health.

He also believes that cigarettes and tobacco will be entirely replaced by e-cigarettes.

Professor Nutt told *International Business Times UK*: "In another 10 or 20 years, Western societies won't drink alcohol except on rare occasions.

"Alcossynth will become the preferred drink, in the same way that I can see — almost within a decade now in the Western world — tobacco and cigarettes will disappear as they're replaced by electronic cigarettes."

Alcossynth is said to give you all the pleasurable side effects of alcohol, such as social lubrication, without damaging our bodies.

Professor Nutt and his venture Alcarelle are currently bidding for \$12 million of investment to bring low-calorie, hangover-free and synthetic alcohol to British, US, EU or Canadian markets.

December 17 2017, www.news.com.au

Editors Note: If this becomes a reality the needs to start looking for alternative uses for winegrapes. However it is unlikely that consumers will adopt such synthetic options. Wine has been with us for centuries.

THOUSANDS OF FREE GRAPEVINES ON OFFER IN SYDNEY

Thousands of free grapevines on offer as Sydney to become the world's largest Urban Vineyard

A new initiative dubbed *The Urban Vineyard Project* is coming to Sydney over the holidays with the aim of giving away thousands of grapevines to be planted across the city, including on balconies, in backyards and even windowsills. The idea is to turn Sydney in the world's largest urban vineyard, recalling the city's central Macquarie Street which over 230 years ago was the location of the country's first vineyard.

Thousands of Pinot Noir and Riesling grapevines will be given away to Sydneysiders who register their interest online for free vines. Those who participate will be able to upload the location of their vibrant green vines to an online hub, creating a visual map of the urban vineyard and watching it grow in real time. The online hub will also offer care instruction and video tutorials on how to grow, pick and make wine from the fruit, ideal for the budding winemaker out there who may or may not know that starting a vineyard is their true calling.

The project, launched by *Cracka Wines*, wants to bring the city together to crowd-plant the largest urban vineyard in the world while also educating people on the conditions it takes to grow and care for a vineyard.

"As Summer and the silly season approaches, people will be coming together for BBQs, picnics, dinner parties and celebrations with rosés, bubbles and great wine. We're taking it a step further and encouraging people grow their own grape vines," said Crack Wines founder and CEO **Dean Taylor**. "On average, Aussies



drink around 530 litres of wine each year. We want to educate them further on the winemaking process and bring everyone together over a shared love of wine".

Those interested in the idea can order your vine online from urbanvineyardproject.com.au **December 16 2017, www.food.thereview.com**

Editors Note: We should hope that these vines are coming from an accredited nursery and are Phylloxera free.

DRAFT STRATEGY PROPOSES RADICAL PLAN TO BOOST BOOZE PRICES

Alcohol prices could skyrocket under a drastic new strategy to curb Australia's drinking problem.

WINE lovers and young drinkers would be hardest hit by a government proposal to increase booze prices.

A draft strategy released by federal government ministers, which aims to significantly reduce Australians' alcohol consumption, has recommended a "minimum floor price" for alcohol.

The pricing plan would prevent the cost of all alcoholic drinks from dropping below set prices, with those in the industry expecting a base price of \$1.50 per standard drink, the Herald Sun reports.

They expect this would translate into jumps in the cost of some of Australia's most popular drinks, including a cask of wine skyrocketing from about \$10 to \$45, a slab of beer rising from about \$47 to over \$50, and a budget bottle of sparkling wine costing \$10, up from \$7.

The report said there was "good evidence" that higher alcohol prices would decrease alcohol consumption and alcohol-related harms, while lower prices increase both.

"This effect is seen in overall consumption as well as in heavy or problem drinkers, and in harms to the drinker as well as to others," the report reads.

"Evidence demonstrates that influencing the price of the cheapest drinks on the market by establishing a floor price has a larger impact on total consumption than does increasing the price of more expensive drinks, which tends to product shift in product preference."

The report said research suggested younger people were "especially responsive to changes in alcohol price".

"Increased alcohol prices have been shown to reduce the proportion of young people who are heavy drinkers, to reduce underage and binge drinking, to delay intentions among younger teenagers to start drinking and to slow progression towards drinking larger amounts," it said.

The draft National Alcohol Strategy was devised after three years of consultation by the Ministerial Drug and Alcohol Forum, chaired by Health Minister Greg Hunt, and published online last week.

The forum aims to finalise the strategy by March next year, and it would be up to state authorities if they wanted to take any of its recommendations on board.

Along with the pricing proposal, the strategy also suggested a new taxation scheme that would see drinks taxed on how much alcohol they contained, rather than which category they fall under. Currently, tax rates differ between wine, beer and spirits with wine drinkers paying the lowest tax.

The plan also recommended significant restriction on alcohol advertising, including banning promotion of discounted or low-priced alcohol, including "bulk-buys, two-for-one offers, shop-a-dockets and other promotions based on price".

<http://www.news.com.au> Liz Burke and AAP, 20 December 2017

REFRACTOMETERS, BAUME TESTING EQUIPMENT AVAILABLE FOR SALE

Growers are reminded that the Board has baume testing equipment available at our office for sale.

Digital Refractometers are not stocked by the Board but it can arrange purchase for constituted growers or advise the grower where to purchase these.

Standard Refractometers are available for purchase at \$137.50 (inc GST). These are in stock and growers can purchase these using our EFTPOS facility.

A complete Baume testing kit is available for \$65

The kit can also be purchased in pieces:

- Baume Hydrometer, \$55 (inc GST)
- Baume Thermometer, \$5 (inc GST)
- Measuring Cylinder, \$5 (inc GST)

Call our office for HACCP delivery books if you have not been provided with one by your winery.



HOT TOPIC FOR LOCAL VIGNERONS

Vineyard management in heatwaves is the focus of a new project to better understand vine stress during hot conditions.

The NSW Department of Primary Industries (DPI), Wine Australia and Riverina Wine Grapes Marketing Board project is exploring the potential of new technology to inform irrigation decisions which could help better manage grapevines in the heat.

NSW DPI viticultural development officer, Adrian Englefield, said new sap flow meters and dendrometers have been installed at two Riverina vineyards, in partnership with Edaphic Scientific.

"We are monitoring vine stress in Shiraz, Cabernet Sauvignon, Merlot and Chardonnay varieties at temperatures of 40 degrees Celsius and higher," Mr Englefield said.

"This project aims to identify the point where vines could benefit from better informed management decisions.

"Generally sap flow is highest during the day when plants are actively transpiring and minimal at night when little or no transpiration occurs.

"We are measuring sap flow trends and comparing them during the growing season.

"Any reductions in sap flow during extreme weather events, compared with baseline measurements, can indicate vine stress.

"Dendrometers measure tiny changes in trunk diameter - a healthy vine has a smooth dendrometer cycle where trunks expand during the day and shrink at night when transpiration has ceased."

Coupled with soil moisture information, canopy temperature and humidity sensors, the pilot project aims to monitor vine stress under different irrigation schedules during the hot summer months.

As part of Wine Australia's Regional Program in the Riverina, NSW DPI has run grower workshops exploring management options and technologies which are available to mitigate extreme heatwave events

Information from the workshops, including NSW DPI's viticulture activities in all NSW wine regions is available via the DPI email newsletter VineWatch.



Live data from the heatwave management project and information about vineyard management is available online,

www.dpi.nsw.gov.au/agriculture/horticulture/grapes

Caption: NSW Department of Primary Industries viticultural development officer, Adrian Englefield, checks new sap flow meters and dendrometers in one of the Riverina vineyards.

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