

## WINE INDUSTRY AGREES ON TACKLING WINE SECTOR DOWNTURN

The wine industry came together in Adelaide on Friday, August 28, to discuss the urgency for industry reform and agreed on next steps for how representative organisations can contribute to a return to profitability

More than 40 wine industry leaders from across Australia met at *Grape & Wine 2015*, an initiative that was established after a meeting of state and national chairs of various wine organisations held in November 2014.

*Grape and Wine 15* included representatives from all states and many regional associations, growers, winemakers and service providers.

To meet challenging growing and trading conditions faced by the industry, the leaders engaged in discussions about how to guide the industry to a return of sustainable profitability.

The meeting agreed that: A return to profitability requires a national response from all levels of industry representation and consensus on what must be done.

There are a number of factors and influences that will need to be addressed to enable the industry to return to profitability. Among the range of issues considered, three key underpinning themes emerged. These were a need to address: supply related issues; demand related issues; and the capabilities of businesses, organisations and individuals across the industry.

The meeting acknowledged that the structure and relationships between the various wine industry representative organisations are one of the mechanisms that can contribute to addressing these issues and help move the industry towards a more sustainable & profitable position. It was agreed that a strong collective voice from industry was an important part of the solution.

The meeting discussed and agreed on a core set of guiding principles that should shape future representative organisational structures. Central to these core principles were a need for: a voice for all industry; clarity around the roles and responsibilities of all organisations in the representative structure;

inclusive, transparent and evidence-based decision making; a strong focus on industry engagement and communication; and a consumer-centered approach.

The leaders supported a plan to progress discussions, actions and outcomes.

This plan involves: Engaging with the wider industry on the discussions and outcomes of *Grape and Wine 15*. Information about the discussions and points of agreement will be shared with the whole industry.

Tasking the working group for *Grape and Wine 15* (a group of some nine representatives from across Australia who managed the organisation of *Grape and Wine 15*) to undertake further analysis of other governance structures and models and to develop specific options for consideration and further discussion towards the end of 2015; and to then Re-convene participants from *Grape and Wine 15* to take next steps based on the working group's input.

With considerable work still to be done, the meeting delivered a valuable first step in agreeing the key issues and how representative organisations can contribute to addressing and resolving the issues that should enable individual wine sector businesses to more actively manage their pathway to profitability.

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## BOARD ACTIVITIES REPORT



- **Funding of Manganese Project:** The Board approved funding of \$7,500 per annum for two years for a project being conducted by Darren Fahey NSW DPI to look at the ways Manganese was found in wines from the Riverina. Understanding this will assist exports into China that currently have Maximum Residue Levels (MRLs) that limit the amount of Manganese that can be detected in wine.
- **Weather Station upgrade:** The Board approved the upgrade of the local weather station network with a \$47,825 asset upgrade. When established this will enable growers to access weather information online at any time of the day.
- **Levy Return progress:** The Board will expect a large number of growers to visit its offices on Monday to Wednesday 26th to 28th October 2015. Growers will be asked to call into the office and collect their rebate cheque of \$2 per tonne on 2015 production. Notification of the collection dates and times will be sent out shortly to growers. If you have any queries please do not hesitate to contact the Board office to discuss.
- **Board writes to NSW Minister for Roads:** With the Rice Growers Association and the Australian Custom Harvesters the Board wrote seeking changes to the upcoming pilot vehicle requirements. The representative groups are concerned that ongoing changes will negatively impact productivity and efficiency within the harvesting sector.
- **Grape and Wine Summit:** The Board were well represented at the recent Grape and Wine Summit held in Adelaide. Robert Bellato and Tony Baggio represented the Riverina at the summit to address the industry's profitability.
- **Griffith City Council funding approved:** The Board recently approved \$5,000 to Griffith City Council to be matched with council funds and then used to attract matching funding from Destination NSW (the State Governments Tourism department). The funds will primarily be utilised to enable tourists to know where wineries are by improved signage throughout the region.
- **Lunch at the Headland:** The luncheon was used by the Board to launch the Riverina Wine Collective. A website that connects consumers with regionally grown and produced wines. 80 members of the regional public came together for this inaugural event held at a vineyard headland. Please think of this regional event to attend next year (see image below).
- **Senate inquiry:** The Board CEO attended the public hearing of the Inquiry held in Adelaide. He gave evidence in support of removing the WET Rebate as it is continuing to impact on the industry's viability and profitability. While the parts of the industry want to reform the rebate and have it only applicable to wineries such a subsidy is not beneficial to the entire industry.

- **My Griffith Guide Launch:** The Board participated in the launch of the My Griffith Guide. The Board and the Riverina Winemakers Association worked together to create a pull out section in the current guide at a cost of the Board of \$2,500.



Launch of the Riverina Wine Collective held 27th September at Hanwood

## RIVERINA WINE SHOW 2015

Judging for the 41st Riverina Wine Show was held 25-26th August 2015. As well as continuing to highlight the excellence of Australian premium wines through the award of special trophies, the Show also seeks to

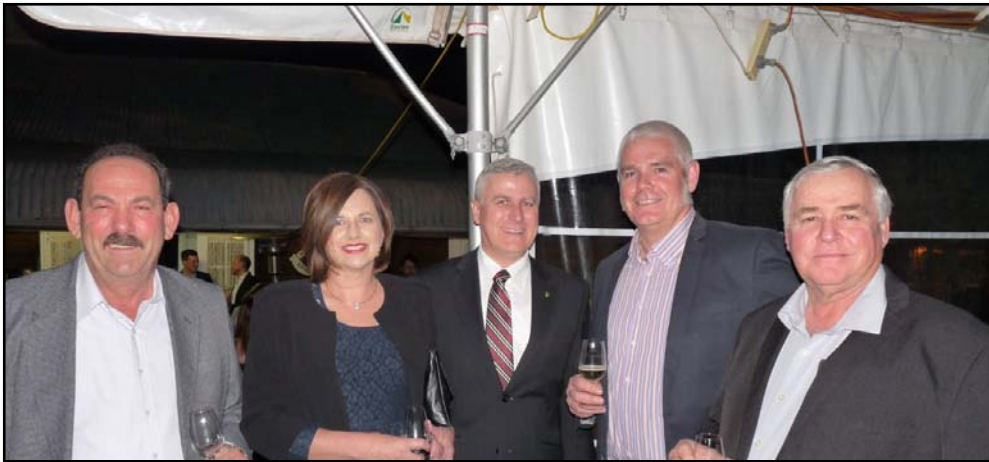
1. Best Durif – sponsored by the AEB Group  
McWilliam’s Wines 2013 Hanwood ‘1914’ Durif (Riverina)

And the “Best of...” Trophies went to...

1. Best Still Wine from Riverina Fruit – sponsored by the Wine Grapes Marketing Board  
McWilliam’s Wines 2013 Hanwood ‘1914’ Durif (Riverina)

*Special Awards ...*

- The Sean Hampel Award for Best Shiraz from Riverina Fruit  
Nugan Estate 2014 3rd Generation Shiraz (Riverina)
- Most Successful Exhibitor of Still Wines made from Local Fruit – sponsored by A & G Calabria Family Wines (Riverina)



L-R: Anthony Baggio (Board Member), Mrs McCormack and Michael McCormack Member for Riverina, Brian Simpson (Board CEO) and Bruno Brombal (Board Chair)

recognise the excellence of “popular premium wines” - those wines which are widely available to the general public. To be eligible for these trophies a wine must have a production run of at least 45,000 litres. Popular premium trophies will be awarded for the best dry white, dry red and sparkling wine.

The 2015 Riverina Wine Show results were announced at a Gala presentation dinner at Griffith Pioneer Park on Thursday 3rd September 2015.

Trophy winning Locally grown wines at the 2015 Riverina Wine Show were:



Andrew Higgins, Premium Winemaker/Viticulture Manager McWilliams Wines receiving the trophy for the Best Still Wine from Riverina Fruit for their 2013 Hanwood 1914 Durif.

## APPOINTMENT OF BRIDGET MURRAY

The Wine Grapes Marketing Board would like to introduce to growers Ms Bridget Murray whom recently joined the Board following the resignation of James Codemo.

Bridget is employed as the Board’s Technical Officer supporting the Industry Development Officer activities. Principally at this time of year the Technical Officer will be undertaking HACCP auditing across the region with those growers that require only second party auditing.

Bridget is currently completing her Bachelor of Viticulture at Charles Sturt University and has prior experience in the industry working the 2015 season at

Kingston Estate as a Grower Liaison Officer.

Growers that are looking to book their HACCP appointment can call the office on 6962 3944 or call Bridget directly during office hours on her mobile: 0401 567 449.

Please make her feel welcome.



# WINE GRAPES MARKETING BOARD

## FINANCIAL ASSISTANCE AVAILABLE FOR GROWERS

### Farm Household Allowance

Delivered by Department of Human Services – Centrelink on Behalf of Department of Agriculture. Help for farmers and their families experiencing financial hardship.

### Eligibility basics

be a farmer or the partner of a farmer. If you are a farmer you must contribute a significant part of your labour and capital to the farm enterprise based on specific criteria meet an income and assets test be willing to undertake a Farm Financial Assessment, (vouchers are provided for the cost of this assessment) and be willing to enter into a Financial Improvement Agreement to help you improve your financial circumstances.

### NSW Farm Innovation Fund Loans

The Rural Assistance Authority of NSW (RAA) has recently announced the availability of the FIFL which replaces the old Special Conservation Loan. Funding by way of a loan is available to meet the cost of carrying out permanent capital works that will have a significant beneficial impact on the land, long term profitability of the enterprise and address adverse seasonal conditions. Eligible works include new and upgrading of irrigation systems, fodder storage facilities, fencing and road works, soil conservation and erosion control, farm sheds and planting of trees for shade and wild life corridors.

**The current interest rate for the term of these loans is 2.5% for the term of the loan – up to 20 year terms available.**

### Commonwealth Drought Concessional Loans – offered by RAA

Designed for restructuring existing eligible debt (including a Farm Finance Concessional Loan), providing new debt for operating expenses or drought Recovery and preparedness activities – or a combination. Up to \$1 million is available at 3.05% (variable) with a loan term of 5 years.

### Commonwealth Drought Recovery Concessional Loans – offered by RAA

To meet the cost of planting or restocking activities and associated costs.

Up to \$1 million is available, at 2.71% (variable) over 10 years. This also has an interest only period for first 5 years, with interest and principle payments for years 6-10.

### Natural Disaster Loans – Primary Producers and Small Businesses – offered by RAA

To meet essential working capital required to continue operations and the replacement and repair of damage caused to property and associated improvements not covered by insurance.

Up to \$130 000 is available at a fixed rate of 1.92% for up to 10 years preceded by 2 years repayment free period

### Other free and confidential Services available from the Rural Financial Counselling service

- ◆ Analyse your cash flow, viability and gross margins
- ◆ Prepare forecasts, budgets and cash flows
- ◆ Identify areas of risk in your business
- ◆ Help with refinance proposals and annual reviews - Work professionally with your bank
- ◆ Plan for the future – including succession planning + retirement
- ◆ Help with Farm Debt Mediation

If you have any queries or questions please ring Haidee Laycock, Rural Financial Counselling Service NSW Southern Region

**Phone:** 02 6962 3812 or 02 6953 0585

**Fax:** 02 6964 2409

**Mobile:** 0447 479 694

**Email:** [hlaycock@rfcsnsw-sr.com.au](mailto:hlaycock@rfcsnsw-sr.com.au)

Launch of Griffith City Guide: Mayor of Griffith City, Mr John Dal Broi, NSW Minister for Education The Hon. Adrian Piccoli and Mr Greg McWilliam McWilliam's Wines.



## NSW WINE INDUSTRY ASSOCIATION - PRESIDENTS REPORT 2014-15

This year has been about rolling up the sleeves and trying to continue to work as effectively for our members as possible. If we do not stay relevant then we are not in the business of being "busy being busy".

We have continued to make changes to our interactions with our members and also with the NSW Government and national bodies.

2014-15 has continued to see us to work on our core issues of Promotions, Research and Development and Government Liaison.

We have seen the continuation of Angus Barnes in the role for Government Liaison and I feel that it is a role that is going to take a lot of importance over the coming year. I look forward to assisting in this role. We have seen the implementation of the NSW \$200 small licence fee and this would not be possible if we did not have the relationship with government. We will need to continue talking about licencing, taxation and other issues with State Government.

Promotions has seen a change in chair with Manda Duffy stepping into this role in March to replace Greg West. I thank Greg for all the work that he did not just over this year but also the previous years. I wish him luck in his future endeavours. Manda has come on board in what is a changing time - we have finished our funding Fairfax over the Sydney Cellar Door that we had in place with Government. This relationship will have to be based on success as we have now had government funding for over 7 years. Manda Duffy has instigated monthly phone in conversations for the committee and its is a great forum to look at what has to be done.

We are seeing some great opportunities with Destination NSW, the Department of Primary Industries and Industry and Investment going forward and I think we are in a great position to assess and have a look at how we best might be able to work with their deliverables. The NSW Wine Show continues to be great for our Association and we have seen the response with record entries for 2014 and 2015. We have modified the show over the last 3 years and I now think it is structured to showcase the best of what NSW has to offer. I congratulate Nick O'Leary Wines on winning NSW Wine of the Year for 2014 with a Shiraz from Canberra. 2014 was the first year that we also took the judging to the regions and this was a

resounding success. We look forward to the judging this year in Orange and engaging with the local association.

R&D has continued to be an area of great energy and hopefully great return. Bryan Currie has chaired this committee till June 2015 and then it has now been taken over by Liz Riley (VitiBit). I thank Bryan for his work and hope that we see his continued involvement in the Association.

Liz is a current member of the AWRI and has been actively involved in the R&D&E area for a number of years. I am excited about Liz's involvement and see how much we have already achieved in the last 2 months. We have already seen monthly meeting of R&D members from access NSW and look forward to involving DPI in this as well. We have seen the continued development of the role of Darren Fahey and now have the addition of Adrian Englefield. These two are both feet on the ground and we must do everything to make sure their job is successful as possible.

Export is going to become a focus potentially as the dollar drops and I believe a lot of businesses in NSW position themselves to take advantage of it. It is something that we must be the conduit between those interested, state government and Wine Australia. We must however not forget that we must own our home ground as well and build on the success that we have had in NSW.

The National Wine and Grape Industry Centre has continued to forge ahead and has had much success in accessing grants from AGWA and also funding from ARC grants. I must comment Professor Alain Deloire on his work with the centre and certainly keeping NSW across the issues and keeping me personally briefed on any relevant issues.

We have continued our relationship with the national bodies, WFA and WGGGA through representation by Patrick Auld and Justin Jarrett. I believe they have represented us with distinction and make sure that we have a representation on the table on all of the issues.

I would like to thank Stuart McGrath-Kerr for his continued support and representation of NSW. Stuart's reasoning and knowledge have been a great strength for throughout the year and has been something that I have leant on numerous occasions.



Tom Ward - President NSWVIA

# WINE GRAPES MARKETING BOARD

## BOARD ELECTIONS

All growers that produce greater than 20 tonnes of winegrapes are eligible to stand for the forthcoming elections onto the Board. These will be held early 2016 with nominations being called for at the end of 2015.

If you are taking the time to read this newsletter then you would understand that the industry is currently going through very difficult trading period that has continued for many of you since 2009.

It is therefore critical that you are adequately and appropriately represented during such a time to ensure that your issues and views are heard by the relevant authorities and the media.

Growers that are interested in becoming a Board member can speak to other existing members of the Board or Staff to determine if putting your hand up to become a member of the Board is something that you might wish to consider.

The Board normally holds 12 meetings per annum which normally take around 3 hours to complete and the prior reading for these can vary depending on the number and type of business item being discussed.

So please consider standing up and representing your industry.

## RETURN OF FUNDS TO GROWERS

All growers would have received a Delivery Summary Report and Remittance Advice in relation to the charges paid to the Board and the tonnes produced and sold or delivered to regional wineries.

The Board has approved a reimbursement to all growers that paid the statutory fees and charges in the current year. The reimbursement will be \$2 per tonne payable on all deliveries that the Board's fees and charges for 2015 have been applied.

If you are unable to call into the Board office during these dates please call the office to discuss. The purpose of the return is two fold. Primarily to give growers access to excess statutory funds held by the Board as these are deemed by your

representatives as better in your accounts reducing overdraft interest than earning the Board a minimal return.

The second purpose is to seek information about the growers in the region. The Board will be seeking details regarding the demographics of the grower base,

age of growers and information regarding how many workers are engaged in the business on a full or part time basis.

As the process may also be used to

**RETURN DATES - 9:30am until 5pm**  
**Monday 26th October 2015**  
**Tuesday 27th October 2015**  
**Wednesday 28th October 2015**

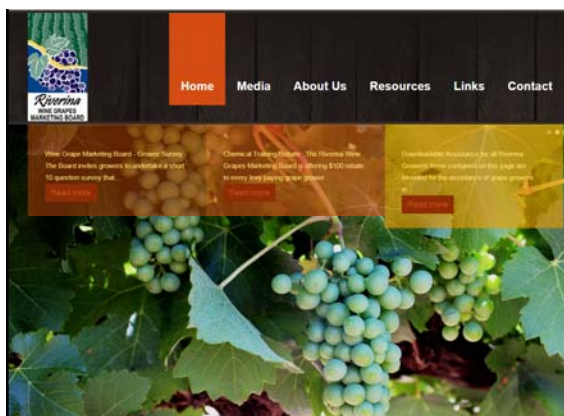
assist the Board in developing relevant training packages for growers some questions directed at understanding your needs and concerns within the industry may also be warranted.

## WINEGRAPE INDEX FOR 2016 SEASON

Growers that are seeking to place any excess or unplaced winegrapes this season are asked to complete the separate form titled Riverina Wine Grape Index Listing Application form (enclosed with this newsletter).

The Board advises that the process of how the index works has changed over the years and the current process ensures that growers contact details are not provided directly to wineries. The system now requires for an

interested winery to submit a request for a certain variety or varieties. The Board staff will then call all growers that have that variety that are looking for a buyer. It is then up to the grower to make contact with the winery and negotiate the sale. Growers are encouraged to ensure that discussion with the winery covers the need for a written agreement with specified terms or payment (date to be paid).



## LEVY RETURN PROCESS - IMPORTANT INFORMATION

The previous page detailed the timing of the Levy Return process to occur at the end of the month.

The Board would encourage the principal operator of the vineyard business to call into the office to collect the rebate cheque from our office. If this is not possible, and the Board understands the impacts of time on your business you then need to send someone else from the business please ensure that they carry sufficient Identification to receipt the funds. A copy of the Delivery Information or their current personal ID such as drivers licence will suffice. All persons will need to sign for the cheque so that the Board can be assured that it has been collected by a valid representative.

It is also important to note that these people will be asked questions that are relevant to the business such as details of any vineyard removals and/or abandoned blocks that you may have. So please ensure that they are aware of the following questions that are likely to be asked.

### Questions to be asked:

- What are the ages and number of staff that are working on the vineyard?
- In what capacity of these staff working, full time and/or part time?
- Have you removed or abandoned any part or blocks within your vineyard?
- Will you replant the blocks that you have removed or abandoned?
- What percentage of your grapes were not sold or harvested in 2015?
- If the prices for winegrapes do not recover sufficiently how many seasons can your business survive for?
- What percentage of equity do you have in the vineyard?
- If the industry does not turn around will you look to remove vines and invest in another commodity?
- Are you now needing to access off farm income to support the vineyard business?

## NSW MINISTER FOR ROADS UPDATE

The Board together with the Australian Custom Harvesters and Rice Growers' Association have been writing to the NSW Minister for Roads to try and address the issues around proposed new regulations that require certain over width vehicles to have two pilot vehicles to accompany them on journeys greater than 500m on the states road networks.

Regulations that will require two pilot vehicles are believed to be an unnecessary burden on the agricultural industry as the vehicles are generally well lit and using rotating beacons which are visible for a long distance.

The group of concerned representatives are also seeking funding assistance to educate other road users especially during peak harvest time. The last thing anyone wants is a road accident that could be a fatality in the region and educating the existing road users via a TV or web based educational advertisement coupled with the use of adequate road signage would be a step in the right direction.



The other area we are seeking more action on is helping road users to be compliant with the regulations and legislation. Depending on what you are driving and where you are traveling in terms of agricultural vehicles and particularly oversized and heavy mass vehicles there are a number of requirements that you must meet, mostly in terms of the forms and relevant paperwork that you need to have in your possession. It would be ideal if these requirements are clearly spelled out and made known to the grower base using modern technology.

The group of concerned representative bodies wrote to the Minister for Roads and received a somewhat dismissive response. This has recently been followed up by a meeting with the local member whom has promised to arrange a meeting with the Minister and to ensure that RMS staff engage with us on the matter as a matter of urgency so that impacts can be dealt with prior to harvest.

# WINE GRAPES MARKETING BOARD

## VINE WATCH REGIONAL NEWSLETTER

Growers may not be aware that the NSW DPI have a weekly newsletter for industry called Vine Watch.

This newsletter has coverage across a number of regions within the State and covers issues that are relevant to the current seasonal conditions.

The issue with the newsletter is that users need to subscribe to get it in their email inbox.

### Subscribing to VineWatch:

Growers that are not receiving the newsletter can subscribe by emailing either of the following two NSW DPI viticultural staff members.

Simply type in the subject line: **Subscribe to NSW Vine Watch - Riverina**

Email to: [darren.fahey@dpi.nsw.gov.au](mailto:darren.fahey@dpi.nsw.gov.au) or [adrian.inglefield@dpi.nsw.gov.au](mailto:adrian.inglefield@dpi.nsw.gov.au)

By doing the above you will be subscribed to content regarding Riverina. If you wish to amend this simply resubscribe and select "All regions".

Once you receive it you will be able to forward the newsletter/bulletin to friends and colleagues within the industry. The department aims to produce an extremely useful resource with tools to help you make vineyard management decisions.

## SPRAY APPLICATION INFORMATION AVAILABLE ONLINE

The following links about spray application have been provided by Wine Australia. Simply type these internet addresses into your web browser to view. If you find these interesting simply bookmark the page for future reference. If you are having any difficulty in doing so please do not hesitate to contact the Board office.

### [Top 10 tips for effective spraying](http://research.wineaustralia.com/top-10-tips-for-effective-spraying/)

<http://research.wineaustralia.com/top-10-tips-for-effective-spraying/>

### [Principles of Spray Application](https://vimeo.com/138937768)

<https://vimeo.com/138937768>

### [Targeting spray application - article \(FYI\)](http://research.wineaustralia.com/targeting-spray-application/)

<http://research.wineaustralia.com/targeting-spray-application/>



## WEATHER STATION NETWORK UPGRADE NEARLY COMPLETED

Members whom regularly receive the Board's weekly weather report are advised that the system that has been in place for many years has been superseded with a new system that will provide more information and be accessible online 24 hours per day, 7 days per week.

The current system of reporting to growers the past weeks weather will need to be altered to some degree but the move to a more robust and timely system

signals a new age for the region. The Board has purchased systems that are compatible to the technology that is being run by the NSW DPI. This will allow now for 8 sub-regions within the area to have weather data recorded and available for growers to view online and importantly on smartphones and other internet enabled portable devices.

More information about the system will be forthcoming as soon of the stations go online live.

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Email: [board@wgmb.net.au](mailto:board@wgmb.net.au) Web: [www.wgmb.net.au](http://www.wgmb.net.au) Office Hours: 8:30am - 5:00pm Mon - Fri

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