



\$263.5 MILLION BOOST FOR ON-FARM IRRIGATION IN NSW

Farmers and irrigators in southern New South Wales will share in more than \$260 million of Commonwealth and New South Wales Government funding to improve on-farm efficiency, and return water savings to the local environment.

Federal Environment Minister Greg Hunt congratulated the successful funding recipients of Round Five of the On-Farm Irrigation Efficiency Program.

"Under the Coalition's Clean Water Plan, we're investing more than \$12 billion in managing our waterways and key water infrastructure," Minister Hunt said.

"This latest \$263.5 million investment will assist irrigators in the southern Murray-Darling Basin modernised their on-farm irrigation infrastructure.

"This is not only helping farmer's bottom line but importantly is also returning water savings to the environment."

Federal Parliamentary Secretary to the Minister for the Environment, Bob Baldwin, joined NSW Minister for Primary Industries and Minister for Lands and Water, Niall Blair, at the Leeton property of one of the successful recipients on 5th August 2015.

"We know that upgrades to irrigation infrastructure improves on-farm water efficiency and productivity and delivers triple bottom line outcomes for rural communities, economies and the environment," Mr Baldwin said.

"This program is a success story and we've seen the real change that can be achieved when infrastructure is upgraded in a considered and practical way.

"I'd like to thank the NSW Government for its unfaltering support for this initiative that is helping bring to life the benefits available under the Basin Plan for a growing number of farming communities."

Minister Blair said that so far the program has supported over 1,400 irrigators, including more than 600 for NSW, to improve water efficiency on their properties.

"It's great to be here today in the Murrumbidgee Valley to recognise the successful applicants under the final funding round of this program," Minister Blair said.

"We're delighted to be able to contribute a further \$40 million in addition to the \$25 million we'd already committed.

"Projects will include laser levelling of paddocks, upgrading overhead irrigation, replacing flood irrigation, modernising drip irrigation system and installing soil moisture monitoring and automation equipment."

The successful organisation to receive funding are Ricegrower's Association of Australia Inc; Murray and Murrumbidgee Consortiums; Waterfind Pty Ltd, CAF Consulting; Australian Processing Tomato Research Council; Coleambally Irrigation Co-operative Limited and Murray Irrigation Limited."

Federal Member for Riverina Michael McCormack said the program will delivery tangible benefits to local communities by helping to secure long-term viability and economic growth.

"In Leeton alone, in excess of \$32 million of conditional funding has been approved. This is enable irrigation efficiency upgrades to be put in place in a shorter period of time," Mr McCormack said.

Federal Member for Farrer Sussan Ley said the program is all about best practice for local irrigators.

"The program ensures a localised approach which, not only meets water delivery targets, but works in with the needs of our local producers," Ms Ley said.

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BOARD ACTIVITIES REPORT



Riverina
WINE GRAPES
MARKETING BOARD

Staff Changes: The Board would like to wish James Codemo every success for his future. Following his recent marriage James has taken up a viticultural role with MIA Rural Griffith.

The Board readvertised the position and received a large number of interested persons applying for the position with the successful candidate being selected recently. Bridget Murray has been welcomed to the Board staff and has commenced duties in August 2015.

- **HACCP Auditing:** The Growers reminded that they can contact the office to book a suitable time for a HACCP Audit.
- **Riverina Field Day:** The Board has confirmed that it will again be the major sponsor of the event in 2016 regardless of the management changes that have recently occurred. The event provides a unique opportunity for growers to view equipment and talk to retailers from around the region. In 2016 it is planned that working displays of some equipment will occur to provide a better experience at the event.
- **Promotions in Action:** The Board continue to invest in regional promotion with the Board recently approving the following activities within its approved budget provisions.
 - ◆ Development of a regional website for linking consumers with wineries called the Riverina Wine Collective (RWC).
 - ◆ The development of marketing collateral for the RWC, aprons, glasses, flyers etc.
 - ◆ Trade immersion program support for UK and EU wine representatives.
 - ◆ Domestic market media famil tour and Asian trade and media visit.
- ◆ Headland restaurant event to promote the wines from the region.
- ◆ Development of a tourist information centre brochure in conjunction with the Riverina Winemakers Association.
- ◆ Wine Grapes Marketing Board involvement in the Citrus Sculptures.
- ◆ Promotion of the region in the Riverina Insiders Guide magazine.
- ◆ Professional video production to continue.
- **Skilling Her Enterprise (SHE):** The Board sponsored the partial cost of a meal at this event held recently for women in the region. The event was primarily funded by the Griffith City Council and promoted better business skills of women in the region.
- **Federal Grape and Wine Summit 2015 to be well represented by the Region:** The Board will be sending two delegates to the Grape and Wine Summit 2015 to be held mid August in Adelaide to try and acknowledge and address some of the major impediments and challenges in the industry. Robert Bellato (Deputy Chair of the Board) will participate as a member of the Wine Grape Growers Australia our national body and Bruno Altin will participate through the NSW Wine Industry Association as the Board's nominated representative. Up to 40 representatives will come together to work through the profitability problems in the industry.
- **Board Annual General Meeting:** The AGM was well attended by members wanting to hear about the issues in the industry. A full report can be found on page (3)



Australian Wine Buyers and Media reps being shown that the region offers more than excellent wine. Great immersion experience.

FUNDING BOOST FOR THE REGION - FROM PAGE 1

(Continued from page 1)

NSW Member for Murray Adrian Piccoli said that it would be great to see environmental outcomes being achieved through efficiency and productivity measures.

"The fifth and final round of the program was initially announced in November 2014 with \$125 million available to irrigators in Southern New South Wales. This has been boosted by a further \$138.5 million from the Commonwealth and the NSW Government," Mr Piccoli said.

The water savings generated under the program will see more than 70 gigalitres returned to the environment.

Further information about the On-Farm Irrigation Efficiency Program is available at

<http://www.environment.gov.au/water/rural-water/srwui/on-farm-irrigation-efficiency-program>

This program is available to winegrape producers.

ANNUAL GENERAL MEETING REPORT

On 16th June 2015 44 eligible voting growers attended the Board's AGM held at the Yoogali Club.

The Chairman reported that according to the Riverina Winemakers Association reports 322,000 tonnes of winegrapes were harvested in the region a new regional record. 187,000 tonnes of white winegrapes and 135,000 tonnes of red winegrapes. A number of winegrapes were reported to have been left on the vines where growers were not able to secure a home or were not prepared to accept low price offers.

The Chair talked about the meetings that the Board has held with state and federal politicians over the past 12 months trying to develop ways to allow growers to exit the industry with a level of dignity.

Growers were given an overview of the Board policy on the WET rebate and its concerns regarding the market distortions that this was leading to.

The Chair suggested that for the forthcoming season if market conditions do not improve for growers they may need to look at other ways to improve their financial viability. Trading water was an option that he urged

growers to think about with rises in the market for both temporary and permanent water occurring.

Growers were also advised that the five elected Board members position would be up for re-election at the end of their current term which ceased February 2016.

Industry Development Officer Kristy Bartrop gave a thorough overview of the Boards promotional activities to date and what it had coming up to drive promotions in the area.

Growers were very interested in the activities of the Board and they were shown a number of promotional videos that had been developed. These were well received.

Guest Speaker, Darren Fahey NSW DPI viticulturist gave a thorough overview of his activities within the state in his role working for the entire viticultural industry in NSW.

The Board would like to thank those growers that made the time to attend this meeting your attendance was definitely appreciated.

STOP PRESS - UPDATE ON CAPTAN USE NOW NOT FOR EXPORT WINES

Following AWRI consultation with Wine Australia, Winemakers' Federation of Australia and Trade and Market Access Division (Department of Agriculture), the AWRI have not been able to get any assurance that wines made in 2016 or prior vintages will not be subject to a new EU "Captan" MRL.

The AWRI is supporting Wine Australia and the Winemakers' Federation of Australia who are working through the Federal Department of Agriculture to resolve this new trade issue. The AWRI have also been advised that the USA, NZ and Chilean wine sectors are also impacted by the EU decision.

AWRI's Senior Viticulturist Marcel Essling thanked those who provided information about "Captan" residue results and current use patterns. Based on this data, a Withholding Period (WHP) where no residues of either "Captan" or Tetrahydrophthalimide (THPI) is not clear. Until an outcome from the submission process is known the only course of action is for the following "Captan" recommendation to be made: **Not recommended for use on grapes destined for export wines.**

The AWRI will be sending an agrochemical update out to growers via their normal channels.

WINE GRAPES MARKETING BOARD

INTRODUCING THE RIVERINA WINE COLLECTIVE (RWC)

The Riverina Wine Grapes Marketing Board (WGMB) would like to introduce you to the Riverina Wine Collective – the face of our promotional activities.

In the highly competitive climate of the wine industry, the Riverina Wine Collective aims to advance the regional message and connect consumers to the regions brands. The WGMB has established the Riverina Wine Collective to connect Riverina wine information to consumers while reserving the Riverina WGMB as a grower representative body. All activities will be funded by the WGMB, however partnership opportunities to jointly fund events with wineries may arise overtime.

The first action for the Riverina Wine Collective has been to launch our website. The website will be developed to feature information on the growers, wine

varieties, and the products that our region has and any information that will advance the awareness of brand Riverina. The web address is riverinawinecollective.com.au and when complete will present a hub for all the wine brands that have their operations based in the Riverina to be listed for consumer access. The Riverina Wine Collective will also be working extensively in paid advertisements in social media and other formats to draw consumers to our site and connect them with a true message of what the Riverina is today – an accomplished wine region with something for everyone.

The website will present direct links to the website of Riverina wineries, where consumers can make online purchases or identify their local retailer. The website will be ready for access by August.



LUNCH AT THE HEADLAND - A MUST ATTEND EVENT

This event will celebrate the launch of the Riverina Wine Collective. It will be held in a gorgeous vineyard garden with a three course luncheon created by Sugarmill Patisserie and matching wines included. Share a meal with the region's best winegrape growers and winemakers and learn what makes Riverina wines so appealing.

DATE: Sunday 27 September 2015

TIME: 12pm until 3pm

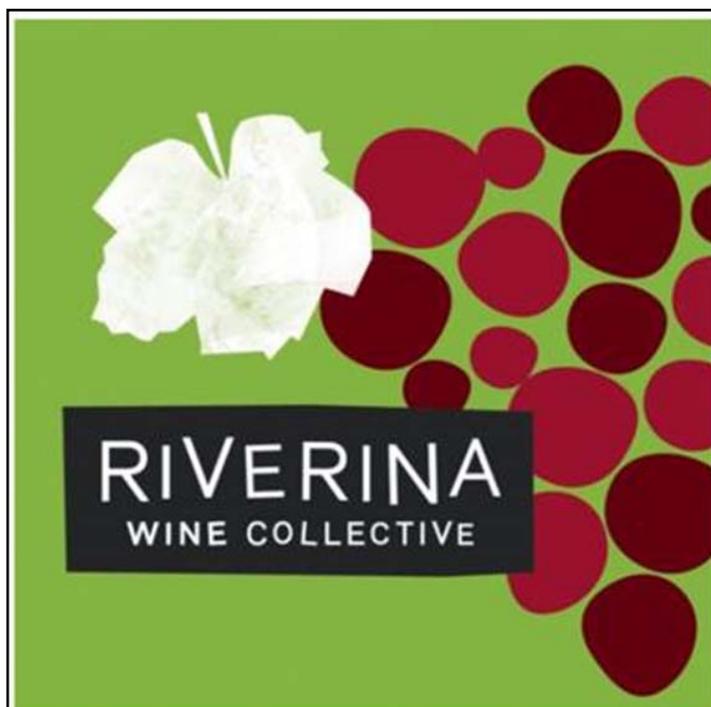
VENUE: "Rosewood Park on Stokes"

Farm 2355A Stokes Road Hanwood

COST: \$90 per head (inc GST)

A courtesy bus is available from Griffith Visitor Information Centre. Please book when purchasing your ticket.

Tickets can be purchased from Riverina Wine Grapes Marketing Board, 182 Yambil Street Griffith (Monday -



Friday only) or at Zara's Coffee Shop, Griffin Plaza, Cnr Yambil and Crossing Streets, Griffith.

Booking are essential. For further information please contact the Board on 6962 3944.

RESEARCH - PRUNING AFTER BUD BREAK TO SPREAD GRAPE MATURITY

Paul Petrie^{1,2} Martin Moran¹ and Victor Sadras¹

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In many regions the 2015 vintage was characterised by rapidly maturing fruit and the compression of the ripening window; where varieties that normally ripen over a month or six weeks matured over a much shorter period. This potentially impacts on fruit quality and wine style. It also places significant pressure on harvest logistics, with growers struggling to find sufficient harvesters and wineries being forced to delay harvest due to a lack of fermenter capacity.

Over the last four seasons Wine Australia and Department of Agriculture supported the South Australian Research and Development Institute in collaboration with Treasury Wine Estate trialled delayed pruning as a method to spread fruit maturity and improve harvest logistics.

Shiraz vines in the Barossa valley have been spur pruned both pre and post bud-burst to see if delayed pruning can also delay fruit maturity. Pruning when the first green tips of the buds at the ends of the canes were about 5-7cm long



Pruned 26 May and 22 September (Shiraz)

Pruning Date	Harvest Date	Yield (kg/vine)	Bunch No	Bunch Wt (g)	Berry Wt (mg)	Pruning Wt (g)
26 May	20 Feb	3.9	64.5	51.7	1.1	1137
4 Aug	20 Feb	3.6	67.6	58.0	1.1	1161
5 Sept	28 Feb	2.6	57.3	43.8	1.0	1118
22 Sept	5 March	3.1	78.6	44.1	0.9	887
13 Oct	4 April	1.4	47.3	27.7	0.9	453



delayed maturity by approximately two weeks compared to vines pruned during dormancy. Vines can be pre-pruned using this technique, but this needs to occur immediately before the hand pruning as the new shoot growth on the end of the canes inhibits budburst at their base.

Yield can be affected by delayed pruning - however depending on the season and pruning time it has been both slightly increased and decreased. This is because the weather at other critical stages (such as flowering) is also changed.

WINE GRAPES MARKETING BOARD

BOARD ELECTIONS

All growers that produce greater than 20 tonnes of winegrapes are eligible to stand for the forthcoming elections onto the Board. These will be held early 2016 with nominations being called for at the end of 2015.

If you are taking the time to read this newsletter then you would understand that the industry is currently going through very difficult trading period that has continued for many of you since 2009.

It is therefore critical that you are adequately and appropriately represented during such a time to ensure that your issues and views are heard by the relevant authorities and the media.

Growers that are interested in becoming a Board member can speak to other existing members of the Board or Staff to determine if putting your hand up to become a member of the Board is something that you might wish to consider.

The Board normally holds 12 meetings per annum which normally take around 3 hours to complete and the prior reading for these can vary depending on the number and type of business item being discussed.

So please consider standing up and representing your industry.

AVERAGE PRICES DISAPPOINT

Once again the average prices are major concern with the regions prices almost all lower than the 2013 prices.

The information below has been obtained from Australian Grape and Wine (AGWA).

Variety	Tonnes purchased	Lowest price ¹	Highest price ¹	Total value purchased	Calc avg. Value per tonne	Winery grown	gruit	Total crushed ²	Est total value ALL grapes
Barbera	226			\$67,722	\$300	-		226	\$67,722
Cabernet Franc	112			\$23,892	\$213	-		112	\$23,892
Cabernet Sauvignon	14,118	\$200	\$700	\$4,880,038	\$346	5,066		19,183	\$6,631,067
Dolcetto	-			\$0		118		118	\$40,836
Durif	3,257	\$280	\$1,000	\$1,323,109	\$406	717		3,974	\$1,614,450
Grenache	57	\$350	\$350	\$17,569	\$310	-		57	\$17,569
Lagrein	-			\$0		62		62	\$21,655
Malbec	274	\$400	\$400	\$109,680	\$400	196		470	\$188,060
Mataro	404	\$266	\$280	\$98,050	\$243	34		439	\$106,359
Merlot	13,545	\$250	\$700	\$4,720,715	\$349	6,399		19,944	\$6,950,898
Muscat a Petit Grains Rouge/Rose	207	\$170	\$400	\$65,096	\$315	390		596	\$187,894
Nero d'Avola	41			\$18,311	\$450	277		317	\$142,821
Petit Verdot	1,858	\$180	\$500	\$450,527	\$242	938		2,796	\$677,870
Pinot Noir	3,927	\$250	\$500	\$1,627,322	\$414	516		4,442	\$1,840,962
Ruby Cabernet	4,918	\$220	\$550	\$1,470,559	\$299	1,475		6,393	\$1,911,521
Sangiovese	202	\$250	\$300	\$50,629	\$250	371		573	\$143,386
Shiraz	48,929	\$180	\$700	\$17,050,907	\$348	11,763		60,692	\$21,150,136
Tempranillo	57	\$238	\$350	\$17,105	\$299	395		452	\$134,945
Other red	733	\$180	\$750	\$266,630	\$364	1,128		1,861	\$676,813
Red Total	92,864	\$170	\$1,000	\$32,257,860	\$347	29,843		122,707	\$42,624,209
Arneis	-			\$0		65		65	\$17,039
Chardonnay	46,289	\$150	\$400	\$12,089,313	\$261	15,024		61,313	\$16,013,081
Chenin Blanc	232			\$39,919	\$172	345		577	\$99,189
Colombard	7,684	\$140	\$280	\$1,340,781	\$174	1,110		8,794	\$1,534,449
Marsanne	952	\$150	\$400	\$325,311	\$342	218		1,169	\$399,766
Moscato Giallo	148			\$76,436	\$516	81		229	\$118,273
Muscadelle	-			\$0		24		24	\$6,384
Muscat Gordo Blanco	5,089	\$150	\$414	\$1,098,101	\$216	959		6,048	\$1,304,988
Palomino & Pedro Ximenes	67			\$13,966	\$209	-		67	\$13,966
Pinot Gris and Pinot Grigio	15,159	\$200	\$450	\$5,963,924	\$393	3,488		18,646	\$7,336,075
Riesling	1,600	\$150	\$350	\$331,685	\$207	1,054		2,654	\$550,141
Sauvignon Blanc	8,138	\$200	\$528	\$2,196,174	\$270	3,437		11,575	\$3,123,797
Semillon	21,109	\$150	\$1,675	\$4,362,439	\$207	6,781		27,890	\$5,763,838
Traminer	5,043	\$150	\$350	\$1,320,707	\$262	2,368		7,410	\$1,940,789
Trebbiano	303	\$150	\$280	\$61,187	\$202	32		335	\$67,657
Verdelho	1,682	\$200	\$400	\$325,786	\$194	2,013		3,695	\$715,647
Viognier	1,315	\$200	\$280	\$344,804	\$262	212		1,527	\$400,303
Other white	11,585	\$150	\$500	\$3,427,968	\$296	5,093		16,678	\$4,934,962
White Total	126,396	\$140	\$1,675	\$33,318,500	\$264	42,302		168,698	\$44,469,570
Grand Total	219,260	\$140	\$1,675	\$65,576,360	\$299	72,145		291,405	\$87,153,515

Note: High Semillon price is for Botrytis

WET DISCUSSION PAPER SOON TO BE AVAILABLE

Promised in July 2015 by the Federal Government the WET Discussion paper is now becoming the subject of some speculation.

Daily Wine News 10/08/2015 "Wine Tax Rorts Exposed, by Adele Ferguson (edited)

Assistant Treasurer Josh Frydenberg is set to throw an accelerant on a debate in the wine industry with the release of a discussion paper into the Wine Equalisation Tax (WET) rebate.

It is understood that the discussion paper, to be released within the next two weeks, will not make any recommendations but will include case studies that show how the WET rebate is being manipulated and rorted.

It will include studies of virtual winemakers who don't own vines, production facilities or the wine but have managed to create a structure that enables them to access the \$500,000-a-year tax rebate.

Dozens of companies are believed to have created artificial constructs to access the rebate. The rebate is also distorting supply and demand.

The stakes are high with hundreds of millions of dollars a year at risk. For this reason it likely the debate will get very heated – and personal. It has already got political.

The latest *Australian & New Zealand Grapegrower & Winemaker* magazine threw a grenade into the industry with an article titled "The letter that shocked the wine industry".

The article suggested the wine tax rebate reform was "set to be rolled out" as part of the May federal budget but was "cast aside at the 11th hour" following a letter written by Liberal Senator Sean Edwards – a recipient of the WET tax rebate – to Assistant Treasurer Frydenberg, Treasurer Joe Hockey, Prime Minister Tony Abbott and other key government ministers.

The article suggested Paul Evans, head of the Winemakers Federation of Australia, "almost fell off his chair" when he heard the news. "It was late April and the chief executive of the WFA was at an evening function where Treasurer Joe Hockey told him WET rebate changes had been removed from the budget. Onlookers said the colour drained from Evans' face and he barely spoke a word for the rest of the evening."

On May 5 – a week before the federal budget – the Abbott government asked Treasury to prepare a

discussion paper to "help inform consideration of the issue as part of the tax white paper process".

Senior government sources say the proposal was never going to be in the budget because the New Zealand factor hadn't been resolved.

The WET rebate allows wine producers to claim a maximum \$500,000 a year. It costs taxpayers a fortune, with hundreds of millions of dollars given back each year in WET producer rebates. Treasury estimates it will balloon to \$350 million in 2015–16.

Mixed opinions

Some believe the rebate should be scrapped. Others, including Senator Edwards, believe it is working well. The peak lobby group for the wine industry, the Winemakers Federation of Australia, has landed somewhere in the middle, calling for some changes to the industry, including scrapping the subsidy to New Zealanders and phasing it out for bulk and unbranded wine. The WFA's proposal would save the government almost \$230 million a year.

The WFA's argument is that Australia should be promoting strong brands. Put simply, giving the rebate to unbranded wine drives growth in the retailers' home brands, pulling down the retail price for wine and lowering profitability for winemakers and grape growers.

It argues that some of the savings should be used to boost marketing, including helping Wine Australia grow the export demand opportunity for Australian wine.

... the likely outcome in this debate will be a reduction in the rebate from the current \$500,000 and a toughening up the rules to try and stop the rorting. This could include removing the rebate from unbranded wine and taking a closer look at bulk wine and what it is doing for the image of Australian wine as a quality exporter and tourist destination.

It will also try to find a solution to the current situation where New Zealand wine companies can access the rebate, which is costing Australian taxpayers more than \$25 million a year.

Broken system

For now, the discussion paper will demonstrate how the system is broken and needs to be fixed.

The rebate is causing distortions in the market by a convoluted process in which growers end up with the

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WET DISCUSSION PAPER SOON TO BE AVAILABLE - CONTINUED

(Continued from page 7)

rebate and producers want to lower the grape costs to the amount of the rebate.

Against this backdrop is the issue of alcohol and volumetric tax, which will be a harder nut to crack. Beer, spirits and alcopops are taxed on the basis of their alcohol content and container size, with spirits and alcopops taxed at a higher rate because of the perceived greater risk of abuse.

Wine is taxed on wholesale price rather than volume. This means low-value cask wine attracts little taxation – alcohol tax paid per standard drink on a \$13 cask of wine is 5¢ – while more expensive bottled wine attracts higher tax under the WET system, at 15¢ for a \$15 bottle of wine and almost \$1 for a \$50 bottle of wine.

But at the end of the day, reform is needed and now is probably the best time in years to tackle it given conditions in the industry seem to be improving,



including a falling dollar making exports more competitive, the free trade agreement with Asia and rising consumption in the United States.

For the first time in eight years wine exports have increased.

The bulk wine industry uses the cheap wine industry's profitability challenges as a reason not to reform the WET (beyond the rebate) until things improve.

We are now in a position where that part of the industry is losing that fig leaf. With the improvement in the currency and an uptick in pricing, that argument could be obsolete.

With a Senate inquiry, a tax review looking at alcohol and volumetric tax and the WET rebate, the wine industry is in for a rocky ride. Whatever the outcome, the status quo isn't an option.

This story was originally published in The Australian Financial Review by Adele Ferguson.

HAVE YOUR SAY ON INDUSTRY REPRESENTATION

From Wine Grape Growers Australia:

At the end of August, a wine industry leaders' meeting "Grape and Wine 2015 - A Focus for Action" will be held in Adelaide. It will have two objectives:

- The first to agree on the 2 or 3 key issues to accelerate return to profitability and which will be advanced with united industry support from representative bodies; and
- Secondly to achieve agreement or a process to reach agreement on an optimal future representative industry structure that presents a united industry voice on key issues and maximises industry's resources and influences

and at the same time values state and regional representation.

A small group of national and state industry leaders has been working on the concept and details of Grape and Wine 2015 since late 2015 following agreement that a more united approach is required to effectively work through the industry's challenges and opportunities.

Intuitive Solutions has been engaged to undertake some survey work in advance of this industry meeting.

About the Survey:

It should take approximately 15 minutes to complete and it closes on 19 August 2015. <http://surveys.intuitivesolutions.com.au/s3/GrapeAndWine15>

Phone: (02) 6962 3944 Fax: (02) 6962 6103

Email: board@wgmb.net.au Web: www.wgmb.net.au Office Hours: 8:30am - 5:00pm Mon - Fri

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