

PRICE NEGOTIATIONS ARE THE KEY THIS VINTAGE

As price notifications occur across the region growers are becoming more aware of their winery(s) position on the problems caused by the trade tariffs in China. The outcome differs across the region significantly.

The Riverina Winemakers Association has come out in the media (see page 6) stating that the tariff will be “devastating for our industry” while in the same sentence stating that it is “too early to predict what the true and accurate consequences are going to be”.

Statements of devastation are sadly very alarmist and need to be viewed in the whole context. Some regional wineries are not impacted directly and as such are coming out with prices similar to the previous vintage which is promising for growers that deliver to them. Others are claiming that while it seems like “doom and gloom” there is “some light” as existing markets rally behind Australia in the wake of the China tariff impact. Those that are impacted are still in the process of assessing the full impact. Some may even have stock on the water or returning from market.

What we haven't heard of is the market in China still moving and taking Australian wines or has Australia just decided to walk away?

Fortunately we have other strong markets, in the UK alone sales have improved on the back of a newly signed Free Trade Agreement in June 2020. The COVID measures in the UK has seen a rise in off licence purchases as dining out venues have been impacted.

Growers and wineries need stability in terms of pricing offers to remain viable. We have seen the variations in yields in this region that can cause financial upset to many growers and if prices drop many more are going to seriously consider their future within the wine industry. Wineries may have to plant more winegrapes to supply existing markets if this occurs. Many of the regional wineries are acutely aware of this.

Help Us Help You

The Board is calling on growers to send in your price lists, by providing actual price lists from wineries will

enable it to better represent you. By providing the Board with your price list we can share this information with growers creating better transparency in the market.

Your name and identifying information will be removed from the pricing information so that you will not have any backlash.

Over the past few years the use of individual price lists for growers by wineries is a disappointing trend, not just within this region. The ACCC called for transparency within the market and wineries publishing individual lists is a departure from that. How can a grower assess if they are producing the variety that best suits their product mix if they don't get to know the pricing of other varieties in the region (even if they do not grow them). Wineries used to provide this but have changed the way they operate.

What shouldn't be occurring is any reduction in the price offers for white winegrapes. The impact of China on these varieties is virtually non-existent as the consumers in that country prefer to consume red wine. Sales have been very steady across other markets and in the domestic throughout the impacts of COVID

Now is the time to really have a conversation with your winegrape purchaser. The price for winegrapes is a function of the market conditions and could potentially signal that your winery is not travelling well financially. As we have seen recently wineries are not all travelling well and even though COVID-19 has seen an increase in domestic consumption they may not be travelling well.

| WHAT'S INSIDE THIS EDITION | Page |
|--|------|
| Price Negotiations are the Key this Vintage | 1 |
| Board Activities Report | 2 |
| Winegrape Spillage Should be Reported | 3 |
| Record Keep Requirements | 3-4 |
| Tocal College Yanco Campus Training | 4 |
| Vintage Biosecurity Tips Available | 5 |
| Market Information from Wine Australia - December 2020 | 5 |
| Weeds Workshop Report | 7 |
| Reminder - Permit System for Harvester Washdown | 8 |
| Code of Conduct Update | 8 |

BOARD ACTIVITIES REPORT



Variable Message Board go up

Growers will hopefully notice the installation of variable message board in the region alerting people to the commencement of vintage. These have been used for the past years as a means of educating the local community so that they modify their driving behaviour around the winegrape trucks.

Many of the regions winegrape spillages are as a result of the interaction between trucks and cars during vintage. Drivers should be aware and take care to not spill winegrapes.

Fatigue is being focused on

The Board has been advised that driver fatigue within the region will come under close focus by the RMS this season. To assist all growers more information on this is contained on page 3 and the accompanying forms are for your use this season.

The Board recommends if you have questions call our office for further information.

Grape Sampling

Winegrape maturity testing and colour sampling has commenced at the Board office. Each year our laboratory does tests (free for members) on the maturity and colour. The office aims to work closely with the laboratories at wineries to ensure that the systems used are the same.

Following the ACCC review into the winegrape industry a complete review by the Australian Wine Research Institute of how colour is tested was completed and standards are being introduced regarding how this is undertaken and the specific type of equipment used for testing.

Bruno Brombal and Robert Bellato appointed

Bruno Brombal has again been reappointed as the Chair of the Board. He has held this position since 1998. Robert Bellato was also reappointed as the Deputy Chair of the organisation.

Tony Baggio will continue to represent winegrape growers in irrigation matters and Bruno Altin represents the region at the NSW Wine Industry Association.

WINEGRAPE SPILLAGES SHOULD BE REPORTED

As we enter another Vintage growers are being urged to promptly report any winegrape spillages that may occur across the region. Please contact the relevant authority in your area so that a clean up crew can be sent.

It is important to note that the cost of cleaning up these winegrape spills is borne by the community so expect that every effort is taken by the relevant authority to recoup these costs and transport operators may receive fines etc.

Trucks can be reported by members of the public for spilling loads and Penalty Infringement Notices can be issued based on a statutory declaration by a member of the public. So please try and do the right thing. It is acknowledged that sometimes it happens out of your control but please urge all drivers to monitor loads.

In 2020 there were a number of spills in the Griffith region. Please, if you see them on the road call the Council and let them know. You don't need to leave your contact details just a description and location of the spill so it can be addressed promptly.

Already the office has had reported spillage at the traffic lights in Leeton.

Please share these numbers with others.

CONTACT NUMBERS

Griffith City Council

1300 176 077 (business hours)

02 6969 4832 (after hours)

Leeton Shire Council

02 6953 0911 (business hours)

0407 468 214 (after hours)

RECORD KEEPING REQUIREMENTS

The Board has recently been made aware that the NSW information for drivers of fatigue regulated heavy RMS will likely commence checking work records of vehicles. A record keeper may be the:

primary producers operating regulated heavy vehicles to ensure that fatigue is not a problem within the industry. Wineries have been working through this issue and may also need to be reminded of fatigue problems as we enter what appears to be another compressed vintage.

Please DO NOT work while fatigued as you could not only harm yourself but others around you. The Board realises that the vintage period is the most hectic time of the year so it urges you to manage yourself and staff you may employ in a manner that reduces the risks of fatigue.

With this edition of the Vine Chat we have provided a simple to use time recording sheet that will allow you to monitor and record the times that you have worked and rested. **You must ensure unless you are accredited operator for fatigue management you are required to only operate heavy regulated vehicles under Standard Hours (see table below).**

| Time | Work | Rest |
|---------------------|--|---|
| In any period of .. | A driver must not work for more than a MAXIMUM of ... | And must have a rest of that period off work with at least a MINIMUM rest break of ... |
| 5½ hours | 5¼ hours | 15 continuous minutes of rest time |
| 8 hours | 7½ hours | 30 minutes rest time in blocks of 15 continuous minutes |
| 11 hours | 10 hours | 60 minutes rest time in blocks of 15 continuous minutes |
| 24 hours | 12 hours | 7 continuous hours stationary rest time |
| 7 days | 72 hours work time | 24 continuous hours stationary rest time |
| 14 days (336 hours) | 144 hours work time | 2 x night rest breaks AND 2 x night rest breaks taken on consecutive days |

Stationary rest time is the time a driver spends out of a heavy vehicle or in an approved sleeper berth of a stationary heavy vehicle.

Night rest breaks are 7 continuous hours stationary rest time taken between the hours of 10pm on a day and 8am on the next day (using the time zone of the base of the driver) or a 24 continuous hours stationary rest break.

The following information has been obtained from the National Heavy Vehicle Regulator:

Record keepers must keep a record of specific

- employer, if the driver is employed
- accredited operator, if the driver is working under Basic Fatigue Management or Advanced Fatigue Management accreditation
- driver (as a self-employed or owner driver).

For each driver the record keeper must keep:

- the driver's name, licence number and contact details
- the dates fatigue regulated heavy vehicles were driven
- the registration number of the vehicle(s) driven
- the total of each driver's work and rest times for each day and each week
- copies of duplicate work diary daily sheets (if applicable)
- driver's rosters and trip schedules (including changeovers)
- driver timesheets and pay records
- any other information as required as a condition of an accreditation or exemption (such as driver training and health assessments).

Drivers must provide their record keeper with their relevant work and rest hours totals and any other relevant vehicle information the record keeper may not reasonably have access to (registration numbers, dates the driver worked, etc.).

The record location is determined by the record keeper and notified to the driver. The record location is usually the driver's base.

All records must be:

- kept for three years after they are created
- kept at a location accessible to an authorised officer for audit or investigation purposes
- in a format that is readable and reasonably assumed it will be readable in at least three years from the date of its creation.

AN EXAMPLE DAILY RECORD SHEET ON PAGE 4

EXAMPLE DAILY RECORD SHEET

| RIVERINA WINEGRAPE DRIVER WEEKLY WORK DIARY RECORD | |
|--|---|
| Driver's Name: | <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">Licence Number:</div> <div style="width: 45%;">Registration Plate:</div> </div> |
| | <div style="display: flex; justify-content: space-between;"> <div style="width: 45%; text-align: center;">Frank Durif</div> <div style="width: 45%; text-align: center;">5732AU RWG 021</div> </div> |

| DATE | TIME | 12/05/2021 | | | | | | | | | | | | Total Work: | Total Rest: |
|------------|---------|---|--|--|--|--|--|--|--|--|--|--|--|-------------------|-------------|
| | | <div style="display: flex; justify-content: space-between;"> <div style="width: 10%;">Midnight</div> <div style="width: 10%;">1</div> <div style="width: 10%;">2</div> <div style="width: 10%;">3</div> <div style="width: 10%;">4</div> <div style="width: 10%;">5</div> <div style="width: 10%;">6</div> <div style="width: 10%;">7</div> <div style="width: 10%;">8</div> <div style="width: 10%;">9</div> <div style="width: 10%;">10</div> <div style="width: 10%;">11</div> <div style="width: 10%;">Noon</div> <div style="width: 10%;">1</div> <div style="width: 10%;">2</div> <div style="width: 10%;">3</div> <div style="width: 10%;">4</div> <div style="width: 10%;">5</div> <div style="width: 10%;">6</div> <div style="width: 10%;">7</div> <div style="width: 10%;">8</div> <div style="width: 10%;">9</div> <div style="width: 10%;">10</div> <div style="width: 10%;">11</div> <div style="width: 10%;">Midnight</div> </div> | | | | | | | | | | | | | |
| 12/05/2021 | My Work | [Red line graph showing work periods] | | | | | | | | | | | | 10 ^{1/2} | |
| | My Rest | [Red line graph showing rest periods] | | | | | | | | | | | | | |
| 13/05/2021 | My Work | [Red line graph showing work periods] | | | | | | | | | | | | 10 | |
| | My Rest | [Red line graph showing rest periods] | | | | | | | | | | | | | 14 |

Above is an example of how to complete the daily worksheet (**2 copies of which accompany this edition of the Vine Chat**). If you want other copies please contact our office on 6962 3944 to arrange. A digital version can be emailed upon request.

Please note that this only relates to Primary Producers that are within a 100km radius of your home base. If you are undertaking other duties in a regulated heavy vehicle you will be required to follow the appropriate legislation with regard to log book usage.

Please note that there are many smartphone applications that can allow you to keep record of work and rest periods of your employees. If you want to know more please call the office.

Previous advise that growers driving their own winegrape to a winery were not required to keep a work diary is no longer applicable. Fatigue can be a problem during the vintage and by maintaining records of your work and rest periods you will be able to monitor you and your staff during this period for the safety of all.

TOCAL COLLEGE YANCO CAMPUS TRAINING

The NSW Government announced on Monday, 28 September 2020 the commitment to upskill primary producers across plant-based sectors of the agricultural industry. The expansion of the AgSkilled program will continue to work on the success of the original program in driving productivity, profitability and competitiveness via training and upskilling. With \$15 million dedicated to AgSkilled 2.0 until June 2023 to offer training across the key agricultural industry sectors of: The training increases the productivity and safety of existing workers in the sectors and can offer career pathways for people to work in agriculture.

***For more information on AgSkilled funding please contact:
Kellie Goring - Skills Training Co-ordinator***

ph. (02) 6951 2501 mobile 0417 791 171 email: kellie.goring@dpi.nsw.gov.au

VINTAGE BIOSECURITY TIPS AVAILABLE

Vinehealth Australia the South Australian based body representing South Australian winegrape growers has a wealth of information to assist winegrape growers maintaining the biosecurity of their vineyards.

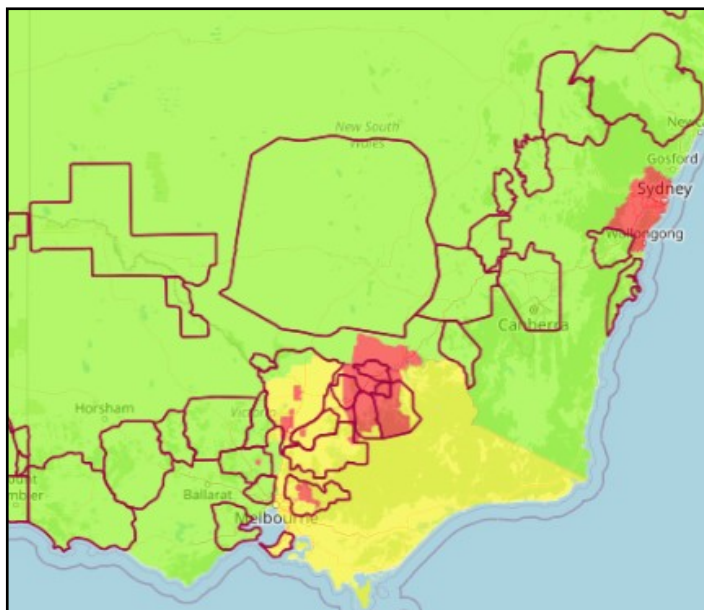
Growers interested in finding out more should head online and view the information on:

www.vinehealth.com.au

By keeping informed and aware of the biosecurity issues and how to prevent these on your vineyards you will be well placed in the event of a pest or disease incursion.

The website also has information for growers that employ seasonal workers, the steps you should take to ensure that they are not bringing onto your property anything that will harm your vineyard. Protect the Riverina and make sure we stay in the Green Zone, particularly regarding Phylloxera

The red below is an Infested Zone (PIZ) and the Yellow is a Risk Zone of PRZ. The green is the Phylloxera Free Zone (the Riverina is the largest marked section).



MARKET INFORMATION FROM WINE AUSTRALIA - DEC 2020

World wine production in 2020 is estimated by the OIV to be between 25.4 and 26.2 billion litres, making it just above the 2019 vintage and 2 per cent below the 5-year average.

Overall, the 2020 harvest from the major southern producers was lower than in 2019, mainly as a result of prevailing dry conditions. Chile, Argentina and Australia all recorded harvests that were more than 10 per cent below the previous year. The exception was South Africa, which had an above-average harvest.

The northern hemisphere saw a mixed result, with larger harvests in Spain and France as a result of generally wet winter conditions, while Italy and the USA had below average harvests.

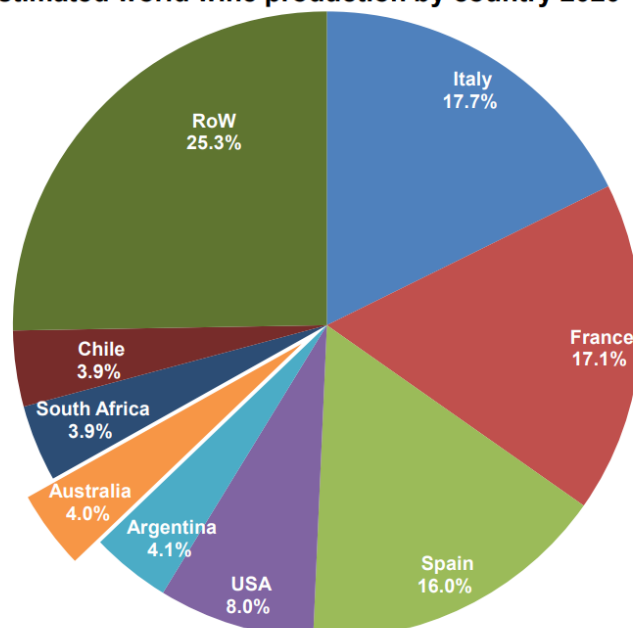
The combination of a reduced harvest in the southern hemisphere countries and an average-sized harvest in the northern hemisphere has resulted in an estimate of a near-average global harvest of 26.3 billion litres.

On the demand side, the volume of wine consumption is expected to decline significantly in 2020 as a result of the COVID-19 pandemic and associated economic and social impacts, with double-digit declines in all of the top 10 wine-consuming countries except the United States of America (USA). The total decline in global wine consumption in 2020 is forecast by IWSR to be 13 per

cent. This would result in world wine consumption dropping to 21.2 billion litres and would mean that the gap between supply and demand (consumption), based on the supply estimates given above, would be 5.5 billion litres (21 per cent) – higher than it has been for at least 10 years

Sources: This report is compiled from production data reported by the International Organisation of Vine and Wine (OIV), as well other sources including IWSR and Ciatti Wine Brokers.

Estimated world wine production by country 2020



RIVERINA WINEMAKERS ASSOCIATION MEDIA RELEASE

RIVERINA WINEMAKERS CALL FOR UNITY AND GOVERNMENT SUPPORT IN LIGHT OF CHINA TRADE TARIFFS

The Riverina Winemakers Association (RWA) is calling on regional producers and growers to remain united as the wine industry awaits government action over the China trade dispute.

"While the news to impose tariffs of up to 212% on Australian winemakers will be devastating for our industry, it is still too early to predict what the true or accurate consequences are going to be," Andrew Calabria said, President of the Riverina Winemakers Association.

"What we do know is that it poses a great risk to predominantly local and regional communities, and the impact across the Riverina will be widely felt as our growers and wineries trade across all levels of the market – from premium, commercial and bulk wines."

The RWA raises concerns about the steady decline of bulk wine prices as well as Chinese wine drinker's preference for bottled Australian Shiraz and Cabernet wines, which make up 82% of Australia's wine exports abroad.

"These direct sales into the Chinese market must be taken into consideration as there will be long term consequences should these wines be flooded back into our market," Calabria said.

While there have been many calls for the industry to 'pivot' to new markets, Calabria feels more needs to be done by the government to help the industry explore this option.

"It is harder than ever to build new business relationships abroad as we deal with the COVID-19 pandemic. We need hard and fast assistance to open these international pathways and the best way for that to be done is on a diplomatic level," Calabria said.

The chief executive of Australian Grape and Wine, Tony Battaglione, agrees that the industry needs a helping hand from the government to see winemakers and grape growers through this trade spat.

"It is vital that governments come to the party and works with the industry to help open up and expand new markets. This is not the time for a short-term sugar fix but a short, medium and long-term strategy needs to be

implemented immediately," said Battaglione.

Of most importance to the Riverina Winemakers Association is that clear and factual information be passed on to regional growers and wineries as they begin to manage through this tough situation.

Bob Berton, Managing Director of Berton Vineyards said "the Australian Industry existed before China came along so it will survive."

"While the news is tough to swallow for the industry, I remain positive that we will get through these turbulent and uncertain times," Calabria said.

For further information, please visit / www.riverinawinemakers.com.au or contact Andrew Calabria:

Andrew Calabria | Riverina Winemakers Association President | acalabria@calabriawines.com.au

Editors Comment: *The Riverina Winemakers Association press release is a reminder that not all wineries will be able to readily work through the pressure that the China tariffs have placed on the Australian wine industry.*

Many of the regions wineries have growing interests in cool climate premium regions in Australia that are likely to be greater impacted than Riverina interests. It will be interesting to watch how our winemakers balance the pain across the other regions in relation to this region.

Some wineries have reported as high as 8% of their sales are impacted by China. While this may not prevent them from selling into the market the issue of consumer behaviour in China when a tariff is placed on this wine is of concern. Will they continue to purchase the known quality and trusted wine at a higher price or will they look to other countries to satisfy their taste for wine and save money.

Relying of China as a profitable market into the future is something that the industry cannot afford to do. We do need to develop new markets and while overseas travel is challenging it will present problems. Calling on the Government for help is a good step in terms of marketing funding. However seeking government handouts to support business models that were geared toward the lucrative China market should be discouraged. These models will need to evolve.

CONTROLLING WEEDS IN VINEYARDS WORKSHOP REPORT

The IREC, Riverina Winegrape Growers, NSWDP, AGnVET Services, Yenda Producers Co-Operative, Nutrien Ag Solutions and Wine Australia recently hosted a Workshop titled **Controlling Weeds in Vineyards**. It focused on controlling fleabane and silver leaf nightshade in vineyards.

It was held on Friday 22nd January 2021 commencing at 10am at MI Offices and finished with a lunch and tour of trial sites at NSWDP Murray Road.

The workshop provided the opportunity to see results from on farm demonstrations presented by: Brian Bortolin (Extension Officer), Geoff Bray (Yenda Producers), Jason Cappello (Nutrien Ag Solutions).

15 attended including Riverina Winegrape Growers, 4 growers, NSWDP, Winery representatives, Rural Suppliers, Almond industry and Iva Quarisa from the IREC

Three presentations occurred, two of these were relating to fleabane and one on Silver leaf night shade.

Ag-n-Vet had their trial on silver leaf night shade and attendees found it most interesting on how the different chemistry was used on the weed with some success but in general it is a very difficult weed to control. They will continue working with growers in managing this weed.

Nutrien-Ag did their trial on fleabane and had better result as it's a little easier to control if sprayed early and in the right conditions e.g.: high humidity and cooler temperatures.

The smaller sized group at the workshop allowed it to share their experiences on the success and not so successfully in controlling fleabane & silver leaf nightshade.

The general agreement was that growers, together with their chemical companies should keep monitoring and have a spray program that will help control fleabane and silver leaf nightshade before it gets out of control in their vineyard.

The Workshop finished with a walk through the CSIRO developed disease resistant vineyard block where Dr Katie Dunne NSWDP spoke on the existing disease resistance varieties planted on site and some of the new varieties and the new CSIRO root stock which she is aiming to plant this year at the site in Murray Road as part of the NSW Government's commitment to the Riverina regional viticultural program.

As a regional industry we need to fight these invasive weed pests and ensure that they do not gain a foothold in the region.

Growers wanting further information in relation to the outcomes of the workshop should call and speak with Extension Officer Brian Bortolin on 6962 3944 or speak to your rural supplier for information.

More field walks will occur on the CSIRO Disease Resistant vineyard as this develops. The NSWDP will continue to undertake small batch winemaking to allow the industry to determine if the wines made from these have market potential.

Attendees at the Weed Workshop at NSWDP Murray Road



REMINDER - PUMPING PERMIT SYSTEM FOR HARVESTER WASHDOWN

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.mirrigation.com.au/Customers/Forms or contact us on (02) 6962 0200 *Conditions apply.

Frequently Asked Questions

Is there a cost for the permit?: No.

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.

CODE OF CONDUCT UPDATE

The Board office has received many calls from growers about winegrape prices this season. If your winery is a signatory to the Australian Wine Industry Code of Conduct have you considered using the Codes **pricing dispute mechanism**. This should only be used once all best endeavours have been taken to resolve the pricing issue. A dispute under the Code will take time and there are costs involved but **it is binding on both parties**. Basically it is the solution under the Code that will ensure fairness in the winegrape pricing.

<http://www.wineindustrycode.org/testdirectory/wp-content/uploads/2020/09/Notice-of-Dispute.pdf>

It is also appropriate to ensure that your winery is using the best methods for analysing the maturity and colour of your winegrapes. Australian Grape and Wine, following recommendations of the ACCC have released

new standard processes for measuring grape colour and Brix.

Information can be found at this link: <https://www.wineindustrycode.org/supporting-information/>

If your winery isn't up to date with the endorsed industry standards please let us know so that the matter can be passed onto the regulatory authorities.

Also available on the above link is the industry ready reckoner that looks at the gross margin returns available to wineries depending on their size and the markets that they deliver to. It is an underutilised resource by the grower sector that really shows the returns available within the market based on actual winery costs of production information. Call into the office if you are wanting to go through the portal which will show how where the costs in the winery business are.

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).

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