

## STRATEGIC PLANNING AND BUDGET MEETING REPORT

On Wednesday 3rd December the Wine Grapes Marketing Board 2015-2019 Strategic Planning and Budget meeting was held at the Yoogali Club following an informal BBQ dinner for growers and their partners.

50 persons attended the dinner and the meeting. It was very enjoyable to have growers, their partners and spouses present to enjoy a social gathering prior to going through the detail of approving the Strategic Plan, the Budget and the amount per tonne to be charged on production in the 2015 vintage.

Industry Development Officer (IDO) Kristy Bartrop provided a detailed update on the promotions activities funded by the Board in 2014 and went through the items that were being proposed in the Strategic Plan for 2015. The Board were also seeking an extra \$50,000 for the promotional activities to allow for further activities to occur during 2015.

The development of a marketing idea was presented titled the "Riverina Wine Collective". Growers were also advised that the Board was going to look at getting the Today Show to the region as a way of increasing the exposure of the region.

The other ideas that will be pursued in 2015 are improving the signage into the region and the development of a wine display at the Griffith airport. Also the conducting of more promotional visits coordinated by Wine Australia and the pursuit of a regional mixed pack of wines.

The IDO advised that the Board would undertake more YouTube video developments for the region that showcased what this region has to offer from a range of perspectives.

Growers at the meeting were pleased with the direction being taken but stressed that wineries needed to be involved as it was important for the region and that they would potentially be economic beneficiaries of any promotional activity. Growers also stated that wineries in region need to look to pass on a portion of the benefits that are derived from grower funded promotional activities.

Growers had a presentation on the Strategic Plan for 2015-2019 by the Chief Executive Officer Brian Simpson and it was approved.

The Financial Budget for 2015 inclusive of a further \$50,000 for promotional activities was also approved by motion. A breakdown of the approved 2015 Budget is included in this newsletter on the back page.

The operational cost per tonne of the Board for 2015 remains unchanged at \$3.90 and this was approved by a motion from growers and is based on the fresh weight tonne of MIA winegrapes sold or processed by constituted growers.

The Chairman Bruno Brombal spoke to growers about the difficult conditions that many are experiencing and have continued to endure for the past years. It was noted that not all growers are facing difficult trading conditions but it seems that the majority are.

Winemakers Federation of Australia estimates (*as noted on ABC Rural online 9/12/14*) that 80 per cent of wine production in 2014 was unprofitable, and that figure increases to 95 per cent for places like the Riverina.

Growers were quite vocal about the need to unite and not deliver winegrapes to wineries that are offering unviable prices. Some growers reported that they had little choice but to accept these prices as they had financial commitments. A number of growers suggested that the Board call a meeting in the new year to discuss the industry. A decision on holding such a meeting will be made following the release of grape prices.

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## BOARD ACTIVITIES REPORT



**Video promotion of the region:** The Board promotions sub-committee has released a number of videos aimed at increasing the presence of the region online. Growers are encouraged to check these out via our website. [www.wgmb.net.au](http://www.wgmb.net.au)

**Wine Industry Outlook Conference:** Board staff attended the Adelaide convened bi-annual conference for the wine industry. The conference hosted by the Winemakers Federation of Australia was held over 2 days and provided a thorough insight into the state of play within the industry.

**Asian Media Group tour:** The Board hosted a group of Asian wine media representatives in the region for a 1 day experience of the region. The tour group, arranged by Wine Australia had breakfast at Yarran Wines, undertook a cooking class at Calabria Family Wines prior to a tour of Casella Family Brands. The event concluded with a tapas style dinner at Pioneer Park with 11 wineries offering wines for tasting.

The event was well received by the wineries and the touring group and more of this style of event will be considered for a repeat in the future.

**Regional Brand Development commences:** The Board has agreed to put funding toward the development of a regional brand for the region. The Board has engaged the services of The Articulate Pear a local marketing firm to undertake this work.

**National Wine & Grape Industry Centre project:** The Board has agreed to provide in-kind support and funding toward a project being developed by the NWGIC. The Board has approved funding of up to \$5,000 per annum for 3 years. The project aims to measure and report on the most appropriate ways of getting growers to adopt technology. The project has also received the financial support of other institutions and a number of wineries in the region.

It is important to know how to get information to growers in a format that they will use as it allows for cost savings to occur and it also ensures that the information/outcomes have the best opportunity of gaining industry adoption.

**Trial Field Walks:** The Board recently held a couple of BBQ's and field walks at the regions trial sites to walk interested growers and winery representatives through the sites and explain what outcomes are being sought.

**Agricultural Competitiveness Green Paper:** The Board provided a submission into this review by the government into Agriculture.

**Reconfirmed Grapegrower and Winemaker subscription agreement:** The Board recently agreed to continue to subscribe to the magazine for the next 12 months on behalf of growers.

**Harvest management scheme issues:** Since 2013 the Board has been trying to get the NSW Government to allow the winegrape industry to be allowed to cart winegrapes under a scheme similar to that provided to the grains industry. The scheme allows on most vehicles a load to exceed the GVM by up to 5%. This has been designed to assist the grains industry in its endeavours for increased productivity and profitability. It acknowledges that paddock loading is not an exact science and while care is taken when loading sometimes truck will go over the limits allowed.

It took the NSW Farmers 7 years to negotiate a scheme with the NSW Government and relevant federal organisations. The Board has been writing to the Minister for Roads and our local member. The winegrape industry has the current support of the NSW Farmers.

**Meetings with wineries:** The Board has been meeting with individual wineries to talk about their upcoming issues surrounding vintage. As most of the discussions are unique to each winery it would be not appropriate to list what exactly was said however it is relevant that Board continue to communicate with each winery. Growers should also be communicating with their winery ahead of the 2015 vintage.

**Winegrape Index for 2015:** Growers that are interested in seeking a new home or presently do not have a home for their winegrape production in 2015 should contact the Board and provide the details of available winegrapes.

The way that the index works is that the varieties that growers may have available are posted onto the Board's website and wineries that are looking for extra fruit can fill out an online request form advising the Board that they are seeking winegrapes. If a winery is seeking extra Chardonnay all growers that have this variety are called by the Board staff and the relevant contact number of the winery provided. It is up to individual growers to negotiate the price and terms and conditions of the possible sale.

## CHEMICAL RESISTANCE MANAGEMENT STRATEGIES

A number of growers have raised their concerns about resistance occurring in vineyards. Growers are able to manage this in their vineyards but the types of chemicals used by neighbours on their grapes may also present a problem for resistance.

It would pay to have a discussion about the types of chemicals you and your neighbour are using to ensure that you are not inadvertently creating resistance problems.

The following has been reprinted from the AWRI Dog Book.

### *What is "Chemical Resistance"?*

Chemical resistance is the inherited ability of an organism, be it a disease, weed or insect to survive does of an agrochemical that would normally control it. Resistance may develop after frequent use of one chemical, or chemicals from the same activity group. Incorrect chemical use such as under or over dosing or application at the wrong time in the life cycle of the target can also promote resistance.

### *How does resistance develop?*

Any population might contain a very small number of individuals which are naturally able to survive the application of a particular chemical. If the same chemical, or chemicals from the same activity group are used repeatedly, and exclusively, the susceptible individuals continue to be removed, and those with natural resistance survive and multiply to essentially dominate the population. The chemistry then "fails" in the field.

It has been observed in vineyards that despite several herbicides being used over a season, they are often applied at the same time each season. As such, the weed species peculiar to that time are treated with the same herbicide each year, therefore promoting resistance.

### *Resistance countering measures*

Manage unwanted pathogens, weeds and insects using non-chemical means when possible. When using chemicals, get the most out of them by:

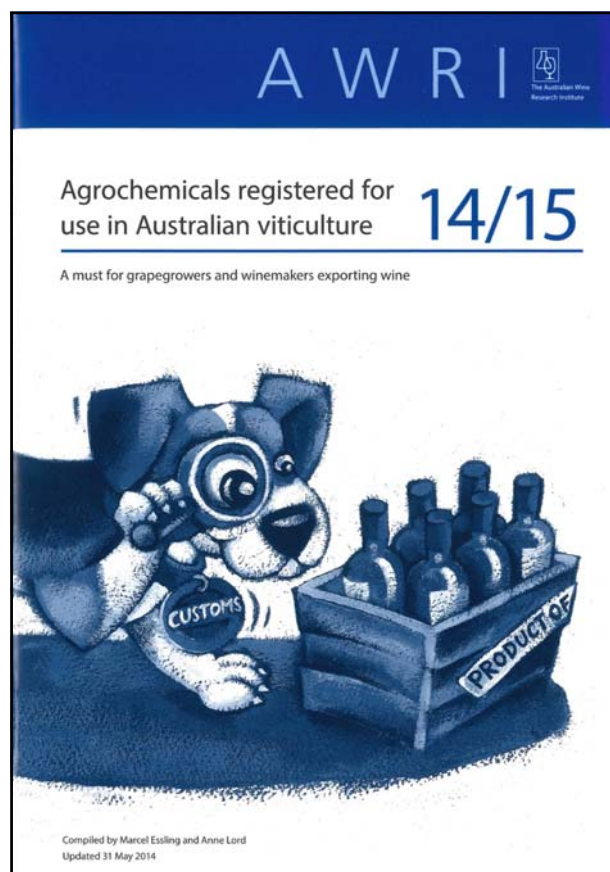
- timing them to when the target is most susceptible;
- using the correct does;
- adding suitable adjuvants;
- applying when the conditions are right.

Minimise chemical selection pressure by not overusing chemicals from the same activity group. CropLife Australia maintains Resistance Management Strategic for fungicides, insecticides and herbicides. These are available at [www.croplifeaustralia.org.au](http://www.croplifeaustralia.org.au).

### *Fungicide resistance status*

Resistance to fungicides is a serious problem worldwide and Australia has not been spared. Resistance to many of the commonly used fungicides now exists.

CropLife Australia incorporates two initiatives in fungicides resistance management which ensures the best control with least risk of developing resistance.



These are:

1. All fungicides have been classified by activity group, which appears as a number or letter and number code on the fungicide product label; and
2. Strategies have been developed for the use of fungicides in crops where resistance by a particular organism is already evident or considered a risk.

Growers should refer to the AWRI Dog book that is published each year for the information and assistance of growers.

## CONSTRAINTS LIMIT ENVIRONMENTAL FLOWS IN THE MDBA

*ABC Rural Online 10/12/14, Warwick Long*

A report has warned the budget to fix rivers so that they can take larger environmental flows in the Murray-Darling may not be large enough.

The basin authority's Constraints Management Strategy, an annual progress report, has started prioritising rivers in the basin that need fixing to allow the authority to create man-made floods to benefit the environment.

Constraints are bridges, levies, roads and homes that would be damaged or flooded if the river was run higher.

The report has recommended that state water ministers choose which rivers are more important to the overall health of the river system, because the \$200 million budget to fix constraints doesn't go far enough.

It says tough decisions like working on either the Murrumbidgee or Goulburn rivers will have to be made.

"The best Basin-scale outcomes that could be achieved for around \$200 million would arise from addressing constraints along the entire main stem of the River Murray, the Lower Darling (as part of the Menindee Lakes Water Savings Project), and one of either the Goulburn or the Murrumbidgee."

The report doesn't say which river should be chosen but rather recommends more work is done to decide what is more important to the health of the river system.

"While constraints measures in the Goulburn would make a more significant difference to achieving

downstream outcomes in the lower Murray and have good in-valley outcomes, the in-valley environmental benefits of watering the many wetlands along the length of the Murrumbidgee are substantial environmental outcomes in their own right.

"Further refinement of the costs associated with mitigation would need to be done in the Goulburn and Murrumbidgee to prioritise between them."

Brent Williams, from the Murray-Darling Basin Authority, says rules that allow irrigators to extract and use flood water will also need to change.

"To get your best environmental outcome from a given volume of water, ideally you would be able to run it down the river, where it goes in one wetland and comes back out into another wetland, out of a tributary and so on," he said.

"You achieve multiple environmental benefits every step of the way down the length of the river.

"The phrase that's been coined is 'green to the sea'.

"Under the current arrangements in some circumstances, people can legitimately access flows as it comes through the system.

"That's one of the issues that we could like to try and overcome if we can."

The Murray-Darling Basin Authority says no work on constraints should be done until a more detailed study of each key area is completed.

Water Ministers will ultimately decide what works are done and where.

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## 2015 LABORATORY SERVICES AVAILABLE

In 2015 analysis will be available for **winegrape colour, Baumé, pH/TA and average berry/bunch weight**. Grapes should be delivered to our Yambil Street office **8:30am and before 11am** for results to be available by the end of that day.

Should you have **more than two** samples to be tested please book your samples in by phoning the Board before you collect your samples to ensure that these can be accommodated. If grape samples are delivered at other times or in large numbers (without bookings) then results may not be available so promptly.

Each sample will need to contain a minimum of 12 bunches, but optimum of 20 bunches as this gives much better accuracy, especially when testing for colour. Bunches should be taken from across your

block and from all locations on the vine to ensure a representative sample. When samples are dropped off, growers that have not used the service in previously will be required to complete a registration form.

The Board is able to supply Baumé measuring kits at the cost price of \$65 (inc GST). Each kit contains the equipment and instruments to test samples in the field reliably and quickly. The Board can also has stocks of the hand-held WINE-2ATC Baume refractometers at \$137.50 (inc GST).

The laboratory services are free of charge to constituted growers.

For further information regarding vintage analysis services please contact Kristy Bartrop, Industry Development Officer

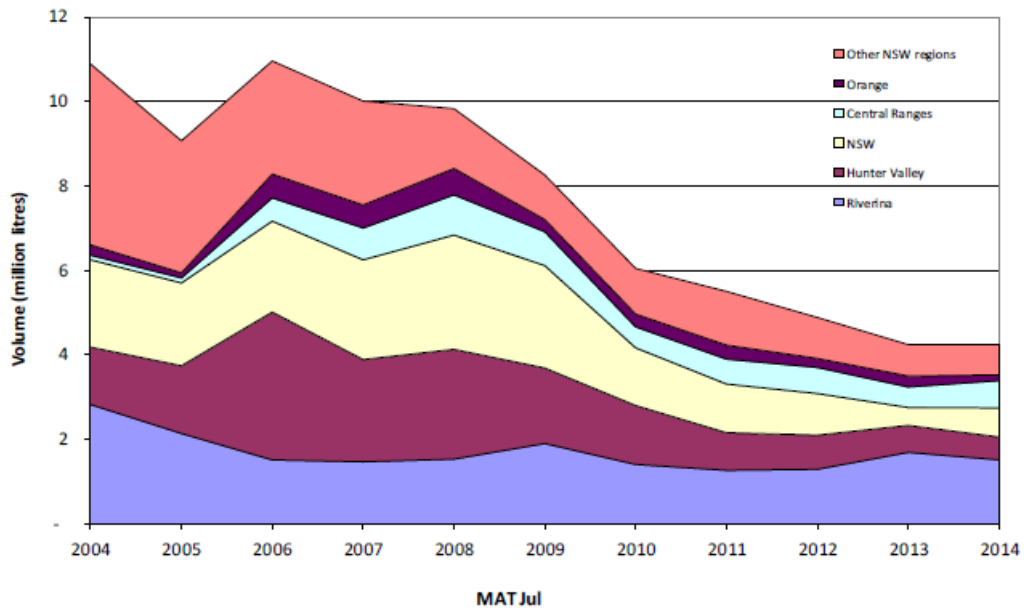
NSW IDENTIFIED WINE EXPORTS ARE IN DECLINE

In 2004 approximately 11 million litres of wine was exported from NSW carrying a regional brand according to the Australian Grape and Wine Authority, Wine Export Approval Report for the Year ended July 2014.

That figure over the past ten years has dramatically declined as exports from within NSW have increasingly gone under the South Eastern Australia (SEA) regional label due mainly to wine blending.

What is promising for this region however is that the Riverina appears to have held its own and maintained its level of exports that state that they come from this region.

Exports of regionally identified wine



AWRI OFFERS SUPPORT FOR RECENT VITICULTURAL ISSUES

Hail damage and restricted spring growth have been reported across winegrape production regions. The AWRI recently released an eBulletin containing practical advice for grapegrowers and winemakers.

Hail damage

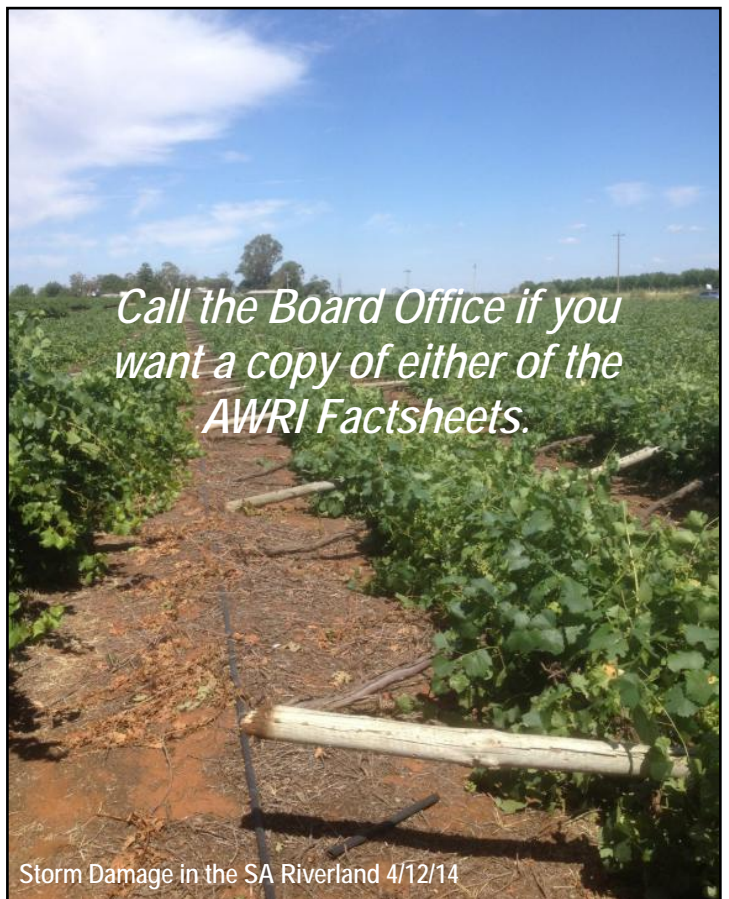
Hailstorms have hit several grapegrowing regions in Victoria and NSW during November and December. Damage in the Murray Darling region has been estimated at up to \$6 million, with approximately 20,000 tonnes of fruit lost. Losses in NSW have yet to be calculated.

While the damage caused by hail can be severe and devastating, there are important actions and decisions to be taken in the wake of a hail event. The AWRI helpdesk team has developed a new fact sheet to provide guidance on how to assess and manage vines that have been damaged by hail.

Restricted spring growth

A number of vineyards across south-eastern Australia have displayed symptoms of poor shoot growth and poor yield development during the spring period. Such symptoms are typically described as restricted spring growth (RSG). While RSG has a number of possible causes and a range of symptoms, monitoring and management of affected vines is extremely important. A new AWRI fact sheet provides more information on this

condition with advice on both causes and management. Growers affected by either of these issues can contact the AWRI helpdesk at [viticulture@awri.com.au](mailto:viticulture@awri.com.au) or 08 8313 6600 for confidential advice and assistance.

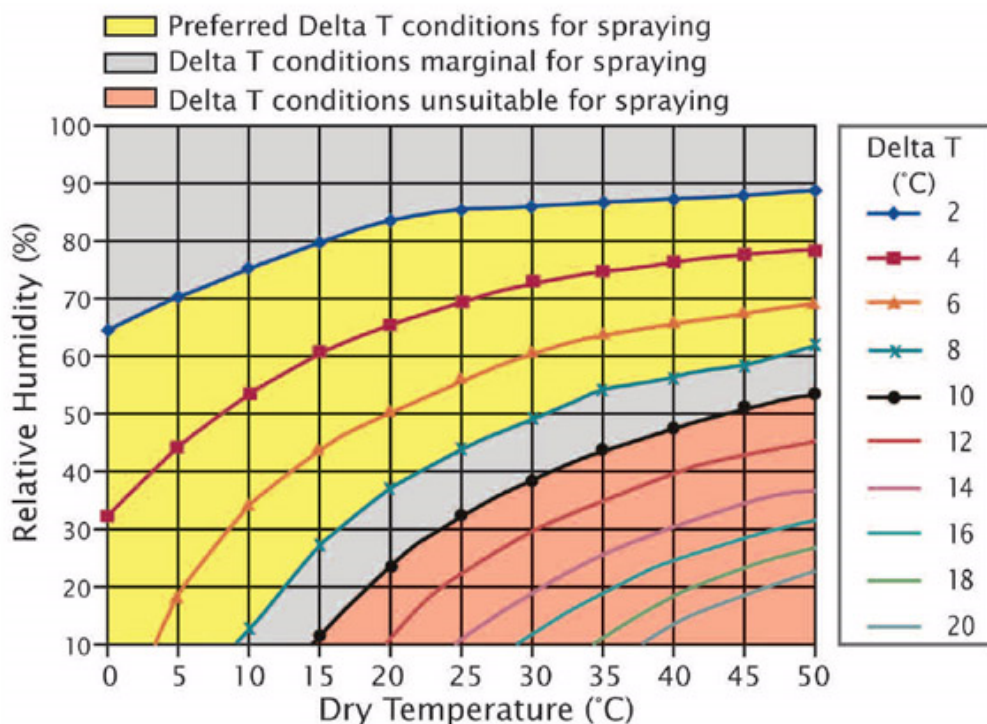


## DO YOU KNOW YOUR DELTA T

The application of spray chemicals is an expensive exercise and ensuring that you are not wasting this input through evaporation or drift is critical to your business.

Delta T is used by the agricultural industry. It is an important indicator for acceptable spraying conditions. It is indicative of evaporation rate and droplet lifetime. Delta T is calculated by subtracting the wet bulb temperature from the dry bulb temperature. When applying pesticides, Delta T should ideally be between 2 and 8, and not greater than 10.

Selecting the right Delta T to determine the best weather conditions for spraying is as easy as



determining the relative humidity at the time of spraying and the temperature. With these figures you can see if conditions are in the yellow (ideal) band above.

## ON FARM IRRIGATION EFFICIENCY PROGRAM - ROUND 5 EOI

The Federal Government recently announced \$125 million for the final (5th) round of the On-Farm Irrigation Efficiency Program. **This on-farm program will provide irrigation licence holders the opportunity to transfer water entitlements to the Federal Government and receive funding to invest in farm works that will improve water use efficiency.** The program will involve irrigators nominating a project, the likely level of water savings created and the cost of the investment to be made.

As has occurred in previous rounds, Ricegrowers' Association of Australia Inc. (RGA) has formed a consortium with other industry and irrigation organisations and will prepare a bid to implement the program within the Murrumbidgee Valley. The Wine Grapes Marketing Board is part of this consortium.

In order to prepare this funding bid to implement the on farm irrigation efficiency program, **we are calling for expressions of interest from landholders interested in participating in the program.**

An information sheet is available from the Board office along with an Expression of Interest (EOI) form which growers interested in the program are encouraged to fill out. Whilst growers can withdraw your EOI at any

stage (before contracts are signed) please consider carefully the volume of water to be saved and the total amount of money you are asking for from the Government (project cost) as these cannot be changed once approval is received.

Please contact the Board office on 6962 3944 if you are interested to receive an EOI form that will need to be lodged with the RGA no later than 12 February 2015.

Should the EOI be successful applicants will be contacted at that time and invited to submit a detailed project application (Stage Two Application) for funding.

If you require further information or explanation about the program please contact either Daryl Gibbs on 0429 982 507, Michael Groat on 0427 996 147 or the RGA on 6953 0433 all during business hours to discuss.



## IRRIGATORS CALL FOR FURTHER CUTS TO ELECTRICITY NETWORK \$\$

The New South Wales Irrigators' Council (NSWIC) has called on the Australian Energy Regulator (AER) to further cut the NSW regional power network operator Essential Energy's allowable financing rates, the value of its regulated asset base, and capital and operating expenditure levels over the next regulatory period - to achieve real cost reductions for NSW irrigators.

The Council's call for further cuts beyond the allowance levels published in AER's draft determination for the next 4 years follows a forum convened this week to discuss the Energy Regulator's reframing of the allowable costs associated with running the NSW regional power network.

NSWIC has pointed to the comparative network charges imposed on customers in the US and UK as highlighted at the AER forum which show NSW regional customers are paying 10 cents per kWh more on average than customers in the US and 4 cents more than in the UK - showing Essential Energy's network charges remain unsustainably high against international benchmarks.

The Council's Chief Executive Officer Mark McKenzie said by any reasonable measure the NSW regional network business has been and continues to operate below cost efficient levels and irrigators have had to pay heavily for network services that are more expensive than necessary.

Mr McKenzie said a second major issue of concern is Essential Energy's Regulated Asset Base, which over the last 5 years has continued to be built to service regional energy demand that has never materialised, and in many parts of the network has actually reduced. Yet irrigators are now left with a gold-plated network that will continue to cost billions of dollars more to maintain than it should.

"The current discussions around regional energy network charges shows the network operators are too heavily focussed on replacing existing assets instead of finding more sophisticated demand management solutions that could save real dollars for customers. NSWIC has been raising the issue of better demand management for years, but the networks and the Energy Regulator appear stuck on only considering engineering solutions, which require additional investment and load customers up with increased network charges."

Mr McKenzie said, "The capital expenditure allowance for Essential Energy is still proposed to increase over

the next determination period, which is simply not sustainable for irrigators. AER needs to cut the cost allowances for the network even more deeply than its draft determination level. With a significant portion of the NSW regional power network underperforming the assumed value of the network asset base is clearly bloated!"

"There is also room to move on cutting the allowed rate of return on assets even further. An allowed rate of return of over 7 per cent does not reflect realistic borrowing costs for the network business, at a time of historically low interest rates. AER's own guidance range for the networks was between 6 and 7 percent and NSWIC believes the lower end of this range is appropriate - particularly given the very high profits that NSW network businesses have achieved over the last 5 years," Mr McKenzie said.

"Irrigators need a long term solution to unsustainable increases in electricity costs flowing from excessive network charges. This means Essential Energy needs to cut expenditure, increase efficiency and ensure that the network assets are fully utilised, rather than gold plating the existing poles and wires and shifting ever increasing costs to network customers."

NSWIC has urged AER to address these issues in its final determination on NSW regional electricity network charges in April 2015. The Council is also seeking recommendations on lower power cost outcomes from the current Senate Inquiry Into Electricity Network Charges.

For further information: Mark McKenzie CEO NSWIC



# WINE GRAPES MARKETING BOARD

## GRAPE SPILLAGE WARNING

Growers and grape harvest contractors are reminded to take care this season on the roads and work to minimise any potential spillage.

While 2014 was a good season within minimal incidents there is reason to believe that the Roads and Maritime Services (RMS) and local wineries are going to be looking more closely at this problem for the forthcoming season.

The Board is looking at ways to educate the driving public so that cars and other road users are less likely to cut in front of the slow moving grape trucks. While it is important to let people know the risks and danger of cutting off a loaded grape truck care is urged for all drivers of trucks. Please ensure that when you have a new contractor or driver engaged that you stress the importance of driving to minimise the risk of spillage.

For any spillages that you see on the roads in the forthcoming season please advise your local council.

Griffith City Council 6962 8100 (business hours)  
6969 4832 (after hours)

Leeton Shire Council 6953 0911 (business hours)  
0407 468 214 (after hours)



## 2015 APPROVED EXPENDITURE BUDGET

Approved Industry Service Functions	2014 Budget	2015 Budget
Development of a Code of Conduct for industry	\$60,649	\$39,677
Information Collection, Dissemination and Transfer	\$149,333	\$137,811
Price Information and Communication with Wineries	\$3,433	\$8,035
Research and Development and Extension in Vine Matters	\$291,235	\$299,217
Regional Promotion and increased labelling of Riverina Wines	\$66,435	\$128,779
Regional Representation of winegrape growers and industry	\$40,698	\$61,912
Operational Expenses	\$348,988	\$297,155
<b>Total Expenses</b>	<b>\$960,773</b>	<b>\$972,586</b>
<b>Total Income</b>	<b>\$1,137,410</b>	<b>\$1,050,650</b>
<b>Profit (Loss)</b>	<b>\$176,637</b>	<b>\$78,064</b>

The 2015 Budget is based on income from 215,000 tonnes of winegrapes (growers production). 80% of the Board's income is directly from growers. The other funding is from AGWA (\$125,000 for extension based projects), sundry income, bank interest and from the sale of assets, eg motor vehicles.

## OFFICE CLOSURE CHRISTMAS/NEW YEAR

Growers are advised that the Board office will be closed from 5pm Tuesday 23rd December 2014 and reopen in the New Year on Monday 5th January 2015.

The Board and Staff of the Wine Grapes Marketing Board would like to wish all growers and their families a safe and happy holiday period.

WINE GRAPES MARKETING BOARD - proudly serving winegrape producers since 1933  
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