

WINE GRAPES AN INDUSTRY OUT OF BALANCE—The following letter has been sent to both federal and state governments to seek assistance in reducing the oversupply caused by the Chinese tariffs, COVID & Supply Chain Issues

Those of us that have been in the industry long enough will have been subjected to the highs and lows of an industry out of balance, this is reflected in the price that we receive for our fruit. Balance is the driving force of sustainability. In reality, the best we can hope for is to get close, as yields are influenced by factors

I believe that we must look to positive solutions, and for that to happen we must look at the big picture. Like it or not these tariffs have again thrown the winegrape growing industry into a severe oversupply situation,

Wine Australia

Export report

1 Apr 2021 to 31 Mar 2022



Value of exports to the top 10 markets

| | | | |
|--|-------------------------|--------|--------|
| | United Kingdom | \$449m | ▼ -2% |
| | United States | \$416m | ▼ -4% |
| | China inc. HK and Macau | \$214m | ▼ -79% |
| | Canada | \$171m | ▼ -13% |
| | Singapore | \$168m | ▲ 96% |
| | New Zealand | \$110m | ▲ 6% |
| | Japan | \$51m | ▲ 15% |
| | Germany | \$49m | ▼ -12% |
| | South Korea | \$45m | ▲ 28% |
| | Denmark | \$40m | ▲ 13% |

Volume of exports to the top 10 markets (9L cases)

| | | | |
|--|-------------------------|-------|--------|
| | United Kingdom | 27.3m | ▼ -6% |
| | United States | 14.2m | ▼ -5% |
| | Canada | 5.6m | ▼ -7% |
| | Germany | 3.7m | ▼ -8% |
| | New Zealand | 3.7m | ▲ 6% |
| | Denmark | 2.3m | ▲ 11% |
| | China inc. HK and Macau | 1.5m | ▼ -84% |
| | Japan | 1.5m | ▲ 9% |
| | Netherlands | 1.1m | ▼ -34% |
| | France | 1.1m | ▲ 5% |



59%
of wine produced
is exported



16.1 million
glasses of Australian wine
enjoyed overseas each day



1,237
active exporters



18,806
different products exported

(Continued on Page 3)

beyond our control as are markets. The planting boom at the turn of the century saw the supply of winegrapes well and truly exceed the demand by wineries, resulting in a massive price drop that took many years to recover from. These abnormalities are usually by our own making, and it was the high prices of the late 1990's that drove the increase in production. This time however the industry has been thrown into turmoil by the export tariffs imposed by the Chinese government, many blame the stance taken by the Australian government challenging China over the COVID pandemic for the problem, however blame has never solved a problem and distracts from efforts to recover.

WHAT'S INSIDE THIS EDITION

| | Page |
|--|--------|
| Wine Grapes an Industry out of balance | 1,3,&4 |
| Board Activities Report | 2 |
| Changes to Primary Producers Registration Concession | 2 |
| Grower BBQ & Information Day | 5 |
| Riverina Regional Program | 6 |
| Seasonal Weather Conditions—Griffith & Leeton | 7,&8 |
| Save the Date Farms of the Future Workshop & Grants | 8 |
| Cartoon | 8 |

BOARD ACTIVITIES REPORT



**Riverina
WINEGRAPE
GROWERS**

Index for Unsold Riverina Fruit

Due to the current oversupply caused by the Chinese Tariffs and supply chain issues, we have been made aware of some growers being dropped from winery intake lists. In an effort to find market opportunities for this fruit we need to know how much fruit hasn't got a home, so we are once again putting together an index for unsold fruit. We have identified opportunities with in NSW for other regions seeking fruit, and are at present working with NSW Wine to join the dots to try to bring these opportunities to reality.

Levy Refund of \$1 Per Tonne from the 2022 Crop

Riverina Winegrape Growers unanimously voted at a recent meeting to return \$1 per tonne from the levies received from the 2022 crop back to growers. This process is due to start soon and this money will be deposited back into your bank accounts.

Wine Australia Riverina Profitability Pilot Project

Riverina Winegrape growers has entered into an agreement with Wine Australia to do a profitability study into growing wine grapes in the Riverina. This study is a 2 part operation, with the first part being workshops with growers & researchers to understand the region and get feedback from growers that will form the basis of the Information that needs to be collected from growers in part 2. This study has taken the novel approach of paying growers for their participation in both parts of the study, any growers wishing to take part round 1 forming the questions workshops please contact Jeremy Cass on 0427 759094 or 69 623944

Young Growers BBQ with delegates from Wine Aust

Wine Australia will be coming to town on the 17th & 18th of August to hold their board meeting in the Riverina, this is the first time this has happened in a long time so to maximize on the opportunity we have asked them to come to a BBQ at midday on the 17th of August that we were planning on hosting for young growers in the region. Martin Cole CEO of Wine Australia will attend with several of his Wine Australia colleagues, to meet with young growers and kick off the profitability project with a workshop to be held in the boardroom at 1:00pm. We would encourage all young growers in the area to attend for a feed and a yarn and find out more about the profitability project, although the BBQ is aimed at the younger generation any interested participants are welcome to attend RSVP would be great for catering purposes but is not essential.

HACCP Reaccreditation Underway for Vintage 2023

Brian Bortolin is once again out and about doing HACCP audits for growers, please feel free to contact Brian to book your Audit on 0401 567449 or 69 623944 or Brian will be in contact in the near future. Please don't forget that if you have to have a third party Audit, we will provide a \$150 rebate when you present a receipt for payment or a \$100 rebate for completion of Chemical accreditation course when payment receipt sighted.

Do we have your Correct Contact Details

If any of your details have changed please let us know so that we may update our system to keep you in the loop for future opportunities as they arise. Likewise if you are no longer growing grapes and are receiving emails from us please let us know and we will take you off the system.

Changes to Primary Producers Registration Concession

By now many of you will have received a letter from the NSW Government on changes to Primary producers concessions for vehicles, these changes may impact how you currently use your vehicles.

Eligibility

To be eligible for a concession you must be a primary producer, to be considered a primary producer you must be able to show that 50% of your income is from primary production.

Primary Producer Vehicle Requirements

To get a concession, a primary producer vehicle means a Vehicle that is owned by a primary producer

which is not used or let for hire, and is **used solely or principally.**

Our understanding of these new rules is that once you have confirmed your eligibility to register your vehicle under a primary producer concession, you may only cart goods being produced or consumed by your operation. You will not be able to use this vehicle to cart other primary producers product or to take equipment to other primary producers properties for contract work. For more information on these changes please contact Service NSW on 13 77 88, or on the net visit <http://bit.ly/primary-producers>.

Wine Grapes an Industry Out of Balance cont.

(Continued from page 1)

this is due to a reduction in exports as can be seen Latest wine Australia export report.

Other factors come into play here as well, The COVID pandemic has impacted many areas of day-to-day life, causing costs to rise and services to be reduced. The increase in the cost of freight is a good example of this and is impacting the bottom line of exporters like the wine industry. The war in the Ukraine has also added to the problem, as exports to Russia are now subject to sanctions placed upon Russia by government.

While we welcome initiatives by the government to help boost exports into other markets and increase tourism, the reality is that these things take time and focus only on one side of the problem. It could be a very long time before we again see winegrape growing as the vibrant sustainable industry that it should be, that is if we don't take it upon ourselves to try and fix the situation.

We need to ask the government for assistance to do this, so far help has only been leveled at wineries in the form of trade deals with India, and grants to upgrade facilities and increase tourism.

Coalition set to announce \$20 million package for wineries

May 07, 2022 - 7:34AM

Wineries, distilleries and breweries will have the chance to apply for a share in a \$20 million grant as part of a Coalition tourism pledge.

The Prime Minister is set to announce the plan, which would see \$15 million in grants for wineries, distilleries and breweries to build or upgrade on-site facilities.

A further \$5 million will be invested in tourism events to help bring more visitors to the sites.

One of the things that I have noticed since taking up my present position as CEO of Riverina Winegrape Growers is that when it comes to wine, growers are the invisible part of the industry. When people think of wine, they think of a picturesque winery surrounded by vineyards, this could not be further from reality in the commercial regions. The Large commercial regions of the MIA/Riverina, Murray Darling & Swan Hill, and the Riverland are the engine rooms of the industry, together in 2021 they produced 1,310,490 tonnes of fruit. The portion of this that was produced by growers was 935,834 tonnes, this equates to 46% of the 2021 annual crush Australia wide.

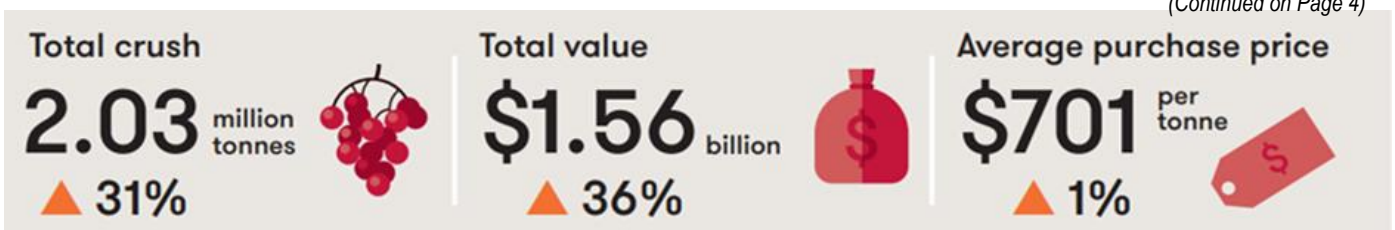
We are the Farming sector of the wine industry, as opposed to production, which is a space filled by the wineries. As farmers we are passionate about what we do, which makes it all the harder to bear when something like this comes along to attack our viability. I believe that the help we need to rectify this situation is the form of some sort of financial assistance by government to allow some winegrape growers to transition into other areas of farming.

I am not asking for a handout, I am looking for a hand up, I believe that growers would like to be active contributors to the nation by way of taxes, but this can't be achieved if we don't make any money. Now that Vintage 2022 has just finished, we have seen fruit dropped to the ground, we hear that wineries are full to the gunnels, and the prospects for vintage 2023 look grim. Talk of further price reductions and possible caps on yield have already started to circulate, this means that we can expect to see more fruit being dropped to the ground next year. This is not just a depressing prospect it is also irresponsible, as it is a waste of precious resources that could well be utilized elsewhere. Sustainability is the new buzz word being bandied around the industry, but how can we be sustainable if we are not viable. Vineyard inputs are not helping as we see significant rise in price in most sectors, some fertilisers like urea have tripled in value in the past 12 months and are getting harder to obtain.

Herbicides and fungicides are following suit although not quite to the same degree. Water is a precious commodity and although the dams are all full at the moment, we all know that this can change very quickly. We have all been aware of the pressures

(Continued on Page 4)

| Vintage 2021 - Winegrape Production - Tonnes | | | |
|--|---------|----------|---------|
| Region | Growers | Wineries | Total |
| MIA/Riverina | 241767 | 108911 | 350678 |
| Murray Darling & Swan Hill | 260065 | 141495 | 401560 |
| Riverland | 434002 | 124250 | 558252 |
| Totals | 935834 | 374656 | 1310490 |



Wine Grapes an Industry Out of Balance cont

(Continued from page 3)

put on water especially with regard to the Murray Darling Basin Plan, to waste water on a crop that may be picked to the ground is not a good look. What are our options, vineyards are a perennial crop that has a sizable investment in infrastructure, and no one wants to see their asset eroded so it becomes a case of water and hope for the best. The rising cost of Diesel has also become an issue for all farmers, but this is made even worse with the promise of low returns for fruit. It is impossible to run large scale vineyards without tractors and farm utes, and while we don't just drive these things around for the fun of it, it is still a significant input cost that we can't do without. By wasting diesel on crops that must be picked to the ground, we are not only wasting this expensive resource we are also contributing unnecessarily to an excess in emissions.

You may well ask what else is there, well we haven't touched on the human cost, be it your own input or the wages paid to hired help to get the job done. We are all aware of the labour shortage that has been exacerbated by the COVID pandemic, this has become a national problem in all sectors especially farming. The cost of labour is high and where possible farmers try to minimize this but doing as much work as possible themselves, or by utilizing the help of family. Nine times out of ten, probably more, farmers don't draw a wage. Most of us are aware of third world problems that see workers struggle to survive, and the efforts that have been made to make the world aware and remedy these problems, by forcing companies to pay a living wage in order to advertise their coffee, chocolate, or palm oil as sustainable. This is not what we expect to see in a first world country, yet for growers making a loss by growing and supplying fruit without drawing a wage it is very real. This is an issue that is hidden in from the world, as wine industry portrays a clean and sustainable image to all and sundry. The unfortunate side effect of all this is that we will see a rise in mental health issues as farmers try to come to grips with their very survival, we are already seeing the average age of winegrape growers rise due to the younger generation seeing no future for the industry. They are pursuing other careers rather than following in their forebears footsteps, as they possibly would have preferred to do if our industry was indeed sustainable. This further degrades the industry, less and less young people are enrolling to study viticulture, my observations over the years show that many growers encourage their kids to get a trade, or qualification in something else, so they have something to fall back on should they decide to come back on the farm.

The unfortunate truth is that without assistance some of us will not make it to the other side, some may also

walk away from their vineyard assets as they try to survive, by taking up off farm work or by contracting out their services. This poses a number of issues and adds to the problem, I have seen growers affected by hail this year that lost considerable amounts of crop and farm infrastructure. After much hard work to convince growers that reporting these events is important and means that weight is added to the problem in the eyes of government. Substantial grants were announced to help remedy the situation, only to have growers walk away disappointed as they are not eligible due to more than 50% of their income being earned off farm. Primary producer concessions are also being eroded due to this, its catch 22 situation, growers try to survive by generating off farm income only to lose the ability to claim these benefits. Growers that walk away from plantings usually do so due to not being able to afford to continue to run them, this means that generally they do not have the money to remove them. This poses the problem of having abandoned vineyards, these vineyards continue to grow under stressful conditions. Not only does this become an eyesore which is not a good look for tourists visiting the area, it also becomes a haven for pest and disease outbreaks causing issues for neighboring vineyards and possible biosecurity risks. So, we need to lobby government both federal and state, and show that we are being proactive and responsible members of our industry. We need to educate them on the realities of who we are and how we fit into the big picture, and our importance to the wine industry as growers. We need to point out that the current situation is not of our making, but the suffering is real, and without help not likely to go away soon. We must show that we are trying to be part of the solution and not part of the problem, but that we need assistance help to achieve this. We need to point out all the problems that have been mentioned above, and how the current situation is putting pressure on a number of areas that the government is trying to correct. Waste due to a significant amount of fruit being grown without a home will not help inflation or the cost of living. Waste of chemical fuel and water that could be better utilized elsewhere, has supply, price, and environmental implications. We need to show that a healthy industry is not one that poses mental health risks, but one that is inviting for younger generations to aspire to and is sustainable. We need to bring balance back to our industry, and when that is achieved the industry will be sustainable and ready to take on the challenges of the future. If we do nothing, I am scared to think what the future holds for an industry that I am passionate about and have made my living from, an industry that was a jewel in the crown of Australian agriculture, and hopefully we be again.

GROWER BBQ & INFORMATION DAY

An informal BBQ and information day was held at the Riverina Winegrape Growers office and carpark on the 11th May 2022, this event was staged in conjunction with Riverina Citrus to support growers who had been impacted by the numerous hailstorms that passed through the region. The information day was attended by representatives from Resilience NSW, the Rural Assistance Authority, Rural Financial Councilors, Mental Health, and NSW DPI farms of the Future, who set up stands in the carpark out the back to engage with growers and help them understand how the system works, and provide information on accessing grants that had been announced by Dugald Saunders NSW Minister for Agriculture. Whilst this was going on in the carpark with the BBQ, we had mini workshops running through out the day in the board room with Martin O'Donnell from business connect, these workshops were to help growers claim the \$3000 rebates initiated by Service NSW as a COVID relief strategy, where up to \$3000 could be claimed back for rates and registration payments that had been made in the past year. NSW Farmers were sponsors to the event by providing all the food for the BBQ, Daniel Brear NSW Farmers Regional Services manager—South West was in attendance and brought with him tickets to the Riverina field days that he gave out to growers wishing to attend. The BBQ was well attended by both wine grape and citrus growers, with positive feed back from both attendees and presenters. This event had the flow on effect mainly by word of mouth from attendees to others that could not make it, that for the next couple of days the phones and email were running hot with enquiries from growers on how to access help in getting the rebates and accessing grants. In order to facilitate this we made the board room available for this purpose, the main interest was in the rebates as they were open to anyone with an ABN number that had rates or registrations as part of the business. Martin was generous with his time and booked growers in for one on one meetings that saw many growers pass through the our door to access the rebates. Sarah Diggelmann who is a Rural Financial Councilor based in Leeton also spent several days working out of the board room, helping growers access grants for storm and hail damage. Unlike the service NSW rebate that closed at the end of June, the grants are available



to eligible growers up until September, I would urge all growers who are unsure on if they are eligible to contact Sarah Diggelmann on 1800319458 or 0447 479694. The success of this event has given reason for us to host more of these informal get togethers in the future, we would like to include where possible mini workshops or presentations that are of interest to growers, So please feel free to contact me on 0427 759094 or any of the board staff 02 69623944 if you have anything you would like us to use as a focal point for future events.

Riverina Regional Program Update

Cover crop trials

In June- July 2022, a project involving the collaboration with AWRI's Robyn Dixon and Dr Chris Penfolds saw the planting of cover crop trials in the Shiraz block at the research station and undervine cover crops in one of the Chardonnay blocks. The objectives of these trials are to test potential cover crop options for the Riverina. The options being tested include 1) creeping salt bush, 2) kasbah cocksfoot, 3) medic, sub clover and ryegrass blend, 3) volunteer sward and 3) cultivated control. Undervine treatments include 1) cocksfoot, 2) sub clover and ryegrass, 3) medic and ryegrass and 4) herbicide control. A similar trial is already underway in the Murray Valley. Soil moisture probes will be installed to track water usage.

Scale Management Trials

Scale management will also be underway this season trialling the timing of currently registered chemical options. These trials will be a multi season project as it will take some time to see if treatments have worked to control the pests. Those wishing to be part of the trials please let the Board know. The trials have been designed in consultation with Jenny Venus who spoke about the chemical options for scale at the April workshop.

Irrigation trials

As part of the Riverina Regional program, there continues to be a focus on irrigation practices in the region. This season will see a focus on using AgTech to help schedule irrigation focusing on timing and minimising water usage. The project will also be trialling other AgTech equipment that was showcased at the recent AWITC in Adelaide. Regional data obtained from flow meters installed in several blocks will continue. The data from this project was shared with a SARDI led project investigating irrigation practices in the Irrigated regions. A report will be made available later in the year on this project.

Events

Over the next few months there are a number of workshops being held at the Griffith Research Station. Registrations for all events can be made either through the board or myself. The workshops include:-

Spring Vine Health Field Day

Topics will include soil health, autonomous tractors and other AgTech, biological control options for botrytis. Presentations will consist of both in person and virtual with speakers. Morning tea and lunch will be provided.

When: Tuesday 30.8.22

Time: 8.30 am (registration), 9.00 am – 2 pm

Where: NSW DPI Griffith Research Station, 200 Murray Road, Hanwood NSW 2680

Digital Irrigation Scheduling Masterclass

This workshop will run over two weeks at the Griffith Research Station. A similar workshop was held for Citrus growers earlier in the year. Presenters will include Steven Falivene, Robert Hoogers and myself. Both Steven and Robert have a combined experience in irrigation over 30 years. Numbers are restricted to 20 people as it includes both theory and practical components. Topics include:

- How water is stored in the soil and how plants interact with water, soil and nutrients (RAW)
- How plant use water, what drives plant water use and how to estimate (Eto, VPD)
- Linking soil moisture to plant water use: calculate when to apply water and how many hours
- Managing the problems and limitations of variability and interpretation
- What do the squiggly lines on the graphs mean, how do you set the irrigation trigger/line?
- The different sensors and digital telemetry devices available: pros, cons and cost
- Your experience in irrigation; bringing it all together and discussing results.

Dates of the workshops are

Day 1: 14th September 2022 (12:00 pm – 5:00pm)

Day 2: 15th September 2022 (9:00 am:- 5:00 pm):

Day 3: 19th September 2022 (9:00 am – 12:00 pm)

Day 4: 20th September 2022 (9:00 am – 5:00 pm)

Please note: some days will finish earlier than the 5:00 pm. There will be Citrus workshops running during these dates as well. Registrations are a requirement. There will be scope to run this workshop again next year if there is request. A flyer will be sent shortly detailing the topics covered. The workshops were designed in consultation with industry. Catering will be provided for all events. The event is being funded by Wine Australia's Regional Program.

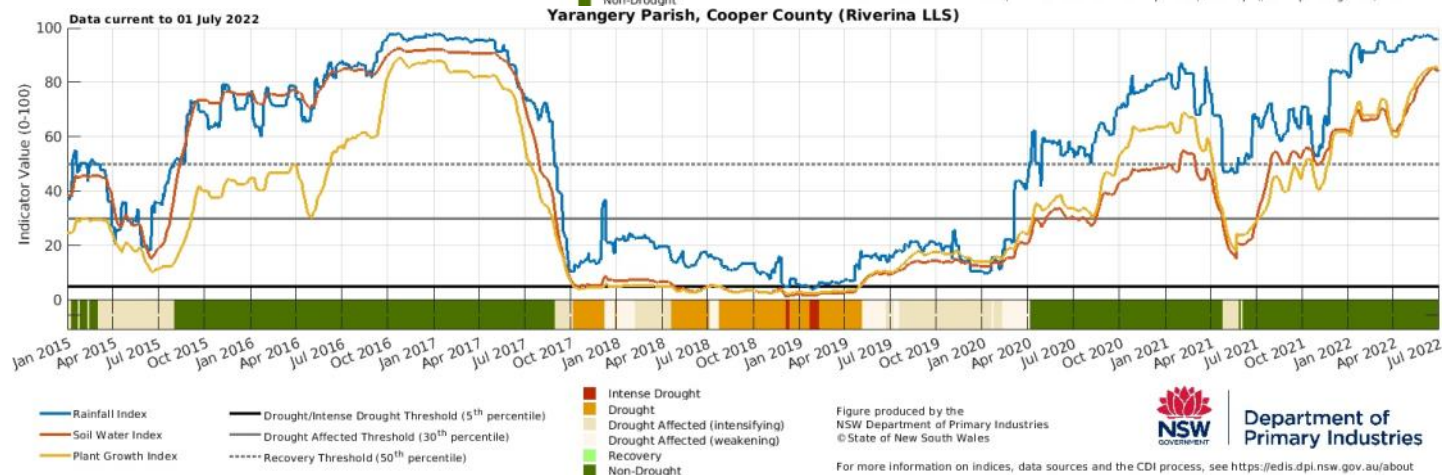
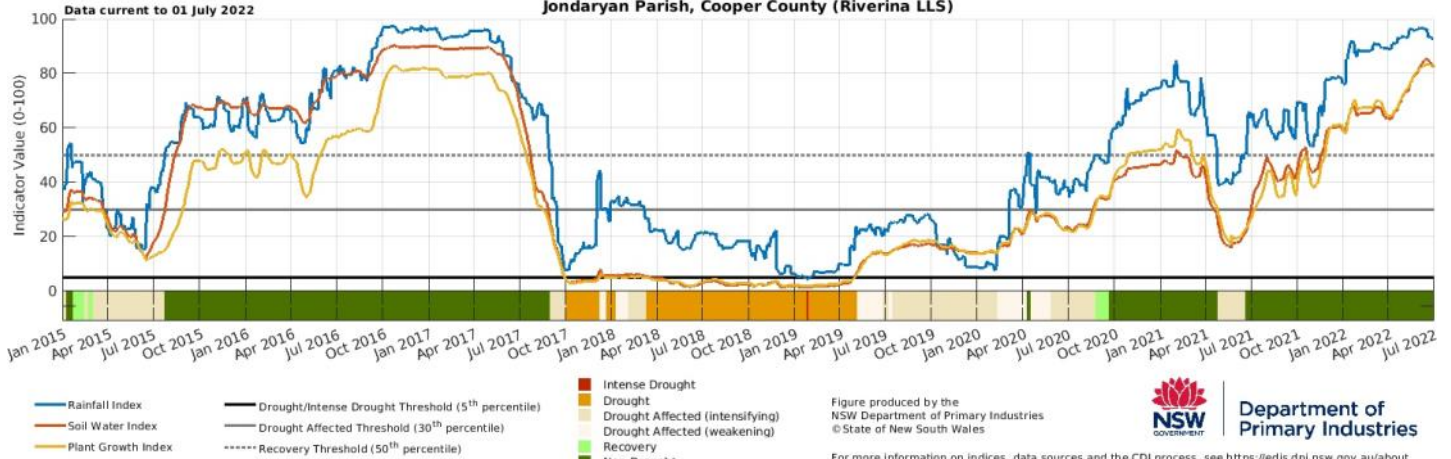
Best Practice Spray workshop

In collaboration with AWRI a workshop will be held at the station on the 13th October at 8:30 am. Catering will be required and there will be no cost to attend the event. The day will include demonstration of best practice spray application. Suppliers will be showcasing their equipment and will include Silvan, Croplands and AME Group. Speakers will include: Marcel Essling (AWRI), Alison Macgregor (ATGA), David Maktelow (Applied Research and Technologies) (formerly Plant & Food NZ). Catering will be provided. There will be no cost to attend the event as it will be funded under the Riverina Regional Program.

Any questions about the workshops don't hesitate to ring me on 0429 361 563 or email: katie.dunne@dpi.nsw.gov.au. Keep an eye out for VineWatch for updates on events.

Seasonal Weather Conditions—Griffith and Leeton

Jondaryan Parish, Cooper County (Riverina LLS)



Time series maps for Griffith (Jondaryan Parish) and Leeton (Yarangery). These show the Soil water, Plant growth, and Rainfall indices are currently all high, and these parishes are in the Non-Drought category.

- Below average rainfall was received across most of the Riverina western Murray LLS regions in June

- Generally between 5 and 25mm of rainfall was received in the western Riverina, with rainfall increasing towards the east.

- Total Rainfall for this year (1st Jan to 30th June) for around Griffith is between 400 and 600mm.

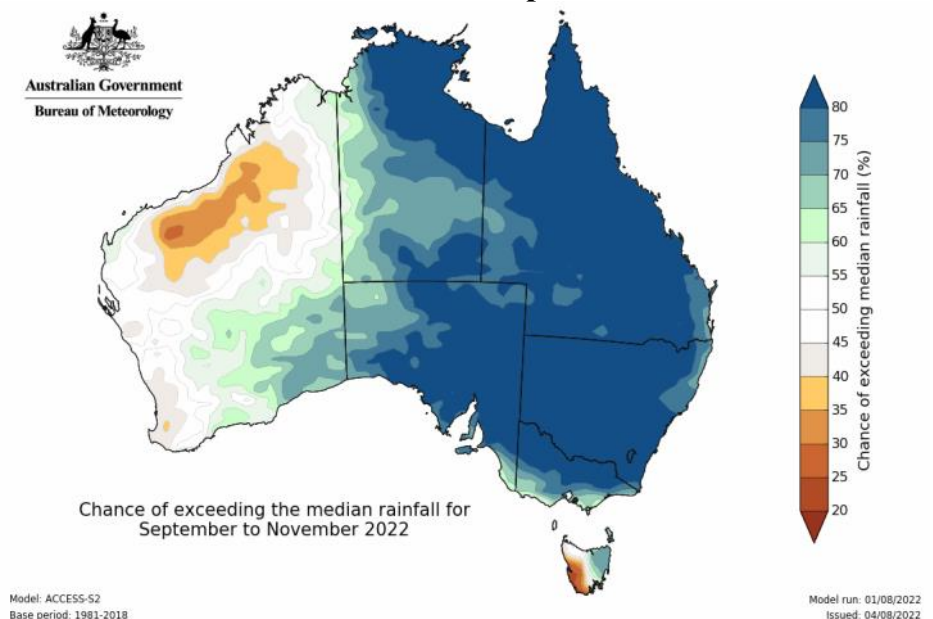
- June maximum daytime temperatures were slightly cooler than average

- June minimum overnight temperatures were slightly warmer than average

- The BoM outlook for NSW for July to Sept

suggests a cooler and wetter winter ahead: increased chance of above average rainfall cooler than average days warmer than average nights

Rainfall Outlook September to November



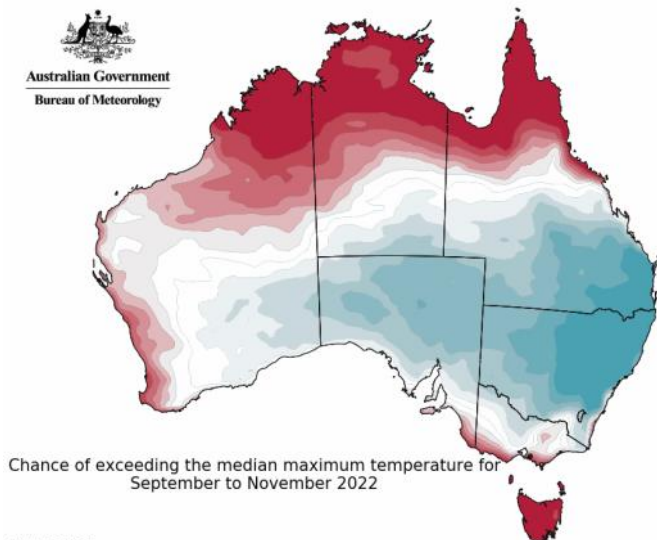
Rainfall in the Riverina has an 87% chance of being higher than average, with an outlook accuracy of 77%

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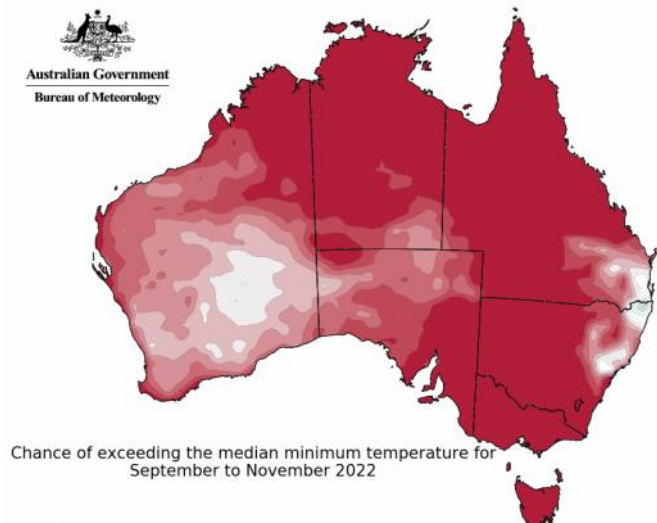
Seasonal Weather Conditions—Griffith and Leeton

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Temperature Outlook September to October

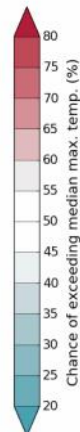


Model: ACCESS-S2
Base period: 1981-2018

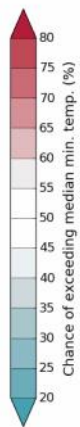


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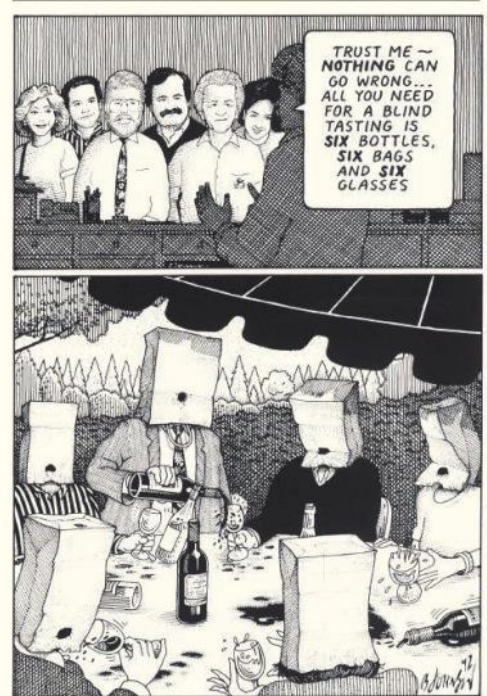
Maximum Temperature in the Riverina has an 47% chance of being higher than average, with an out look accuracy of 83%, while Minimum Temperature in the Riverina has an 91% chance of being higher than average, with an out look accuracy of 88%. At this stage the weather conditions for spring look a lot like the past couple of years, with greater than average rainfall and higher than average minimum temperatures.



Model run: 01/08/2022
Issued: 04/08/2022



Model run: 01/08/2022
Issued: 04/08/2022



Save the Date Farms of the Future Workshop and Grants

The Farms of the Future program will deliver on-farm connectivity solutions to five target regions comprising 11 local government areas (LGAs) in rural and regional NSW. It is aimed to encourage producers to adopt Agtech to assist them to boost productivity, increase their market competitiveness and improve sustainable use of resources in the agricultural sector, which includes water efficiency, drought preparedness and increasing resilience to climate change.

Griffith and Leeton have been selected for the first round of workshops, this will take place on the 19th September 2022. the grants will be up to \$35,000 (subject to approval), with a level of co-contribution required of 30%. For example, if you purchase \$50,000 of eligible Agtech, then the government will support \$35,000 and your contribution will be \$15,000. Completion of the training is one of the grant eligibility criteria. For more information please contact Sarah Groat Development Officer Farms of the Future on mobile 0400 311 196 or Email sarah.groat@dpi.nsw.gov.au

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