

### The Return Of China No Quick Fix



Recently the government rejected a deal proposed by China to end the wine tariffs, the deal was a trade off with the Australian government to lift the tariffs on steel train wheels, stainless steel kitchen sinks and wind turbines. The offer was rejected by the government as they consider these to all be separate issues, and they believe that they can fix the wine issue through dialogue with the Chinese government. This has given hope to the wine industry that China will be returning to the trade table soon. While we all welcome back trade with China it will not be the quick fix that the industry needs. We need to be aware that the field has changed since we last played there. Statistics show that the wine consumption in China has halved since 2017 and is continuing to drop on a year by year basis. In our absence we have lost market share to France, South Africa, and South American countries, on top of this Chinese wine production is growing and improving. Added to this the Chinese economy is slowing, following the global trend

since COVID, and last but not least are the supply chain issues and timing. As we are not far away from vintage 2024 and wineries are still reasonably full it will take at least 12 months to get this trade back into full swing. What does the new full swing look like? The general consensus is that if we get back to 50% of what we were doing pre COVID we will be doing well.

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## BOARD ACTIVITIES REPORT



**Riverina  
WINEGRAPE  
GROWERS**

### Lobbying Politicians

Due to the state of the industry Riverina Winegrape Growers have spent a lot of time lobbying politicians on the plight of the industry. This is happening on both the federal and state level. Our first priority has been to make the politicians aware of the state of the industry and present them with a copy of the profitability report prepared by Charles Sturt University, as proof of our concerns. On the state level we have had meetings with Member for Murray, Helen Dalton MP and NSW Minister for Agriculture Tara Moriarty MP. We lobbied for legislation to protect growers by making it illegal for a winery to take grapes if they haven't paid for the previous vintage. Also, financial support for growers under financial stress, support for a mandatory code of conduct for the industry that covers the grower through to the retailer and the detriment of water buybacks in our region. We had a meeting with Federal Member for Farrer, Susan Ley, who got us access to some of Federal Member for Agriculture, Murray Watt's staff for many of the same things. We will continue to pressure government by whatever means available for the benefit of growers.

### Profitability project

The profitability project has now entered phase 2 which is aimed at including the wineries and comparing our selves with both the Murray Valley and the Riverland. The completion of Phase 1 culminated in a report on the local industry by Charles Sturt University. This report doesn't tell us anything that we didn't already know, but it does formalise it. This gives

us a tool to present to the politicians that shows that our concerns are valid. The report was ground truthed by Jason Cook who spent a lot of time meeting with growers while in his capacity as Industry Liaison Officer with NSW Wine. Jason's report has given us direction as a commercial region for the future. I would like to thank Jason for all of his hard work during his tenure as ILO and wish him well in his future endeavours.

### Advanced Viticulture Course Sponsorship

Riverina Winegrape Growers have again sponsored two growers to the 2023 Advanced Viticulture Course. The course will be attended by Jared Bianchini, and Ryan Torresan. This course takes place in South Australia over a week in October. Attendees will be exposed to leaders in all aspects of viticulture while exploring several regions in SA. Riverina Winegrape Growers started this initiative in 2022 and the positive feedback from the attendees encouraged us to continue sponsorship in 2023.

### Mental Health First Aid Course

Due to the current state of the industry we are extremely worried about the mental health of growers. One of the initiatives that we are sponsoring is a mental health first aid course. The two day course runs 16 and 17 November 2023 from 9:00am to 3:30pm in the Board room 182 Yambil Street. This is something that I feel very strongly about. I will be attending so that this resource will be available to growers. I would like to offer my support to any grower that needs to have a talk or let off steam. I would also encourage others to jump on board as we still have places available. The more people we have on the ground the better.

Event	Date	Time	Venue
Farming & Small Business Workshop - RFCS	10/10/2023	8:30am-12:30pm	Quest - Griffith
Budget & Strategic Plan Meeting and Dinner	11/10/2023	7:00pm	Yoogali Club
Advanced Viticulture Course	16/10/23-19/10/23	All Week	South Australia
Grower BBQ	6/12/2023	11:30am - 2:30pm	Riverina Winegrape Growers Car Park
Riverina Winegrape Growers Annual Office Closure	23/12/23-7/1/24	Office will reopen on 8 January 2024	



## Australian Grape and Wine and Wine Australia One Sector Plan



**Interested growers attended the One Sector Plan informal workshop**

On 30 August the “One Sector Plan” road show rolled into town, bringing with it CEO’s Martin Cole Wine Australia, Lee McLean Australian Grape and Wine, Mark Krstic Australian Wine Research Institute, Chris Byrne Australian Commercial Wine Producers, Jim Caddy Chairman of the Inland Wine Regions Alliance and JP Van Moort Workshop Facilitator from ACIL Allen. The reason that a plan was needed so soon after the last plan was put in place, was the industry oversupply issue that changed the whole focus of the old plan. Over the course of two days two separate workshops and a BBQ took place. These workshops have been held regionally for the large inland areas as well as on a state and national basis, to get as much input from all aspects of the wine industry. There were common themes across the meetings held in the inland regions, one being more wine sales, as the top priority, followed closely by keeping all sectors



**Growers and Visitors enjoying the BBQ**

profitable. We are now waiting on the FINA report. This should hopefully provide the industry with a sustainable pathway to the future.



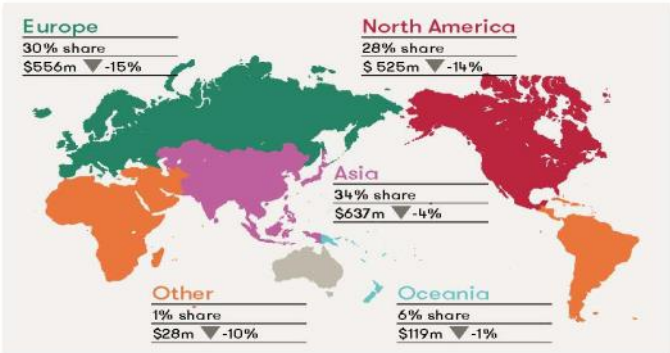
**Representatives from most of the larger local wineries attended the One Sector Plan workshop**

Wine Australia Export Report

Wine Australia  
Export Report

1 July 2022 to 30 June 2023

Total value	\$1.87b	▼ -10%
Total volume	621m litres	▼ -1%
Average value	\$3.00/litre	▼ -10%



Exports by price point (value)			
\$10.00 +	\$620m	▼	-7%
\$7.50 - \$9.99	\$113m	▼	-8%
\$5.00 - \$7.49	\$186m	▼	-18%
\$2.50 - \$4.99	\$484m	▼	-20%
< \$2.50	\$462m	▲	0.3%

Top 5 export destinations (value)			
	United Kingdom	\$364m	▼ -14%
	United States	\$359m	▼ -18%
	Hong Kong	\$220m	▲ 29%
	Canada	\$163m	▼ -6%
	Singapore	\$128m	▼ -24%

Top 5 export varieties (litres)			
	Chardonnay	156m	▲ 1%
	Shiraz	146m	▼ -6%
	Cabernet Sauvignon	89m	▲ 2%
	Pinot Gris/Grigio	41m	▲ 3%
	Merlot	40m	▼ -4%

**59%**  
of wine produced  
is exported

**117**  
export  
destinations

**1,221**  
active  
exporters

**18,242**  
different products  
exported

**15.9 million**  
glasses of Australian wine  
enjoyed overseas each day

Commonwealth Government opens the door to buybacks

The Federal Water Minister's decision to introduce buybacks for the first time to recover 450GL for South Australia was extremely disappointing. Equally alarming is the change in language around **socioeconomic impact** on **regional communities**. Under the 2012 Basin Plan, water for the 450GL could only be recovered through efficiency projects and only if there was a **neutral or positive** socioeconomic impact. The Plan will **now** be rewritten to say **minimal socioeconomic impact**. The Government needs to answer what **minimal** means and who arbitrates. **Minimal** impact looks very different to people living in Murray compared with those in eastern Sydney. The then Water Minister Tony Burke, who signed the Murray Darling Basin Plan into law in 2012, was clear that recovering the 450GL was conditional on no social or economic downside for communities.

It is a fact that direct and indirect buybacks have lasting negative socioeconomic impacts. Murray Darling Basin Authority analysis attributed more than 3100 net FTE jobs lost mostly in small towns to buybacks since 2001. These regions are still trying to adjust to that legacy more than a decade after buybacks ended. Now the Government is expanding buybacks beyond what was allowed under the 2012 Basin Plan. It's doing this despite the Basin Plan succeeding with its Sustainable Diversions Limits (SDLs), now in place. Compliance with SDLs to the point water use is now chronically below SDLs; Basin Plan KPIs being met in the SA lower lakes and Coorong; improved environmental resilience to drought and just 28% of inflows now diverted for farming, towns and industry with 72% remaining in rivers – a diversion ratio envied around the world.





# NSW WINE

Riverina Winegrape Growers are members of NSW Wine, being our peak body for the industry. Some of the activities and initiatives that have been of benefit to the Riverina Winegrape Growers include being a valued partner in the profitability project and championing the next generation of weather data delivery, with a pilot scheme hopeful to be up and

running soon. NSW Wine are also responsible for the formation of the NSW Parliament Friends of Grape Growers, this group is headed up by Clayton Barr MP for Cessnock, Dave Layzell MP for Upper Hunter, and Phil Donato MP for Orange. This group is a conduit to state government and meets quarterly on a semi social basis to talk over industry concerns.



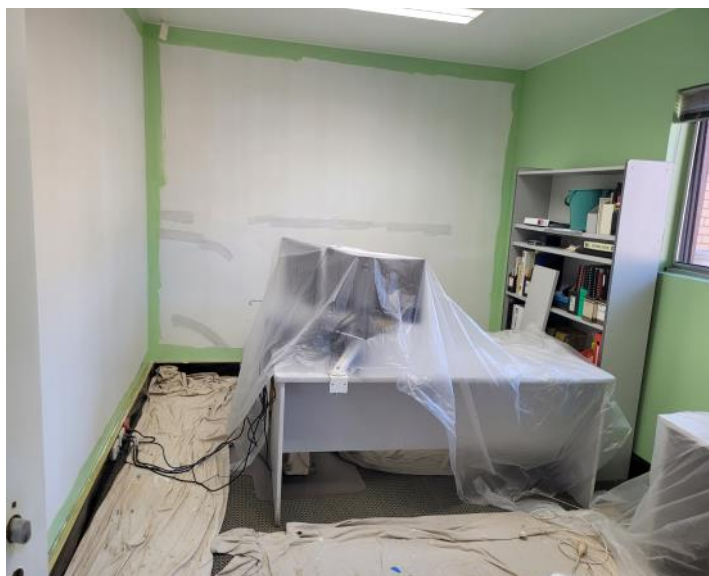
**Delegates at the CSU wine Strategy Workshop**

## CSU Wine Strategy Workshop

On 25 August wine industry representatives from far and wide descended on the Charles Sturt University campus in Wagga Wagga. The purpose of this workshop was to foster alignment between industry needs and research capabilities through a combination of presentations and facilitated activities. The workshop sought to create a platform of meaningful dialogue with the ultimate goal of generating alignment and fostering collaboration while shaping the strategy by integrating industry insights.

## Riverina Winegrape Growers Office Is Getting A New Coat Of Paint

In the 20 plus years since the construction of the Riverina Winegrape Growers building we have not had to do much maintenance. However age takes its toll on and a new paint job was in order to give the building a lift.



**The Offices and Board Room Getting Fresh Coat Of Paint**

## Ciatti Global Market Report September 2023—Australia

Typical for the time of year, Australia's bulk market remains quiet. With the Northern Hemisphere mid-harvest demand from Europe, the US and Canada has softened as they analyse their new intake and/or deal with their own excess supply. There is hope for more domestic movement as spring arrives and inflationary pressure on consumers continues to ease.

Weather conditions have been favourable, with bouts of warm, sunny weather and intermittent rain seeing in the start of budburst. Wineries are already seeking to lock-in bottling dates in the lead up to the Christmas period to ensure their potential markets have adequate stock.

Speculation continues as to when China will remove its import tariffs on Australian wines: one likely scenario is around the time Australian Prime Minister Anthony Albanese is due to visit Beijing, which is expected to be in late October. Since China removed its tariffs on barley in early August, the first shipment – mainly used for animal feed and beer production – has already left Australia.

However, the process may not be so straightforward for wine which, in contrast to barley, is viewed as a luxury item rather than a required commodity and therefore may face more robust opposition from the Chinese government. It also must be borne in mind that the end of China's tariffs will not necessarily unleash a wave of demand for Australian wine: the Chinese economy is currently sluggish, there is a declining consumption of wine within China, and there is strong competition in that market from French, Chilean and domestic wines.

The annual inflation rate in Australia dropped to 4.9% in July, down from 5.4% in June, according to the Australian Bureau of Statistics. This is the lowest inflation level in 17 months and is attributed to the falling price of fresh produce, holiday travel, and fuel.

The Reserve Bank of Australia has confirmed the cash rate – its benchmark interest rate – will remain unchanged for the month of September at 4.1%, its third consecutive monthly pause. Analysts had previously expected further increases in the cash rate by Christmas but, with inflation now easing, they now believe it will stay at its current level until the end of the year.

Accolade Wines has sold prestigious sparkling wine brand House of Arras to an Australian wine company, Handpicked Wines. House of Arras is a Tasmanian sparkling house backed by US private equity company Carlyle Group. Its sale by Accolade includes the brand, 24 hectares of premium vineyards, stock, and the Bay of Fires winery and cellar door located in Pipers River, Tasmania. The wines will continue to be made by renowned winemaker Ed Carr, at Accolade facilities, while the grapes will continue to be sourced and crushed in Tasmania.

A plan costing AUD13 billion to return water to the Murray-Darling river system is causing ongoing debate between politicians, environmentalists, and farming communities. Under the Murray-Darling Basin Plan, the government intends to buy water entitlements from farmers. The sale of water would be voluntary and would mean grape growers can sell their allocated volumes back to the government for a set price per megalitre – a price yet to be determined. The buyback scheme requires 450 gigalitres of environmental

water to be returned by the end of 2027 in order – it is argued – to ensure the health of the river system and surrounding plant and animal species. Many believe, however, that the initiative could have a harmful effect if insufficient water is subsequently available for crops, impacting local economies and jobs. After three years of wetter El Niño weather conditions, a drought in the near future is widely expected.

## HACCP Certification And Chemical Users Course

Riverina Winegrape Growers Extension Officer, Brian Bortolin is the man to see if you need your HACCP done. Don't leave it until vintage, get in now and get it done. A reminder if you have already done a chemical users course and paid for it then you can get a \$100 rebate or a \$150 rebate for a third party HACCP audit. Contact Brian Bortolin if you require either a full

course or a reaccreditation.

It is also a great time to check with your winery as to their chemical requirements for the year.

**For more information or to make a booking call Brian on 0401 567 449**



## NSW Farmers Griffith Round Table

On 5 July Riverina Wine Grape Growers hosted a NSW Farmers round table in our board room. The event was chaired by NSW Farmers President Xavier Martin. The purpose of the event was to get feedback from local agricultural industries to lobby government for the betterment of farmers. The two hour event saw representatives from many of the local agricultural and horticultural industries voice their concerns. Some of the things that we presented as challenges to the grape industry started with the Chinese tariffs that have thrown the vine grape industry into a gross over supply, as well as the need for a mandatory code of conduct, legislation to protect growers from wineries that haven't paid their growers, water and the MDBA.



NSW Farmer Round Table Gathering

## Australian Commercial Wine Producers

On Wednesday 9 August Riverina Winegrape Growers hosted a meeting of the local representatives of the Australian Commercial Wine Producers. Riverina Winegrape Growers attend as observers as we are members of the Inland Wine Regions Alliance. The IWRA has a focus on growers, but is more than willing to support mutual interests of both parties. The meeting was chaired by Chris Byrne CEO of ACWP and was aimed at putting a strategy in place to have some cohesion to take to the One Sector workshops. The meeting was well attended by local wineries. It was suggested that wineries always want an oversupply so that they can get grapes cheaper while growers want a shortage so that they can get high prices, I took this opportunity to argue that an industry out of balance is not good for wineries or growers, as an over supply not only drops the price of grapes but has a negative impact on the bulk market that flows on to the price of wine. Conversely a shortage usually means prices that cause planting to begin again, and the pattern repeats. Growers would much prefer to have a stable market where all stakeholders were financially sustainable. Chris Byrne also chaired similar meetings in the Riverland and the Murray Valley and not surprisingly the focus was much the same in all regions. **The common themes to come from all these meeting were:**

1. Lack of representation. All of the industry will benefit if ACWP can be *formally recognised* as a “declared body” under the Wine Australia Act. This is crucial if we are to influence policy settings. The present arrangements are unrepresentative and neither fair nor just.
2. The supply/demand imbalance is diminishing the value of every wine industry enterprise impacting our communities and regions. A *regional “Balance Sheet” mechanism* would be revealing and compelling. You may recall, we proposed that a Regional Balance Sheet be devised as part of the Chifley talks back in 2009.
3. Industry’s failure to recruit, educate and retain new consumers and skilled resources is undermining innovation, competitiveness, resilience and reputation. This situation demands re-set, not repair.
4. Inadequate data/information/education systems limit our ability to anticipate consumer preferences, plan strategically, manage risk and “grow the pie” for the benefit of industry, communities, regions and economies at all levels.

## Riverina Wine Show Dinner

Riverina Winegrape Growers continue to be the major sponsor for this event, albeit at a reduced level. This year the wine show dinner was held at the Whitton Malt House, and had over 120 in attendance. It was great to be a part of a positive wine industry event as they have been few and far between in recent times, plenty of good wine was on hand to be enjoyed by the attendees. The wines that were served were all award winners and while not all the wines were local it was pleasing to see the quality of some of the local winners. As the major sponsors of this event a representative of Riverina



**Steve presenting Sam Brewer  
Yarran Wines  
Best Riverina Durif Award**

Winegrape Growers are required to present all of the local categories, this year Steve Barbon did the honours. Some of the winners were Best Riverina Dry White Calabria Family Wines Richland 2023 Sauvignon Blanc, Best Riverina Dry Red Nugan Estate Cookoothama 2021 Shiraz, Best Riverina Durif Yarran Wines 2021 Block Series Durif Calabria Family wines took out most successful exhibitor of show. While Berton Vineyards, DeBortoli Wines and Lillypilly wines took home awards in the sweet wine section. Congratulations to all the winners.

## R U OK—Don't let the Black Dog Bite

We all know that grape growers are going through some very trying times. The pressures caused by the oversupply can affect everyone's situation in different ways. These negative pressures can directly affect people's mental health, and unfortunately most people see this as a weakness that they don't want the rest of the world to see. Please look out for your family, friends and neighbours. Sometimes the signs are not obvious and even when they are asking the hard questions like are you thinking about harming yourself can take us out of our comfort zone. Sometimes just talking about it can be an immense help. I am always willing to listen so please feel free to give me a call Jeremy Cass 0427 759 094 or drop into the Office. You can contact any of the below resources for help.

- **Beyond Blue 24 hour helpline: 1300 224 636.**
- **Lifeline: 13 11 14.**
- **Mental health line: 1800 011 511.**
- **Mensline Australia: 1300 789 978.**



**Wine Grapes Marketing Board 182 Yambil Street Griffith NSW 2680 Phone: (02) 6962 3944 Fax: (02) 6962 6103**  
**Email: [board@wgmb.net.au](mailto:board@wgmb.net.au) Web: [www.riverinawinegrapes.com.au](http://www.riverinawinegrapes.com.au) Office Hours: 8:30am - 5:00pm Mon - Fri**

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