



Vine Chat

WGMB LABORATORY SERVICES DURING VINTAGE 2007

All WGMB winegrape growers are reminded of the Boards Laboratory services for the upcoming vintage.

The Boards Laboratory can analyse your grapes for:

- Brix (baumé)
- pH and TA
- bunch and berry weights

& for red grape varieties - anthocyanin colour

The analysis of the grapes provides valuable information if you are currently making changes to your vineyard management or aiming to change quality produced in the vineyard. The analysis also provides a good comparison and back up to results received on farm or at your winery.

For the 2007 lab staff to process samples efficiently and quickly it is essential growers contact the Board office a day prior or first thing in the morning to book in samples before you take in the sample.

We have a large workload organised for 2007 and require help from everyone to ensure grapes are processed accurately and efficiently.

Grapes delivered to the Board after 10am will be processed the next day. Results will be available at the end of the next day (an approx 24 hour turnaround time).

When samples are dropped off, growers need to complete a sample registration form. This is essential to enable the Board to report the results back to the grower.

Each sample will need contain a minimum of 12 bunches, but optimum of 20 bunches as this gives much better accuracy, especially when testing for colour.

Bunches should be taken from right across your block and from all locations on the vine to minimise variation.

In 2007 the Laboratory will be undertaking sample analysis for local research activities being conducted in the region which was also carried out in 2006. This activity has created a large workload with continuous analysis over the entire vintage and covers the costs of running our laboratory to the grower body.

Another service the Board have for growers is the supply of Baumé kits at the cost price of \$50. Also the



Board can source refractometers for growers conducting in field testing prices range from \$150—\$400 through our many suppliers.

For further information regarding any vintage analysis services contact Jason Cappello Technical Officer at the office on 6962 3944.

YOUNG VINES SURVEY REMINDER FOR GROWERS

In October all growers were sent a survey form from the National Wine Grape Industry Centre (NWGIC).

43 survey responses were received back and from this vineyard surveying and investigations have commenced into the young vine decline problems.

Project investigator Dr. Melanie Weckert, is still seeking grower response which will help with the project work for the region. The NWGIC is still taking survey information from growers until the end of December.

Growers which have or are experiencing problems with young vine growth and production need to complete the survey sent out in October and return this to NWGIC so we can ensure work is carried out and investigations continues to help find answers to the current problems being experienced.

For further information on the Young Vine Decline project contact Jason Cappello Technical Officer at the office on 6962 3944.

WINE GRAPES MARKETING BOARD

proudly serving winegrape producers since 1933

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AWBC SUPPLY AND DEMAND KEY MESSAGES

By Lawrie Stanford, AWBC Manager - Info. and Analysis as presented at the ANZ WA Wine Industry Outlook 2006

This issues paper explains the key drivers and outcomes behind the Corporation's assessment for the Australian wine sector's supply and demand balances over the next five years. This assessment was prepared through extensive evaluation of industry statistics, a program of market intelligence gathering undertaken this year and through wide consultation across the range of industry stakeholders including wine producers and grape growers.

KEY MESSAGES

- There is a strong prospect of a low yielding 2007 season. In the likely scenario of a 20% reduction in yields, the current stock overhang would not be eliminated but 'balance' would be brought forward a year earlier compared to the scenario of normal yields throughout the projection period.
- Given the likelihood of a low yielding season in 2007, the expectation is therefore for a return to supply-demand balance in 2009-10 through the combined effects of an easing in national oversupply and a slowing in export growth.
- There also exists the prospect of an additional low yielding season in 2008. On the back of a low harvest in 2007, a low 2008 harvest would be likely to result in a draw-down of stocks to desirable levels by as early as 2008-09.
- Lower-yielding seasons would not be a solution to the current oversupply but rather a valuable opportunity to draw down elevated stock levels towards a balanced position.

LEVY RETURN TO BE COLLECTED

At the end of October Board accounts show that there were \$108,000 of unclaimed levy return cheques. This equals 45% of the total \$1 per tonne scheduled to be returned to growers. Please pick these up from the office.

WGMB OFFICE HOLIDAY CLOSURE

Growers are advised that the Wine Grapes Marketing Board office will close 5pm Thursday 21st December 2006 and reopen Wednesday 3rd January 2007. The Board and its staff wish all growers and their families a safe and happy Christmas and New Year period.

- Current plantings (those they know about - Ed) have the capacity to meet projected demand over the next five years.
- Demand for Australian wine in overseas markets is estimated at 979 million litres in 2010-11. This would represent a 33% increase over current export sales of 735 million litres. Supply is expected to sit comfortably with demand over the projection period.
- The local market will remain Australia's largest single market with demand expected to register at 504 million litres by 2010-11. It is also expected to make the second biggest contribution to increased demand over the projection period. Nevertheless, nearly 85% of the growth in that year is anticipated to come from overseas markets.
- Growth rates in the volume of Australian wine exports are expected to be considerably lower in the future compared to recent history. The industry is entering a period of consolidation and measured growth as competition in world wine markets intensifies and with Australian supply now matching demand.
- The imbalance between market performance and supply from Australia's warm inland versus cooler-climate production bases continues. Some cooler climate fruit may be surplus to the longer-term requirement of the Australian wine industry.

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RTA - OVERSIZE BINS ALLOWED BUT FLASHING LIGHTS/SIGNS TO STAY

RTA to recommend that the Minister approves over-size notice for the 2007 Vintage.

Following a submission to the NSW Roads Minister and representations made directly by Tony Catanzariti MLC and Adrian Piccoli MP the Board has received advice from the Parliamentary Secretary for Roads that the RTA is willing to recommend that the Minister approves a final extension of the Oversize Notice to cover the 2007 harvest.

The Board had requested that the provision requiring operators of oversized vehicles place flashing beacon lights on loads be removed. The basis for this request was road safety as the Board had been advised on many occasions by growers of an increased level of risk to other road users, as the light blinds on-coming traffic.

The NSW Parliamentary Secretary for Roads in correspondence to the Board advised that a condition of the Notice is that the vehicle must comply with **all** conditions of the *General Class 1 Oversize Notice 2002*, including the use of flags and warning devices. He advised, "This policy is consistent with the RTA's policy on all oversize vehicles that exceed the statutory dimension of 2.5m. Such vehicles pose an increased road safety risk, particularly when traveling at night."

As the purpose of the warning beacon is to make other road users aware of the hazard. The Government believes that this would not be satisfied during night time travel if this requirement was removed.

The RTA acknowledged that the industry has made a significant effort to convert the winegrape bins to compliant dimensions. It is because of the effort that has been taken and the limited availability of qualified business to undertake the work that has given the industry another 12 months.

To obtain the extension the Board has been asked on behalf of industry to provide a written undertaking that all conversions will be completed by the 2008 harvest.



Signs and flags such as this and beacon warning lights, will allow oversized winegrape trucks to move around the region.

WATER USE THE TOPIC OF THE YEAR

With water firmly on the Federal and State's agendas agricultural water use is becoming increasingly scrutinized by our city neighbours.

The table (right) shows that within the wine, rice and fruit industries (the essence of our regions prosperity) above average percentages of the water used in production is retained in Australia via domestic consumption.

This table was published in the Australian Farm Institute insights publication, "Water Policy Everywhere and Not a Drop to Drink" Vol. 3, No. 4 October Quarter 2006. Please note that the table is using 2000-01 ABS Water Account data.

Table 1: Estimated amount of water used by agriculture that is embodied in food and fibre consumed by Australian consumers.

Commodity	Water Use (ML) ^a	Domestic Consumption (%) ^b	Embodied Water Use (ML)
Livestock/grains	5,568,474	30	1,670,542
Dairy	2,838,418	50	1,419,209
Vegetables	555,711	90	500,140
Fruit	802,632	90	722,369
Grapes	729,137	50	364,569
Sugar	1,310,671	20	262,134
Cotton	2,908,178	5	145,409
Rice	1,951,160	50	975,580
Total	16,664,381	36	6,059,952

^a ABS Water Account Australia 2000-01

^b Approximate figures derived from ABS, ABARE and industry statistics.

SCHOLEFIELD ROBINSON GROWERS HORTICULTURAL SURVEY

Opportunities for Value-Adding and Regional Diversification of Irrigated Horticulture. This is the title of the project that is being federally funded and is aimed at identifying opportunities for irrigated horticulturists, in the Riverland, Murray Valley (Sunraysia) and Riverina. It hopes to work and improve the profitability of their enterprise and competitiveness in the market place through a number of initiatives.

The consultants Scholefield Robinson - Horticultural Services have been appointed to run this part of the project and are asking that growers respond (in writing)



to the following questions. It is important that growers respond to ensure that the final report can reflect the opinions and suggestions of actual growers.

If growers have some constructive feedback in relation to the following questions please either call the consultants to discuss or write some notes and fax these through to:

Garth Swinburne 03-5023 4644 or 0419 117 369

Fax 03-5023 5814

1. Can you identify any areas in your industry where costs of production could be significantly reduced to make the crop more profitable and competitive?
2. Can you identify any opportunities where industry or growers can add value to the wine grapes they produce?
3. Can you identify any opportunities to increase the performance and competitiveness of the supply chain within the wine industry?
4. What suggestions do you have for alternative crops or enterprises for growers who are finding it difficult to make a living out of existing crops - what will the changes require?

EXCEPTIONAL CIRCUMSTANCES FUNDING FOR GROWERS

Growers are advised that Exceptional Circumstances (EC) assistance is now available across the region. This is especially relevant given reductions in water allocations to all irrigators. EC assistance includes:

- Relief Payments through Centrelink may be available to local grape growers. The Government encourages producers not to undertake self-assessments of their eligibility for income support but should call Centrelink's Drought Hotline on 13 23 16 as soon as possible.

• Interest Rate Subsidies are also available through the NSW Rural Assistance Authority (RAA). In EC recovery years, the subsidy is 80% on all farm related debt and access now continues to March 2008 in this region according to the RAA. Applications are due now and growers should contact their local rural counselling service or the authority on their freecall number 1800 678 593.

It is critical growers make immediate contact with these relevant authorities to determine if your eligibility.

AWBC STRIVES TO PROVIDE ACCURATE INVENTORY

"The importance of gathering an accurate estimate of the amount of wine stored across Australia is amplified in the current climate. It is acknowledged that stock number estimates collected by the Australian Bureau of Statistics (ABS) for the past few years have been below the true level and the Australian Wine and Brandy Corporation is striving to get an accurate figure."

In 2005 it was determined by the AWBC that there was about 900mL in excess of a desired level, however when compared to the ABS numbers (300mL) there exists a large imbalance.

AWBC will now review the process of collection as it is deemed critical, from the grower groups and wineries to

come to a better understanding of the stock level.

Winery purchasing sentiment is strongly influenced by the level of stock available nationally and in many instances the global position. As growers we can only be rest assured that the situation is being critically examined and that this will assist the industry.

Reference: Australian Vignerons - Nov/Dec 2006 p25.



RIVERINA GROWERS SEEK THE RIGHT BALANCE - R&D REPORT

Assisted by Regional Innovation and Technology Adoption (RITA) funding, Riverina growers have started to identify grape production targets that suit their own businesses while meeting the needs of winemakers.

Wine Grapes Marketing Board personnel, industry development officer Emma Grabham and technical officer Jason Cappello, applied for assistance through the Grape and Wine Research and Development Corporation's RITA program to answer calls from growers for the economics of production to be introduced into the equation.

It has been generally appreciated, for instance, that while low yields do not guarantee quality, keeping crop loads within a certain range will mean a better chance of achieving the winery's colour specifications. With tighter times in the industry, and every dollar counting, producers want to home in on the yield and quality parameters that genuinely suit both parties. Similarly, it is known that increased levels of both colour and Baumé (*measuring specific gravity of a solution and hence indicating sugar concentration and potential alcohol*) come with more time on the vine. More time on the vine, however, means loss of berry weight. This has led to interest in finding the position that will give best returns.

Marked changes in the directions of colour (*measured in milligrams of anthocyanin per gram of berry weight*) and berry weight as Baumé develops are evident in the graph below. Data collected from Riverina growers and analysed in the Wine Grapes Marketing Board laboratory is used. In this case, Cabernet Sauvignon in the sampling period from 12.5 Baumé to 13.5 Baumé had a 15% berry weight loss and up to 30% bunch weight losses were experienced with some samples. It is also significant that the colour level began to climb with late ripening.



Funding of activities that are business-related has been welcomed by Technical Officer Jason Cappello, pictured at centre with Lino Zuccato, left, and Rodney Zuccato, whose property Erinsvale Vineyard provided fruit for the study.

Jason Cappello has been able to translate the financial implications of this period of rapid change using payment systems of local wineries that are based partly on colour measurement. In one situation a grower's Cabernet Sauvignon crop if harvested at 12.5 Baumé would have returned more than it did at 13.5 Baumé due to weight loss. In another situation, a Shiraz block produced fruit which lost more than 20% of weight in the late ripening period yet this was more than compensated by the particular winery's payment system that encouraged high colour.

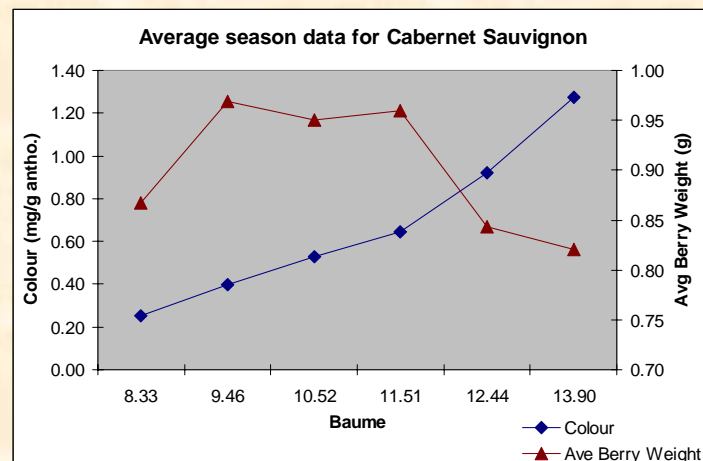
"Our project, based around the 2006 harvest, has been a scoping study showing Riverina growers that it is possible to identify critical stages for grape characteristics as well as returns" he said.

"It has created greater awareness of issues that surround berry ripening and there is interest in continuing the project with an expanded number of participants to gain more information about the influences of site and season variability."

To date the project has involved three vineyards and three varieties, namely Cabernet Sauvignon, Shiraz and Merlot. Crop assessments were conducted from late December to early January and sampling and measurement of fruit characteristics started towards the end of January and ceased in mid April. Measurements were made on a weekly basis in line with gradual increases in sugar levels and records were made of yield, Baumé, colour, pH, titratable acidity, berry weights, bunch weights and fruit value.

Reference: GWRDC R&D at Work October 2006 edition.

The Board would like to thank the Grape and Wine Research and Development Corporation for the funding of this project through the Regional Innovation and Technology Adoption Program (RITA).



WATER ISSUES BECOME INCREASINGLY IMPORTANT TO OUR REGION

As the threat of reductions in supply looms across the industry (South Australia allocations at 60%) it is hoped that through thoughtful considerations of the regions and their economies that a balance can be found that will allow the continued production of irrigated agricultural commodities such as wine grapes.

The popular press are running reports of climate change and the dire impacts that this may have on water availability and the ability to produce certain crops in affected areas.

The Wentworth Group of Concerned Scientists recently published a statement on the state of Australia's water, titled; "Australia's Climate is Changing Australia", Nov. 2006 (the following text is drawn from this statement).

Australia is experiencing one of the worst 'droughts' in history. It is the first time that the autumn rains have failed seven years in a row in the Murray Darling Basin.

There are no signs that this current weather pattern is abating, but there are signs that this is more than just a drought. Our continent is getting hotter, and rainfall patterns have changed significantly.

When you weigh up all the evidence, it appears that parts of Australia are experiencing a step change in its weather patterns. In some parts of Australia, these step changes are more reminiscent of the pre 1950s than the high rainfall period we have experienced in eastern Australia since. And science is warning us of further uncertainty as a result of climate change.

This change in climate may be part of a natural cycle or it might be caused by climate change or it might be a combination of both. Whatever the cause, Australia has a problem, because it's stopped raining where we built our cities and where we developed our irrigation infrastructure.

We built our modern Australian economy in a period of much higher rainfall and we assumed that it would keep on raining. But it hasn't. Our coastal cities are now running out of water, irrigators are staring upstream at empty dams and we're trying to farm where there's less rain.

Many of our iconic wetlands have not had a drink for over a decade.

In 2004, the Wentworth Group of Concerned Scientists gave its wholehearted support to the National Water Initiative and we still do. It gives irrigators a secure title to water and the ability to trade this asset, it gives the environment more water to improve the health of our rivers, and in our cities, it is about the rest of us

accepting the need to manage water more efficiently. The National Water Initiative will be recognised as one of the most significant agreements in our nation's history because it signals a fundamental change in our understanding of our place on this continent. It is a 21st century solution to a 21st century problem.

However, when we put the Initiative together, we gave ourselves until 2014 to get water management right, but nature has taken over the timetable.

If the pre-1950s rainfall patterns continue, Australia is going to have to get by with a lot less water, a whole lot sooner than we thought. Levels of extraction will decline as water resources shrink and many of our river systems, wetlands and estuaries will be stressed. Impose 2006 levels of population, water allocations and demand on pre-1950s weather patterns, and we would be struggling to maintain our cities and farms.

Australia's climate is changing Australia and we must respond. Australia must urgently accelerate the agreed water reforms.

Immediate national priorities

There is a way through this. Whilst the solutions are not easy, they are clear. We need to expedite adjustment and we need to remove barriers that are restricting change.

There are 5 key actions that require immediate attention. None of them are easy and they require a degree of collaboration rarely seen before in Australia:

1. **Buy water** for the environment to secure the health of over-allocated river systems **from anyone willing to sell**;
2. Regulate to offset further water losses caused by timber plantations, farm dams, groundwater use and water efficiency;
3. **Build a National Water Account to find out where our water is**, who is using it and what condition it's in;
4. Apply the same environmental, market and price disciplines to everyone so that all **users pay the full cost of water**, including the cost of addressing environmental impacts; and
5. Accept that desalination, potable reuse, recycling and urban-rural trade are all legitimate options for our coastal cities and often better options than building new dams and damaging more coastal rivers.

Governments, industries and the community must all work together to secure the health of Australia's water.

WATER UPDATE BY MURRUMBIDGEE HORTICULTURAL COUNCIL



The current water crisis and announced allocation cuts has left a lot of irrigators questioning the ability of the Department of Natural Resources (DNR) to manage our water resource. Ironically, in most seasons DNR is under attack for being too conservative in their allocation announcements.



Available Water includes: water remaining in storage from last season, guaranteed releases from Snowy Hydro and expected inflows based on "dry inflow sequences" (the worst inflow series from over 100 yrs of records). This year, for 4 months, the Murrumbidgee Valley equalled lowest inflow records.

At the end of September DNR remained confident that they could deliver all of the announced water (95% High Security and 18% General security) to the Murrumbidgee Valley. In October the existing low inflow record was broken by over 25%. As this information became available DNR suspended all trade and reassessed the available water for both Valleys. At this time it was determined that system losses were also likely to be way above the estimated 30GL (more likely 100GL).

The recent allocation cuts assume continued high system losses and that there will be no improvement in inflows (ie we continue to receive 30% below recorded minimums). Available water has been reduced in NSW, Victoria and South Australia. The remaining allocation to High Security Irrigators in the Murrumbidgee Valley (85%) is well above our counterparts in the Murray (68%) and SA (60%).

The Murray Darling Basin Commission have stated that until now there have been no two consecutive years of extreme dry in 114yrs of records. Consequently, for the first time the Murray Darling system is operating without any reserves. The Commission has begun examining

contingency plans to secure town water supplies during 2007-2008. With the suspension of the Water Sharing Plans in the Murrumbidgee, Murray and Lower Darling, water in Environmental Water Accounts is now being held to ensure town supplies for next year. This week Murray Irrigation has had to close supply to some areas because of system losses.

In the Murrumbidgee, cuts are to announced allocation. This means water remaining in your account for use this season has been reduced by 10% of your initial announced allocation. Murrumbidgee Irrigation (MI) has agreed to provide (subject to Board approval) a Crop Protection Package for High Security Irrigators. Under the package up to 90% of announced allocation will be made available for on farm use if required. Additional usage, up to 95%, may be available on a payback arrangement but cannot be guaranteed at this point. Any overuse beyond the original 95% is subject to a 5:1 payback.

The package is available to High Security Irrigators who have no net trade off their account after the 10th of November (the date of the Ministers announced cuts). There is no "crop protection" package for MI General Security customers and approximately 130 irrigators have already had their water supply stopped as a result of the allocation cuts.

In the MIA, water use on horticultural crops is substantially higher than average due to the lack of any spring rain. Some growers have reported using 3 times their normal water usage for spring. All irrigators should review their water account and set a water budget to ensure they do not run short of water this season.



For more information contact the MHC office on: 6964 2420 or call in to 20 Olympic Street.

Photos: Eucumbene Dam 2006.

NOMINEES FOR THE BOARD ELECTIONS - CONTINUED



Louis Dal Nevo

Positions Held: Member of the Wine Grapes Marketing Board (since 1999), Member of the Hanwood Grape Growers' Association (past President), Board representative to Murrumbidgee Horticultural Council, IREC Drainage Sub-Committee (past Chairman)

Current Involvement in the Industry: Wine grape producer in Hanwood (28 hectare property), producer for past 35 years.

What skills to you bring to the Board: Over the past 8 years as a Board member I have attended training courses with the Board and viticultural courses, directors courses and seminars that have been conducted in the region. I believe I am approachable for all growers to raise their issues about the industry. I feel that my role within the Board is to support the everyday grape grower, small to large producers.



Pascal Guertin

Positions Held: Current member of the Yenda Grape Growers Association (past 7 years), Past Chairman of the Board of Trustees - Bilbul Common.

Current Involvement in the Industry: I have been a grape grower for the last 20 years, after migrating from Canada in 1986. I come from the province of Quebec and I am fluent in French and English. I also have been an Australian Citizen since 1996.

I am married with 4 children. I co-own and manage a 60 hectare vineyard in Bilbul and manage a further 70 hectares in collaboration with Dal Broi Vineyards also in Bilbul.

What skills do you bring to the Board: I have a college degree certificate in Agricultural Technology from the Quebec Agricultural Technology Institute, acquired in 1983. Over the past 20 years I have attended and completed a series of workshops and short courses to improve my skills. These include Precision Viticulture, IPM, ChemCert and EnviroWise. I have strived to be at the forefront on viticultural practices and technology throughout my career. I hope to bring to the Board my experience in viticulture and my ability to interact with people, both growers and winemakers.



Len Gullotta

Positions Held: Member of the Wine Grapes Marketing Board (since 1999), Past President of the Leeton Grape Growers Association.

Current Involvement in the Industry: Current member of the Board. Wine grape producer since late 1960's.

What skills do you bring to the Board: Past President - Leeton United Soccer Club, Past Director - Leeton and District Bowling Club, Past President - Leeton Grape Growers Association - while it was functioning. I have also completed a Directors course in Roles and Responsibilities.

I have a reasonable rapport with people and believe that the past 8 years with the Board have prepared me to continue representing wine grape growers fairly and effectively.



Leo Ippoliti

Positions Held: None - but actively attends industry meetings.

Current Involvement in the Industry: I have been involved since 1998 with my parents farm G2727 converting from broad acre agriculture to viticulture with a 20 hectare development. More recently we have developed a further 23 hectares on farm G615 in 2005.

What skills do you bring to the Board: I have been employed as a Sales Manager for MIA Concrete over 19 years.

I hold a keen interest to work with the Board to make the MIA growers (the Board) one of the strongest organisations in Australia.

NOMINEES FOR THE BOARD ELECTION

All nominees for the Wine Grapes Marketing Board were asked to provide a response to two questions in relation to their involvement and skills.

The purpose of this exercise is to provide growers that do not know these people an opportunity to read their own views and thoughts about their current role in the industry and the skills that they will be able to bring to the Board. The following responses are listed in alphabetical order. The term of office under the current legislation is three (3) years. Growers that wish to speak to these persons prior to the election can do so. For their contact details please contact the Board CEO Brian Simpson.



Tony Baggio

Positions Held: Member of the Wine Grapes Marketing Board (since being appointed by the Minister for Primary Industries in 2003), Riverina representative to the National Vine Health Steering Committee, Federal Grower Representative to Plant Health Australia, Foundation & Current Member of the NSW Rural Fire Service, Member of Beelbanger School Council - Community Member, Life member of the Beelbanger P&C Association.

Current Involvement in the Industry: I have been in viticulture since 1968.

What skills do you bring to the Board: I have completed a Directors course in Roles and Responsibilities. I have also undertaken training with water and chemical management courses. I know I can contribute to the WGMB with my experiences in viticulture and grass roots problems that farmers have. I am committed to the WGMB as a grower representative to help growers in these difficult times.



Robert Bellato

Positions Held: Member of the Wine Grapes Marketing Board (since 1995), Current Deputy Chairman of the Board (since 2003), Past Chairman of the Yenda Grape Growers Association, Grape grower representative on the MIA PowerPACT initiative.

Current Involvement in the Industry: Owner manager of 2 properties in Beelbanger, attend national grape grower meetings and workshops on a regular basis.

What skills do you bring to the Board: I have completed a Directors course in Roles and Responsibilities. I have on a numerous of occasions been involved in negotiations with wineries and governments both state and federal.

I believe that I am very approachable for growers to communicate with and speak to wineries on behalf of growers.



Bruno Brombal

Positions Held: Member of the Wine Grapes Marketing Board (since 1989), Current Chairman of the Board (since 1998).

Current Involvement in the Industry: I have been involved in the grape industry for 42 years as a grower. Within that time I have expanded from running 10 hectares to 130 hectares of wine grapes. I am currently involved with the federal project, Taking Stock and Setting Directions as well as the development of the Wine Industry Code of Conduct through Wine Grape Growers Australia. Recently I was appointed to the NSW Wine Industry Research and Development Ministers Advisory Council.

As a Board member and a grower my aim is to negotiate with wineries to keep the industry afloat. I feel that it is important that the sons, daughters and young families of today's grape growers survive and are provided with a positive stable future within this industry.

What skills do you bring to the Board: As the current Chairman I possess strong communication skills which are needed to communicate with growers, wineries and governments in order to establish fair conditions and pricing to all growers. In accordance with this I also conduct and coordinate general meetings and have completed a directors role and responsibilities course.

TAKING STOCK AND SETTING DIRECTIONS PROJECT DRAFT OUTCOMES

In July 2006, the Australian Government Department of Agriculture, Fisheries and Forestry and Wine Grape Growers Australia Inc. initiated a Taking Stock and Setting Directions Project under the Government's Industry Partnerships Programme (IPP). The Programme is designed to help primary industries to become more competitive, profitable, sustainable, resilient and self-reliant.

The project was initiated to address the serious difficulties being faced by growers due to the large oversupply of wine grapes and the very low prices being received. The programme also enables the industry to take a comprehensive and longer term view of its performance and future prospects assessed against desirable outcomes.

The project's final report will be presented to the Government and the industry in December 2006.

Brian Simpson CEO of the Board represents the Riverina on the Project Management Committee.

The following items on this page and pages 5 and 6 cover the issues that have been identified and the proposed strategies that may be adopted by industry with the assistance of the Federal Government.

OUTCOME 1: GLOBAL COMPETITIVENESS – the ability of the industry to compete and win market share in export and domestic markets. Wine is the traded product in world markets, but its competitiveness depends significantly on the quality (both perceived and actual) and efficiency of grape production.

PRIORITY ISSUE 1 – The development and implementation of marketing strategies that result in wine sales which will support profitable grape growing and winemaking sectors.

OUTCOME 2: PROFITABILITY – the ability of the industry to generate profits for wine grape growers and value chain businesses that justify the continuation of resources being used in the industry.

PRIORITY ISSUE 3 – Adopting new grape growing business models for competing in consolidating value chains and achieving enterprise profitability.

PRIORITY ISSUE 4 – Building collaborative relationships through the value chain and improving mutual understanding of respective businesses, costs of production, pricing, profit margins and return on assets.

PRIORITY ISSUE 5 – Achieving appropriate economies of scale and cost reduction in grape production and marketing.

OUTCOME 3: SUSTAINABILITY – the capacity of the industry to be economically viable in the long term and to invest in the maintenance of the industry's natural resources for future productive use.

PRIORITY ISSUE 6 – Facilitating major structural adjustment in the wine grape growing industry with appropriate support for growers.

PRIORITY ISSUE 7 – Entrenching a culture of innovation and continuous improvement in wine grape production and marketing.

PRIORITY ISSUE 8 – Maintaining access to, and improving efficiency of, water resources.

PRIORITY ISSUE 9 – Continuing to implement and demonstrate world's best practice in natural resource management.

PRIORITY ISSUE 10 – Monitoring and managing industry responses to climate variability and climate change.

OUTCOME 4: RESILIENCE – the capacity of the industry to bounce back from adverse shocks and its flexibility to deal with future shocks, either physical, economic, policy decisions, or changes in the external environment such as exchange rate appreciation.

PRIORITY ISSUE 11 - Strengthening Information collection, analysis and reporting to support grower decision making and industry policies and planning.

PRIORITY ISSUE 12 - Developing effective planning and strategy setting processes for the grape growing sector linked to marketing strategies and sales targets for wine.

PRIORITY ISSUE 13 - Ensuring ongoing investment in the industry's human, capital and financial capacity.

OUTCOME 5: SELF RELIANCE - the capacity of the industry's institutions and leaders to plan for the future, to provide leadership during periods of prosperity and downturn, to respond quickly and effectively to issues, and to build relationships within the industry value chain and with governments, the community and other sectors of the economy.

PRIORITY ISSUE 14 – Coordinating and building the industry's structure at regional, state and national levels; resolving funding and resourcing constraints; and strengthening policy development, change management and relationship management capacity.

PRIORITY ISSUE 15 – Investing in the development of industry leadership and the future generation.

STRATEGIES USED FOR CONSIDERATION AND PRIORITISATION

S1 Highlighting the unique contribution of Australian grape growers to the wine industry and its global competitiveness.

S2 Contributing to industry marketing strategies, including the Wine Directions Strategy.

S3 Backing wine marketing strategies with a wine grape industry strategic plan that ensures grapes are supplied in a profitable and sustainable way for the production of wines sold in each of the market segments.

S4 Monitoring trends in grape and bulk wine sourcing by wine companies and developing new grower business models to remain competitive and profitable.

S5 Contributing to marketing strategies that build Brand Australia and regional brands.



S6 Implementing systems for benchmarking Australian viticulture to world's best practice in conjunction with related initiatives across the value chain.

S7 Reviewing requirements for new business skills development for growers.

S8 Researching and promoting profitable grower business models for grape production, marketing and supply.

S9 Providing action learning, case studies and extension support for grower adoption of appropriate business models.

S10 Investigating grape growing and wine production costs, the relationship between grape and wine prices, and profits or rate of return on assets and management to growers and winemakers.

S11 Exchanging appropriate business information between value chain sectors from grape growing through to retail sales.

S12 Building collaborative relationships in the wine industry value chain that address profitability and competitiveness issues.

S13 Researching and disseminating information on economies of scale and cost reduction strategies for wine grape production and marketing.

S14 Promoting best practice models and providing extension support that addresses key scale and cost reduction issues.

S15 Investigating, developing and implementing strategies for structural adjustment in collaboration with government and industry organisations.

S16 Developing appropriate support and incentive packages in collaboration with government and industry organisations.

S17 Providing extension and counselling support to growers on their businesses and financial prospects.

S18 Monitoring and assessing grape supply from regions and addressing demand/supply mismatches in industry strategies.

S19 Monitoring investment in vineyards and plantings.

S20 Addressing issues concerning new plantings through planning and value chain collaboration.

S21 Establishing an effective whole of value chain R&D system that builds a culture and practice of innovation and continuous improvement.

S22 Monitoring and disseminating information to growers on the impacts of climate variability on irrigation water availability and costs.

S23 Collaborating with governments, water authorities and companies on irrigation infrastructure investment.

S24 Providing information and extension support for best practice irrigation in viticulture.

S25 Developing world's best practice natural resource management (NRM) standards for Australian viticulture.

S26 Examining opportunities arising from Government Environmental Management Systems and NRM programs, including the forthcoming new round of the Natural Heritage Trust.

S27 Collaborating and participating in Australian Wine Industry Stewardship.

S28 Researching potential impacts of climate change on wine grape production and regions.

S29 Developing climate change response strategies.

S30 Refining industry data and improving information collection and dissemination relating to wine grape demand and supply variables.

S31 Upgrading industry information interpretation and dissemination to growers, other value chain sectors, government and the media.

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STRATEGIES USED FOR CONSIDERATION AND PRIORITISATION

S32 Implementing ongoing strategic planning, and performance monitoring and evaluation processes.

S33 Analysing and communicating information about industry trends and characteristics of industry cycles.

S34 Enhancing human resource capacity in Australian viticulture and attracting people to the industry.

S35 Increasing investment in upgrading Australian vineyards and technology in line with benchmarking results.

S36 Collaborating with infrastructure funders and providers to ensure the provision of modern distribution infrastructure for grape supplies to wineries.

S37 Reviewing the effectiveness of the industry's structure at national, state and regional level.

S38 Addressing funding and resourcing issues at national, state and regional levels.

S39 Providing leadership for the wine grape sector in managing industry adjustment and change.

S40 Developing relationships with national, state and local governments in order to promote the interests of the wine grape industry.

S41 Developing strategic alliances with industry stakeholders and others outside the industry to provide additional resources to underpin a strong industry support capacity that benefits the wine grape industry.

S42 Improving industry communication and professional development for grower businesses.

S43 Supporting future leaders and upgrading leadership development and succession planning.



WORKSHOP DISCUSSIONS - FUTURE DIRECTIONS

The workshop that was held in Adelaide on 9 November 2006 to progress this project focused very closely on the following key main priorities:

- Information for growers - getting key details and messages to enable better decisions to be made.
- Reviewing the costs of production and training needs for growers to enable growers to make enterprise decisions that have a positive impact on their business.
- Policy development - the use of the federal growers body, the Wine Grape Growers Australia to make policy decisions that can effectively influence governments to ensure that the rights of

growers are upheld.

- Preparation of the industry Code of Conduct - along with continued development of relationships along the supply chain.

Many at the workshop believed that as an industry we need to act quickly to ensure that we do not lose the existing intellectual capital (growers) from the industry. Doing nothing and letting the market forces dictate is not a workable solution.

The final draft of the project will be available for industry comment by mid-December. It will then be up to industry participants, such as the Board to progress the outcomes and possibly seek Govt. funds for key activities.

WINE GRAPES MARKETING BOARD ELECTIONS

Growers will be asked to vote in an election of members to the Board. In accordance with the Wine Grapes Marketing Board (Reconstitution) Act 2003 a poll is held every three years.

Of the current elected members all have been renominated to stand for re-election along with another two growers.

The Board elections are run by the State Electoral Office. The roll of eligible voters will be open for exhibition from Thursday 30 November 2006 closing Friday 15

December 2006 at the following locations:

- Wine Grapes Marketing Board
- Murrumbidgee Shire Council - Coleambally
- Carrathool Shire Council - Hillston District Office
- Leeton Shire Council

Enrolments for growers eligible, but not on the roll close noon Monday 18 December 2006.

Ballot papers will be posted to growers on Tuesday 19 December 2006 and growers will have until noon Wednesday 10 January 2007 to return these.