



WORLD WINE SHORTAGE REPORT MISLEADING

The big story that captured headlines around the world recently was that internationally we were heading for a world shortage of wine. The report was compiled by reputable Morgan Stanley Research Australian based analysts and it went viral.

The Board office has fielded many calls from growers that were excited by the proposition of a shortage as it could lead to a return of a more sustainable industry.

The initial report that sparked a world wide media frenzy was commented on by the Wall Street Journal's MarketWatch blog (which is no longer available):

The global wine industry was slowly moving from balance to shortage. The analysts pointed out that global wine demand exceeded supply by 300 million cases in 2012, and production that year fell to its lowest levels in more than 40 years.

Unfortunately the report was misleading as the article by Morgan Stanley is not entirely true.

The charts that were used in the reports have since been reported to have been falsified by the consumption line having 300 million cases added to it. This amount

equates to how much wine is used in the production of non-wine products such as vinegar and brandy.

In fact the numbers Morgan Stanley used for their estimates, provided by the *Organisation Internationale de la Vigne et du Vin (OIV)*, the international governing body for winemaking and grape production, don't project a decrease in wine production, they project a fairly substantial increase. Morgan Stanley simply didn't include the OIV's 2013 production projection in their chart.

What the entire issue shows is that the media are looking for positive stories as the number of rebuttals to this story have been numerous but have failed to capture the headlines that the original "shortage" story obtained.

\$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

HAIL STORMS HIT THE REGION

As we come to terms with the extent of loss from frost damage in late October, the region has been hit by a series of hail storms in early December. The extent of damage ranges from 5-40% loss reported in Hanwood, Yoogali, Nericon, Beelbangera and Lake Wyangan.



Any growers that have experienced hail damage are asked to contact the Wine Grapes Marketing Board to assist with collating a region wide loss assessment.

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BOARD ACTIVITIES REPORT



The following information is a report on the activities of the Board.

Strategic Plan 2014-2018: In October the Board sent to all growers its 5 year Strategic Planning and Budget document. Growers were then invited to attend the meeting at which this document was approved. The meeting was held on 21 November 2013 at the Yoogali Club. The plan and budget for 2014 was adopted and the statutory fees and charges for the 2014 vintage were confirmed at \$3.90 per tonne (fresh weight). Also in attendance was the NSW Small Business Commissioner Yasmin King. She provided an overview of the role and activities of her office and the legislation that they have to assist small business within NSW.

Vineyard ID Tags: The Board staff coordinated the purchase of ID tags for head posts to ensure that growers are compliant with HACCP requirements. These are now available for collection from the Board office.



Grain Harvest Management Scheme: The Board has been active in seeking inclusion in the scheme designed to allow transport vehicles to cart up to an extra 5% of their gross vehicle mass to receivers. Unfortunately the Board was alerted to the scheme too late to be included for the 2014 vintage but it will soon be working with Transport for NSW to seek inclusion in the 2015 scheme following a detailed review of the wine grape industry. The review will involve obtaining trip data from wineries to determine if the 5% allowance is going to benefit industry. It will also seek approval of a scheme by wineries in the region and possibly the state and will need to seek local council approval that further increases in load weights are not going to cause concern to road infrastructure.



Wine Grape Growers Australia Meeting: The Board recently attended the WGGGA meeting held in Adelaide to discuss the issues affecting growers. WGGGA have recently appointed a Biosecurity Officer to represent the industry in plant health matters via Plant Health Australia.

Letter to Murrumbidgee Irrigation falls short: The Board wrote to MI seeking their consideration of frost affected grape growers in paying their fixed charges. The Board was urging MI to not charge interest on late payment of accounts to assist the industry. MI have politely declined to provide financial assistance.

Board Wine grape Index: The Board has once again started its online index of wine grapes that are available for purchase. Growers wishing to participate should contact the Board office to sign up for the 2014 vintage.

The difference with the site this year is that wineries interested in purchasing will need to apply online advising the Board which varieties they are seeking and the Board staff will contact the growers directly (not the winery). In past years having all the available fruit online as a list of tonnes was thought to be impacting on the supply and demand balance.

Board signs up to promotional opportunity: The Board has signed a new promotional activity that is being developed by Riverina Tourism and Destination NSW.

The Board has committed funding that will look to build on research that tourists are looking for the whole package in a region when they visit, such as food and wine. More information will be provided to growers as this develops.

Levy return to all growers: This year the Board decided to provide a rebate to growers on the levy of \$1.50 per tonne. This equates to approximately \$350,000 being returned. Through this process the Board has also given growers a WGMB Hat to commemorate 80years of regional representation.

The Board used the opportunity to seek feedback on the level of frost affected vineyards across the region and confirm growers contact details.

Board conducting pre-vintage meetings with wineries: Throughout December the Board Chairman, Bruno Brombal and IDO, Kristy Bartrop will meet with major local wineries to discuss the forthcoming vintage and regional promotion opportunities.

TO LEAD OR FOLLOW: 50 YEARS OF GRAPE AND WINE INNOVATION



*Stuart Thomson, Executive Director,
GWRDC*

The 2013 festive season provides a fitting opportunity for the grape and wine industry to celebrate the benefits innovation has brought to the sector over the past 50 years and the possibilities R&D and its subsequent adoption may create in the future.

Fifty years of Innovation

The last fifty years has seen Australia develop significant infrastructure and technical expertise while adopting new technologies and processes, securing its role as an international leader of the industry. With substantial assistance from State and Commonwealth governments, the Australian grape and wine industry has nurtured and maintained key R&D capabilities. These are capabilities that have and continue to serve the industry, ensuring it remains internationally competitive and sustainable.

It is not possible within this short article to do justice to the specific technologies and processes that have greatly benefited the grape and wine sector. Within the vineyard and the winery there has been considerable adoption and adaption of new technologies including mechanisation; new irrigation; soil characterisation; and increased analytical technologies for assessing and optimising winemaking practices. The continual adoption of new technologies and practices has ensured the sector has access to strategies to reproducibly manufacture wines to a consistent level of quality, be it "premium" or "commercial", at reduced cost.

As the pace of technology has increased, so too have efforts to ensure the relevant and timely dissemination of information to the grape and wine sector. Such knowledge has enabled winemakers and grapegrowers to effectively cope with difficult environmental and seasonal events. Furthermore, programs like GWRDC's Regional Program and the various workshops it and other bodies fund, has ensured all regions have access to information.

Australia's grape and wine sector has benefitted considerably over the last fifty years by its capacity to innovate and adopt the latest technologies. This has been largely supported through individual companies and R&D funding provided by industry levies, the

Commonwealth government, and state governments. Past evidence demonstrates that Australia has been a world leader in the wine sector and that those companies that have chosen to innovate have, in many cases, been able to better adapt to the fallout from the current economic malaise the sector is experiencing.

To the Future

The Australian grape and wine industry is entering an exciting period of change and innovation, which should provide the industry with many success stories for the next fifty years. The pipeline of current innovation is very exciting. While no one can accurately predict the future, there exist some key R&D areas that are likely to provide benefits including but not limited to investigating "*objective measures of quality*"; advances in geographic information system; genetic research; the development of analytical chemical and biological equipment and understanding consumer preferences of both the domestic and export markets.

At GWRDC we believe innovation is a major component to ensuring the long term viability of the industry and we look forward to continuing to work with the creators, the inventors, the leaders, the big, the small, and the risk takers. Let's lead, not follow.

The full version of this article will be available in the GWRDC's December Innovators Network Newsletter. Sign up today <http://www.gwrdc.com.au/>



SMALL BUSINESS COMMISSIONER UPDATE



On 8th October the Board met with representatives of the Small Business Commissioners' Office and the Commissioner herself Yasmin King. They advised the Board that the NSW Government has recently introduced the *Small Business Commissioner Act 2013* which commenced by proclamation on 18 September 2013. This Act will even out the playing field for small business and bring small business practices in NSW into a new era.

Under the legislation there is a compulsory mediation provision which means that if a small business requests that the Office of the Small Business Commissioner mediate a matter with another business or Government agency, the Commissioner can require the parties of a dispute to attend mediation prior to the initiating of a legal process and impose penalties for any non-

adherence to the requirements.

Section 14(1)(a) of the Act also provides for the Commissioner to receive and deal with collective complaints made by or on behalf of small businesses regarding their dealings with other businesses and government agencies. This provision recognises the fact that many small businesses may fear retribution as a result of lodging a complaint. This provision enables an organisation like the Wine Grapes Marketing Board to gather the data and evidence on an issue, present it to the Commissioner so that the validity of the complaint can be substantiated, and if it is deemed to be the appropriate course of action, the Commissioner can then seek to have the complaint mediated with the Board being the named representative on behalf of the growers.

Growers wishing to obtain a copy of the new legislation should contact the Board office.

SPRAY APPLICATION WORKSHOP

On October 3rd a Spray Application workshop was held at the NSW DPI site at Murray Road. The GWRDC funded this regional visit which allowed the 30 Riverina wine industry delegates to hear the latest in research. Andrew Landers returned to the region after a successful visit in 2008 to refresh and update growers of the innovative measures they can take to manage spray application and improve efficiency on farm.

The importance of nozzle selection and quality was

discussed noting that the calibration of the nozzles can reveal an easy fix to reduce the costs of spraying due to chemical wastage from leaking nozzles. An annual check or replacement of nozzles is a relatively cheap input to reduce chemical costs.

The importance of turbulent slow air in the spray application was discussed with the finer details of setting up machinery to perform at its optimum the key point of the day.



MAJOR STEP TAKEN TOWARDS PROTECTING AUSTRALIAN VINEYARDS



Wine Grape Growers Australia

Wine Grape Growers Australia (WGGA) has today taken a major step towards ensuring the future security of Australia's grape growing businesses by increasing the

protection of Australian vineyards against biosecurity threats – from both outside of Australia as well as within. This cause has been given a major boost with the appointment of Rachel Barratt to the position of National Winegrape Biosecurity Program Coordinator.

Over the next 12 months Rachel will be responsible for initiating a number of important projects to secure a sound biosecurity management structure in the winegrape growing sector. In particular, she will be setting up the industry's Winegrape Biosecurity Industry Reference Group to drive industry policy and strategy, working with other industries and government through agencies like the National Viticulture Biosecurity Committee and establishing long-term sustainable funding for the function.

WGGA Chairman and long-time winegrape grower, Mr Vic Patrick, noted that WGGA was the wine sector signatory to the Emergency Plant Pest Response Deed with the Commonwealth government and had now taken a lead role in progressing biosecurity on behalf of all grapegrowers in Australia, including winemakers with their own vineyards. He also noted that WGGA had made significant progress despite resource constraints. "We need the support of the whole sector to make this work – including from our research organisation, the GWRDC, which has identified

biosecurity as a priority area in its latest five year plan", Mr Patrick said.

"It's a difficult time for growers," Mr Patrick added, "and the costs of a potential biosecurity event could be the final blow for many growers. You only have to look at the Papaya Fruit Fly outbreak in Queensland to see just how much a major pest or disease outbreak can cost an industry."

The direct costs to growers from the Papaya Fruit Fly experience in the mid-1990s is estimated to have been \$27-\$46 per hectare for each of up to twelve sprays a season and disinfestation of \$79-\$100 per tonne. The costs of disrupted markets were not calculated. Indirect costs through various agencies were up to \$55 million covering eradication and research to develop control measures. All up, the estimated cost could have been \$160 million.

"We want to make sure we never have an outbreak like that", Mr Patrick said, "through wise investment in prevention, strategy development and awareness activities."

The Executive Director of WGGA, Mr Lawrie Stanford, noted that "Rachel has a very strong background in program development and strategy, and as such, is well-positioned to establish our industry biosecurity arrangements. Rachel is a consultant providing strategic and business development advice. She was a Director, Strategy for the former South Australian Department for Water and a manager of SA projects – including Water for Good, Mt Lofty Ranges Watershed Protection Office, and Communications & Community Engagement with the EPA."



WGGA NATIONAL FROST REPORT

A drier winter in many parts of Australia brought the attendant fears of susceptibility to frost. This fear manifested itself in October. Frosts were reported in parts of Australia, to varying degrees of intensity, around 14/15 October and more particularly on 18 October 2013.

The reports reflected both of the broad types of frost by cause. These are either cooling by radiant heat loss from soil depleted of moisture that retains heat, or low-lying areas into which cold air flows and accumulates from surrounding higher ground.

Reports of losses from frost have been reported in Great Southern and Frankland River of WA, Clare (moderate incidence), the northern parts of the Barossa and Eden Valley, parts of the Adelaide Hills, the drier more northerly regions of Victoria – Sunraysia, Robinvale, Echuca, Rutherglen and other parts of NE Victoria. Finally, with the Bureau of Meteorology showing low rainfall in August to October over most of NSW's winegrowing regions (see illustration), it is not surprising that many parts of NSW were affected but particularly the Riverina and elevated parts of the state – like Canberra and Tumbarumba.

Other regions escaped damage by virtue of the employment of protection systems, the moderating influence of closer proximity to the sea or higher relative rainfall in August to October. Examples included Margaret River and Mt Barker in WA, South East South Australia, Southern Victoria and Tasmania.

With younger tissue more susceptible to frost damage, earlier maturing varieties like Chardonnay most frequently escaped damage, while later varieties like Cabernet Sauvignon have been most often mentioned as being affected, followed by Shiraz and Gordo.

Significant crop loss has been reported in a telephone and email survey of selected growers in the key regions reporting damage across Australia. For example, up to 60% and occasionally even 100% loss in some patches of the Riverina resulted in 20% loss overall, 80% loss was reported in Canberra, comprehensive damage in the Rutherglen, 70% to 80% of vineyards affected in other northern parts of Victoria along the River Murray, anywhere between 10% to 80% loss on a vineyard-by-vineyard basis in the Murray Valley but an overall likely 5% loss, and some growers not

expected to harvest a crop on the floor of the Barossa Valley.

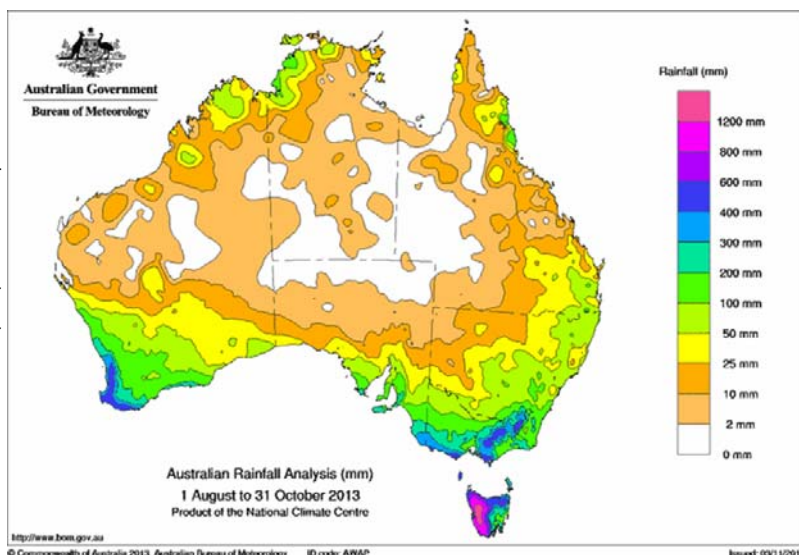
While significantly damaging to individual growers affected, the reports of percentage losses are likely to be mitigated in an overall sense by the patchiness of the damage. Typically, frost damage is patchy across affected districts - depending on the location of the blocks, the typography of individual blocks, the stage of the crop's development and so on.

The final impact of the October frosts on the size of the 2014 harvest is extremely difficult to gauge not the least because the foundation fruitfulness of the 2014 crop is not yet fully understood. In addition, a number of compensators for frost-induced losses are possible including secondary growth, larger berries from fewer bunches or subsequent vineyard management practices to optimize the crop.

On the other hand, a number of factors may lead to enduring losses. In cooler regions, secondary crops may not ripen in time or the vines may experience vegetative recovery but not fruit recovery. Moreover, the knowledge that secondary fruit will be of lower appeal and value in an oversupplied market or the general uncertainty about the economics of harvesting affected blocks, some growers take the opportunity to cut vines right back to restructure them for improved crops in coming vintages or for thinning secondary growth. Hence, greater reductions in production may result.

While the October frosts are likely to impact the fruitfulness of the 2014 harvest - at this early stage of the season, it is yet to be seen if there may be bigger influences on the final harvest size.

L Stanford Executive Director, WGGA 12 Nov 2013



PROJECT: IMPROVING VINEYARD SUSTAINABILITY AND PROFITABILITY

Prof. Alain Deloire, Director NWGIC

The National Wine and Grape Industry Centre is involved in an ambitious project in collaboration with the NSW Wine Industry to assess harvest timing for quality management. Vineyard sustainability and costs are strongly dependant on grape quality and harvest timing is a crucial factor for grape quality and values.

Harvest timing has traditionally been objectively decided by measures of grape maturity (Brix, TA, colour) but these indices give no information about the grape and wine aromatic style. Improving grape quality has been observed by aligning harvest date to a desired wine style. Predicting harvest date and optimising vineyard management can improve grape quality that may, in turn, contribute to wine aroma, and this is the main priorities of this research project.

Well characterised commercial experimental vineyards have been established in Griffith with partners such as De Bortoli and Mc Williams wineries across the varieties

Shiraz and Cabernet-Sauvignon. Climatic factors and vine physiology indicators will be monitored and measured routinely to characterise these vineyards. A new method combining berry sugar and anthocyanin accumulation for red cultivars will be calibrated and developed from the model vineyards in Griffith. This would enable growers and winemakers to predict harvest dates according to the desired wine styles 10-40 days in advance, improving harvest and winery logistics. The scientific goals will be to identify key berry and wine markers that will help define Griffith wine typicality and uniqueness. This may provide extra value to the grapes as an understanding of the timing of berry flavour evolution will guide growers to optimise vineyard management to enhance desired attributes. At the end, this project will provide easy to use and inexpensive decision making methods and tools, to predict harvest dates according to the desired wine style typical of Griffith.

BIRD CONTROL

The options for protecting a grape crop from bird pest damage varies between vineyards due to the difference in local environment, damage levels, the bird species causing the damage and their behaviour, and the budget of the vineyard manager. For these reasons, there is no set best practice for management but rather a range of options that can be trialled.

Growers need to

- decide on a budget
- understand the nature of the damage
- identify the main species involved
- Identify the time of day that damage occurs,
- Identify where the damage occurs, and if there are alternative food sources.



This information can then be drawn upon to decide on what combination of scaring programs, combined with shooting or netting.

Experiences from other Riverina Producers

'We had significant problems on our farm 10 years ago when there were no other grape farms nearby. We are

now surrounded by grape farms and the bird damage is now "diluted" or perhaps the birds are more concentrated on the fringe of the crop belt' - Yenda

'Gas guns only work if followed by real guns sporadically. Neighbouring citrus trees can house the birds, so the rows next to the citrus often get eaten.' - Nericon

'Physical scare methods are only ever good for a day or two as the birds become used to them. These need to be changed frequently to have any effect' - Nericon

'I work out when the optimal time for feeding is which is usually early morning and late afternoon. I drive around the vineyard and shoot the birds that are feeding on the vineyard and I have the scare gun in the back of the ute going as well. It is most important to start shooting them as soon as they start to make sure that it does not become a habitual feeding place. As neighbouring crops cycles progress the bird levels change, and this is when I can taper off on the control.' - Coleambally

'...I have found that tying dead birds to the head posts also works to deter some species, particularly crows.' - Coleambally

'Irrigation during the daylight hours attracts the birds to the vineyard especially on a very hot day, I always make sure the irrigation cycle is complete before 5:30am' - Nericon

WINE GRAPES MARKETING BOARD

REPORT FROST DAMAGE

Recent meetings organised by the Department of Primary Industries have urged growers to report the extent of frost damage to the DPI. The reason growers must report this damage is to ensure that the government has an indication of the magnitude of the loss and the number of people impacted. This information is being reported weekly to the NSW

Minister for Agriculture and may enact a special declaration of disaster as frost is not encompassed by the existing legislation.

Reporting your damage can be done either by filling in a form that is available from the Wine Grapes Marketing Board or contact the DPI directly on 02 4828 6600.



LET US KNOW YOUR THOUGHTS

While the Board has recently had its Strategic Plan for the next 5 years approved by growers it is always looking for better ways to engage growers and service your needs.

Our current legislation which was passed on NSW Parliament covers the following activities and services:

- (a) *the development of a code of conduct for contract negotiations between wine grape growers and wineries,*
- (b) *the development of draft contract provisions with respect to the sale of MIA wine grapes to wineries, including provisions with respect to:*
 - (i) *the prices to be paid by wineries, and*
 - (ii) *the terms and conditions of payment to be observed by wineries, in relation to MIA wine grapes delivered to them by wine grape growers,*
- (c) *the promotion of private contracts for the sale of MIA wine grapes to wineries by wine grape growers, the collection and dissemination of market and industry information, including the production*

- and publication of indicator prices for MIA wine grapes grown in the Board's area of operations,*
- (e) *the conduct of research and development into plant health in relation to wine grapes,*
- (f) *the provision of education and training in relation to wine grape production and marketing,*
- (g) *the promotion (in association with organisations representing wineries) of wine made from MIA wine grapes,*
- (h) *the promotion of regional industry, including regional winemaking, within the Board's area of operations,*
- (i) *the representation of the wine grape industry in relation to the matters referred to in paragraphs (a)–(h).*

In addition to the Legislated role, the WGMB also manages \$125,000 of federal GWRDC funds via the Regional projects, which is now open for new project ideas for the region.

If you have any suggestions of what you would like to see the Board doing on your behalf please contact the staff or Board member to discuss.

The Wine Grapes Marketing Board Office will be closed for Christmas break from 23rd December 2013. Reopening on the 6th January.

If you require assistance contact Kristy Bartrop on 0422 717 573



WINE GRAPES MARKETING BOARD - proudly serving winegrape producers since 1933

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