

WINEGRAPE HARVESTING PRICES FOR 2010 NOT TO BE PUBLISHED

Due to a increasing number of written submissions from the grower base the Board in 2010 the Wine Grapes Marketing Board will not be publishing the picking and cartage rates for industry. Growers and contractors are therefore encouraged to negotiate the rates for the season taking into account the yields and size of the vineyard blocks.

Growers wanting to look at the list of available contractors can contact the Board office.

Any new winegrape contracting business should contact the Board with their details so that growers will be able to contact them.

NEW WINE INDUSTRY AWARD

As part of the Federal Governments process of rationalising the pay awards structures within Australia the wine industry has now been subjected to a new award. What this does is effectively take growers away from the Horticultural Industry (State) Award and the Wine Industry Consolidated (State) Award and puts all employees nationally on a similar footing in terms of National Employment Standards.

The award is called the Wine Industry Award 2010 and if growers have existing employees they should obtain a copy of the award to ensure that they are paying them the right classification.

The new award sets out the new minimum pay scales that the industry will (in time) need to adopt when paying employees. However for the NSW wine industry there is some good news. While the pay rates of the new award will not impact on the industry until July 2010 from that date on the transitional arrangements will come into play. Growers paying employees under the existing award will be able to lower the rates of pay made to employees by a regulated amount.

This anomaly was due to the fact that the new award wages are actually lower than the existing pay scales that the industry has operated under.

After consultation with a number of regional growers that employ staff it is likely that the impacts of the award are not going to change existing practices. It appears as though many employers pay above the statutory rate to their employees.

Growers are advised that the new award varies the overtime that would be paid to employees that work outside of normal working hours. Please ensure that you are paying employees the correct amounts.

Growers that employ staff should go to the following website: <http://www.fairwork.gov.au/Pages/default.aspx>

If you do not have access to a computer please call into the Board office to discuss how the changes may effect your business operations.

Current rates of pay are shown below. For classification levels see the full award

Section 1 - Adult Employees		Pay Rates from Horticultural Industry (State) Award - higher than the new Award			
Farm Employee	Wage Rate per week	Ord. Time Base Hourly Rate	Casual Ord. Time Incl. 1/12 loading	Casual Ordinary Time Saturday	Casual Ordinary Time Sunday
	\$	\$	\$	\$	\$
Level 6	667.60	17.57	21.89	27.36	32.83
Level 5	660.90	17.39	21.67	27.09	32.51
Level 4	636.10	16.74	20.85	26.06	31.27
Level 3	627.60	16.52	20.58	25.73	30.87
Level 2	605.30	15.93	19.85	24.81	29.77
Level 1	583.00	15.34	19.11	23.89	28.67

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GWRDC REGIONAL GRASSROOTS EXTENSION PROJECTS

The projects planned for 2009-2010 have progressed well thus far with many valuable resources being developed and made available to assist the regions growers to produce quality grapes.

The first project involved the development of a Irrigation conversion folder that includes information on the management of changing vineyard irrigation practices.

This useful pack provides information for those who are contemplating upgrading their irrigation system or those that have recently installed a new system and would like to understand how other growers have managed the conversion. This pack includes a DVD of local growers explaining how they have undertaken the conversion.

To support the regions uptake of Integrated Pest Management practices the GWRDC funding has subsidised the cost of two viticultural books to assist the regions growers with the management of pests and diseases in their vineyard. The first book is "The field guide for diseases pests and disorders" by PA Magarey, AM McGregor, MF Wachtel & MC Kelly. This book is a compact reference book that fits easily in the glove box of the ute and can offer a quick reference to identify pests and diseases in the vineyard. This normally retails for \$27.50, however the subsidised price for Riverina growers is \$10.

The second book is the "Orchards and Vineyard Spraying Handbook" by G Furness. This book offers growers a simple effective calibration technique along with an explanation of how to effectively spray you vineyard. This book normally retails for \$48.40, but the

WINEGRAPE INDEX 2010

The Board has commenced taking details from growers that may not have a home for their winegrapes in 2010. In past seasons there has been some winegrapes available for sale on the spot market and this service (which has been running for several years now) aims at placing wineries that are seeking extra fruit in contact with these people. Growers that want their details placed on the index for 2010 are required to complete the Index Application form that is enclosed in this newsletter and send it to the Board. These details will be placed on our website so that wineries can access it.



subsidised price is only \$20 for Riverina growers.

The funding also enabled the region to access some highly regarded industry experts in Mardi Longbottom presenting Research to Practice: Vine Nutrition, Erika Winter presenting Vineyard management post-veraison, David Braybrook presenting Research to Practice: IPM, and Mary Retallack presenting VineBiz. Without the GWRDC funding these speakers would not have been able to visit our region and share their valued knowledge. The feedback received from participants at their workshops, which were held in late 2009, was positive with many helpful points taken by all.

As we draw near the completion of the initial round of projects, the region needs to identify topics of key importance to implement in the 2010-2011 financial year. These topics will form the basis of the funding application. Enclosed in this newsletter is a survey for growers to indicate what topics they would like future regional efforts to include. Please complete this short survey and return it to the Board office to ensure your preferences are included.

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THE facts

WASHING DOWN GRAPE HARVESTERS

Taking care when washing down grape harvesters will reduce the risk of pollution and ensure a safe work environment for everyone involved in the vintage season.

There are approximately 200 grape harvesters operating in the MIA during the vintage season. Many of these machines are being washed between two and three times a day.

When selecting a site for washing down your grape harvester the following points should be considered.

Washdown away from channels

Channel banks must not be used for washing down grape harvesters.

Pollutants such as decomposing organic matter enter the supply and drainage system threatening the quality of our water.

The Department of Environment and Conservation requires Murrumbidgee Irrigation to carefully monitor the quality of both supply and drainage water. Breaches in water quality standards may jeopardise our water delivery licence, and impact the efficiency of your irrigation business.

Using channel banks to washdown grape harvesters is a breach of the Murrumbidgee Irrigation Member Contract.

Ensure effective drainage

A 30 minute washdown uses approximately 12,000 litres of water. The runoff may cause damage to access

tracks, road works and irrigation structures. It is important you select a site that is not likely to become impassable or cause vehicles to become bogged.

Erosion along channel banks and around irrigation structures severely impacts the efficiency of our infrastructure. Ensure that your washdown is not eroding channels.

Overhead power lines

Before washing down your vehicle check there are no overhead power lines anywhere near the site. Power lines can be particularly difficult to see at night so it is important a site inspection is carried out during daylight hours.

We can help you to select a safe site to washdown your vehicles on-farm away from channels, roads and power lines where run-off can be managed. For assistance contact our Griffith or Leeton office.

For the health and safety of our water system and the people who work nearby ensure your washdown site is suitable and safe.

For further information contact:

Murrumbidgee Irrigation

Dunn Avenue
PO Box 519
LEETON NSW 2705
Ph: (02) 6953 0100
Fax: (02) 6953 0197

Research Station Road
PO Box 492
GRIFFITH NSW 2680
Ph: (02) 6962 0200
Fax: (02) 6962 0209

TERMS OF PAYMENT FOR 2010

Growers are advised that the Board has approved the following dates for payments for wine grapes (*not subject to a complying contract*) sold to wineries. **Please note:** the Board under its current legislation can still require wineries to make grower payments through the Board and can still act on behalf of growers contracted to wineries where payments are delayed. To act however the Board needs to know if there is a problem - without grower advice on such matters it is impossible to act in accordance with the legislation.

Manner in which payment to growers is to occur: Cheques to growers are to be posted by 3pm on the due date, EFT to growers accounts the evening before or available for collection by 12 midday on the day.

Growers that have any problems with payments should **immediately** contact the Board office to discuss.

The dates of payment are provided in the table below, growers should also review their contracts to determine the dates they will receive payment as these often are different than the dates set for industry by the Board.

Under the Terms and Conditions of Payment Order wineries are required to deduct the Board fees and charges (\$3.90 per tonne fresh weight) - including winegrapes for juice. The rate was set and agreed by motion of growers at the December 2009 Budget and Strategic Planning meeting.

Growers that have any queries in relation to these payment dates should contact the Board.

Structure and percentage of payments to growers are to be made	Dates
1/3 total delivery value (33.33%) – less Board fees and charges	14th May 2010
1/3 total delivery value (33.33%) – less applicable levies/fees and charges	24th June 2010
1/3 total delivery value (33.34%) inc. all bonus payments – less fees & charges	14th October 2010
Alternative Structure and percentage of payments to growers are to be made	
Three equal payments, first payment thirty days after the end of month of delivery the second payment the end of June and the final instalment end of September. Please note that deliveries that occur later in the vintage varying payment dates are likely to occur. Details of these are located in the actual Terms and Conditions of Payment Order 2010.	

WHERE ARE THE PRICES - CODE OF CONDUCT NEEDED

As this article was being written growers have started winegrape harvesting some small blocks of early picked winegrapes. Others are being called up and their winegrapes booked in by wineries to deliver. What prices they are to receive they do not know. Some have contracts that stipulate a minimum price but the vast majority of growers are in the dark about what they can hope to receive. This is amid a wave of negative press about the industry and the growing oversupply.

Reports from some growers are that the winery they will deliver to has decided not to provide them with prices until the fruit is on the weighbridge. In such a hard year for producers this is unacceptable and growers should not be spending money on harvesting their winegrapes unless they are armed with the knowledge of the price they will be receiving.

What would happen if they arrive at the weighbridge to find out that the price is actually less than the cost of harvest and freight? This is possible.

Previous Board legislation enforced wineries to publish a price list prior to harvest so that growers could make a decision on the harvest and delivery in advance.

Notification of price changes were also legislated. The fact that the system was not being used appropriately by wineries led to its removal by the NSW Government. Now we have a system that wineries in general can change the price offer as growers drive in the winery and it is not acceptable.

The Wine Industry Code of Conduct stipulates that growers would be advised of indicative prices in this region on or prior to 15th December the year preceding harvest. The winery must also notify the grower at least 10 business days prior to the anticipated harvest date to allow the grower to enter into a dispute should they feel the price is not reflective of the quality of the product or the prevailing market conditions. The Board through the Wine Grape Growers Australia is continuing to be push for the voluntary code to be made mandatory - as signatories in the region amount to 1 winery.

Too long have many of the Riverina regions growers been in the dark about the prices they will receive for their product. It seriously is not good business practice and does not help grower and winery relations. As an industry we need more clarity and transparency.

WHAT THE PAPERS SAY - CHEAP? SURE, BUT NOT CHEERFUL

The Age 12th January 2010 by Jeni Port (edited)

Two dollars won't buy quality, writes Jeni Port.

TWO wine events over Christmas worried me. First, I sent some Australian wine to a journo mate in Washington.

It was a Yarra Valley cabernet and a sparkling shiraz from McLaren Vale. She was overjoyed. Of course, the blanket of Aussie stamps covering the wine box always makes her a little homesick, but having visited her last year and seen the shelves of her local Whole Foods supermarket bursting almost exclusively with Italian and Yank wines, I felt her pleasure and her pain.

She was missing Australia and she was missing good Australian wine. So was most of the US.

Then came a festive gift from Constellation Wines. That it should arrive at the same time the company — the biggest buyer of wine grapes in the country — was terminating the contracts of 300 growers in the Murray Valley was bad timing on behalf of the "friendly" Constellation Wines Australia PR team. It was two days before Christmas.

More disturbing than the lack of goodwill to their growers was the self-congratulatory nature of the accompanying message. The gift was a deck of cards with a note featuring a quote from Robert Louis Stevenson: "Life is not a matter of holding good cards but of playing a poor hand well."

An unpleasant thought germinated: perhaps Constellation Wines considered it had played a poor hand well by sacking its growers? It needed to lose 70,000 tonnes of grapes from its books in the lead-up to the 2010 vintage. In 2007, it dropped some growers, then again in 2008 and now came the final cut, with all current contracts in the Murray Valley dropped.

No one is happy with Australian wine at the moment. No one. Inland winegrowers on the Murray Darling are going bust. There's too much wine around for most companies to make a quid, and export markets, often described as the industry's insurance policy, now consider all Aussie wine to be short, fat, sweet and cheap, because that's all they get.

But what if wine drinkers boycotted the sea of cheap, tasteless wines out there? The wines are so cheap, they are chucked down without blinking. Or thinking. What if consumers decided they had had enough of so-called "Two-Buck Chuck"?

There is no money to be made for the grower or the maker at these extraordinarily low retail prices. Few benefit. Indeed, the image of Australian wine is undone every time we choose Two-Buck Chuck because we are contributing to driving all wine prices down. It's a chain reaction that eventually floats through to the winegrower and winemaker each vintage, one that sees good people given a pittance for their year's work or deprived of making a living.

I met such a good person in 2006. His name is Brian Zrna and he is a former teacher turned Murray Valley winegrower. He tends chardonnay, shiraz and cabernet sauvignon on the outskirts of Mildura. At 62.7hectares, his vineyard is modest by most growers' standards. When things started turning bad for growers in 2006, he warmly invited me into his home for a coffee and a chat.

I had brought with me the first of the \$1.99 wines that were causing a big stir at the time. "Wine Cheaper Than Water" ran the headlines.

I asked Brian to taste the wines — a chardonnay and a cabernet merlot — and tell me what he thought.

He tasted and he considered the wines well made, a point that clearly distressed him. If the wines had been poorly made, he could be rightly indignant but they weren't.

I asked him if he would consider buying \$1.99 or even \$2.99 wines. He wouldn't.

"From a grower's point of view," he said "this is a disaster because it says to us our grapes aren't worth anything at all to anyone."

The only thing he could salvage from Two-Buck Chuck was the thought that it was helping to mop up the huge lake of Australian wine. Four years later, the lake is an ocean. It's still there and so is Two-Buck Chuck.

Woolworths and Coles, the two big supermarket chains locked in a perennial price battle, say they aren't driving the phenomenon. They say they are responding to consumer need.

Some consider they are paying \$1.99 a bottle but getting \$10 worth of quality. They aren't.

Remove the need, or at least the need for Two-Buck Chuck, and see what happens. We'll all be drinking better. I dare say even the Yanks and the Brits might be drinking better and thinking a little kinder of our wine as well. Importantly, everyone connected with Australian wine will be getting a fair go.

NSW WINE AWARDS

The NSW Wine Awards is a celebration of NSW Wines and the quality that this state produces. It is about recognising the successes in the industry and brings together the industry so that it can communicate to the states consumers that quality is on their doorstep.

The 2009 Awards were held in October with an awards Gala Presentation Dinner at the Catalina Restaurant Rosebay, Sydney.

While an Orange region wine took out the 2009 trophy for the NSW Wine of the year (Brokenwood 2007 "Forest Edge" Chardonnay) the Riverina and particularly Westend Estate held their own.

Westend Estate took out trophy's for the Best Young White "other varieties" with the 2008 Richland Viognier and the Best Young Red Blend with the 2008 Westend Estate Cabernet Shiraz.

In the states top 40 wine list derived from the judging process the Riverina featured highly in the botrytis section. The following wines made from Riverina Semillon made it into the list: Bimbadgen Estate 2006 Botrytis Semillon, Briar Ridge Vineyard 2008 Botrytis Semillon. Leeton's acclaimed Lillypilly Wines scored well with it's 2002 Noble Blend. In the wine section

Westend Estate made the list with their 2007 3 Bridges Durif, 2008 Richland Viognier, 2008 Richland Merlot, 2008 Viognier and 2008 Cabernet Shiraz.

Attending the awards celebration were Board members Bruno Brombal (Chairman) and Robert Bellato (Deputy Chairman) - both pictured below with Bill Calabria.

The Board congratulates Westend Estate on the awards and hopes that in future the Riverina can win more places in the top 40.

Interestingly the Hunter Valley had a staggering 19 wines named in the top 40 for 2009.



Robert Bellato, Bill Calabria "Westend Estate" & Bruno Brombal.

HAIL STORM IN LEETON AND YENDA DECLARED NATURAL DISASTER

The hail storm that hit the region on the 26th November has been declared a natural disaster. Growers that were affected by the storm that hit Leeton and Yenda at midday would be well aware of the extensive damage caused to their vineyards as a result of the large hailstones that fell with great force.

The storms severity has resulted in the declaration of a natural disaster with financial assistance being made available. The finances are to be used only for essential

working capital and the replacement or repair of damage caused by the storm to the property that is not covered by farm insurance. Assistance does not cover costs unrelated to the business enterprise or commitments overdue at the time of the disaster, such as; interest on borrowings or loan repayments. The assistance does not cover loss of potential trade and/or potential income.

For further information please contact the rural assistance authority on 1800 678 593.



Grape vines heavily damaged by hail in Leeton



Hail stones at a Leeton property

2010 LABORATORY OPERATING FOR GROWER GRAPE TESTS

The vintage laboratory of the Wine Grapes Marketing Board has opened for winegrape sampling.

Analysis is available for **winegrape colour, Baumé, pH/TA and average berry/bunch weight.**

This years procedure will be the same as last years with grapes to be delivered to the Board in the morning processing that day. Results will be available at the end of the day (an approx. 6hr turnaround time Monday to Friday).

Should you have **more than two** samples to be tested please book your samples in by phoning the Board before you collect your samples to ensure that these can be accommodated. If grape samples are delivered at other times or in large numbers (without bookings) then results may not be available so promptly.

Each sample will need to contain a minimum of 12 bunches, but optimum of 20 bunches as this gives much better accuracy, especially when testing for colour in red wine grapes. Bunches should be taken from across

your block and from all locations on the vine to ensure a representative sample is taken. When samples are dropped off, growers that have not used the service in 2009 previously will be required to complete a registration form. This is essential to enable the Board to report the results back to the grower which is done via facsimile or email.

Another service still available is the supply of Baumé measuring kits at the cost price of \$59. Each kit contains the equipment and instruments to test samples in the field reliably and quickly. The Board can also supply hand-held refractometers at \$121 (inc GST) .

For further information regarding any vintage analysis services contact Kristy Bartrop (Industry Development Officer) at the office or on mobile 0422 717 573.



Grape Colour Testing takes several stages and hours to complete

BUDGET AND STRATEGIC PLANNING MEETING OUTCOMES

The Board held its Budget and Strategic Planning meeting on Tuesday 15th December 2009. The meeting was attended by 39 voting winegrape producers from across the region.

The purpose of the meeting was to confirm the budget for the 2010 financial year of the Board, set the Board fees and charges and for growers to adopt the 5 year Strategic Plan for 2010-2014.

The approved expenditure budget for the 2010 (Jan-Dec) financial year of the Board is shown below (in

accordance with the Board's Industry Service functions).

Growers all received a copy of the plan and the details contained in the budget prior to the date via the mail with a notice of the meeting.

If any growers would like to make comment on the contents or view the budget allocations for each of the activities described please do not hesitate to contact the office. As your organisation it is important that you understand where your funds are being spent.

Approved Industry Service Functions	Budget for 2009	Budget for 2010
Development of a Code of Conduct for industry	\$23,259	\$44,014
Information Collection, Dissemination and Transfer	\$144,418	\$164,013
Price Information and Communication with Wineries	\$8,700	\$9,139
Research and Development and Extension in Vine Matters	\$210,335	\$385,271
Regional Promotion and increased labelling of Riverina Wines	\$56,395	\$57,742
Regional Representation of winegrape growers and industry	\$43,855	\$47,874
Operational Expenses	\$230,656	\$207,909
Total Expenses	\$717,619	\$915,963
Total Income (Fees & Charges, Interest, R&D funding, sales and sundries)	\$1,087,152	\$1,233,552
PROFIT / (LOSS) - INCOME MINUS EXPENDITURE	\$369,533	\$317,590

WHAT THE PAPERS SAY - SOUR GRAPES GROWERS FEEL THE PINCH...

For those growers that did not see the following article from the Sydney Morning Herald 9th January 2010, it is supplied below for your information.

The Board and the Riverina Winemakers Association are encouraging its members to talk to growers about the problems. Some wineries are communicating very effectively with their growers and working through the issues.

Sour Grapes: growers feel the pinch as wine glut bites *by Nick O'Malley SMH Journalist*

BILL CALABRIA, the owner of West End Estate at Griffith, began his brutal round of interviews in June last year. He called each of his growers one by one to the winery for a meeting. They knew to expect bad news. Some brought their sons, others their wives - the wine business is still family business in Griffith. On his side of the conference table Mr Calabria had his son, Michael, West End's general manager, and his chief wine maker, Brian Currie.

Together they laid it out. Not just Australia, but the whole world was awash with cheap wine. The growers were facing serious cuts - not only in the price they would be paid per tonne of grapes, but to the number of tonnes they sold. For Mr Calabria's 40 growers, that meant each would lose, on average, about 20 per cent of their income. Some would be paid less per tonne than it cost them to grow the grapes.

Mr Calabria had little choice - Australia is sitting on a wine surplus equivalent to 100 million cases. About 40 million more cases are expected to be tipped into that pool over the next 12 months. According to Mr Calabria the glut is not so much a sudden crisis as a slow-motion train wreck.

The wine market has been exploding in Australia and around the world since the mid-1990s, when prices for grapes grew and stayed high. Growers flooded into the market, as did investment money from Australia's superannuation pool. The same thing was happening in South Africa, Argentina and California. Then New Zealand arrived on the market. The Australian dollar crept higher as our economy survived the global collapse. The high dollar eroded hard-won markets in Britain and the United States.

Meanwhile, Coles and Woolworths have moved into the local market with Liquorland and Dan Murphy's, among others, forcing the retail price of wine lower still. Good news for drinkers, heartbreak for the industry. The impact on a town like Griffith is pervasive. Here wine growers and wineries operate side by side in a sometimes tense symbiotic relationship. The town itself depends on the industry - farm supply and equipment shops are facing losses which will be passed on to the main street. Employment will shrink as growers and wineries cut costs.

John Casella, whose winery exports a staggering 100 million

litres of the famous Yellow Tail brand, believes growers simply did not believe the wineries when they started warning of an impending glut some years ago.

"They thought it was rumours spread by wineries to cut costs. It wasn't. It was a fact," he says.

No one doubts there is a crisis any more, just as no one seems to know how to fix it, or who, if anyone, is to blame.

Darren De Bortoli's grandfather Vittorio went from growing grapes to making wine in 1928 when the Depression started to bite and he found he could not sell his crop. Today Darren, the general manager of the empire Vittorio founded, has a reputation in town for being a tough businessman with a frank turn of phrase.

Sitting among vines at his winery in the sunset, drinking beer with a handful of staff and growers, the man himself seems hard to reconcile with the reputation, until talk turns to the glut.

"They are fools, it's a well-documented fact," he says, half in jest, of the local wine growers association. Mr De Bortoli believes the Riverina Wine Grapes Marketing Board should have seen the crisis coming and better informed its members. Instead, he says, "they declared war on us". As evidence he produces a 2008 clipping from the local paper, headlined "Time to declare war on wineries". In it the board's chief executive, Brian Simpson, criticises wineries for proposing lower prices in the year ahead, given the larger than expected crop. In June that year De Bortoli posted a profit of \$20 million. A year later the company suffered a loss of \$1.6 million.

"It's all part of the agribusiness cycle," says Mr De Bortoli.

Later that evening, walking through a field of abandoned grapes that had once been destined for De Bortoli, the board's chairman, Bruno Brombol, a grower himself, rejects Mr De Bortoli's criticism.

"The majority of growers don't grow grapes if they don't have a home to go to," he says.

Mr Brombol says grapes now in glut were planted at the behest of wineries, but since much business is done over a handshake, the makers have no contractual obligation to buy them.

Mr Simpson offers two solutions. A code of conduct has been written that would formalise the relationship between the growers and the makers, but few wineries have signed it, he says. Second, a clear national registry of what stock exists to better manage supply should be maintained.

But, he concedes, some vines and some growers will not survive the current glut.

"Everyone says we have to shrink the crop," says one of Griffith's smaller growers, Kevin Sternberg. "But who's going to pull up their vines first?"