



Are we looking at the end of wine production in the Riverina MIA?

What started out as a call for an investigation into the origin of COVID 19 by the then Prime Minister Scott Morrison, turned into the single biggest downturn the Australian Wine Industry has seen in living memory. The tariffs that were imposed by China on Australian Wine meant Australia's largest export market for wine evaporated overnight, the repercussions of this are still being felt. Even with China dropping the tariffs earlier this year, wineries and growers are still navigating this completely unsustainable environment with absolutely no improvement now or in the foreseeable future.

The warm inland regions of the Riverina, Murray Valley, and Riverland are suffering the most, with the Riverina being worst off out of all these regions due to lower yields and reduced market share of wine going into China (*"NSW winery exports to China make up 7 per cent in FY2024 compared with 11 per cent or more prior to FY2022"* figures by Wine Australia). On top of this the Riverina has seen major climatic events that have wreaked havoc randomly throughout the region in recent years, hail, floods and rain that caused increased disease pressure and crop loss have impacted most growers. While this year growers had to endure the worst and most widespread frost event I have seen in the region in the 30years I have lived here. Just last weekend a devastating storm that tore through Yenda and surrounds, wreaking havoc with strong winds and hail, while leaving a trail of damage to both infrastructure and crops in its wake.

The following is a picture of how this is playing out in our region.

Three years ago, we had 22,000 hectares of vineyards and 275 independent grape growers, this has dropped to less than 19,000 hectares and 225 growers and this trend is continuing due to wine grape prices being below the cost of production and the added imposition and cost of Sustainable Winegrowing Australia (SWA).

When I broached the subject earlier this year with our local state member on the back of protests in the SA Riverland, I was aghast at the reply that they were worse off than we are. This is not the case, in fact the reverse is true as prices in the three warm inland regions are very similar, the average yields are not. The average yields in the other two regions are considerably higher than the Riverina and the negative returns for growers reflect this. Evidence of this can be seen by comparing the loss of vineyards in the Murray Valley and Riverland to the Riverina, theirs has been negligible compared to ours. One of the other reasons that the Murray Valley and the Riverland have not removed many vineyards is that many of them are small, at 10 to 15 hectares it is a lot easier run these vineyards as hobby farms while utilising Primary Producer concessions with primary income coming from off farm.

We note that the wine industry working group was put together by the federal and state governments to investigate this, which happened coincidentally not long before China dropped the Tariffs. I remember telling my chairman at the time that the cynic in me believes that within a week we will see the Prime Minister claiming in the press that they have fixed the wine industry, I hate it when my cynical side is correct, but it was. This is far from the case an insulting 3.5 million dollars to Wine Australia was the

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BOARD ACTIVITIES REPORT



**Riverina
WINEGRAPE
GROWERS**

Grower Discount Card Enclosed

Enclosed in this edition of the vine Chat is a grower discount card that can be used at participating wineries, details on the card can be found on the following page. The card is a joint initiative of both Riverina Winegrape Growers and Riverina Winemakers Association, detail on participating wineries can be found on the Riverina Winemakers website.

Merry Christmas and a Happy and Healthy New Year

The board and staff of Riverina Winegrape Growers would like to wish you all a Merry Christmas and a happy and healthy new year.



Rebates for SWA, HACCP, & Chemical Certification

Growers are reminded that if you have become a SWA member, had a third party HACCP audit, or completed or updated your chemical users accreditation you are

entitled to claim a rebate through Riverina Winegrape Growers if you have not already done so.

Grower BBQ



Just over 40 growers attended the last BBQ held for the year on Wednesday 4 December. The sheltered area at the back provided much needed relief from the sun. It was great to see some new faces and catch up for a yarn with those who attended.

HACCP for Vintage 2025

Brian Bortolin has begun doing HACCP audits for vintage 2025. Growers are reminded that if you have become SWA certified you will not need to complete HACCP. If you need to become HACCP accredited please contact Brian ASAP on 0401 567 449 or 6962 3944.

SWA Resources

On Page 4 of this issue of the vine chat we have included a Biosecurity mini poster, this poster was developed by Vine Health Australia and focuses on tips for preparing for Biosecurity threats. This poster can be removed or copied from the vine chat for display in offices or meal rooms and becomes evidence of your knowledge and commitment to biosecurity.

BUDGET AND STRATEGIC PLANNING MEETING REPORT

On Wednesday 16 October 2024 57 growers, partners and guests attended the Budget and Strategic Planning dinner meeting held by Riverina Winegrape Growers.

The meeting which was open to all constituted growers in the area was held to discuss and approve the five year Strategic Plan of the Board and to set the statutory fees and charges for funding of the Board.

The rate for 2025 will be \$3.90 per tonne fresh weight.

Growers approved a comprehensive expenditure budget for 2025. Growers were comfortable that the Board will maintain a solid financial approach and return excess funds in the future if and as required.

Sustainable Winegrowing Australia (SWA) was a hot topic for debate, with growers voicing their opinion on either pursuing legal action to challenge the legitimacy of SWA. Due to growers not being sustainable because they are receiving less than the cost of production, or for the development of a sustainability module to be incorporated into RWG existing data base that would ease the burden on that SWA imposed on growers by compiling an audit ready document. Growers voted to put a hold on legal proceedings as it could see local wineries lose market share by not being able to tender for sales that required the SWA trustmark, in favour of developing a system that would make SWA more user friendly and streamlined.

**GROWER'S
MEMBERSHIP
CARD**



Harvest HQ

10% off purchases of wine by the glass or bottle for members who have made an unWINEd in the Bar online booking. *discount is applied off bar tab

Email us to book a wine tasting experience for four or more guests and receive 15% off the cost. Subject to availability. Email harvesthq.griffith@gmail.com to confirm availability, allowing plenty of notice to secure your spot.



Yarran Wines

20% discount at cellar door (can not be used online or for wine tasting experiences or events)



Calabria Family Wines + McWilliam's Wine

12% discount at both cellar doors, available on wine purchases only (can not be used online or for wine tasting experiences or events)

CHECK FOR UPDATES + NEW DEALS

<https://www.riverinawinemakers.com.au/growers-card>



FRONT



BACK

**DON'T
FORGET TO
PRESENT
YOUR CARD**



Photo courtesy of Agriculture Victoria

ATTENTION ALL GRAPEGROWERS

CAN YOU TICK THESE 10 BOXES?

BEST PRACTICE FARM-GATE HYGIENE CAN STOP THE SPREAD OF PESTS AND DISEASES, INCLUDING PHYLLOXERA. THESE STEPS WILL ENSURE YOU DO YOUR BIT TO KEEP YOUR OWN VINES AS WELL AS OUR INDUSTRY, SAFE.

- I regularly review my links with interstate vineyards, wineries, contractors and suppliers. Are those businesses in a Phylloxera Infested Zone (PIZ) or Phylloxera Risk Zone (PRZ)? I understand the regulations and documentation required for the movement of grapes, must, unfiltered juice, marc (pre- or post-fermentation), machinery and equipment used in vineyards, diagnostic samples, soil, grapevine cuttings, rootlings, potted vines, within and between states.
- I provide training for all vineyard staff including contract and casual labour on hygiene protocols.
- I restrict access to my property with fences and gates.
- I use signs to advise restrictions of entry to my property.
- I require everyone to report on arrival at my property. I keep a visitor log, recording vineyard regions each visitor has visited for at least the 29 days prior and check whether there has been a visit to a vineyard in a Phylloxera Infested or Risk Zone in Victoria, New South Wales or Queensland.
- I do not allow unauthorised vehicles to drive within my vineyard and provide a vineyard vehicle for use if necessary. I provide parking for visitor vehicles away from vines on a hard pack surface.
- I regularly inspect my vines for anything unusual or different. I seek help to identify what the problem is.
- I check machinery and equipment (including small hand tools and technical equipment) to ensure it's cleaned of all soil and plant material before it's used on my vineyard. I ensure it complies with state quarantine regulations for cleaning, sterilisation and proof of origin and is accompanied by required documentation. I provide a wash down facility to enable cleaning of machinery and equipment before it leaves my property.
- I ensure all people who come onto my property disinfest their footwear upon entry and exit in accordance with the current Footwear and Small Hand Tool Disinfestation Protocol. I ensure visitors and contractors wear clean clothes before starting work on my property.
- I verify the health status of all my planting material.

NEED HELP WITH BIOSECURITY MANAGEMENT OR FURTHER DETAIL AROUND THESE 10 ITEMS?

TALK TO VINEHEALTH AUSTRALIA ON (08) 8273 0550
EMAIL ADMIN@VINEHEALTH.COM.AU OR VISIT WWW.VINEHEALTH.COM.AU

VINEHEALTH AUSTRALIA OPERATES A HEAT SHED FACILITY IN NARACOORTE (SA) FOR DISINFESTING MACHINERY AND EQUIPMENT. TO USE THIS HEAT SHED, CONTACT SUNBIRD VITICULTURE ON 0429 430 641.



Devastation in Yenda and the Surrounding Area

On Saturday 7 December a little after 3:30pm, mother nature dropped a bomb on Yenda and the surrounding area.

It was described as a tornado or a mini cyclone by the people that endured it yet the BOM suggested that the weather patterns did not match either type of event. Whatever it was it hit hard and fast and left a trail of destruction in its wake. The village of Yenda looked like a bomb had gone off with trees broken and uprooted, roofs off buildings and power poles broken causing power outages.

The damage however was not just confined to the village. Hail and extreme winds did the most damage to crops and infrastructure. Vine rows were left laying on the ground after posts snapped under the force of the winds. Prune and almond trees were blown over. Hail also took its toll, fruit was marked, damaged, and removed from the vines and trees during the storm.



Above—Hailstones up to marble size

Below—Vine rows and Prune trees blown over by the storm



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outcome of all this and while we have seen small tokens of help come from joint Federal and State Government initiatives in both SA and Victoria, NSW remains silent. Even after meeting with our State Minister for Agriculture earlier this year we have not received any direct contact which we were told we would receive well before Christmas, which is now just a few weeks away.

I believe that without some sort of intervention that we will see a massive overcorrection in the industry that we won't be able to bounce back from, and the triggers are already in place as vintage 25 will not see an improvement in the prices that our growers will receive for their fruit.

On top of this we have water buy backs looming and while this is a very contentious topic, it should be noted that we as an organisation are opposed to these buy backs due to the impact they will have upon our region. That said it is very hard to stand in the way of depressed growers who are actively looking for a way out of the industry with some dignity. We have been informed that there is well over 10,000 ML of water listed with the water buybacks expressions of interest in our region with most of these expressions coming from winegrape growers. This would equate to a further reduction of between 10 and 20% of vineyard area in the region meaning that wineries would start to become unsustainable as the critical mass needed to maintain a competitive foothold in both domestic and export markets would be eroded.

The prices we are getting for our fruit are what we were getting 50 years ago but the costs of inputs have risen dramatically, especially in the past 4 years on the back of high inflation. We can't blame the wineries for this, as they must navigate the unending oversupply that is depressing the bulk wine market. This over supply remains even after two low yielding vintages, there is in fact a glut of aging wine that is becoming a significant threat to the industry, in that it is rapidly becoming unsaleable.

What can we do with this wine? We could slowly blend it into the latest vintage at the rate of 15% other, which will take a very long time and risk the quality of the product. It is interesting to note that some European countries that take food security seriously are actively

helping their growers and wineries by supporting the removal of vineyards and wine from the system. It should also be noted that while ever this wine remains in winery tanks its value or lack thereof will influence the bulk market, effectively making supply and demand irrelevant. This in turn lets the large retailers dictate to wineries that failing to match these prices will mean that they will take their shelf space and replace it with their own brands.

While all this has been happening, we have seen the number of development officers for Viticulture in the DPIRD drop from three to one, which is just another nail in the coffin. We rely on the DPIRD for ongoing support and R & D, yet this is being slowly taken away as well when we need them the most.

We need support as we navigate the adoption of SWA, being the industry sustainability standard. Unfortunately for us what used to be, and I quote from the manual "*Members of sustainable Winegrowing Australia commit to the program because they want to leave the world a better place*", has now evolved into an under-duress market access issue, as retailers demand that wine they wish to purchase has a trustmark as part of their tenders.

This means that wineries are demanding that their growers become accredited with SWA so that they can tender for contracts. Again it is the retailers not consumers pushing for this at the expense of both wineries and growers. While the retailer may claim that they are selling sustainable wine this is far from the case as growers who are already making negative returns now have the imposition of more unwanted paperwork and cost. How can wine produced below the cost of production be sustainable? It can't. We believe that this is fraught with danger, and likely to attract green washing claims that at best case scenario could devalue brand SWA, or worst case destroy it altogether and possibly tarnish Australia's clean green image.

Now let's talk about our people, while water and the environment are vitally important, they pale into insignificance compared to the lives of our people that are being torn apart.

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Forget the water buybacks, growers are being forced to sell permanent high security water just to pay the bills. While SWA has been the single biggest threat to grower mental health this year we offer our boardroom as a meeting space for the local Rural Financial Counsellors and their clients (these people are godsent and I truly appreciate the work they do to help people). It gets used regularly with indications that 2/3 of the people coming in are winegrape growers.

We have also run both youth and adult mental health first aid courses and I attended both. Unfortunately I have had to use this many times to support growers coming in either anxious or depressed due to the state of the industry and SWA. This has been the single biggest stress that I have had to deal with at work, if you truly care for people, you can't help but take on of their troubles, it required a week's leave away from the office so that I could avoid burning out.

Some of these Growers are looking to the water buybacks to maximise their returns on water so that they can offset this against the declining value of the vineyard or have funds for removal to make the land saleable. Consider the cost of buying land and water and then spending \$35,000.00 per hectare to plant it up to vineyard, only to find out that the land is worth more and only becomes saleable without the vineyard, now consider how it will be possible to replant vineyards in the

future.

Wineries are also suffering a devaluation of assets due to the fire sales of two large interstate wineries recently. and at the same time telling growers that they can't see an end to the industry problems in the foreseeable future. Many growers carry debt, while inflation and increased interest rates coupled with negative returns are truly recipes for disaster, on top of this we are being told that we will have to do less with the water we have while the cost will rise by 100% by 2030.

We are being told that we need to commit to reduced emissions how is this possible with no way to replace aging machinery, our grower age is increasing as younger growers are the ones most actively, turning to other crops as they have the longevity to see them come into production.

We are fielding questions from the government on modern slavery but our growers aren't making enough to survive, let alone have employees. These days there seems to be someone to protect everything but who protects the growers that should be considered slaves as they can't afford to pay themselves? No one is rushing to help them out of a situation that was not of their making. We need both state and federal governments to acknowledge the reality of the situation and provide some positive intervention.

Part 2 Solutions—Government Intervention

Federal Government

The decision by the federal government to ignore the 2024/25 prebudget submission by Australian Grape and Wine should be revisited, especially the \$30 million allocated for growers to move out of the industry to bring it back into balance. These figures pale into insignificance compared to a 600 million deal to give Papua New Guinea a spot in the Australian Rugby League. Unfortunately, you were wrong in thinking that China would fix the industry as can be seen by prices that continue to drop or remain less than the cost of production, with warning by the wineries that they cannot see an end to this soon.

Secondly you need to make a one off purchase of aging unsaleable wine that is depressing the bulk market rendering supply and demand obsolete, this wine is in storage with no way to get rid of it, as to let it

go down the drain would cause environmental issues and fine from the EPA. It could however be distilled into ethanol; this system has been used in both France and Spain recently.

Interest rate relief, a lot of our members have debt that they cannot service, recognition of this by way of interest free loan would help a lot of families breathe a little easier especially with the rate of inflation in the past couple of years. We are aware of the Farm Household allowances, and while this initiative is great, it still needs some work as the amount of effort required to obtain it adds to the pressure put on already overburdened families. The system has previously left recipients regretting the choice to join due to the long-term ramifications they faced as being part of the scheme, and the conditions also need to

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Part 2 Solutions—Government Intervention

reflect the real needs and realities of being an Australian farmer. RIC loans are just not suitable for this situation as they are meant to assist farm businesses to remain profitable and grow, when you are being paid below the cost of production for your produce you can't service the debt that you have let alone take on another loan.

A mandatory code of conduct that starts with the grower and ends with the retailer, the present voluntary system pits growers against wineries, while wineries suffer the same issues at the hands of the retailers. Under the present system signatories released their prices last Wednesday and if last year is anything to go by, these prices are likely to be significantly more especially reds varieties than the non-signatories who will not release prices until days before harvest commences. These wineries get to see everyone else's prices before releasing their own, and some have payment terms that will see some of next year's crop being picked before last year's is fully paid for. This sort of conduct is a disadvantage to the wineries doing the right thing, one small improvement was announced by Australian Grape and Wine at the last One Sector Plan conference being the inability for a non-signatory to the code of conduct to be able to utilise the sustainability certification for their products.

Disaster assistance for growers, it's not just the markets that are working against us. Mother nature has done her best to add to the issues that already overburdened growers are experiencing. Just this year alone we have witnessed the worst ever frost the region has seen in living memory, followed by the worst wind/hailstorm that I have seen hit Yenda and surrounds in the 30 years that I have lived in the area. These storms add cost to an already over committed budget and add to the mental burdens that these growers must carry, which is distressing to see at best and at worst will see us lose members of our community in the worst way possible.

State Government

You also need to step up to the plate where disaster assistance is required, as this is a joint initiative between the NSW and federal governments. We also need your support for a mandatory code of conduct for the benefit of the whole industry, we need to see our politicians working for the people they represent even if we are a minority of only 225 growers as is the case today, it's likely to be a lot more next year.

We have spoken to the state minister for agriculture before about passing laws to protect growers as they have in SA. This law stops wineries from procuring grapes if they have not finalized payment for the previous crop. At the time the minister was horrified that this had happened, but we have seen no change, and the problem continues to happen.

We need more support personnel in the DPIRD. When I started this role just under three years ago, we had three development officers for Viticulture with two based in Orange and one in Griffith, now we only have one who is based in Orange. We rely on these people to provide support for our industry by way of research, extension and industry engagement. Just when we need that support the most, like we did this year and will again next year as we move to get growers over the line with sustainability credentials, it is nowhere to be seen. We must take whatever support we can get and while the current development officer has been fantastic it is still not enough as she can't be everywhere at once and we have a large state with many wine regions. We would also like to make sure that the DPIRD continues in the R and D Space, as we need to be able to contribute to national R and D projects as well as ground truth work done in other areas to make sure that it will work for us commercially.

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