

GRAPE PRICES SHOULD BE RISING - GROWERS NEED TO ACT NOW

That important time of the year when all the hard work and effort growers have put into their vineyards is realised. With the dryer growing conditions this season it isn't any wonder that the yields for winegrapes will be down on the previous years harvest. According to Supply and Demand prices are expected to rise and this is evidence by the few price lists we have seen this season.

In 2019 the Riverina harvested 323,000 tonnes, just over a third of these winegrapes are grown by regional wineries. This leaves only 211,000 tonnes of fruit from growers to be sold each season to local wineries.

Competition is very strong this year with multiple wineries seeking extra fruit and growers need to be aware of this. The question growers need to ask is simple: **“What is a fair price for inland regions winegrapes?”**

Jim Caddy Chair of the Inland Wine Regions Alliance which Riverina Winegrape Growers is a part of puts it quite simply. *The three inland regions of Riverland, Murray Valley and Riverina supply fruit which predominately goes into the “commercial” sector of the wine market.*

This is classified in export terms as below \$5 per litre Free on Board (FOB) in the bottled sector and below \$2.50 per litre FOB in the bulk sector and below \$10 per bottle in the domestic market.

The two major influences on wine and grape prices are supply and demand. These are the basics of any prices for any product sold and purchased.

There have been reports from some winemakers that the export wine sales volume has dropped over the last year however this should have come as no surprise. Over the past few years grape supply has struggled to keep up with wine sales volume and we are now in a situation where the wine supply is very tight and there was simply not enough wine to maintain the previous high volumes which came from a very large 2017 vintage.

There are indications that the demand from the Chinese market has slowed and that they may be sourcing

supply from other countries in the cheaper price categories which Australia can no longer supply. The indications for the 2020 vintage are that it will be below average due to the weather, water cost and the restricted water allocations in some regions.

So are wineries comments about sales and value declines in bulk wine which impacts on the price that they offer growers based on any truth? Growers should ask them to provide evidence of this especially if wineries are looking to hold prices from past seasons.

It is really quite simple for growers to show wineries that the costs of running their business have increased with all input costs on a steady rise, notwithstanding the temporary purchase price of water if growers need to enter the market and buy it to grow or finish a crop.

In the Riverland where harvest yields can often be found at 10 tonnes to the acre prices are on the rise. Uncontracted growers are getting 3 payments and prices are now \$730 per tonne for Shiraz (no colour requirements), \$729 per tonne for Cabernet Sauvignon and \$700 for Merlot. \$425 per tonne for Chardonnay is common. In the Murray Valley offers vary dramatically. The high figures reported to the Board are \$750 for Shiraz and Cabernet Sauvignon and \$700 for Merlot.

There is no justification for any wine company to reduce grape prices from 2019 for the 2020 season and in fact the numbers indicate that there is room for prices to rise. Given the above IWRA maintains that previous price projections are fair and, in some

WHAT'S INSIDE THIS EDITION

	Page
Board Activities Report	2
Smoke Tainted Winegrapes to Reduce 2020 Vintage	3
SA Riverland 2020 Yields Down	3
Why not use our Free Grape Testing Laboratory	4
Vine Watch - NSWDPPI Information for Industry	4
New Recommendations for Consuming Alcohol	5
Wine Industry Representative Deems Price Drop stunt	6-7
Temporary Pumping Permit from MI needed for washdown	7
Congratulations to Mark Krstic - Appointed head AWRI	8

BOARD ACTIVITIES REPORT



**Riverina
WINEGRAPE
GROWERS**

Levy Return to all producers

As agreed at the Budget meeting a return to all growers occurred in December 2019. The amount was based on production and the rate set at \$1 per tonne.

Variable Message Boards

These boards are again going to be used for the Vintage to inform and educate the regions drivers to be careful around grape trucks. The aim is to ensure that all local drivers are aware of the vintage period and slow down around trucks, not cut them off at intersections etc.

If you are seeing poor driver behavior in an area please let us know as it may be that they need educating or reminding that the vintage season is proceeding. We would be happy to consider placing the signage in areas that growers feel they need the prompting and education.

Board appointed new representative

In December 2019 the Board advertised for the 2 positions on the Board that are appointed by the Board every 3 years. These were once Ministerial appointments but this is no longer the case as per the legislation.

After extensive advertising regionally and receiving 9 applications for the 2 positions at the January meeting of the Board it made the following decisions:

Reappoint **Dom Schirripa** to the Board and appoint **Steven Barbon (Hanwood)** to the Board.

The Board Chair on behalf of the elected members of the Board thanked **Kirsten Dal Broi** for his past 3 years of service to the industry. Kirsten chose not to reapply for appointment to the Board.

Chairman and Deputy Chair Reappointed

At the most recent meeting of the positions of the Chair and Deputy Chair for the next 12 months was discussed. **Bruno Brombal** was reappointed as Chair of the organisation which he has held since 1998. **Robert Bellato** retained his position as Deputy Chair a position he has held since 2001.

Board Members Fees and Allowances

The Board has received approval to increase the sitting fees to members of the Board up to a maximum of Chairman \$25,000, Deputy Chair \$15,000 and general members \$10,000.

As advised to all growers in writing prior to the Budget meeting held in November 2019 members will only receive these higher amounts if they attend all meetings of the Board and meetings that are relevant to the operations and representative duties in their role of a member of the Board.

Riverina Field Day Sponsorship declined

The Board will no longer be a major sponsor of the Riverina Field Day. The Board has been a sponsor of the event since 2007 and decided it was time to step back and put the funding into the promotions of Riverina wine. Please note as a result of this growers will not be receiving free tickets to the event in the mail as has been the case in the past.

Smoke Impacts

The Board has been liaising with the NSWVIA and the AWRI to discuss the potential impacts of smoke on the region. It is understood that many of the regions wineries are undertaking samples for their own confirmation that the smoke impacts on the region are negligible.

Any grower interested to find out more can contact the Board and discuss this. A positive sign is that wineries are receiving and processed winegrapes this season.

Winery Price Lists

The Board is calling on all growers to provide copies of the offer prices that they are getting from wineries. The office would like to assess these and compare them to other regional information that we have. Please don't just assume that we have these on file. It is important for the Board to be able to represent you that we have access to the information.

McWilliam's Wines

The Board is watching the administration of the winery closely. All growers are advised to speak with the administrator to confirm acceptance of fruit in writing.

SMOKE TAINTED WINEGRAPES TO REDUCE 2020 VINTAGE

Source: *Winetitles* 23rd January 2020

Hunter Valley winery, Tyrrell's Wines, has made the decision to have a severely reduced 2020 vintage due to smoke-tainted grapes.

Although the winery has not directly been affected by bushfire, Tyrrell's Wines said the presence of smoke in the vineyard has reduced its 2020 vintage.

Tyrrell's has been working closely with the Australian Wine Research Institute (AWRI), and Dr Ian Porter of La Trobe University, testing the vineyards' grapes across the region for smoke taint.

The winery has been conducting micro ferments in its laboratory which has led to the decision that most of its vineyards will not be harvested for wine production.

If tainted grapes are made into wine they will have unpredictable levels of undesirable characters and this will normally get worse over time.

"We, as a family, have decided to have a significantly reduced vintage compared to previous years. We are estimating a total crop loss of 80%," the winery said in a statement.

"The impact of smoke taint is not universal across the region. The Hunter Valley is a large geographical area and there were many factors to consider when making this decision including proximity to the fires, elevation of vineyards, and days in contact with fresh smoke.

"This decision has been our own and reinforces our premium quality standing in the world of fine wine.

"As with any other year, any wine that we do bottle from the 2020 vintage will only be of a standard that the family deem befitting of our 162 year legacy."

As the drought continues, the grapes from these affected vineyards will not go to waste and will be utilised as mulch and feed for the cattle on Tyrrell's property.

SA RIVERLAND 2020 YIELDS DOWN

Source: *harpers.co.uk* 20th January 2020

Early indications pointed to a lower than average yield this year due to the hot and dry conditions and a hail storm that wiped out about 8,000 tonnes of grapes in November, said Riverland Wine executive chair Chris Byrne. "The reports coming in from the field are quite variable and I think they carry a fair bit of indication about who has water and who doesn't have enough water," he said.

There will be less grapes because we know there has been less water and we've had some severe heat so it will definitely be a smaller crop than last year's 474,000 tonnes but you can't place too much reliance on the first few tonnes that come in."

The quality of the grapes at his Loxton vineyard were "looking like they'll be some of the best we've ever grown", added Byrne.

However, he said the likelihood of heatwaves between now and when the last grapes were picked was a "big unknown".

"If you get a run of days in the mid-40s then all sorts of things can happen in the vineyard. It requires a huge amount of diligence to keep the moisture at the right level and you have to be well prepared in advance," he said.

But the Riverland is the best at doing it because we've had so much practice and we've got by far the best irrigation infrastructure to deliver water to farms and most of them these days have got very good on-farm irrigation distribution and measurement systems."

The Riverland typically grows about half of South Australia's wine grapes and is responsible for 25% of national production, according to Riverland Wine, which has partnered with the University of Adelaide and Wine Australia on a \$5 million project to develop a digital platform to help grape growers optimise irrigation.

The hot, dry season and a shortage of irrigation water also has the Barossa Valley on track to record below average yields this vintage while Adelaide Hills vignerons are waiting to see what impact smoke from last month's Cudlee Creek bushfire could have on their grapes.

Large volumes of white grapes are not expected to be picked until the end of the month in the Riverland with red varieties to follow from mid-February.

Picking in the Clare and Barossa valleys is likely to begin in earnest in early February ahead of the more southerly regions such as McLaren Vale, Langhorne Creek, Adelaide Hills and Limestone Coast.

WHY NOT USE OUR FREE GRAPE TESTING LABORATORY

The colour of red winegrapes is important to a number of regional wineries. As a result of this region having a focus on colour as a quality factor the Board has for many years conducted laboratory testing of red winegrapes for colour.

This is one way to check how your winegrapes are tracking and what the amount of colour present as anthocyanins per milligram of berry weight.

We use the same equipment as wineries do and our tests are accurate and conducted in accordance to the Australian Wine Research Institute guidelines for the testing of colour.

The laboratory also undertakes the maturity testing of winegrapes for the following: pH and Titratable Acid (TA) in the fruit. Many growers currently use our service as a guide to where their fruit is.

If you haven't used our free service please consider doing so.

Bring in your samples

As in previous years if you get your red winegrape sample to use prior to 10am in the morning (Monday to Friday) our laboratory should be able to get your results back to you on the same day. Please ensure that the grape sample is picked in the cooler morning period and avoid sampling during rain, fog or morning dew as any moisture on the skin of the winegrapes will dilute the sample.

If you are wanting a large number of samples completed please contact us prior on 6962 3944 so that we can ensure there are available staff at the office to undertake this.

Our laboratory also undertakes testing of winegrapes for research purposes. We have in the past undertaken colour testing for winegrapes for out of region winegrapes. This service is charged at a competitive rate.

VINE WATCH - NSW DPI INFORMATION FOR INDUSTRY

We all get emails arriving that are unsolicited and need to be put in the trashcan on our computers, phones etc. This is why the Board try's to limit the emails that go out to members.

However if you are looking for information about the NSW Wine industry the NSW DPI VineWatch email is the weekly seasonal email you should get.

It can be viewed easily on your phone or web browser:

Subscribe to

DPI welcomes new *VineWatch* readers *VineWatch* contains updates, news and event information from across 11 NSW wine-growing regions.

Feedback

Do you have an idea for *VineWatch*?

Your feedback is important to ensure *VineWatch* is relevant and a useful resource for NSW wine-grape producers.

Please email Adrian Englefield with your comments and requests.

adrian.englefield@dpi.nsw.gov.au



Department of
Primary Industries



VineWatch is an initiative of the DPI Viticulture Skills Development Program.

The latest *VineWatch* has the following contents.

February Bureau of Meteorology (BoM) weather forecast Smoke taint

- **AWRI smoke taint resources & residue testing**
- **Assistance with micro-ferments**
- **NSW air quality measurements**

Fire damage

- **Tumbarumba workshop**
- **NSW DPI Bushfire Hub**

Drought

- **NSW update; Irrigation resources; NSW DPI Drought Hub**

NEW RECOMMENDATIONS FOR CONSUMING ALCOHOL

The National Health and Medical Research Council (NHMRC) has released newly revised guidelines on reducing health risks from drinking alcohol.

The draft guidelines are open for public comment until 24 February 2020. “We’re not telling Australians how much to drink. We’re providing advice about the health risks from drinking alcohol so that we can all make informed decisions in our daily lives,” said professor Anne Kelso, CEO of the NHMRC.

“This advice has been developed over the past three years using the best health evidence available.”

The draft guideline recommendations are:

1. **Healthy men and women:** To reduce the risk of harm from alcohol-related disease or injury for healthy men and women, drink no more than 10 standard drinks per week and no more than 4 standard drinks on any one day. The less you choose to drink, the lower your risk of alcohol-related harm. For some people not drinking at all is the safest option.
2. **Children and young people:** To reduce the risk of injury and other harms to health, children and young people under 18 years of age should not drink alcohol.
3. **Pregnancy and breastfeeding:** To reduce the risk of harm to their unborn child, women who are pregnant or planning a pregnancy should not drink alcohol. For women who are breastfeeding, not drinking alcohol is safest for their baby

“In 2017 there were more than 4,000 alcohol-related deaths in Australia, and across 2016/17 more than 70,000 hospital admissions,” Kelso said.

“Alcohol is linked to more than 60 medical conditions, particularly numerous cancers. So, we all need to consider the risks when we decide how much to drink.

“We recommend that healthy men and women reduce the risk of harm by drinking no more than 10 standard drinks per week and no more than 4 standard drinks on any one day.

“However, we are not saying that this is a level completely eliminates risk. The less you choose to drink, the lower your risk of alcohol-related harm. For some people not drinking at all is the safest option.

“We recommend that adolescents under the age of 18 do not drink. There is no known ‘safe’ or ‘no-risk’ level of drinking alcohol for children and young people aged under 18 years,” Kelso added.

“Alcohol can harm the way the brain develops, increase the risk of injury and other immediate harms, and increase the risk of developing alcohol-related conditions later in life.”

Professor Kelso adds, “To reduce the risk of harm to their unborn child, women who are pregnant or planning a pregnancy should not drink alcohol. For women who are breastfeeding, not drinking alcohol is safest for their baby”.

“We need to keep in mind that while the risk of harm to the foetus is likely to be slight when the mother drinks small amounts of alcohol (less than 1 standard drink per day) there is not enough evidence to know for sure whether the foetus will be safe from harm, even at this low amount of alcohol. That is why we recommend not drinking alcohol.”

“These guidelines will help all of us think about our personal risk, and help us to drink responsibly,” said professor Brendan Murphy, Australia’s chief medical officer and a member of the NHMRC Council.

“They are the result of a comprehensive and robust process over the past three years. They will help me and every chief medical officer in the States and Territories to provide clear messages about the risks of drinking alcohol, to ensure the health of all Australians.

“If all Australians follow these guidelines we won’t stop every alcohol-related death, but we will save thousands of lives, especially younger lives.”

The 2019 Guidelines build on their decade-old predecessors. The revision process has taken three years and includes:

- Analysis of many studies and systematic reviews including thousands of scientific papers studying millions of people over many decades.
- A public call for evidence on the benefits as well as the harms of alcohol.

Mathematical modelling of the health effects of alcohol and different levels of consumption.

WINE INDUSTRY REPRESENTATIVE DEEMS GRAPE PRICE DROP A STUNT

Wine industry representative deems grape price drop declaration a 'stunt' to pull market down

Hail, heat, high water prices and now, Australia's largest wine grape growing region has been dealt another tough hand in the lead up to the 2020 vintage.

Source abc.net.au 13th December 2020

That is according to South Australia's Riverland grower representative body CCW Co-operative, which said Accolade Wines had attempted to floor grape crop prices at a time when producers needed the most help they could get. Accolade Wines processes a significant amount of the region's product, the majority of which occurs at its Berri facility.

Earlier this week the multi-national company released a media statement about the 2020 vintage, stating that Riverland and Sunraysia grape growers should expect a lower price for their crop.

CCW Co-Operative represents around 550 growers from the Riverland region.

Chief executive Sean Cole said he estimated around 90 per cent of the wine processed at Berri came from the co-operative's member base.

Mr Cole said Accolade Wines had pulled "a stunt" by making a price drop declaration because grape prices were dictated by negotiating.

"If Accolade and CCW cannot agree, we refer to an expert who delivers the market price," he said.

"The expert is a circuit-breaker in that it is always a safeguard against these kind of measures — when wineries feel it necessary to publish something like this: trying to pull the market down."

Long-term vision found wanting

In recent months Riverland growers have experienced water prices almost reaching levels seen during the Millennium Drought and a hail storm, which caused an almost \$8.4 million loss in grape crop value.

"There's no reason why the Riverland wouldn't be down 10 per cent year on year, just given the nature of the season we've had to date," Mr Cole said.

"It's counterintuitive to argue for a price drop when you're having a substantial decrease in supply."

He said growers needed vision and support from wine makers during this time of uncertainty and stress.

"This price decrease is completely contrary to what we're seeing from other buyers who are taking a long term view of the industry and their growers," he said.

[They are pricing] at a level where they can survive this very, very, bad drought period and extremely high water prices.

"So, I think you are starting to see now who's taking a long-term view versus a short-term view.

"This article [media statement] from Accolade is very short-term thinking but obviously is a bit misguided as well as it's largely out of their control what they pay for wine grapes in the end."

What is the justification?

Accolade Wines' statement said domestic and international factors had caused it to reduce its price offer.

"The price that winemakers are able to pay grape growers is based on a number of factors such as existing inventories and the health of domestic and international wine markets, particularly the bulk wine market that makes up 60 per cent of Australian exports," they said.

"While the value of Australia's wine exports has risen modestly in the past year, that reflects better sales at the premium bottled end of the market.

"Australian export volumes in all key markets are declining, with international bulk wine prices continuing to soften.

"We appreciate that this has been a challenging time for many grape growers with the ongoing drought and its effect on water availability and water prices."

Accolade Wines has been contacted, but had no-one available for comment.

Where to now?

Mr Cole said that while he expected there would be some anger from growers, he and CCW Co-operative would continue to fight and ensure growers got a fair deal before the 2020 vintage started.

(Continued from page 6)

"We can confirm, as per the article [media statement] that we have also received an offer from Accolade," he said.

"That means we can refer to an expert when we see fit.

"We hope that the pricing timeline is sped up and the final prices announced to growers is fairly expedient this year, which is a better situation than what we were in this time last year.

"I think growers will understand ultimately that if there is a price decrease, which we think is unlikely, but if there is a price decrease, it won't be from a lack of trying on behalf of CCW."

Editors Note: CCW is a grower based cooperative that has operated for many years within the SA Riverland. Its growers produce the bulk of fruit in the region. The cooperative is run by a Board of growers and is staffed to provide onfarm viticultural technical services.

All funds for grapes sold are paid to the cooperative and these funds are then paid out over the year to the grower members. The cooperative is directly funded by the members.

Each year the cooperative negotiates with the winery for the sale of its members grapes and in the past in years of oversupply it has actually had wine made from excess to requirement winegrapes and sold this either as bulk wines or bottled own labelled product.

TEMPORARY PUMPING PERMIT FROM MI NEEDED FOR WASHDOWNS

Source: Murrumbidgee Irrigation 23rd January 2020

Are you starting harvest? Do you require water for harvester washdown or to fill your spray tank?

If so, you can apply to MI at no charge for a Temporary Pumping Permit to access the channel system for small amounts of water.

You are eligible if:

- You are a current irrigation customer
- You have access to a channel system
- You will be washing down your harvester or filling a spray tank
- You will not use more than 0.5 Megalitre (500,000 litres) for this purpose, this season

To apply for a Temporary Pumping Permit, or for further information, visit www.mirrigration.com.au/Customers/Forms or contact us on (02) 6962 0200

*Conditions apply.

Frequently Asked Questions

Is there a cost for the permit?

No. This season there is no cost. This may change next year.

Is the water debited from my account?

No. This season there is no deduction from your account. This may change next year.

Why am I required to have a permit when I previously didn't?

For us to deliver water in the best possible way, we need to account for every drop. Our customers have told us that they sometimes need to access our channel system away from their outlet for filling spray tanks and washing down harvesters. The temporary permit authorises this type of access for this season and helps us better understand scale and value of this service to customers for the future.

Why is it free?

All water taken by customers' needs to be authorised. There is no charge for the permit this season while we work with our customers to better understand their needs. We will review the permit based on this information for future seasons.

Can I use my permit on multiple properties that I own or lease?

Yes, please keep in mind the permit attaches to your pump and is limited to 0.5ML per permit. If you will use more than 0.5ML by sharing across multiple properties, you can apply for one permit per property.



Murrumbidgee
Irrigation

CONGRATULATIONS TO MARK KRSTIC - APPOINTED TO LEAD AWRI

Tasmanian farmer turned viticulturist Mark Krstic has been appointed the next managing director of the Australian Wine Research Institute in Adelaide, South Australia.

Krstic, who takes up the managing director's position from a role as general manager of business development at the AWRI, will succeed Dan Johnson, who has led the AWRI since 2011 and is taking up a new position at Macquarie University in Sydney from February 1.

The AWRI board conducted a global search for the new managing director before appointing Krstic.

AWRI chair Louisa Rose said Krstic's connections and experience would make him an outstanding leader for the Australian grape and wine industry's research organisation.

"Dr Krstic was the stand-out candidate due to his wealth of experience in grape and wine research, knowledge of the wine industry and outstanding leadership and commercial business skills," she said.

"Dr Krstic combines a research background in viticulture and oenology with deep understanding of the issues facing Australian grape and wine producers.

Raised on a family farm in Tasmania, Krstic completed undergraduate and post-graduate degrees in Agricultural Science at the University of Tasmania in Hobart before working in viticulture research positions with the CSIRO and Victorian Government. He joined the AWRI in 2012.

"While maintaining a focus on the AWRI's core areas of strength, Dr Krstic's strong viticultural background aligns well with the 'grape to consumer' direction that the AWRI Board has been working towards in recent years and views as a focus for research and collaboration into the future," Rose said.

The AWRI is located at the University of Adelaide's

Waite Campus Waite Campus, 7km southeast of the centre of Adelaide.

The campus has the largest concentration of research expertise in the Southern Hemisphere in plant, food and agricultural sciences and hosts nationally significant research organisations including CSIRO, Australian Grain Technologies and the Australian Plant Phenomics Facility.

Dr Krstic said the opportunity to lead the AWRI was humbling and exciting.

"At a time where our industry is facing incredible opportunities and challenges, the importance of world-class grape and wine science and a strong technical support base to help Australian grape and wine producers succeed cannot be overstated," he said.

"The AWRI is a unique organisation filled with talented people working with Australian Grape & Wine, Wine Australia, state and regional bodies, investors, collaborators, producers, suppliers and other organisations to support a prosperous and sustainable Australian grape and wine industry.

"It will be an honour to lead such a wonderful team."

Source: winetitles.com.au 19th December 2019



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