



ANNUAL GENERAL MEETING REPORT

The Board held its Annual General Meeting at the Yoogali Club on Wednesday 27th June 2018. It was pleasing to see a good turnout of grower members with 32 constituted growers in attendance and 16 partners also in attendance for the meeting and dinner.

The Chairman's report by Bruno Brombal advised growers of the ongoing NSW DPI review into the operations and functions of the Board with a new end date of June 2019 being proposed. This will allow sufficient time to ensure that the legislation of the Board matches the actual current and futures services that it provides growers in the region. It is about becoming more relevant to members and ensuring that members needs are met into the future.

The final crush figure for 2018 was 328KT of winegrapes. The Chair raised concern that at the current average yields in the region prices are not reflecting the stronger market for wine and that growers need to be viable and profitable at minimum \$3,500 per acre.

The Board are now attending Riverina Winemakers Association meetings which has been good for developing better working relationship with winemakers while providing a forum at which the Board can directly raise concerns of grower members.

Members were advised that the Board has formed a working partnership with the South Australia Riverland and Murray Valley grower associations to form an alliance of the three inland regions.

The Board is also liaising with Murrumbidgee Irrigation following the release of their information on flow rate share issues in the region and how this may impact high security irrigator priority of delivery. Members are reminded to read all the information coming from MI and seek information if you do not understand it. The matter of flow rate share is related directly to the number of delivery entitlements that you hold and if you have 150 DE's you are entitled (system constrained) to take 1ML per day flow. If you irrigate with 3ML per day you will require 450 delivery entitlements under the proposed system MI are working through presently (during system constraints).

The Board's financial position ending 31 December 2017 was presented by Brian Simpson CEO. The Board remain in a strong financial position whilst posting a minor loss in 2017 due to the return to growers of \$1.50 per tonne which made the effective rate charged on growers at \$2.40 per tonne. For the current financial year 2018 the income has been based on 200KT of growers production and the production shows that this tonnage will likely be the final outcome for the current year with the potential to return a figure of around \$0.80 per tonne to growers if the budget is maintained.

A regional planting information presentation showed growers that the regional production base now has around 20,000 hectares which is down by 2,000 hectares that the region peaked at 8 years prior. There have been large areas of vineyards removed and many smaller blocks. Growers were reminded to update their mapping data with the Board. This remains a free service to all members and can be useful when you are looking at yields or negotiating with your winery.

The Board used the AGM to ask growers to choose a new name for the organisation as it no longer wants to be referred to as the Wine Grapes Marketing Board (a change which will occur following the NSW DPI review). The majority of growers agreed that the Board in future be called the **Riverina Winegrape Growers**. Appropriate changes in legislation will occur in due course.

Attendees also had a presentation from Michael Leane Riverina Local Land Services on the new Biosecurity legislation and its process within the state.

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BOARD ACTIVITIES REPORT



This report contains only details from the June 2018 meeting of the Board. No July 2018 meeting was held.

Review of the Board

A presentation by staff from NSW DPI was provided to the Board in relation to the ongoing review of the Board. The review which was initially prompted by NSW Treasury will now focus on what the Board is currently doing within its strategic plan and seek to remove agricultural industry services that the Board have complete to date and are no longer relevant to form part of its legislation.

The Chair and CEO travelled to Orange NSW DPI head office to discuss in greater detail the work activities of the Board.

In relation to terms and conditions of payment, a common theme within grower submissions to the initial review the NSW DPI are working with the ACCC that has recently put out to industry a survey on the market conditions facing grape growers.

The survey closed 10th August 2018 and the Board hopes that growers that received emails and SMS about this (as there was insufficient time to write to you all) completed the survey and provided information that will inform and educate the ACCC.

Delivery Entitlements

Discussions continue with MI relating to changes to how High Security water is provided to customers. Historically HS water had a priority of delivery by MI this historically was due to the fact that permanent plantings traditionally held HS entitlements.

MI have now reviewed this situation and delivery will be based on your delivery entitlements (DEs). In the past when DEs were allocated on a one for one basis many growers didn't see value in this as they attracted a charge. Some sold them, gave them away and now MI is using these DEs as a means to calculate the flow rate that you will be able to receive (when the system is constrained).

It is important to note that the use of flow rate share will only become a major issue during a dry event sequence which according to MI is not often per season.

MI are now communicating with every grower so you are encouraged to read their material and understand it. If you are having difficulty contact MI and discuss as they prefer to deal with these matters on a case by case basis. Alternatively you can call the Board for advice.

HACCP Reimbursements

The Board agreed to provide to all growers that undertake a 3rd party HACCP audit for their vineyards a reimbursement of \$150 per business. To receive this reimbursement the business will need to provide a copy of the HACCP certification for the business that pays the Board fee and charges, i.e. a constituted grower.

Other News

Rural Outreach Counselling Inc is a locally based organisation that aims to significantly reduce suicide, the impact of depression and anxiety in rural families and communities throughout regional Australia. This aim will be achieved by reaching out proactively with help and support to those who can't, or won't present to a General Practitioner (GP) or existing mental health services.

The ROC is a not for profit service that will be holding a meeting in the region shortly and it has asked the Board to get the message out to growers and encourage you to attend.

ROC also can offer MateKeeping Training. This training is for those people whose work roles or way of living brings them into regular contact with people of poor mental well-being and maybe at risk of suicide. It aims to increase knowledge and understanding or poor mental health and suicidal behaviour in order to increase the MateKeeper's capacity to respond effectively to those in need.

For further information on the ROC please go to <http://www.ruraloutreachcounselling.com.au>

Map Update

Growers wanting to update their mapping information can contact the Board on 6962 3944. We will provide you with a full colour map of your vineyard holdings for you to review and in turn any changes will be made to the property. The Board would appreciate your most up to date information as it assists with industry planning.

MEDIA WATCH

Aust Wines stall at Chinese Ports: Report

<https://www.sbs.com.au/news/aust-wines-stall-at-chinese-ports-report> 14/06/18

Pernod Ricard, the company which owns the Australian wine brand Jacob's Creek, has been reportedly affected by an impasse with China over trade restrictions.

Wine shipments from Pernod Ricard's Australian business have been held up at Chinese ports, two sources told Reuters, the first foreign company to be harmed by a deterioration in relations between Australia and China.

Six Australian wine companies have faced delays at Chinese customs since Prime Minister Turnbull complained of Chinese political interference late last year, straining ties, a senior government official said.

The listed French company Pernod Ricard owns the big-selling Australian wine brand Jacob's Creek.

"Pernod Ricard through its ownership of Jacob's Creek has been impacted by China's restrictions," said a government source briefed on the issue, who declined to be identified.

Calls to Pernod Ricard's French office were not immediately returned.

A spokeswoman for Pernod Ricard declined to answer specific questions, referring Reuters to the industry organisation Wine Australia. It declined to comment.

In recent months, Treasury Wine Estates and McWilliams Wines disclosed they were experiencing problems at Chinese customs.

They and Pernod Ricard joined several other companies for an emergency meeting with government officials last week, a government source said, to urge the government to break the impasse with China over trade restrictions.

China's customs have not responded to faxes requesting comment on the Australian complaints of delays.

Pernod Ricard, which manufactures and sells various alcoholic drinks including Absolut Vodka and Martell cognac, does not publish sales records of Jacob's Creek Wines to China.

But this month, it said China accounted for about nine per cent of its global sales of nine billion euros (\$A13.94 billion).

The Chinese delays have cast a shadow over an otherwise golden period for Australian wine exports, which are forecast to be worth more than \$US1 billion in 2018, government figures show, compared with \$A848 million last year.

Australia has accused China of meddling in its domestic affairs and is introducing foreign interference laws that have strained relations between the two trading partners.

China has denied any such activity.

Source: AAP

Cheaper and mid-range Aussie wine imports boom as higher end slumps

http://www.harpers.co.uk/news/fullstory.php/aid/23660/Cheap_Aussie_wine_imports_boom_as_premium_slumps.html 13/06/18

Exports of Australian wine priced at \$10 a litre or more to the UK have sunk by 14% in the past year, said Wine Australia.

"Economic instability, retailer consolidation and tax hikes are affecting demand for premium Australian wine in the UK," said the body.

Meanwhile, British imports of Australian wine priced at \$2.49 a litre or less rose by 13%. Imports of wine in the \$2.50 to \$4.99 bracket surged by 15%.

This helped drive an overall 9% value increase in Australian wine shipped to the UK, the country's largest wine export market by volume.

Sub \$2.50 a litre wine accounts for \$205.2m of Australia's total \$373m wine exports to Britain. Most of this wine is shipped to Britain in bulk containers and bottled here.

Concerns over Brexit and the cost inflation and currency volatility arising from the leave vote are helping to drive growth in imports of cheaper Australian wine to the UK.

"The increase in value at \$2.49 and under is influenced by some businesses shifting bottling to the UK from other countries in Europe," said Australia Wine.

MEDIA WATCH CONTINUED

“With the easing of currency volatility that came with the Brexit decision, some brands are returning to bottling in Australia, resulting in a shift in value from bulk at under \$2.49 to bottled exports at \$2.50 to \$4.99.”

The body also said that British supermarkets have begun to accept price increases from Australian wine importers.

Following the Brexit vote, Britain’s biggest off-trade wine brand Hardy’s suffered a 13.2% crash in volumes [Nielsen].

Commentators said the brand was unable to maintain its low price point after the crash in the pound’s value, resulting in widespread delistings.

NWGIC a role to play in new wine research

The National Wine and Grape Industry Centre (NWGIC) in Wagga Wagga is set to play a key role in a research centre to build the sustainability and competitive edge of the Australian wine industry.

Industries (DPI) and the NSW Wine Industry Association, will coordinate three projects as part of the new Centre.

NWGIC Director Professor Leigh Schmidtke said, “We are very pleased to be part of the new ARC Industrial Transformation Training Centre for Innovative Wine Production and look forward to contributing research



expertise and assist in training a new generation of grape and wine scientists.

“The node at the National Wine and Grape Industry Centre (NWGIC) will include developing rapid methods of analysis to provide tools to evaluate grape quality prior to harvest, developing strategies to improve wine shelf-life and improving our understanding of the transport of plant signals in the coordination of berry maturation.”

The ARC Training Centre for Innovative Wine is fostering close partnerships between university-based researchers and research end-users to provide innovative research and training opportunities that are industry focused.

It’s being led by the University of Adelaide with partner university CSU; and 12 industry partner organisations: NSW Department of Primary Industries (DPI), VA Filtration, CSIRO, Pernod Ricard Winemakers, Coonawarra Grape and Wine Inc., Australian Genome Research Facility, Australian Wine Research Institute, E&J Gallo, Chalmers Wines, Wine Australia, Availer and Lallemand Australia.

Read more about the launch of the Centre here. <https://www.thewaite.org/new-centre-to-build-wine-industrys-competitive-edge/>



The Australian Research Council (ARC) Industrial Transformation Training Centre for Innovative Wine Production was launched at the University of Adelaide’s Waite campus this week.

The ARC Training Centre’s research will focus on defining Australian wines’ unique flavours, making vines more robust, defeating disease and introducing more innovation to winemaking.

It will operate from two nodes – the lead node at the University of Adelaide and a second node at the NWGIC in Wagga Wagga.

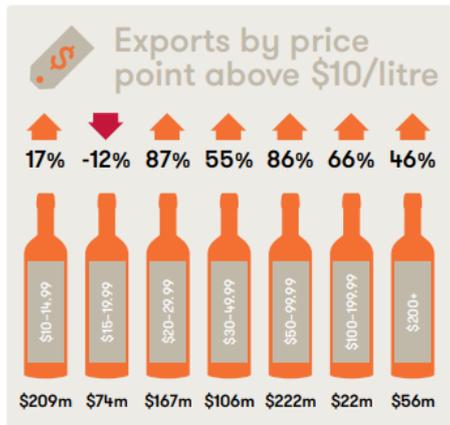
The NWGIC, an alliance between Charles Sturt University (CSU), the NSW Department of Primary

WINE EXPORT REPORT

Wine Australia

Export report

1 July 2017 to 30 June 2018



Value of exports to the top 10 markets

China inc. HK and Macau	\$1.12b	↑ 55%
United States	\$424m	↓ -8%
United Kingdom	\$384m	↑ 12%
Canada	\$199m	↑ 7%
New Zealand	\$88m	↑ 17%
Singapore	\$87m	↑ 27%
Germany	\$59m	↑ 19%
Japan	\$53m	↑ 15%
Malaysia	\$43m	↓ -14%
Netherlands	\$35m	↓ -8%

Volume of exports to the top 10 markets (9L cases)

United Kingdom	27.3m	↑ 12%
China inc. HK and Macau	20.5m	↑ 47%
United States	17.7m	↓ -11%
Canada	7.6m	↑ 11%
Germany	4.4m	↑ 8%
New Zealand	3.5m	↑ 12%
Netherlands	2.1m	↑ 13%
Japan	1.7m	↑ 26%
Denmark	1.1m	↓ -15%
Belgium	1m	↑ 5%



61%
of wine produced is exported



21.8 million
glasses of Australian wine enjoyed overseas each day



2,298
active exporters



23,761
different products exported

Overview

In the year ended June 2018, Australian wine exports increased by 20 per cent in value to \$2.76 billion, the highest growth rate in 15 years. Volume grew by 10 per cent to record 852 million litres, or 95 million 9 litre case equivalents. The average value per litre increased by 9 per cent to \$3.24, the highest level in almost a decade.

Bottle vs bulk

The value of wine shipped in glass bottles increased by 19 per cent to \$2.2 billion, while volume increased by 8 per cent to 376 million litres (42 9 litre case equivalents). Value growth outpaced volume growth resulting in a 10 per cent increase in the average value per litre to a record \$5.94 per litre. The average value of bottled exports increased to 69 of Australia's 127 export destinations, with demand for premium Australian wine in Northeast Asia being the biggest contributor to the increase.

Global supply constraints due to historically low vintages in Europe helped drive the volume and value of Australian wine exports in bulk containers to record figures. Value increased by 22 per cent to \$504 million, while volume increased by 11 per cent to 467 million

litres (52 9 litre case equivalents). The average value of bulk exports increased by 10 per cent to \$1.08. Of the 29 Australian bulk wine destinations, 21 recorded an increase in average value, with the United Kingdom (UK), Canada, and Germany being amongst the strongest drivers. Also pushing this trend towards shipping in bulk containers is the increased demand on businesses to be more environmentally sustainable. Shipping in bulk containers allows for a higher volume of wine to be exported per ship, reducing carbon emissions and costs.

Exporter performance

There were 2298 active exporters, shipping 23,761 unique products, in the year ended June 2018 – a 15 per cent increase in the number of exporters compared to the previous 12-month period (see Figure 1). 1616 exporters either started exporting or increased the value of their exports; these companies contributed \$653 million to the growth in overall export value. This growth was partially offset by those companies who either stopped exporting or decreased their export value during the period; these 1125 companies declined in value by \$203 million.



Department of
Primary Industries

Riverina Regional Program Workshops

Topics for discussion at the three-hour workshops include fungicide and herbicide resistance.

Industry experts will discuss latest research, resources available to Riverina growers and case studies from Botrytis and Fleabane samples collected during the 2017–18 growing season.

Further information and RSVP by 24 August:

Wine Grapes Marketing Board

P: 6962 3944

E: jmcmahon@wgmb.net.au

or Adrian Englefield NSW DPI

P: 0428 324 099

E: adrian.englefield@dpi.nsw.gov.au

LEETON

TUESDAY 28 AUGUST

at 1pm

Yenda Producers

2 Canal Street

YENDA

WEDNESDAY 29 AUGUST

at 9.30am

MIA Vine Improvement Society

Farm 2655, Mallee Point Road

HANWOOD

WEDNESDAY 29 AUGUST

at 2pm

Hanwood Sports Club

Yarran Street

Catering and refreshments
provided



Wine
Australia



GRAPE INDUSTRY SURVEY FOR THE ACCC



AUSTRALIAN
COMPETITION
& CONSUMER
COMMISSION

Please find the attached loose leaf of A4 paper that relates to a market survey that is being conducted by the ACCC. The Board urges all growers to complete the survey to provide the ACCC with the most relevant information that it can obtain about the wine industry and market conditions.

The Board would also like to thank those growers that have already taken the time to complete this national survey.

The wine industry has come to the attention of the ACCC following the appointment of an agricultural commissioner to the organisation and concerns that growers are not being treated appropriately within the industry. If you are happy with your current relationship with your buyer please complete the survey and let the ACCC know, transversely if you are not your input is

also welcomed and will be treated confidentially (unless you specify in the survey otherwise).

As many of you are aware the industry has a code of conduct that is presently in operation on a voluntary basis. The Board's view is that the code (which has no signatories in the Riverina) should be reviewed and made mandatory so that growers are able to enter into agreements with wineries knowing that you can dispute the price offers made and the quality of the fruit grading in a structured manner.

If you sincerely believe that the industry needs better regulation and uniformity please complete the survey and let the ACCC know your concerns about the market and the pressures that you face on an annual basis when dealing with your purchaser. The NSW DPI are also looking at the outcomes of this in relation to Terms and Conditions of Payment.

PROMOTIONS

Once again the Riverina Winemakers Association are undertaking vital promotional activities. Please support these events in the region and invite your family and friends from outside the region to also attend.

Growers thinking of attending this event and others that are coming up should go onto the Riverina Winemakers Association website:

www.unwinedriverina.com for further information

Find out what on the 14th September - Riverina Wine Show Awards dinner at Yenda along with many other events in this month August being held by Yarran Wine and Calabria Family Wines.



DeBortoli Wines are also celebrating 90 years of business this year and will later in the year be holding a dinner to honour this milestone.

The Board hopes that growers book their tickets and support this event. We should be proud of the success of our family owned wineries in the region.

Enjoy an evening of local Italian wines, food and the classic film

ROMAN HOLIDAY
Audrey Hepburn & Gregory Peck
Book your tickets now at unwinedriverina.com

ITALIAN WINE & FOOD
Available from 3pm. Movie in the park starts on sunset.

unWined RIVERINA

SATURDAY 25TH AUGUST 2018
@ DE BORTOLI WINES BILBUL
Visit unwinedriverina.com.au for more details
#unwinedriverina No BYO alcohol allowed.

NEED SEASONAL LABOUR

The National Harvest Labour Information Service (NHLIS) is a no cost service, paid for by the Australian Government and provided by MADEC Australia, to assist agriculture and horticulture businesses find seasonal labour. The service advertises vacancies nationally, and provides a trained consultant to take the

many calls that are often generated. Your time is not wasted with people who do not fit your criteria, allowing you to get on with your core business.

Vacancies are registered on the government's Harvest Trail website, as well as social media. Please call the NHLIS toll free number 1800 062 332 for information.

BOARD CONTINUES MEMBERSHIP WITH NATIONAL IRRIGATORS

The Board received this correspondence from the National Irrigators Council.

Thank you very much for Riverina Winegrapes Marketing Board's continued valuable contribution and engagement as a NIC member. Your support in helping to fund NIC means Riverina Winegrapes Marketing Board is playing an important part in ensuring that our sector has continued strong representation with key decision makers at a federal level.

Over the past year, we have had some important achievements in the water and energy areas.

It was a challenging year for the Basin Plan (and there are many to go) but over the last financial year we have played a positive role in keeping the Basin Plan on track:

- advocating approval of the Sustainable Diversion Limit Adjustment Measures,
- and for the reintroduction of the Northern Basin amendments, urging a bipartisan approach from the Government and Opposition;
- Successfully lobbied Federal MPs including key cross bench and Opposition members;
- Responded publicly in the media to negative stories, corrected the record and have been proactive with our own media releases;
- Continued to have a strong positive input to various inquiries including:

- ⇒ Parliamentary inquiries into the Basin Plan and environmental water;
- ⇒ two Productivity Commission inquiries;
- ⇒ NSW reviews; and
- ⇒ the South Australian Royal Commission.

In the energy space, we continued to drive the very positive work of the Agriculture Industries Energy Taskforce, including:

- Building the recognition of the impact of high energy prices on our sector across Government, with consumer and industry bodies and media;
- Being invited to participate in ACCC consultative bodies for infrastructure and agriculture;
- Successfully completing two research projects to build our case on energy including most recently the ECA funded 'empowering irrigators' project;
- Providing eight submissions to various aspects of Federal Government energy policy development.

We often hear that the NIC is 'punching above its weight' when it comes to a small organisation being heard at high levels of Government; your support is critical to us being able to continue that level of influence over the coming year.

Tony Baggio is the Board representative to the National Irrigators Council and NSW Irrigators Council.

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