

May – June 2014

ANNUAL GENERAL MEETING - PLEASE ATTEND

All growers are reminded to attend the forthcoming Annual General Meeting (AGM) of the Wine Grapes Marketing Board to be held at the Yoogali Club on Wednesday 25th June 2014 commencing at 7:30pm.

Guest speaker at the meeting will be Peter Bailey from Wine Australia who will provide attendees with an overview of our major markets and an update on what is happening in the domestic market.

As growers are holding post vintage meetings with their wineries the Board is also meeting with the wineries to seek their feedback on the state of the industry and how they feel the future will be for the region. An update of these meetings will be provided at the meeting which promises to be informative and invaluable.

YENDA GRAPE GROWERS

The last meeting of the Association was held at the Yenda Diggers Club 1st April.

The association members are concerned that delays during intake at wineries are costing the industry more each vintage. It was reported that some wineries had a habit of double booking their intake to get the fruit in but that growers were required to wait to unload which lead to significant increases in the costs to growers.

Growers expressed the view that they should be able to invoice wineries for delays at the weighbridge.

HANWOOD GRAPE GROWERS

The last meeting of the Association was held at the Hanwood Sports Club 13th May.

Association members queried the Board and its staff on the sponsoring of the La Festa Easter event held in the Community Gardens Griffith. The sponsorship deal was a last minute decision to support the community event that showcases many of the regions wines to locals and visiting tourists. The cost to the Board was \$900 + GST and it will be reviewed as well as provide the Board with the opportunity to provide input into the La Festa format.

Members also raised the concerns that all growers want from the Board is higher prices per tonne and a return to minimum prices. Growers also raised the issue of the impacts of the WET Rebate were having on prices.

WET REBATE UPDATE

The commonly held view by growers that contact the Board is that the WET Rebate must be removed before the industry returns to profitability. Many should understand that the WET Rebate underpins the profitability of many of the countries wineries and those producers that have their grapes manufactured into wine and sold into the domestic market.

If the WET Rebate were removed it is impossible to say what the impacts on the market will be without doing a reasonable amount of modelling. As an industry we must ensure that if a change is made to this the industry will still benefit from the return in taxation dollars.

The industry could use the collective WET Rebate to increase the level of promotion being done of Australian wine both domestically and internationally. It is also possible to think that another use of the rebate would be to assist the industry to restructure the level of plantings.

Regardless of what happens the WET Rebate is being blamed for many of the industry problems. The concern that is consistently being raised is that the rebate is being claimed by importing countries such as New Zealand. It has recently been brought to this offices attention that other countries are now claiming the rebate and if more and more take up this opportunity it will not take long for the government to put a halt to further taxation rebates.

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WINE GRAPES MARKETING BOARD

BOARD ACTIVITIES REPORT



• The Board will be holding a Mental Health First Aid Training course for interested growers and industry participants. The dates of the training are yet to be arranged but the office is taking details of persons that may be interested in attending and learning.

• The Board hosted trunk disease expert, Mark Sosnowski from SARDI and Sandra Savocchia from NWGIC in late April. The Riverina region is set to have a trunk disease trial sit established to demonstrate remedial efforts that may assist in returning diseased blocks to health. This national project offering Riverina producers local information that is invaluable for vineyard management.

- The Riverina Field Days was held recently on 9th and 10th May 2014 at the Griffith Show Ground. Grower attendance at the event was pleasing despite the poor weather on the second day. The Board recently agreed to continue its sponsorship of the field day for a further 2 years.
- All growers received the new industry Winegrape Biosecurity Manual that was developed by WGGA.

- The Board agreed to fund a destination NSW program which involves the industry having a 3 month profile on the Riverina Regional Tourism website, 4 articles online, Facebook posts by Regional Tourism and a postcard mail promotion of the region to be sent to all rate payers in the council area. The cost of the investment is \$20,000.

- The Board sponsored the Griffith La Festa as an Opal Sponsor of \$900 + GST. The Board also promoted the event via its Facebook site and provided free entry tickets to the first 20 growers that shared and liked the Board's La Festa post.
- The Board also agreed to continue its sponsorship of the Riverina Wine Show trophy, \$3,000 + GST.

- All growers should have received a copy of the 2013 Annual Report of the Board. Members are reminded that the Report will be presented formally at the Annual General Meeting to be held at the Yoogali Club on Wednesday 25th June 2014 commencing at 7:30pm. Please attend.
- The Board assisted representatives of the Murray Darling Basin Authority to meet with growers to discuss the key aspects of the social and economic monitoring and evaluation. The MDBA is constantly reviewing the impacts of the Basin Plan and if growers wish to advise them of adverse impacts of the Plan they can. Simply contact our office and our staff can put you into touch with the relevant person.
- The Board is working on a state government submission to assist growers remove vineyards and lease their water to the NSW Government for a long term which will allow growers to exit the industry.
- The Board wrote to Murrumbidgee Irrigation seeking some consideration from the company for those growers that were severely impacted by the frosts in 2013. Growers that produced a large reduction in yield would not be in a position to easily meet their financial commitments such as their water charges. The Board sought consideration and asked that these growers be allowed to defer payment for up to 12 months and pay interest only. The MI Board response was sincere and showed concern for the grower base but it could not provide any financial assistance at this time.

\$100 REBATE FOR CHEMICAL USER TRAINING

The WGMB is offering \$100 rebate for every levy paying grape grower that presents an invoice for training commencing 2014. For further information contact the Board staff on 02 6962 3944 or call into the office with your invoice.

- The Board submitted a response to the federal governments Agricultural Competitiveness paper.
- It is been reported to the Board and confirmed that Wickham Hill Wines has delayed its first payment in 2014. The matter has been raised with the Office of the Small Business Commissioner and the winery and the Board is going to monitor the payments.

Members with any queries on the above items can contact Board members or the staff to discuss.

STUDY FINDS FEWER YOUNG PEOPLE ARE ENTERING AGRICULTURE

A new study funded by the Rural Industries R&D Corporation has found that the number of younger farmers entering agriculture continues to fall and that since 1991 the population of farmers aged over 65 has increased by 55 per cent.

The report, titled '*New entrants to Australian agricultural industries — where are all the young farmers?*' used Australian Bureau of Statistics (ABS) population census data from the eight censuses conducted between 1976 to 2011 to examine the current demographic structure of the Australian farmer population. The report quantifies the extent of structural ageing in the Australian farm sector, examines the behaviours that are causing structural ageing and explores the social, demographic and economic conditions that influence these behaviours.

The study found that the number of farmers aged under 35 years of age has fallen by 75 per cent since 1976. The most important factor in this fall has been falling numbers of farms due to farm aggregation, leaving fewer opportunities for younger people to enter agriculture.

The report states that another reason for declining numbers of younger farmers is a fall in the recruitment of the youngest farmers (under 25 years) relative to the recruitment of other entrants. A large proportion of this relative decline in recruitment can be explained by factors that are common with the rest of the



Australian labour market, including structural ageing of the Australian workforce and delayed entry to the workforce due to longer years spent in education.

Another explanation of the declining proportion of young farmers in Australian farming is the lowering rate of exit from farming amongst farmers aged over 65 — since 1991 the population of farmers

aged over 65 has increased by 55 per cent. This decreases the proportional measure of farmers aged under 35 and is also an important contributor to the increasing median age of the farmer population.

In addition to these factors, the increasing age of first marriage in Australia has reduced the number of younger female entrants to farming.

However, despite these figures the study concluded that there is little cause for concern over any link between farm sector structural ageing, low recruitment of younger persons into agriculture and food security.

Prior to this study the most recent detailed analysis of the demographics of Australia's farm sector was undertaken with 2001 data. Since then there has been an asset price bubble in the land market, the baby-boomer farmer cohort has reached retirement age, the Australian dollar has temporarily risen in value to parity with the \$US, there has been a financial crash and a decade long drought in large parts of agricultural Australia, particularly the Murray-Darling Basin.

Each of these influences may well have reshaped the demographic structure of the Australian farm population.

The changes observed in the study will have a variety of implications for rural communities, including the types of services and support that may be required to support these communities in the future.

This project was funded by RIRDC

and undertaken by Neil Barr from the Victorian Department of Primary Industries. The publication '*New entrants to Australian agricultural industries - where are all the young farmers?*' can be found on the RIRDC website: www.rirdc.gov.au

For more information contact Simon Winter, RIRDC Senior Research Manager: simon@swinter.com.au

WINE GRAPES MARKETING BOARD

2014 RIVERINA FIELD DAY

Grower numbers attending the 2014 Riverina Field Day payment process remained steady and were similar to the number of growers that attended the event in 2011.

From a Wine Grapes Marketing Board perspective it provided Board members and staff with a great opportunity to meet with its grower base to discuss the issues in the industry.

The Board has decided that it will continue to sponsor the event for the next two years at a cost of \$10,000 pa +GST. Members are advised that the tickets that are sent to all members are only paid for if you redeem these at the entrance gate. The redemption and

provides the Board with a good way to work out the actual numbers of producers that attend the event.

If any grower has any feedback about this promotional event please feel free to contact the Board.



HACCP REMINDER FOR GROWERS

It is nearing the time of year again where all growers that are part of the Wine Grapes Marketing Board HACCP program need to get their paperwork together and arrange a suitable appointment time for their annual audit.

The paperwork that growers need to have ready for the audit includes

- the spray diary or diaries that were used for the vineyard throughout the season.
- the Delivery Books or records for all loads taken to the winery
- the HACCP program folder
- and the completed HACCP forms

Growers should use the time prior to the audit to locate this paperwork and ensure that it is complete to enable a timely audit process.

This year Kristy Bartrop and James Codemo will be conducting the Audits.

Variety Labels

The Board reminds growers that have purchased ear tag variety markers to ensure that these are installed in your vineyard. Any growers wanting to purchase head post tags to label their block varieties can contact the Board to arrange a bulk order.

If you have any questions about the Wine Grapes Marketing Board HACCP system or would like to arrange your appointment, please contact the office on 6962 3944.

ACCC INVESTIGATION INTO COLES NEARS COMPLETION

Coles action caps two years of investigations.

5 May 2014, www.smh.com.au

Eli Greenblat

The competition watchdog's investigations into how the big supermarket chains treat suppliers stretch as far back as November 2011, when ACCC chairman Rod Sims, four months into his five year term, noticed media reports indicating suppliers were being treated unfairly.

It was from late 2011 and into early the following year that the ACCC sought information from market participants about these concerns.

However, it soon became clear that suppliers were reluctant to speak to the ACCC for fear of what they perceived may be the consequences of providing information to the competition watchdog.

Mr Sims then called on suppliers to provide information to the ACCC on a confidential basis, whereby he would seek to protect and maintain that confidentiality.

This call generated around 50 suppliers approaching the ACCC on a confidential basis to discuss practices by the major supermarket chains that they were concerned about.

It was shortly after that in 2012, having identified areas of concern, the ACCC commenced an in-depth investigation into those issues around the treatment of suppliers by the supermarket chains, Woolworths and Coles.

The fruit of that initial investigation exploded into the public spotlight when on February 13, 2013 - nearly

three years after the issue first pricked the interest of the watchdog - Mr Sims appeared before a senate estimates committee and updated the committee on his investigations to date.

Mr Sims shocked onlookers by airing allegations of conduct that might be unconscionable or a misuse of market power by the supermarkets.

At that time no supermarket chain was named, but the allegations were, and included:

- persistent demands for additional payments from suppliers, above and beyond that negotiated in their terms of trade;
- the imposition on suppliers of penalties that did not form part of any negotiated terms of trade, and which apparently do not relate to actual costs incurred by the major supermarket chains as a result of the conduct which has led to the penalty being imposed;
- threats to remove products from supermarket shelves or otherwise disadvantage suppliers if claims for extra payments or penalties are not paid;
- failure to pay prices agreed with suppliers; and
- conduct discriminating in favour of home brand products.

Between June 2012 and December last year the ACCC conducted extensive in-depth investigation using compulsory information gathering powers that required suppliers and Coles to provide information. That culminated in Monday's action in the Federal Court.

WINE GRAPES MARKETING BOARD

TRANSPORT FOR NSW UPDATE ON WEIGHT ALLOWANCES

Transport for NSW (TfNSW) is the State Government department that was instrumental in arranging the grain industry Grain Harvest Management Scheme (GHMS). The GHMS in 2013/14 enabled participants an allowance of 5% extra in their freight loads for specific truck configurations.

The Board is also seeking similar allowances for the wine industry to overcome the problems faced with

minor overloading. On behalf of industry the Board sought to be involved in the GHMS for the 2014 vintage. TfNSW advised that detailed industry analysis was required prior to any proposal being developed.

Such needed analysis will not occur until a complete review of the GHMS has occurred.

The Board will continue to seek inclusion in the scheme for the grape industry.

PAYMENT ISSUES NEED TO BE REPORTED

This season the Board has been notified by 2 growers that they have not been paid by their winery. The allegations have been confirmed by the winery in question and they have advised the Board that they have minor cash flow problems that has prevented them from making the first grower payment.

According to staff at the winery all growers have been contacted and advised that the payment will now occur early June 2014, nearly 5 weeks after the date initially agreed to in the contract. Should ongoing issues occur with this winery further action may need to occur so that growers returns can be secured.

INNOVATIVE NEW WINE DEVELOPMENT PROGRAM GETS UNDERWAY

The Department of Primary Industries (DPI) and the Australian Wine Research Institute (AWRI) have joined forces to drive the development of the NSW wine industry.

DPI Deputy Director General Agriculture NSW, Mr Michael Bullen said that key staff from the Department and the AWRI, have commenced field visits to meet with key industry representatives, as part of a new Skills Development Program for the NSW wine grape industry.

"We are very pleased to begin this innovative and collaborative program, which will enhance the skills of our State's wine growers," Mr Bullen said.

"The DPI and AWRI have begun the roll-out of the new initiative this week, visiting Mudgee and Griffith to review potential locations for auto-reporting weather stations that will collect data for a pest and disease warning system.

"The AWRI will use the data gathered from these stations to produce bulletins for growers, to allow them to manage the risks to their vines of pests and diseases."

The skills development program will focus on improving industry productivity and profitability by addressing issues such as better management of pests, diseases, nutrients and water.

Activities conducted within the partnership will complement research and extension that is funded by the Grape and Wine Research and Development Corporation.

The program will use electronic technologies to deliver resources and information to NSW growers and also includes a series of workshops, field days, field trials and field scouts across the State.

Managing Director of the AWRI, Dr Dan Johnson said wine growers are facing significant domestic and international competition and this initiative will build the capacity of industry to resolve issues and implement innovation in their businesses.

"The program is now available to all NSW commercial wine grape and wine producers and participation from all NSW wine production regions is encouraged," Dr Johnson said.

NSW Wine Industry Association (NSW WIA) President, Mr Tom Ward, said the Association will work closely with the AWRI to deliver innovation to its members.

"We surveyed our members last year to determine what services they would benefit from, the timing and the preferred methods of delivery," Mr Ward said.

"We are very pleased to see the roll out of this specially tailored program which will greatly benefit our members."

The AWRI will work closely with the DPI, NSW WIA and the National Wine and Grape Industry Centre to share and implement research findings and technology.

Researchers are conducting short field visits with industry representatives in Mudgee and Griffith this week.

PROOF OF RED WINE ANTI-AGEING LINK

www.abc.net.au/am/content/2013/s3710800.htm

TIM PALMER: The search for the fountain of youth has pre-occupied medical researchers for as long as they've had microscopes and white coats. Now, an international team led by an Australian has published research that carries the promise of a whole new class of anti-ageing drugs within five years. And as Ashley Hall reports the spark for the new drugs is red wine.

ASHLEY HALL: For more than a decade, medical researchers have looked at red wine as a potential source of anti-ageing drugs.

They've been particularly focussed on a molecule called resveratrol and how it interacts with an enzyme, known as SIRT 1.

And now, a breakthrough: DAVID SINCLAIR: I think this is the most significant discovery that my team's made in those 10 years.

ASHLEY HALL: David Sinclair is a professor of genetics at both the Harvard Medical School and the University of New South Wales. And he led the study that's been published this morning in the journal Science.

DAVID SINCLAIR: What we're showing for the first time is that you can activate an anti-ageing protein in our bodies and there are real questions around whether it was even possible to do this. So this is the first time we're really proving that it's possible.

ASHLEY HALL: Professor Sinclair's earlier work has been fiercely contested. Other researchers questioned whether resveratrol was in fact activating the anti-ageing enzyme.

DAVID SINCLAIR: The criticism that's been levelled at the research is that, oh, it's an artefact and it's all a coincidence that things are working the way we thought.

But in this publication we're showing for the first time that the red wine molecule does work for sure on this

anti-ageing protein in the body. And this really gives us the green light to go ahead with bigger and better human studies which have only just begun in the last few years.

ASHLEY HALL: So what sort of diseases and conditions can be targeted by this?

DAVID SINCLAIR: Well this is the big challenge actually because the pathway that we work on, at least in animals such as mice, seems to be effective against such a wide range of diseases from Alzheimer's to cancer and heart disease, diabetes. So that the question is where can we first apply this technology.

ASHLEY HALL: Professor Sinclair sold the technology to the drug company GlaxoSmithKline in 2008. Since then the company's made 4,000 synthetic activators similar to resveratrol but much more potent.

He says the benefits of the drugs in development will be widespread.

DAVID SINCLAIR: We may find that a drug to treat diabetes ends up protecting people against cancer and heart disease and Alzheimer's and that would be one way to extend people's life span.

I think eventually the dream here is that most people could take these molecules, if they're safe enough, to prevent most diseases. ASHLEY HALL: With some of the drugs already in the early stages of testing they're likely to available to patients within five years.

If you can't wait David Sinclair says there's no point raiding the wine cellar for an anti-ageing head start.

DAVID SINCLAIR: You'd need to have such large amounts from red wine that you'd probably kill off your liver and be drunk most of the time. So I wouldn't recommend trying to get it from red wine though there is pretty good evidence that a glass or two in moderation is healthy in the long run, but I don't think that you can take red wine to treat diseases which is really what we're trying to do here.

TIM PALMER: A glass or two at least. Professor David Sinclair of the University of New South Wales.



WINE GRAPES MARKETING BOARD

RED WINE PROTECTS AGAINST GUM DISEASE

For wine lovers, the results of a new study provide even more reason to pour a glass of red wine guiltlessly, after scientists found that it could be good for your teeth.

According to research published in the *Journal of Agricultural and Food Chemistry*, red wine contains antimicrobial elements that were found to help kill bacteria in simulated lab tests.

The same effect was observed for grape seed extract.

Drinking a shot of grape seed oil, however is much less appetising.

Cavities, gum disease and tooth loss are caused by the accumulation of bacteria in the mouth. Together, they form "biofilms" - communities of bacteria that turn into plaque, produce acid, and are difficult to kill.

Previous research suggested that polyphenols can slow bacterial growth.

To test the theory under realistic conditions, Spanish and Swiss scientists grew cultures of mouth-mimicking bacteria and dipped the biofilms in different liquids such as red wine, alcohol-free red wine, red wine spiked with grape seed extract, water and 12 percent ethanol.

Of the different liquids, the three forms of red wine were the most effective at eliminating the bacteria.

Researchers say their findings could be used to harness the cavity-fighting powers of red wine and incorporate them into products like mouthwashes and toothpaste.

However, before tipping back your third glass of Cabernet, keep in mind that red wine is also known to stain teeth.

To avoid permanent stains on your pearly whites, experts at Winefolly.com offer a slew of tips such as drinking sparkling water and eating high-fibre foods to loosen and scrub off wine before it has a chance to stain, and skipping acidic white wine, which acts like sandpaper and strips teeth of their protective coating.

Or as if you needed an excuse to do, pair red wine with a calcium-rich hard cheese, which acts as a polish and wax for teeth.

http://www.newsmaxhealth.com/Health-News/wine-red-teeth-cavities/2014/05/23/id/573093/?ns_mail_uid=93360484&ns_mail_job=1570499_05252014&promo_code=qthlm8mj

SMALL BUSINESS COMMISSIONER ATTENDS REGION

On Tuesday 27th May the newly appointed NSW Small Business Commissioner (SBC) Ms Robyn Hobbs OAM met with staff and members of the Wine Grapes Marketing Board.

The Commissioner has taken over the position from Ms Yasmin King whom members may recall assisted many growers in the region obtain their full payment from a number of local wineries.

The new Commissioner is extremely interested in the



mechanics of the winegrape market and is keen to assist producers (small business) in their dealings with wineries. Growers that are having difficulty with their winery or delays in payments can contact the office of the SBC.

The Board used the opportunity to explain the imbalance in market power that exists within the industry. The SBC understands this advising that such imbalances are not uncommon.

IMPORTANT DATES FOR YOUR DIARY

WGMB Annual General Meeting
Hanwood Grape Growers Assoc AGM

Wed 25th June 2014 7:30pm Yoogali Club
Tue 8th July 2014 7:00pm Hanwood Sports Club

WINE GRAPES MARKETING BOARD - proudly serving winegrape producers since 1933
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