

ACCC INVESTIGATES WINE INDUSTRY

Thank you to those growers that took the time to assist your industry on Tuesday 13th November in meeting with the ACCC. The staff from the ACCC were happy with the quality of the information provided to them about the industry and grower concerns.

On a somewhat rainy day the low numbers could be taken a number of ways, growers not comfortable to attend, growers happy with the current market within the wine industry.

The basis of the ACCC investigation is a market study into the industry, how it operates and any issues that may exist. How contracts are offered, how are prices disclosed and the timing of these and how it relates to wine grape grower farming decisions.

The ACCC Agricultural Commissioner Mr Mick Keogh was in attendance at the forum in Griffith and used the opportunity to talk first hand with many growers.

According to the Commissioner in a recent media release promoting the forum to be held in Mildura in late **November: "Griffith growers raised a number of issues** including the transparency growers have over the price they will be paid, bargaining power imbalances, contracting practices and the objectivity and transparency of quality of grading processes.

"The Griffith forum was great opportunity to speak directly with the growers and we had some very frank discussions about issues in the industry."

Again thanks to those growers that provided input into this important discussion. Growers that were unable to attend can contact our office and you will be provided with the relevant contact details of staff at the ACCC that are working on gaining a better understanding of the issues facing wine grape growers.

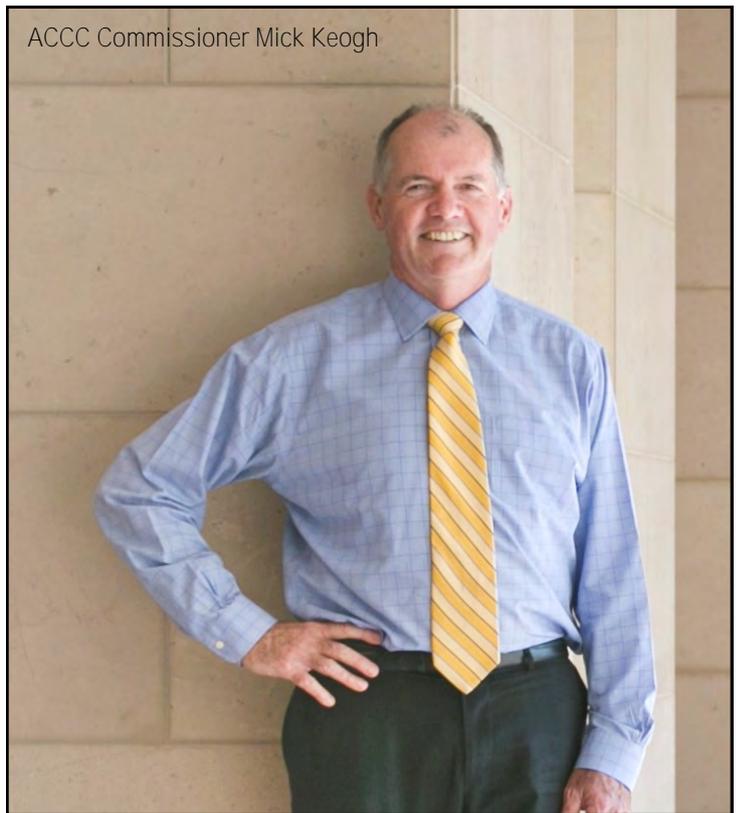
What is likely to happen?

There is no information about what will come of these investigations by the ACCC. One thing is for certain, they will have a better understanding of the market and how the industry works as a result of the forums and initial investigations. Growers hoping for them to fix the industry need to be aware that many of the issues are resolvable without government intervention and

regulation. If growers contracts allowed them to dispute quality assessments and the price offers appropriately as is the case in the industry code of conduct growers would be better off. However as it stands in this region no wineries have signed onto the code which is voluntary and non enforceable. It is interesting why the winemakers of the Riverina have no interest in allowing growers the opportunity to dispute prices or quality?

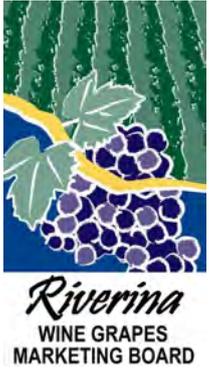
Perhaps they want the government to regulate the industry like they have regulated the diary and horticultural industries. This could be an outcome of the investigation by the ACCC.

ACCC Commissioner Mick Keogh



WHAT'S INSIDE THIS EDITION	Page
ACCC Investigates Wine Industry	1
Board Activities Report	2
Glyphosate in the spotlight	3-4
Tourists pour into NSW Wine Regions	5
US Leapfrogs OZ to become the UK's biggest importer	6
Strategic Planning and Budget meeting outcomes	6
New Technology to Track Grape Development	7
Extension Officer Report	8

BOARD ACTIVITIES REPORT



Levy Return to Members

This occurred in late November via electronic funds transfer to growers respective bank accounts. The amount provided in refund to members equated to \$1 per tonne.

Presentation to Winemakers

The Board presented to wineries a formula based system for calculating the cost of vineyard development in the region. It showed for a 20ha re-development of a vineyard the costs with using own rooted vines was in the vicinity of \$550,000 (or approximately \$11,130 per acre).

The presentation took into account the removal of existing vines and posts and the purchase and replanting of vines and posts. It included an hourly rate based on the award and six passes per vine for training purposes.

Growers interested in seeing the calculations or are looking to budget for any redevelopment can call into the office and Brian Bortolin will guide them through the process. It is a great way of determining for any block size with a given row width and planting spacing how many posts you will need, the amount of wire, dripper tube etc.

Disease Resistant vineyard trial site

NSW DPI Murray Road site is being used as a trial site for disease resistant new varieties of white wine grapes. Workshops will be conducted at the site in the coming years to determine how resistant to mildew the varieties (that have numbers instead of names) are.

It is great to know that the NSW DPI are using their site for the benefit of growers and the industry.

Starling Bird trapping program

The Board is trialing a bird trap to determine if it is an effective way to reduce bird damage in vineyards. Under the current laws trapped pest species must be held in a humane manner and destroyed humanely according to approved standards.

As this is a sensitive project the Board will be doing minimal reporting on it publicly but information in the making of traps and the process will be available to growers.

NSWDPI offers weather stations to WGMB

The NSW DPI has a network of 5 weather stations in the region that they are going to sign over to the Wine Grapes Marketing Board as an asset. This will mean that the network of weather stations in the region will remain at 10 so there should be no change for growers. NSW DPI will also continue to compile the data and make this available online for all growers.

The online data is going to be enhanced to provide more information for growers such as disease alert modelling. Once this is operational and available members will be informed. If you want the weather data on your mobile device call into the office and we will show you how to set this up.

Notice of Election UPDATE

All voting members would have received a notification in the mail from the NSW Electoral Office seeking nominations for the Board positions. The Board has 5 positions that are up for election. All current members of the Board are re-standing for election.

There were no further nominations and the existing members: Bruno Brombal, Bruno Altin, Tony Baggio, Frank Alampi and Robert Bellato will continue in their present roles.

These positions are for a three year term. The two appointed members to the Board finish their term in February 2020.

Electricity Energy Savings

The Board has agreed to enter into a MOU with NSW Business Chamber that will seek to provide all growers with the opportunity to obtain better deals for their electricity on farm. So growers in the near future will be able to participate in this opportunity.

The Board will send more information when the MOU is finalised. Even if you believe you currently have the best rate available now it will be worthwhile participating in this opportunity.

Office Closure - Christmas and New Year

The Board office will close on Thursday 20th December and reopen on Monday 7th January 2019.

The Board would like to wish all members and their families a safe and Happy Christmas and New Year.

GLYPHOSATE IN THE SPOTLIGHT

Stop worrying and trust the evidence: it's very unlikely Roundup causes cancer

October 8, 2018 6.08pm AEDT

The common weed killer Roundup (glyphosate) is back in the news after a US court ruled it contributed to a **man's terminal cancer (non-Hodgkin lymphoma)**. **Following the court's order for manufacturer Monsanto to compensate the former school ground's keeper** US\$289 million, more than 9,000 people are reportedly also suing the company.

In light of this, Cancer Council Australia is calling for Australia to review glyphosate's safety. And tonight's Four Corner's report centres around **Monsanto's possible cover-up** of the evidence for a link between glyphosate and cancer.

Juries don't decide science, and this latest court case produced no new scientific data. Those who believe glyphosate causes cancer often refer to the 2015 report by the International Agency for Research on Cancer (IARC) that classified the herbicide as "probably carcinogenic to humans".

IARC's conclusion was arrived at using a narrower base of evidence than other recent peer-reviewed papers and **governmental reviews**. **Australia's regulator, the Australian Pesticides and Veterinary Medicines Authority (APVMA)**, reviewed the safety of glyphosate **after IARC's determination**. It's 2016 report concluded that

based on current risk assessment the label instructions on all glyphosate products – when followed – provides adequate protection for users.

The Agricultural Health Study, which followed more than 50,000 people in the US for over ten years, was published in 2018. This real world study in the populations with the highest exposure to glyphosate showed that if there is any risk of cancer from glyphosate preparations, it is exceedingly small.

It also showed that the risk of non-Hodgkin lymphoma is negligible. It is unclear to what extent this study was used in the recent court case.

What did the IARC and others find?

Glyphosate is one of the most used herbicides worldwide. It kills weeds by targeting a specific pathway

(the shikimic acid pathway) that exists in plants and a type of bacteria (eubacteria), but not animals (or humans).

In terms of short-term exposure, glyphosate is less toxic **than table salt**. **However, it's chronic, or long-term, exposure to glyphosate that's causing the controversy**.

Pesticides and herbicides are periodically re-evaluated for their safety and several studies have done so for **glyphosate**. For instance, in 2015, **Germany's Federal Institute for Risk Assessment** suggested glyphosate was neither mutagenic nor carcinogenic.

But then came the IARC's surprising classification. And the subsequent 2015 review by the European Food Safety Authority, that concluded glyphosate was unlikely **to pose a carcinogenic hazard, didn't alleviate sceptics**.

The key differences between the IARC's and other reports revolve around the breadth of evidence considered, the weight of human studies, consideration of physiological plausibility and, most importantly, risk assessment. The IARC did not take into account the extent of exposure to glyphosate to establish its association with cancer, while the others did.

Demonstrating the mechanism

Establishing whether a chemical can cause cancer in humans involves demonstrating a mechanism in which it can do so. Typical investigations examine if the chemical causes mutations in bacteria or damage to the DNA of mammalian cells.

The studies reviewed by IARC, and the other bodies **mentioned, that looked at glyphosate's ability to produce** mutations in bacteria and to mammalian cells were negative. The weight of evidence also indicated glyphosate was unlikely to cause significant DNA damage.

Animal studies

Animal studies are typically conducted in rats or mice. The rodents are given oral doses of glyphosate for up to 89% of their life spans, at concentrations much higher than humans would be exposed to.

Studies examined by the European Food Safety Authority included nine rat studies where no cancers were seen. Out of five mouse studies, three showed no cancers even at the highest doses. One study showed

Continued on Page 4

Continued from Page 3

GLYPHOSATE (continued)

tumours, but these were not dose dependent (suggesting random variation, not causation) and in one study tumours were seen at highest doses in males only.

This led to the European Food Safety Authority's overall conclusion that glyphosate was unlikely to be a carcinogenic hazard to humans.

The IARC evaluation included only six rat studies. In **one study, cancer was seen but this wasn't dose dependent** (again suggesting random variation). They evaluated only two mouse studies, one of which was negative for cancer and that showed a statistically **significant "trend" in males.**

The IARC thus concluded there was sufficient evidence of carcinogenicity in animals but there was no consistency in tumour type (mouse vs rat) or location.

Human studies

This is an enormous field so I can only briefly summarise the research. The European Food Safety Authority looked at 21 human studies and found no evidence for an association between cancer and

glyphosate use. The IARC looked at 19 human trials and found no statistically significant evidence for an association with cancer. It did find three small studies that suggested an association with non-Hodgkin lymphoma (not statistically significant).

As already mentioned, the large Agricultural Health Study found no association between cancer and glyphosate in humans. And the 2016 review by **Australia's regulator concluded glyphosate was safe if used as directed.**

It's possible the animus towards Monsanto and genetically modified organisms may have influenced the recent juries' decision far more than any science. However, these materials had no impact on the scientific findings.

Reference: <https://theconversation.com/stop-worrying-and-trust-the-evidence-its-very-unlikely-roundup-causes-cancer-104554>

Editors Note: Growers have all undertaken chemical safety training and should adhere to the label requirements at all times.



TOURISTS TO POUR INTO NSW WINE REGIONS

NSW winemakers will have tourists knocking down their cellar doors thanks to a \$2 million marketing campaign.

Minister for Agriculture David Littleproud said the Commonwealth and state governments had both invested \$1 million each to back the NSW wine industry.

“Good food and wine is meant to be shared, and that’s exactly what this will do,” Minister Littleproud said.

“New South Wales winemakers are among the world’s best and the world should know about it.

“We’re backing NSW winemakers so they can host more foreign tourists in their top-notch wine regions.

“The NSW Wine Industry Association will put the money into marketing around the world to get the word out.

“Visitors from China and the United States are at the top of our list. We want them to know we’ve thrown the cellar doors open for them.

“It’s not just the wineries that benefit – tourists also visit local attractions and spend money in the surrounding towns boosting regional economies.”

“NSW wine shouldn’t be kept secret – let’s get the word out and the tourists in!”

Wine Australia Chief Executive Officer Andreas Clark said the NSW application was approved by the Australian Government following assessment by an independent Expert Assessment Panel.

‘The \$5 million state grants program is designed to enhance wine tourism experiences and drive collaboration between key sector partners.

‘Wine is a key driver of international visitors to Australia but there’s a relatively untapped opportunity for the wine sector to focus on wine tourism product development. To grow the visitor economy, we need compelling experiences that go beyond the cellar door.

‘By partnering with Destination NSW on a targeted marketing campaign, the NSWWIA is ensuring the

ongoing resilience and competitiveness of the NSW wine tourism sector’, he said.

NSWWIA Executive Officer Angus Barnes said, ‘The strategy targets the four largest markets for international visitor to NSW: China (16 per cent), South Korea (15 per cent), the United Kingdom (14 per cent) and the USA (12 per cent) and it is tailored to individual regional preferences within these markets.

‘We’ll be using critical data to understand current drivers and visit trends, so we can reposition NSW wines and regional experiences with a sophisticated and targeted marketing campaign.

‘Our campaign has two primary goals – to attract more international visitors to our wine regions and to grow the visitor economy by driving overnight stays and increased spending’, he said.

The \$5 million International Wine Tourism State Grants provide state wine associations with funding for international wine tourism research, planning and implementation activities and is part of the Coalition Government’s \$50 million Export and Regional Wine Support Package.

Wine Australia Export Report highlights for the 12 months ending 30 June 2018

- The highest export growth in 15 years: wine exports grew by 20% to \$2.76 billion
- Record export volume: 10% growth to 852 million litres, or 95 million 9 litre cases
- The average value of exported wine increased by 9% to \$3.24/litre
- Average value of bottled wine increased 19% to \$2.2 billion. Volume increased 8% to 376 million litres.

Reference: <http://winetitles.com.au/tourists-to-pour-into-nsw-wine-regions/>

NEW SOUTH WALES



US LEAFFROGS OZ TO BECOME THE UK'S BIGGEST BULK SUPPLIER

The UK saw its imports of US bulk wine leap by 68% in the first six months of the year, overtaking Australia to become the first seller to the UK in value terms.

Over the same period the UK's total bulk wine imports jumped by over 17% in volume, exceeding 254 million litres, and representing a big increase on the 216 million litres shipped into the country during the first half of 2017, according to Bulk Wine Club.

The average price paid by the UK rose by 6% going from 88 pence to 94 pence per litre, pushing the value of total bulk imports up by 25% to £240m, compared to £190m in the first half of 2017.

Bulk wine represents almost 40% of the overall volume of wine imported into the UK, whose total wine imports increased by 5.6% in volume and by 3.4% in value.

While the US has now secured its place as the top exporter of bulk wine to the UK in value terms, Australia still managed to see its shipments to the UK jump by over 32%, an increase of £67.4m.

However, when it comes to sheer volume, Australia is still the undisputed leader, shipping 93.8 million litres of bulk wine to the UK, a 22.5% increase, compared to the US's 62.4 million litres, a 56% increase.

The outstanding performance of US bulk wine to the UK coincides with the shrinkage of its sales of bottled wine to the UK, indicating that an important proportion of US wines are bottled in destination.

As for other suppliers, New Zealand is still third in value terms, despite experiencing a 3.4% dip in sales, followed by Chile (+17.8%), and South Africa (+5.9%). However, South Africa and Chile are still ahead of New Zealand in volume terms, with the average price for South African wine at 58p per litre, Chilean at 81p per litre and New Zealand coming in at than double that at £1.90 per litre.

Reference: <https://app.vinex.market/miq/3790>

For more stories daily please subscribe to the Daily Wine News.

STRATEGIC PLANNING AND BUDGET MEETING OUTCOMES

A meeting was held 7pm on Wednesday 28th November to approve the 5 year strategic plan and the 2019 financial year budget.

Growers in attendance enjoyed a meal prepared by the Yoogali Club staff and received a presentation on the costs of vineyard development.

It was a short meeting with many members wanting further information of the future of the Wine Grapes Marketing Board as per the review being conducted by the NSW DPI into its operations.

Members were informed that the review process is still ongoing and with the forthcoming NSW Elections that are yet to be formally announced the NSW Government was taking its time to ensure that the review takes into account all the areas of Board operations. The NSW Government is also wanting to wait until the outcomes of the ACCC investigation into the wine grape industry. This way they will be able to ensure that matters needing to be covered in the outcomes are taken into account.

Discussion on the ACCC investigation also occurred (see page 1 for further information).

Cost of vineyard development:

Example Vineyard - redevelopment of vineyard 20 hectares. Own rooted vines with drip irrigation. Vineyard removed and all posts removed and repurchased.

- Initial Setup (vine removal, soil preparation, fertiliser, site surveying) \$ 55,580
- Vineyard setup, 3.6m x 1.8 (total vines needed 31,790) cost per vine \$4. \$127,160
- Row and Head posts: Row 10,597 @ \$7/post, Head 370 @ \$35/post. \$ 87,140
- Trellis wire and dripper tube: \$ 53,977
- Post and Vine planting at \$2 row post and \$10 per head post and \$0.50 per vine. \$ 40,789
- Labour costs to run wire, dripper tube and vine training. \$182,618

Total Cost for 20 hectares: \$547,264

Cost per hectare: \$ 27,363

Cost per acre: \$ 11,078

NEW TECHNOLOGY TO TRACK GRAPE DEVELOPMENT

New Android mobile phone app to help track the development of the size and colour of grapes.

The app will rapidly collect data to help growers make harvest and vineyard management decisions.

The research was carried out by the NWGIC and funded by Wine Australia.

Measuring and tracking the development of grapes in the vineyard is now easier – thanks to a mobile phone app developed by the National Wine and Grape Industry Centre (NWGIC) and funded by Wine Australia.

The WineOz Smart Grape Android app was developed by Charles Sturt University (CSU) researchers and is available for growers and vineyard managers to use this coming harvest.

Lead researcher and NWGIC Director, Professor Leigh Schmidtke, said, “This smartphone app allows growers to quickly measure and then chart the colour and size of the berries.

“A probe around the size of a single grape is inserted into the cluster to act as a reference point for size in the app.

“You then take a picture of the grape cluster. The algorithms in the computer program calibrate the distance from the camera to the berries. The software will also take the probe measurement in pixels then relate it to the size of the surrounding grapes.

“As grapes mature they change colour, for instance, white varieties go from pea green to yellow gold as they develop. Each particular shade in that colour change relates to changes in the sensory style of wine.

“Being able to measure and chart colour change is very valuable and allows winemakers to predict when they should be harvesting the grapes to end up with the style of wine they want to produce.

“What’s more, the colour and berry size data can be used to

monitor negative developments in the crop. For example, if you start to see a reduction in the size of the berries that you wouldn’t expect as they normally mature, you know that they are losing water and can take remedial action.”

Wine Australia General Manager Research, Development and Extension, Dr Liz Waters, said the app has translated Australian-based research on sequential harvesting into a simple tool that growers can use in the coming vintage.

“The app will make it easier for grapegrowers and winemakers to use objective measures – proven for Australian conditions – to determine the optimum fruit picking ‘window’ to suit desired wine styles by tracking the evolution of fruit colour (white varieties) or volume (for red and white varieties)”, Dr Waters said.

“By measuring berry volume, the app will also allow grapegrowers to make improvements to irrigation scheduling to control vine water status, which will assist in avoiding berry water loss and shrivel, enhance fruit quality, and improve bunch consistency.”

The Android app is available through Google Play and is supported by other resources on the NWGIC website.

The research was carried out by a multidisciplinary team including Professor Schmidtke from the CSU School of Agricultural and Wine Sciences, Dr Ken Ang and Dr Jasmine Seng from the CSU School of Computing and Mathematics, and Mr Alex Oczkowski from the NWGIC.

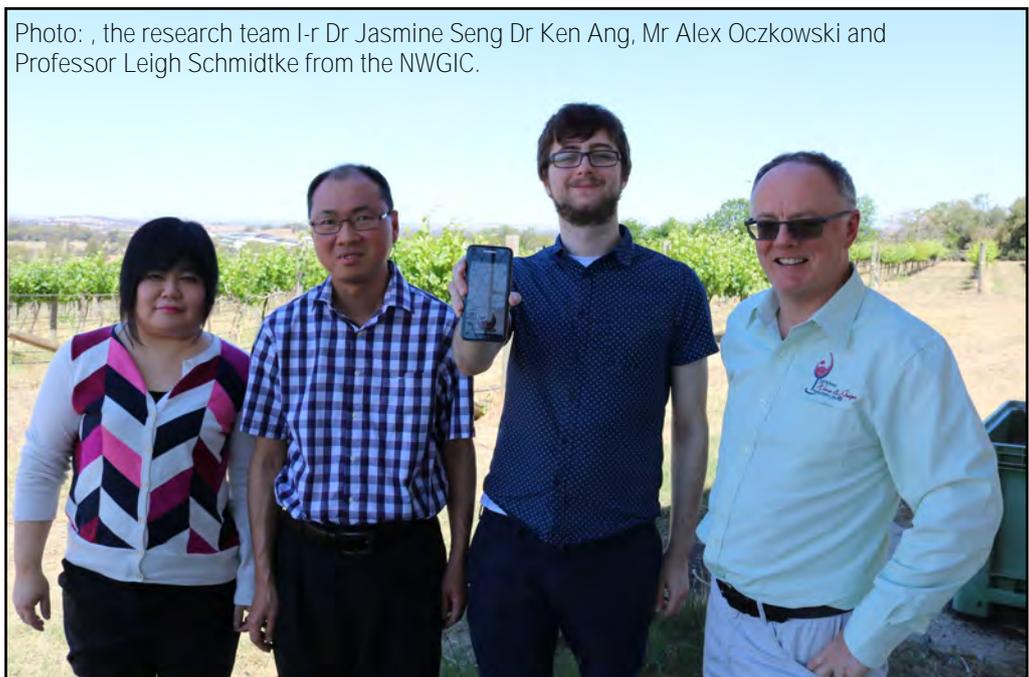


Photo: , the research team I-r Dr Jasmine Seng Dr Ken Ang, Mr Alex Oczkowski and Professor Leigh Schmidtke from the NWGIC.

EXTENSION OFFICER REPORT

Disease Resistance Vines

I would like to invite growers to visit a trial vineyard at CSU Wagga Wagga that have been planted with disease resistance grape vines.

This is an opportunity to walk through the trial vineyard and speak to the researchers that are involved in the trial block.

The Board will arrange travel to Wagga Wagga, provide lunch and CSU will provide sampling some of the wines made from the disease resistance grapevines.

The date to put in your calendar is Friday 14th December, departing Griffith 182 Yambil Street at 8:30am and return by 4:30pm.

If you are interested please contact Board office on 69623944 or Brian Bortolin 0401567449. *RSVP by 12th December 2018.*

Crop Estimates

Over the next 4 to 5 week I'll be catching up with growers to get an idea on crop size for the coming 2019 vintage.

Individual information gathered from growers will remain confidential and only used by WGMB for an overall crop estimate.

Drip Irrigation Workshop

Presenter: Jeremy Giddings 23rd October 2018

Two growers and 8 reps from three winery attended the **workshop, a little disappointing in grower's attendance.**

A very informative workshop in calibration and maintenance of drip irrigation systems which most growers should attend to better understand their own system. Adrian Englefield NSW DPI is eager to organise another irrigation workshop next year around April/ May, **I'll keep growers informed.**

Attendees at the Irrigation Maintenance Workshop held at NSW DPI Murray Road



Wine Grapes Marketing Board 182 Yambil Street Griffith NSW 2680 Phone: (02) 6962 3944 Fax: (02) 6962 6103
Email: board@wgmb.net.au Web: www.wgmb.net.au Office Hours: 8:30am - 5:00pm Mon - Fri

DISCLAIMER The content in this Newsletter "Vine Chat" has been prepared by the Wine Grapes Marketing Board (the Board).

General Advice Warning The information contained is general in nature and does not take into account your personal situation. You should consider whether the information is appropriate to your needs, and where appropriate, seek professional advice from your personal advisors.

Accuracy & Reliability of Information

Although every effort has been made to verify the accuracy of the information contained in this document, the Board, its officers, employees and agents disclaim all liability (except for any liability which by law cannot be excluded), for any error, inaccuracy in, or omission from the information contained on this document or any loss or damage suffered by any person directly or indirectly through relying on this information.

Copyright

The Board owns copyright in the information contained in this document where none currently exists. Information may be duplicated for personal use only. The information may not otherwise be reproduced and must not be distributed or transmitted to any other person or used in any way without the express approval of the Board.