

AUSTRALIAN WINE EXPORTS RESILIENT DESPITE HEADWINDS

Australian wine exports declined by 4 per cent in value to \$2.77 billion in the 12 months to March 2021, compared with the previous corresponding period, driven principally by the toll taken by high Chinese tariffs, according to Wine Australia's latest Export Report released today.

Export volume declined by 1 per cent to 724 million litres (80 million 9 litre case equivalents) while the average price per litre for wine exports declined by 3 per cent to \$3.82 free on board (FOB).

Wine Australia Chief Executive Officer Andreas Clark said the decline in exports was due principally to a steep decline in exports to mainland China as well as the cumulative effects of three consecutive lower vintage in Australia leading to less volume available to export.

'Notwithstanding the impact of China's tariffs, we were still looking at a potential downturn in exports over this period simply due to the supply situation', Mr Clark said.

Mr Clark said exports to China for the December 2020 to March 2021 period were just \$12 million compared to \$325 million in the comparable period a year ago.

'As the tariffs apply to product in bottles under 2 litres, the decline in exports to China was mainly in bottled exports. This, along with increased unpackaged shipments to other markets such as the UK, resulted in a drop in the share of bottled exports in the export mix, from 46 per cent of total volume in the 12 months ended March 2020 to 41 per cent in the same period in 2021. This led to the decline in the overall average value of exports.'

Mr Clark said on a more positive note there had been significant growth in exports to Europe (including the UK), which was up 23 per cent to \$710 million, the highest value in a decade. 'There was also growth to North America, up 5 per cent to \$628 million, and Oceania, up 7 per cent to \$112 million.'

Mr Clark said if exports to mainland China were

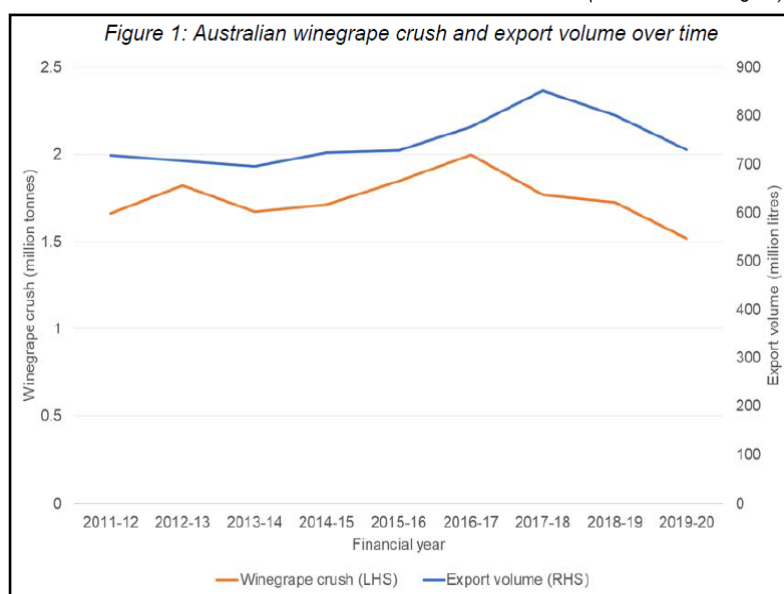
excluded for the past 12 months there had been positive growth in export value with a 10 per cent growth to \$1.9 billion and 8 per cent in volume to 646 million litres (71.8 million cases).

Destinations

The top five markets by value are:

- ◆ Mainland China, down 24 per cent to \$869 million
- ◆ United Kingdom (UK), up 33 per cent to \$461 million
- ◆ United States of America (USA), up 4 per cent to \$432 million
- ◆ Canada, up 9 per cent to \$195 million, and
- ◆ Hong Kong, up 55 per cent to \$148 million.

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BOARD ACTIVITIES REPORT



**Riverina
WINEGRAPE
GROWERS**

Riverina Regional Plan Approved by Wine Australia

Katie Dunne NSW DPI met with the Board to advise that the regional program for 2021-2022 has been approved by Wine Australia.

A full summation of the program can be found in this newsletter on page 4-5. If you want to discuss the details of

the Regional Plan for this region please do not hesitate to contact Katie on 0429 361 563 or email her katie.dunne@dpi.nsw.gov.au

ACCC to meet with the Board

The Board will meet with the ACCC shortly to raise its ongoing concerns about the lack of participation in the Australian Wine Industry Code of Conduct in the Riverina. One signatory only, being Berton Vineyards for the region is having adverse impacts on the pricing for the region.

It has been noted that since the Code was reviewed a number of wineries in other regions had moved to a 2 payment structure with growers receiving 50% at the end of month following delivery and the balance of funds in the middle of July. Whereas in the Riverina payment terms are a moving feast with 100% being paid the end of month following delivery to a mix of hybrid payment structures. It has even been reported to the Board that some wineries are paying growers differently within its own business.

Please note that it is important to understand that we are not talking about how much you receive for your grape but when you receive it. Certainly if you get \$400 per tonne for Chardonnay it is worth more to you getting this payment early than having it broken down and paid across the year.

The ACCC in their review of the industry stated 30 day payments should be the norm. We are no where near that in the Riverina and in comparison to the SA Riverland and Vic Murray Valley we are a real mess that ultimately will require legislative intervention to resolve.

Grape Transport Issues

The South Australian Wine Industry Association has been working on the national issue of winegrape transportation with representatives across Australia and

the National Heavy Vehicle Regular (NVHR). Grape spillage is a common problem across the entire winegrape industry.

The national project is aimed at developing a new Registered Industry Code of Practice for the Australian Wine Industry in relation to heavy vehicle Chain of Responsibility.

As a wine producer, wine grape grower and transporter of grapes and bottled wine, works in the industry are required to comply with the Chain of Responsibility requirements under the Heavy Vehicle National Law. This includes ensuring that goods are not overloaded, that they are secured properly and that drivers are not encouraged or pressured to speed or drive while fatigued.

Industry oversight over the project is provided by an Industry Steering Committee with representatives from NSW, VIC, SA, WA and grapegrowing interests.

As part of this project, SAWIA is conducting national industry consultation across the Australian wine industry to ensure industry input. Following the completion of stakeholder sessions in South Australia, Tasmania and one location in Victoria (Mildura), we are planning to take the stakeholder consultation to NSW and ACT and are looking at running stakeholder sessions in the following locations at the following times:

6 July, 9-11.30am, Cessnock, Venue TBC

7 July, 9-11.30am, Orange, Venue TBC

8 July, 9-11.30am, Griffith, Venue TBC

9 July, 9-11.30am, Murrumbateman/Canberra, Venue TBC

The meeting is aimed at wine producers, grape growers, vineyard contractors and transporters of wine grapes.

Please contact the Board office on 6962 3944 if you are interested in participating in the stakeholder session in our region. At this stage we are proposing to hold this at our offices in Yambil Street Griffith but may move to a larger venue should interest be strong.

As this will impact how transporters in this region do business you are encouraged to have your say into the project to ensure that we come out with workable and sensible solutions for the industry.

AUSTRALIAN WINE EXPORTS RESILIENT DESPITE HEADWINDS cont.

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The top five destinations by volume were:

- ◆ UK, up 21 per cent to 264 million litres
- ◆ USA, down 1 per cent to 135 million litres
- ◆ Mainland China, down 40 per cent to 78 million litres
- ◆ Canada, up 4 per cent to 54 million litres, and
- ◆ Germany, up 22 per cent to 36 million litres.

United Kingdom

The recent strong growth in exports to the UK continued in the 12 months ended March 2021. Value increased by 33 per cent to \$461 million and volume by 21 per cent to 264 million litres (29.3 million 9-litre case equivalents). This extended the UK's lead as the biggest destination for Australian wine exports by volume and saw it jump over the USA into second place by value. The average value received for Australian wine in the UK

per litre. Within this segment, the growth was relatively evenly split between red and white still wine, with red up 10 per cent to \$145 million and white up 11 per cent to \$136 million.

There was also very strong growth at \$20.00 – \$29.99 per litre. More than 90 per cent of shipments in this segment were red wine and have doubled in the past

Figure 2: Value of exports to mainland China in past 12 months (\$million FOB)

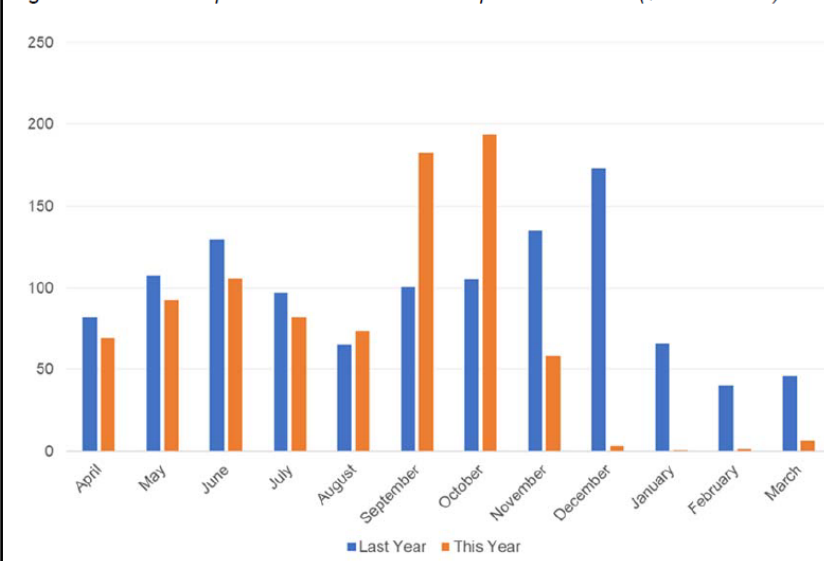
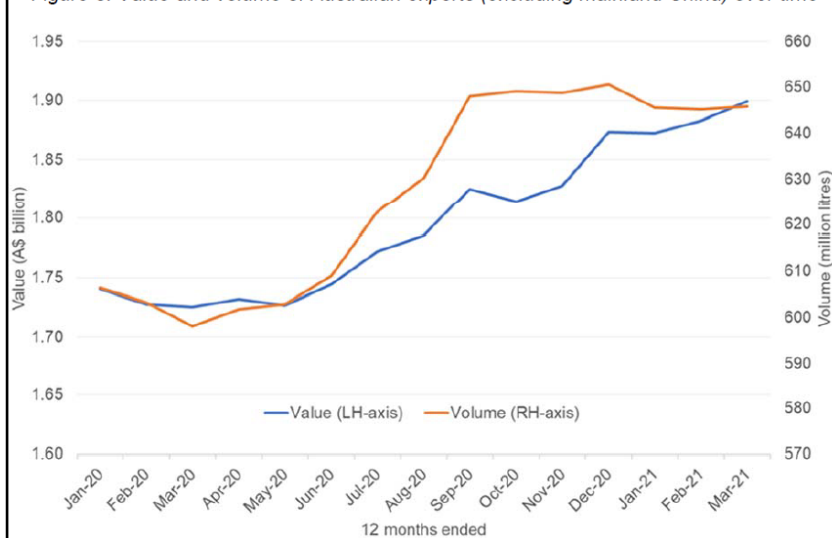


Figure 3: Value and volume of Australian exports (excluding mainland China) over time



increased by 10 per cent to \$1.75 per litre, the highest level in a decade.

United States of America

Despite a volume decline of 1 per cent, the value of exports to the USA increased by 4 per cent in the 12 months ended March 2021 to \$432 million. The average value increased by 5 per cent to \$3.21 per litre.

The main driver of growth was between \$2.50–\$4.99

five years.

Container type

In the past 12 months, the value of wine exported in glass bottles decreased by 8 per cent to \$2.2 billion while volume decreased by 10 per cent to 299 million litres (33 million 9-litre case equivalents). This translated to a 2 per cent increase in the average value of bottled exports to \$7.26 per litre FOB.

Unpackaged wine exports increased by 18 per cent in value to \$577 million and increased 8 per cent in volume to 418 million litres (46 million 9-litre case equivalents). The average price of unpackaged wine increased by 9 per cent to \$1.38 per litre FOB.

For further information please contact:

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RIVERINA REGIONAL PROGRAM

The Regional Program is funded by Wine Australia each year and in the Riverina the delivery of the program is delivered by NSW DPI. This used to be a function of the

ISSUES FOR THE REGION OVER THE NEXT 3–5 YEARS

Priority issues for the Riverina over the next three to five years were identified from the Riverina stakeholder meeting that was held on 8 February 2017. They include:

- Growing grapes to meet winery specification and consumer demands: Riverina wineries use berry colour as a parameter for quality and price assessment. Therefore, vineyard management to increase the colour of red varieties is important to business viability.
- Reducing crop loss and quality downgrade from heatwaves by identifying cost-effective methods to maintain vine health. This will involve investigating digital technologies for heatwave predictions and monitoring.
- Understanding the relationship between current practice variety performance and quality parameters by investigating interactions between yield and quality against soil type, pruning and trellising to produce fit-for-purpose fruit.
- Pest and disease control: Reducing the cost and increasing the efficiency of common and emerging pest and disease management options. Powdery mildew, sour rot and spray application options are key areas of concern.
- Benchmarking of spray applications to develop cost-effective 'best practice' for pest and disease control in the Riverina.
- Vine health: Improving and monitoring vine health for nutrient uptake and trunk disease prevention and management, including the benefits of mulching and mid-row crops.
- Varietal selection and agronomic management: Creating informed planting decisions by investigating sustainable varietal volumes in the Riverina, alternative clones and strategic processes.
- Improving vineyard and winery efficiency:

Identifying information including the benefits and risks of adopting emerging novel farm infrastructure.

- Developments in irrigation efficiency, alternative posts and trellising, bird management and machinery options need to be understood and evaluated before significant investment is involved.
- Sustainable resource use: Identify current and developing sustainable vineyard management practices. Evaluation of environmental and cost benefits to industry will increase practice change in Riverina vineyards.
- Improved vineyard and winery efficiency: Improving vineyard and winery efficiency is important in reducing operating costs. Creating market-driven vineyard management techniques through improving management efficiency, including technology adoption and better ways of thinking.

EXTENSION AND ADOPTION PRIORITIES FOR THE REGION OVER THE NEXT 12 MONTHS

The extension and adoption priorities for the next 12 months for the Riverina include:

- Understanding vine water requirements to maximise vine health, yield and quality.
- Disease resistant cultivars for the Riverina.
- Addressing Vine health- maximising vineyard longevity
- Best practice disease management focusing on botrytis and spray application
- Adoption of AgTech to achieve business and vineyard sustainability
- Addressing area wide weed management concerns focusing on fleabane and other key target weeds.
- Extension and adoption will be delivered through various activities. These activities will include factsheets such as NSW DPI Primefacts which will contain summaries of the work, reports that will be published in the NSW DPI Grapevine Management Guide and other extension delivery

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REGIONAL PROGRAM CONTINUED

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methods such as VineWatch and NSW DPI Grapes Facebook page.

- The proposal will develop a digital extension model (for consideration will include podcasts, videos and social media) and a 'social engagement' model which will identify strategies to improve adoption of extension activities in the Riverina.

PLANNED ACTIVITY 1: UNDERSTANDING WATER USE REQUIREMENTS IN VINEYARDS TO REACH TARGET YIELD AND QUALITY

OBJECTIVES OF THIS ACTIVITY

By the end of June 2022, it is expected that

- At least 10 growers will change their irrigation practices
- All growers will understand the regionally available AgTech resources to aid them in better irrigation scheduling.
- Greater understanding of the importance of understanding a vine's requirements in heat waves.

PLANNED ACTIVITY 2: DISEASE RESISTANT VINEYARD

OBJECTIVES OF THIS ACTIVITY

- Adoption of new disease resistant cultivars in the Riverina
- Evaluation of the viticulture and wine quality parameters for the varieties in the Riverina.
- Use of the site to demonstrate different viticulture techniques including cover crops, trellis system design.

PLANNED ACTIVITY 3: ADDRESSING VINE HEALTH: - ACHEIVING VINEYARD LONGEVITY

OBJECTIVES OF THIS ACTIVITY

- Increase the awareness of the importance of vine health throughout the Riverina
- Measure vine performance (yield and quality) across six blocks in the Riverina
- Raise the awareness of exotic pests and diseases

PLANNED ACTIVITY 4: BEST PRACTICE SPRAY APPLICATION WORKSHOP

OBJECTIVES OF THIS ACTIVITY

- Educate growers the importance of best practice spray application
- Remind growers the importance of spray timing and managing resistance
- Limit risk in relation to higher disease levels.

PLANNED ACTIVITY 5: BEST PRACTICE BOTRYTIS MANAGEMENT

OBJECTIVES OF THIS ACTIVITY

- Set up demonstration site showing the role spray timing has in botrytis epidemics
- Inform growers that both early and mid-season sprays need to be considered in high disease pressure seasons
- Highlight what options are available late season to minimise botrytis impacts

PLANNED ACTIVITY 6: AREA-WIDE WEED MANAGEMENT

OBJECTIVES OF THIS ACTIVITY

By the end of June 2022, it is expected that

- Identify management strategies to target the control of fleabane and silver leaf nightshade building on the 2020-2021 project that was managed by IREC.
- Collaboratively engage with the Cotton and Grains RDCs
- Establish a demonstration site to implement treatment methods and monitor responses

PLANNED ACTIVITY 7: ASSESSMENT OF DURIF ROOTSTOCK TRIAL

OBJECTIVES OF THIS ACTIVITY

By the end of June 2022, it is expected that

- Assessment of the compatibility of Durif to several rootstocks
- Assessment of the CSIRO rootstocks and their suitability to the Riverina
- Encouragement of the adoption of rootstocks in the Riverina.

Editors Note: As members can see there is a lot going on in the region. If you are wanting to become involved in projects or workshops please let us know.

TRUNK DISEASE WORKSHOP REPORT

5 key facts

- Caused by fungi that are spread by airborne spores.
- Spores are released from infected dead wood during rainfall.
- Spores infect exposed pruning wounds and the fungus progressively kills spurs, cordons and trunks.
- Wounds are most susceptible to infection in the first 2 weeks after pruning.
- Disease control can be achieved using wound treatments and remedial surgery.

Recently a workshop on Trunk Diseases was held in the region. It was well attended by agronomists and a small number of growers also attended the event conducted at NSW DPI Murray Road.

A Best Practice Management Guide has been released by Wine Australia in July 2019 and growers that are interested in obtaining a copy should contact our office.

Trunk disease is a growing concern across vineyards in Australia and growers need to manage the risks and not prevent any spread.

The following text has been extracted from the 20 page guide.

Introduction

Eutypa dieback (ED) and *botryosphaeria* dieback (BD), caused by species of fungi in the *Diatrypaceae* and *Botryosphaeriaceae* families, respectively, are major grapevine trunk diseases (GTDs) worldwide. Spores of the causal fungi infect vines through pruning wounds and colonise wood, causing dieback and eventual vine death. In the case of the primary ED pathogen *Eutypa lata* (*E.lata*), shoots become stunted and leaves yellow and distorted. Due to the predominance of susceptible

cultivars and ageing vineyards, trunk diseases are becoming more prevalent in Australia, threatening the wine sector which contributes \$40 billion to the Australian economy. GTDs can be managed by physically removing infected wood and renewing vines from watershoots that emerge from lower, uninfected parts of the vine. Wound treatments can then be applied post-pruning to reduce the likelihood of new infections.

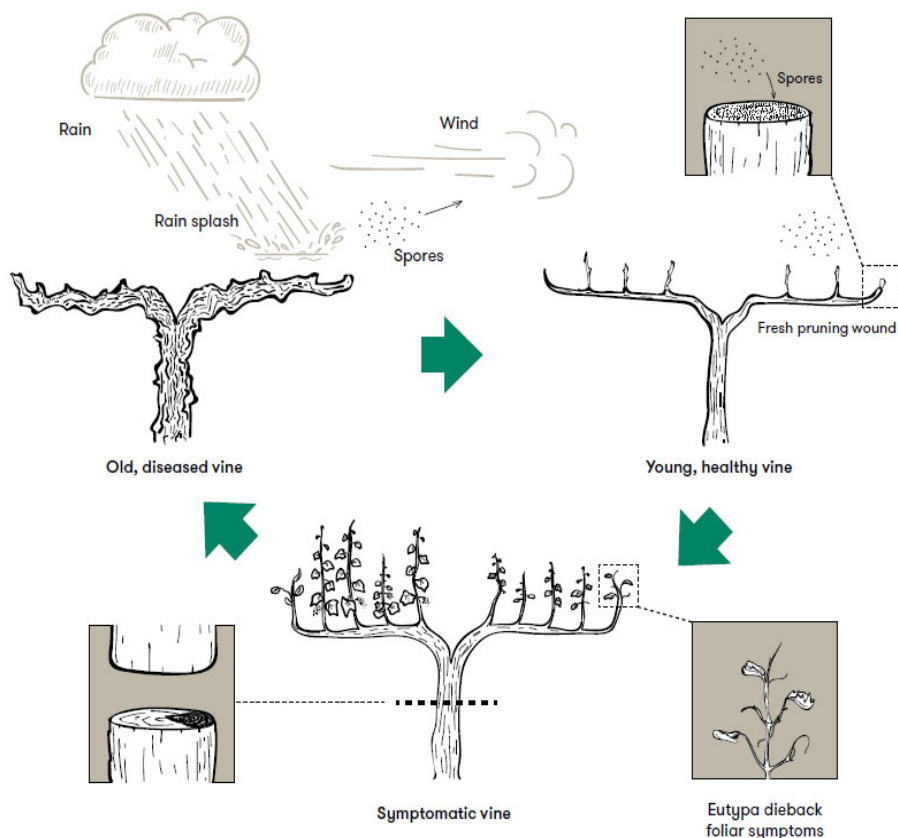


Figure 1. Disease cycle of *eutypa* and *botryosphaeria* dieback.

WINE INDUSTRY BUSH FIRE CONFERENCE REPORT

Report by NSW DPI Dr Katie Dunne.

On the 25th May 2021, the national wine sector bushfire conference was held in Sydney, Adelaide Hills, Wangaratta, Perth. It was an informative day with Angus Barnes from NSW starting the proceedings. Shane Fitzsimmons (AFSM - Commissioner of Resilience NSW & Deputy Secretary Emergency Management) gave an insight into the fires and the aftermath. It is important to be honest in dealing with issues, that is theoretically to not dress a 'S*** sandwich up as fairy bread'. It will not end well. All regions that were affected by the fires were represented.

The themes of the sessions were Prepare, respond and recover with the day a mixture of actual research findings and industry experiences. Dr Mango Parker from the AWRI provided some of the latest research findings obtained from fires. One of her key findings was that grape berries may be susceptible to smoke taint once they are formed i.e. when the berries are at pea size. Previously it was thought that smoke taint was only a major concern from veraison onwards. Proximity to fires does not always correlate with smoke taint.

Dr Ian Porter from LaTrobe University gave an update on the project he is leading in partnership with Agriculture Victoria. The project is focusing on developing a real-time early warning system for smoke taint. They are currently focusing installing a network of smoke detectors across various regions. The research project is focusing on linking atmospheric smoke dose to predict smoke taint in wine.

Trial wines were presented for participants to taste wines that had been smoke affected from various

regions across New South Wales. The wines were made from grapes had some level of smoke taint. All wines were smoke affected and from Orange and Canberra. The wines were a selection of the 56 wines that were made from smoke affected fruit. All wines showed signs of smoke taint to some level.

Winemakers gave their perspective on handling smoke tainted fruit. It is all about managing expectations, that is a lower quality wine will be likely. Otherwise it is best to find alternatives.

Richard Hamilton discussed his experience in reworking vineyards that were affected. Research is still going on and there is still a lot that we do not know. Where vines have been reworked, it was noted that the grafted vines did not as readily shoot as the own roots. A possible reason being that the graft union is a point of weakness in the grapevines. It is an area that is being studied as vineyards continue to recover from the fires. It was also noted that vines that were retrained/pruned during June as opposed to earlier in the season appeared to recover better. It was also noted that it is a two-year process for vineyard recovery at a minimum.

It was highlighted that when requiring testing for smoke taint it is best to stick to the same laboratory that provide the service to ensure that the results are comparable rather than changing laboratories mid-season. This is because of the difference in testing methods and the equipment used.

Wine Australia will be uploading the presentations from the conference to their website. They have also provided a number of resources for those that wish to know more.

ANNUAL GENERAL MEETING NOTICE

Growers should have received their copies of the Annual Report for 2020 from the Wine Grapes Marketing Board. Included in mailout was an invitation and notice of meeting to be held on Wednesday 23rd June 2021 at the Yoogali Club, Yoogali.

The meeting will include a pre meeting dinner for members and their guests. These events are a great opportunity to come together and discuss how the season went and issues that you may have incurred. The Board will seek a motion to approve the Annual

Report for 2020 from the members at the meeting.

Brian Bortolin will do a presentation to members on the costs of winegrape production which includes vineyard redevelopment. Your attendance to find out how the costs of renewing your vineyard would be a good idea ahead of pricing negotiations with regional wineries for the 2022 vintage.

RSVP to 6962 3944 or board@wgmb.net.au

COLLECTIVE BARGAINING MAY BE A REAL OPTION FOR GROWERS

The ACCC has been developing a 'class exemption' that would provide an exemption from competition law for eligible small businesses to collectively bargain with customers or suppliers, without them having to apply to the ACCC.

The class exemption is now ready for eligible small businesses to use **from 4 June 2021**.

It allows:

- businesses with an aggregated turnover of less than \$10 million in the financial year prior to them forming or joining a bargaining group to collectively bargain with customers or suppliers (target business(es)), and
- franchisees and fuel retailers to collectively bargain with their franchisor or fuel wholesaler (respectively) regardless of their size

Provided the group lodges a one-page notice (link on our [website](#)) with the ACCC and with each target business it proposes to collectively bargain with (when they first approach that target). There is no fee for lodging the notice.

The class exemption does not oblige target businesses to negotiate with a bargaining group. Nor does it

override any existing legal or contractual obligations between the parties, such as confidentiality clauses.

Guidelines for using the class exemption are available on our website. **GROWERS CAN CONTACT OUR OFFICE FOR COPIES OF ANY OF THE MATERIAL.**

The class exemption operates alongside the ACCC's existing '[authorisation](#)' and '[notification](#)' processes. A business who falls outside the class exemption can still use these to seek legal protection.

Further information about the class exemption can be found in our [media release](#) and on our [website](#).

Media Release: <https://www.accc.gov.au/media-release/collective-bargaining-by-small-business-facilitated-by-class-exemption>

Editorial

This is a great step and one that has slowly been developed by the ACCC for the agricultural and small business sector. Now groups of growers can come together and negotiate with wineries.

Growers that are interested can contact the ACCC to discuss.

IMPROVING MARKET TRANSPARENCY IN THE FRESH FOOD CHAIN

The ACCC recently reached out to the Board regarding a new initiative to improve market transparency in perishable agricultural goods industries which includes the wine grape industry. Following on from the Collective Bargaining issue as discussed above it was agreed that governments and industries should explore measures to increase price transparency in perishable agricultural goods. It is agreed that this will increase competition.

The Australian Government is committing \$5.4 million to improve market and price transparency for the fresh

food supply chains.

The ACCC has invited CEO Brian Simpson to participate in the workshops. Also attending the workshops will be representatives across the supply chain, Regional Development Corporations, Department of Agriculture, Water and the Environment and the ACCC. Workshops will be held from July until December 2021.

This is a positive step in the right direction for the industry. Knowing what you will be paid is important.

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