

### VINTAGE A YEAR TO FORGET

In what can only be described as the longest and most challenging vintage in the regions history it appears as though the production levels will again remain high in the region.

As at 31st March 2017 a reported 245KT had been harvested with the white winegrape production close to surpassing the previous years production level.

Colombard, White Frontignac, Pinot Gris, Sauvignon Blanc, Semillon and Traminer had all surpassed the 2016 figures which has surprised many producers whom initially reported they where likely to crop lighter than normal. Reports are now coming in of red winegrape crops that if picked at their best would have been as high as 12 tonnes per acre or close to 30 tonnes per hectare.

Red winegrape varieties are taking longer to come in with currently 69KT being harvested opposed to 128KT the prior year. Wineries expected around 312KT this season a slight decline on the figure of 317KT reported to the Board in 2016.

Grower concern regarding the speed of intake has been overwhelming with many relating stories of wineries holding their grapes out seeking to ensure that baumé intake requirements are met. Such action in this season is now seeing grapes that are flaccid and acid levels declining along with colour in red grapes falling away.

A thank you should be said to the many wineries that picked fruit early at lower baumé but with sound fruit structure, acid and colour. It is obvious that the heat waves that occurred early this year had a devastating impact on the grapes physiology that has lead to a slower than normal maturation.

The Board intends to hold a series of meetings with wineries to address many of the concerns raised by growers this season. Growers have pointed out that baumé penalties and no rewards, MOG notifications, fruit grading and scheduling concerns have caused a lot of stress in the grape growers this season. Winery owners need to be made aware first hand of these matters so that they can address these with their staff.

The Board will also be arranging a series of on farm meetings with the grower base to talk and hear your views about the season.



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## BOARD ACTIVITIES REPORT



### Annual Operating Plan and 5 Year Strategic Plan drafted

The NSW DPI will be managing the possible \$125,000 in funds that used to be offered to the Board. Wine Australia who administers the funds deemed that the staffing resources at the Board were no longer sufficient to manage the funds and the project work so the Board is no longer having access to these. Having the funds directed to NSW DPI will ensure that there is capacity and the Board will not require to engage further members of staff to fulfill tasks under the program.

The change provides the Board with a unique opportunity to oversee the program rather than run it and allows better access to the knowledge base and resources of the NSW DPI network.

The program is expected to commence in July 2017. The Board will be a conduit for information to the grower base to inform members of upcoming activities and workshops.

### Seasonal Grape Sampling

The Board laboratory has again been undertaking grape samples this season, although numbers have been low it is interesting to gauge what is occurring in the vintage in a chemical sense.

The laboratory has noted that the acid levels and berry weights have been declining whilst baumé has been slow to rise. Dehydration is allowing sugar levels to rise. In many instances the baumé of the grape has not moved in a number of weeks causing concern for the grower and yields decline and concern grows.

### Riverina Field Day - chance to catch up

The Board will again have a presence at the Riverina Field Day. Our tent will be in the middle of the ground next to the Rotary Club of Yenda's food tent. Members are invited to call into the site and talk to members about your industry concerns and views that you may have.

Keep your eyes open for the growers tickets that are being sent in the mail to all regionally based growers. If you are a grower that doesn't live in the region and will be returning for the field day simply call into the office prior and we can ensure that you get a ticket to present at the gate.

The Board would also be interested to hear from any grower that might be interested in forming a collective bargaining group or discussing this in a more private setting with representatives of the ACCC at a future date.

### Board welcomes new appointed member

Kirsten Dal Broi was recently appointed to the position of member of the Board. Kirsten has been interested in representing the industry in the past and held a role with the Hanwood Grape Growers Association previously.

The Board welcomes Kirsten to the role as an appointed member. He joins Dom Schirripa whom retained his position in February bringing the total number of members now to seven.

### Aerial Imagery being updated

This season the Board funded to have another image of the entire production zone to update the background imagery held in the Boards database. It is currently waiting for the data to be processed and then it needs to be uploaded onto the Board's system for use.



### Board sponsors \$10K to the Riverina Winemakers Association raft of activities for the year

The Board has agreed to sponsor the new and revised promotional plan of the Riverina Winemakers. Commencing with the Griffith Vintage Festival held over the Easter break the plan involves a number of winery based activities and the Riverina Wine Show. There is also going to be a repeat of the popular night markets that seemed to sell out each year.

A changing of the guard at the RWA has occurred with Carrah Lymer taking the promotional reigns from Stuart McGrath-Kerr. The Board looks forward to working closing with the RWA on activities that promote this region.

## ANGRY FRENCH WINEMAKERS DESTROY SPANISH WINE IN SOUTH

*The Associated Press 31st March 2017*

PARIS - Angry French winemakers have staged a protest against Spanish wine lining French supermarket shelves that they say is losing them business.

Xavier Fabre of the Gard region winegrowers' union said Friday that around 100 protestors removed and destroyed boxes of Spanish wine Thursday on display in the local supermarkets.

Local winegrowers say the Spanish wine is labelled with French names and images like baguettes to mislead consumers into believing they are buying French wine, which is more expensive.

Only on the back in small print, Fabre says, does the label mention its foreign origin.

Fabre said the union wants the labels to be clearer, and complained that such Spanish box wine sales are hurting sales of box wines from Languedoc-Roussillon and Gard that have gone down 25 percent since 2015.



## GOVERNMENT CONSIDERS "GOON" TAX PROPOSAL

THE price of the humble goon sack could shoot through the roof under a government push to overhaul Australia's overly complicated alcohol taxation system.

Health groups have welcomed the recommendation by the Senate's red tape committee to introduce a single volumetric tax rate across all alcohol products, in a move that would push up the price of cheap wine while making premium wine and spirits cheaper.

The committee's interim report, released on Wednesday, says the change should be "phased in to allow reasonable adjustment".

Other recommendations by the committee, chaired by Liberal Democrats Senator David Leyonhjelm, would broadly support the sale and supply of alcohol.

They include allowing packaged alcohol to be sold in supermarkets, petrol stations and convenience stores, streamlining liquor licensing, and abolishing restrictions on trading hours for liquor stores.

"The committee ... has identified numerous issues with the excessive level of regulation on Australian alcohol," Coalition Senators Dean Smith and James Paterson wrote in the report.

"The effect of differential treatments in alcohol taxation, compounded with each state and territory having their own legislation, associated regulations, and licensing regimes for the sale and supply of alcohol, show the

complexities of the current system."

Currently, alcohol products are taxed under two different systems — wine is taxed by value, whereas other products are taxed by alcohol content — resulting in 16 effective tax rates and various concessions.

The Wine Equalisation Tax amounts to 29 per cent of the wholesale price of wine, meaning the cheaper the wine, the less it is taxed.

According to the Australian Taxation Office, alcohol excise and excise equivalent customs duty generated \$5.4 billion in revenue in 2015-16, while the WET generated \$883 million for the same financial year, totalling \$6.2 billion.

The 2009 Henry Tax Review described the system as "incoherent" and also recommended moving to a single tax based on alcohol volume.

The wine industry, which makes up about 40 per cent of the market but pays around 13 per cent of the tax, has previously argued against reform. Beer and spirits makers have pushed for the change.

The Winemakers' Federation of Australia was not immediately available for comment. In 2015, then chief executive Paul Evans told news.com.au the body "strongly opposes any proposal to increase wine taxation".

Global drinks giant Diageo, which owns the likes of

*(Continued on page 4)*

## MEDIA WATCH CONTINUED

Smirnoff, Johnnie Walker and Guinness, welcomed the recommendation.

"Diageo has long argued for tax equivalence — that is that all alcoholic products be taxed on the amount of alcohol they contain regardless of whether they are made from grape, grain or distilled," Diageo spokeswoman Jules Norton Selzer said.

"Just because you prefer a gin and tonic over a schooner of beer or glass of red, doesn't mean you should be penalised financially for it. Ultimately alcohol is alcohol and all alcoholic products should be taxed at the same rate."

Michael Thorn, chief executive of the Foundation for Alcohol Research and Education (FARE), said the group "strongly supports a volumetric tax on all types of alcohol, be they wine, beer or spirits".

"We know that cheap booze is the preferred drink of habitual drinkers and young people, because price is so determinative for them," Mr Thorn said. "One of the consequences of the [value-based] system is the economic distortions it causes, because it incentivises the production of cheap bulk wine."

A spokeswoman for Revenue and Financial Services Minister Kelly O'Dwyer said the government would consider the recommendations. "The Turnbull Government has a strong record on reform of the alcoholic beverages industry," she said.

Ms O'Dwyer pointed to the government's crackdown on widespread rorting of rebates available to producers under the WET regime.

She said the government had already "put the wine industry on a stronger footing" by making sure the WET rebate "goes to wine producers with proven, real investment in the industry, regional areas and brands", and by "improving the integrity of measures by better linking rebate claims to the WET being paid".

"From 1 July 2017 we are extending the brewery refund scheme to alcohol producers who undertake distillation or fermentation," she said. "This will help domestic producers of whisky, vodka, gin and liqueurs as well as producers of low strength beverages such as non-traditional cider." [frank.chung@news.com.au](mailto:frank.chung@news.com.au)

## MEDIA WATCH - SUPERMARKETS STILL DOMINATE WINE SALES

The supermarket chains have increased their share of the retail alcohol market while independent stores continue to decline. That's according to the latest Alcohol Retail Currency report from Roy Morgan Research. It found supermarket-owned chains now account for 72.3%

of the total Australian off-premise (take-away) alcohol retail market. This is up from 69.1% in 2015.

In contrast, independents' share declined markedly, from 12.7% to 10.4% in the same period (2015-16). Duty-free stores also suffered: they account for just 0.5% of total alcohol retail dollars, down from 1.4%. Hotel bottle shops and wine clubs were relatively stable.

Online liquor trade newsletter The Shout reported that supermarket chains such as Dan Murphy's, First Choice, Liquorland, BWS and Aldi Liquor garnered \$10.5 billion of the total amount spent by Australians on alcohol

in a retail environment in 2016. Hotel bottle shops such as Thirsty Camel accounted for \$1.8 billion, ahead of independents such as Cellarbrations (\$1.5 billion), wine clubs (\$0.7 billion) and duty-free stores (\$0.1 billion).



The total value of the liquor retail market was \$14.5 billion.

Dan Murphy's accounted for 29.9% of the total dollars spent by Australians on off-premise alcohol in 2016, up from 25.4% in 2015. The continued rise of the 'big box' store was further highlighted as BWS saw its market share decline, while within the

Coles group, First Choice grew its market share from 4.5% to 5%, while Liquorland and Vintage Cellars both recorded declines.

Ref: <https://www.therealreview.com/2017/04/05/supermarkets-increase-share-of-retail-alcohol-market/>

## WET REBATE DRAFT LEGISLATION IS RELEASED

The federal government has released draft legislation dealing with the wine equalisation tax (WET) producer rebate. The rebate has made the news for all the wrong reasons. Many believe that the \$500K return to producers was damaging the industry and forcing a reduction in grape prices by allowing unsustainable business models to exist.

The government advised that *“these amendments to the WET producer rebate are intended to support the Australian wine industry by ensuring that wine producers who build brands, invest in regional communities and create local jobs are the beneficiaries of the rebate and not wine traders and retailers. The Government announced these reforms to support the Australian wine industry by addressing industry concerns about distortions in the market through the misuse and exploitation of the WET producer rebate. The rebate has encouraged artificial business restructuring to maximise claims and has also contributed to excessive wine grape production particularly of low value wine, leading to distortions in the wine market in recent years.”*

The Board was a part of the discussions about the rebate but unfortunately its aim to remove it completely has not been achieved. A reduction and tightening of the criteria is a step in the right direction but unless the government was looking to offer financial incentives to grape producers the Board did not see equity in the process and could not in all honesty support a continuation of handouts to the processing sector without consideration for growers.

It is hoped that the changes will see positive impacts on grape prices. This is what wineries in discussions with government have stated as a reality will occur. If these price changes do not surface it will provide further evidence to support the Board's position that the financial support of one sector of the industry is not viable as it is not assisting the production base and unless government wishes to address this properly and provide financial benefits to growers then the scheme should be removed.

Comment from interested person on the draft legislation is being sought up until 28th April 2017.

## BIOSECURITY SIGNS AVAILABLE FROM THE BOARD

Farm Biosecurity is an important matter and the NSW Wine Industry Association (of which the Board is a member), NSW Department of Primary Industries and Plant Health Australia have produced corflute farm signs for growers to place at their front gates to get the message across.

These signs are available for growers to collect from the Board office and at our site at the Riverina Field Day they will also be available.

The last thing this region needs is the risk of an outbreak of any disease, pest or weed and persons that travel from farm to farm can easily spread pests and disease and should at all times follow your protocols when visiting your farm.

Numbers are limited and

the signs are quite large and will not be posted out to growers, so these are being offered on a first come first served basis. If demand is overwhelming the office will try and source more of these. While the NSW DPI logo does not appear on these the industry acknowledges and appreciates the departmental funding provided.

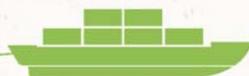


# WINE GRAPES MARKETING BOARD

## FACTS ABOUT OUR WONDERFUL INDUSTRY

# Riverina Wines

The region exports more than **12 ½ million cases of wine** to more than 50 countries around the world every year (34,000 dozen per day!)



**22,000**  
hectares of wine grapes grown producing  
**320,000**  
tonnes of specialist wine grapes



Riverina wineries produce **one in every four glasses** of great Australian Wine

**340** individual grape growing businesses

Home of the largest family owned winery in Australia



Home of the fastest wine bottling line in the world capable of **36,000 bottles** an hour.



All Riverina wineries are **family owned**

The Riverina is home to **7 of the top 15** wine exporters



**62** varieties of grapes in the region...and growing

**SEMILLON** PINO  
CHARDONNAY MUSCAT TRAMINER  
**SAUVIGNON**  
ALBARINO RHINE BLANC  
MUSCAT GIALLO RIESLING BARBERA  
SULTANA TREBBIANO CANADIAN MUSCAT  
**PINOT GRIGIO** PINO  
VERDELHO CAVERDELLA MARSANNE  
AGLIANICO DOLCETTO TEMPRANILLO  
CABERNET RUBY MATARO  
SAUVIGNON PEDRO  
SANGIOVESE TOURIGA SAINT MACAIRE PALOMINO  
PETIT MURCAT HAMBURG  
VERDOT TYRIAN **MERLOT**  
MONTEPULCIANO  
**SHIRAZ** RED TANNAT  
FRONTIGNAC  
CHAMBOURCIN ZINFANDEL  
LAMBRUSCO  
MUSCAT **NERO**  
MALBEC D'AVOLA  
CABERNET FRANC  
**DURIF**  
GRENACHE  
PINO  
NOIR  
COLOMBARD  
NONNIMENSE  
ITALIA  
CHARDONNAY  
ARNESIS  
ROUSSANE  
VERMENTINO  
MUSCAT GORDO BLANCO  
VIOGNIER  
PINOT BLANC  
WHITE FRONTIGNAC

**100 x 1.1 M** litre tanks can be found at Casella Wines



If you consumed one 750ml bottle of wine per day, it would take you 4,018 years to get through one tank!

The Riverina is **world-renowned** for its Noble Rot Botrytis Semillon



The Riverina is the largest wine region by area in Australia

The Riverina has been producing wine for **over 100 years**



## AWRI TO HOLD VITICULTURE SEMINAR IN GRIFFITH

The Australian Wine Research Institute will again hold its popular seminar series for growers in Griffith next month. The program has been chosen by the Board from a diverse list of topics that the organisation has at its disposal to educate and inform growers.



The Australian Wine  
Research Institute

**LOCATION: [23 Smeeth Road, Lake Wyangan](#)**

The seminar will be touring the country and last year it was held at the Riverina TAFE. This year with an aim to involve more growers the Board is arranging this to be held on farm. Brian Bortolin the recently appointed Extension Officer has offered his shed for the event to be held on **Wednesday 10th May 2017 commencing at 3pm and concluding in a BBQ dinner and drinks.**

**Growers MUST RSVP** for the event to ensure that catering and seating is available for you on the day. Please call the Board office 6962 3944 and speak to any of the staff or email us at our generic address [board@wgmb.net.au](mailto:board@wgmb.net.au)

Time	Agenda	Presenter
15:00 – 15:30	<b>Welcome and introduction</b>	Con Simos
15:30 – 15:55	What are the strategies to better manage the risk of botrytis bunch rot?	Paul Petrie
15:55 – 16:20	Be alert: is fungicide resistance coming to your vineyard?	Barbara Hall (SARDI)
16:20 – 16:45	Scale and mealybug – what can I do to control these sap sucking insects?	Paul Petrie
16:45 – 17:10	How can I predict wine tannin and colour in the vineyard?	Paul Smith
17:10 – 17:50	Interactive session	Con Simos
17:50 – 19:00	<b>BBQ dinner</b>	

## CHEMICAL COMPANY SEEKING URGENT CO-OPERATORS FOR TRIAL

Fbsciences the manufacturer of a product called CarbonBoost is seeking growers to work with them to undertake a trial of the product in this region.

The company claims that the product improves the efficiency of nutrients in all forms.

The company have conducted approximately 1,100 trails in other fruits and now wants to work more closely with the winegrape industry in the Riverina. This season they undertook trials on a local winery owned and managed vineyard and the Board tested the maturity and colour of these samples for the trial.

While the product is new to the region the company advises that it has been widely tested over the past 10 years over 5 continents.

### Company product claims

- The product works on all 5 plant hormone groups.
- Improves nutrient uptake of all essential nutrients.
- Activates biotic and abiotic stress defence mechanisms
- Speeds up respiration in cool spring weather.

- Slows down respiration in hot weather.

The company are looking to provide the product for growers with drip irrigation systems to trial on a small section of their vineyard. The product would be provided for free and the company would then take grape samples that would be tested in comparison to control blocks. Interested growers would need to allow the company representative and their staff to take samples from their blocks for testing.

The Board recommends that growers get a written agreement for any arrangements made with such 3rd parties to cover any matters of potential liability.

The point of contact for the trial is:

Malcolm Roach  
0418 553 362  
[mvroach@bigpond.com](mailto:mvroach@bigpond.com)

**Please note:** The Wine Grapes Marketing Board does not endorse this product. The Board will charge a fee for all testing performed. These funds will work to reduce the costs of our services to growers.

# WINE GRAPES MARKETING BOARD

## WINE AUSTRALIA EXPORT REPORT YEAR ENDED DECEMBER 2016

The year 2016 was a great one for Australian wine exports. Beginning in the mid 2000's, the industry entered a difficult period. The combination of low grape prices and new producers resulted in major oversupply.



However in 2016 there has been a turn around. The value of export grew by 7% and volume increased by 1%. Not amazing numbers but positive signs indeed that a recovery was occurring but most pronounced in the above \$10 per litre.



**China** ↑ **40%**  
mainland

	China (mainland)	\$520m	↑ 40%
	United States	\$458m	↑ 3%
	United Kingdom	\$355m	↓ -5%
	Canada	\$193m	↓ -0.2%
	Hong Kong	\$110m	↓ -16%



Of the \$2.22 billion in exports China now accounts for \$520 million up 40 percent in 12 months. Showing that this country is becoming a significant market.

Wine Grapes Marketing Board

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