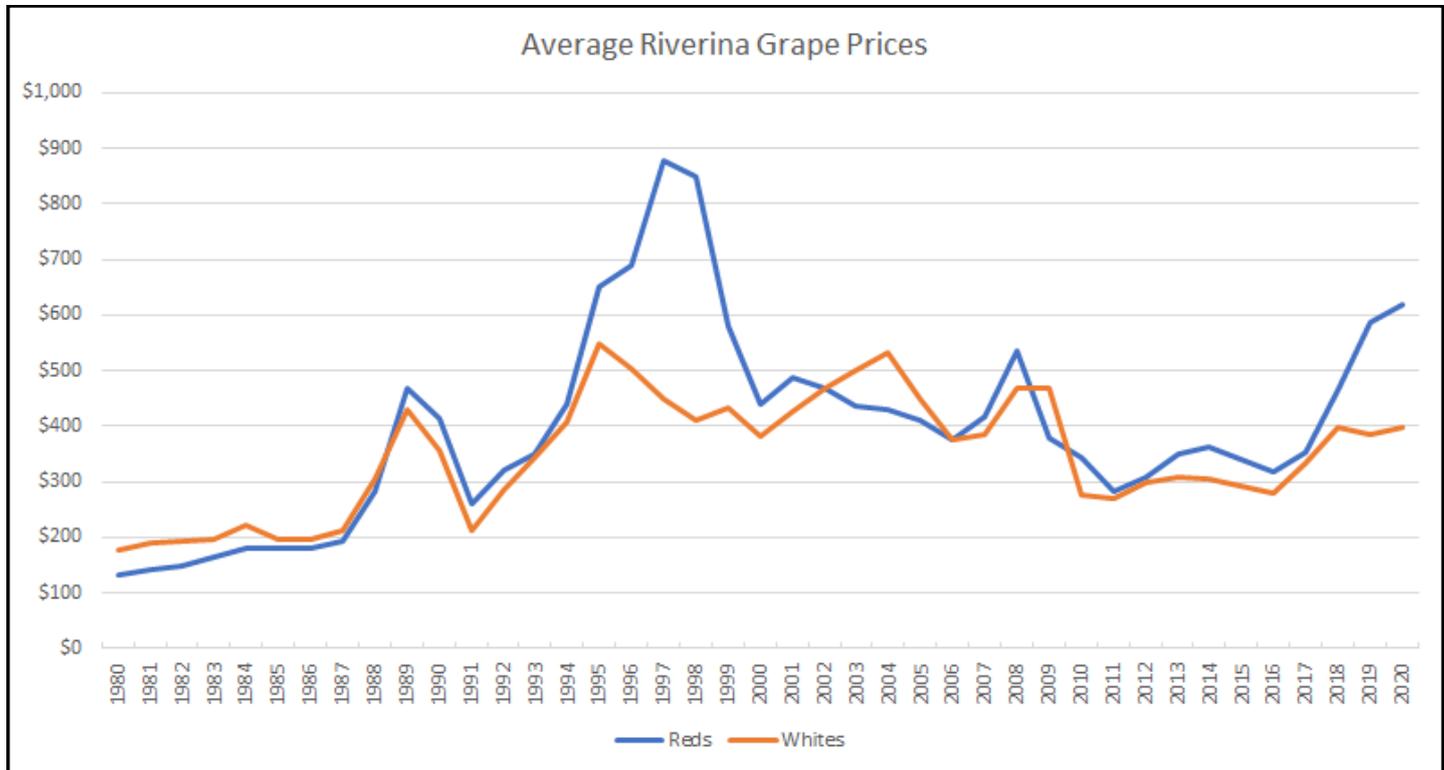


### 2020 WEIGHTED AVERAGE WINEGRAPE PRICES



Wine Australia has released the 2020 National Vintage Report for the wine industry. The Riverina details can be found in the Appendix A9-A10 of the report. Use this link for the entire report - <https://www.wineaustralia.com/market-insights/national-vintage-report> (these have been reproduced on pages 4 - 5 of this publication).

Regional average grape prices for the Riverina again rose in 2020 with red winegrape prices rising 5% and white winegrapes rising 4%.

The biggest movers in price was Pinot Noir that climbed 20% to \$576 per tonne. The highest paid red winegrape variety is Durif at \$655 per tonne.

77% of all red winegrapes sold at prices above \$600 per tonnes but the overall average for these went to \$618 per tonne.

White winegrapes in the majority are not overly profitable for most growers unless they have high yields and the growing conditions this year saw the production of our major white winegrape variety Chardonnay drop significantly.

Nationally the crush for 2020 is estimated to be 1.52 million tonnes. This is 12% below the 2019 harvest and 13% below the 10 year average of 1.75 million tonnes.

Across Australia average prices increased by 5% so the Riverina is fairing similar to the other parts of the country in terms of price increases (when looking at all averages collectively). However a reduction of productive yield of between 5-20% varietal dependant will unfortunately negate any price rises.

In 2019 the region recorded at harvest of 323,000 tonnes, in 2020 that dropped to 303,000 tonnes. So overall the 5% increase on top of a 6% decline in production shows that the farm gate returns are down for the Riverina.

	2019	2020
Total Purchase Value Reds:	\$55m	\$55.4m
Total Purchase Value Whites:	\$42m	\$39.1m

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## BOARD ACTIVITIES REPORT



**Riverina  
WINEGRAPE  
GROWERS**

### Annual General Meeting Postponed

The Board postponed the holding of the Annual General Meeting until later in the year to coincide with the Budget Meeting, scheduled for 25th November 2020.

We are hoping that restrictions of gatherings will have eased by then. Normal arrangements, including a growers dinner will be planned for the meeting in November.

### Database Upgrade

The Board has completed an upgrade of the mapping system for vineyards in the region. This will now allow for better quality imagery to be provided to our members and farm maps have been forwarded to all growers with their delivery information and rate notice for 2020.

**Please note that the Rate Notice is not an invoice but for information purposes only.**

**Growers with vineyard changes are urged to contact the Board office and provide this new information.**

The Board is also interested in collecting the clone details of vinifera you have planted. This will allow the Board to assess yields of the various clones of key regional varieties. It is hoped that this information will provide better guidance for replanting in the region.

### Leeton Shire Council - Visitors Guide

Leeton Shire has partnered with neighbouring councils to develop what they are calling the Murrumbidgee Trails, the Board is sponsoring this again.

### HACCP Team Training

The management team, made up of winery representatives and grower representatives recently undertook a training program as part of the system audit recommendations. The Board which manages the 2nd party Audit System for the region undertook the training to ensure that it is able to maintain the system to the best of its endeavours. Approximately 150 growers or 160KT of fruit grown in the region is covered by the Board managed HACCP system.

Growers that undertake 3rd Party Certification through external providers are reminded that a \$150 rebate is available annually on this cost.

### Riverina Regional Promotional Campaign

Due to COVID19 the Riverina Winemakers promotional campaign for 2020 has been put back 6 months. Events such as the Vintage Festival will occur later in the year.

### Regional Plantings v Production Analysis

This season the office is reviewing in fine detail the production against actual plantings on vineyards. It would be ideal if what was recorded in the Board's database actually matched what is occurring in the vineyards across the region for statistical purposes.

As mentioned in the Database Upgrade report if you have changes let us know. We will be contacting growers whom have delivered winegrape varieties that they do not have on their vineyard and visa versa to correlate this information.

### Brian Simpson - 20 years service

At the June 2020 Meeting of the Board the CEO was acknowledged for his 20 years of employment.

### Primary Producer Registration Issues

A number of reports have been received by the office complaining that a large corporate transport operator is transporting primary produce without having to register its trucks for business use.

Upon further investigation it can be advised that the produce and consumable items that they are transporting are for the movement or feed for their own primary produce. Call us for further information.

### Code of Conduct still being developed

Interest in the Australian Wine Industry Code of Conduct should be high after the ACCC Investigations into the winegrape industry showed that business conditions for growers across Australia needed to improve.

It is important to note that the Code will soon be reintroduced as a voluntary code for industry. It is hopeful that it gets a high level of signatories to it. Traditionally in the Riverina there has been no interest by regional wineries in signing up to the Code. It is now understood that most regional wineries are fully aware of the focus that is being made to the industry by the ACCC, with particular reference to the Riverina.

**FREE BUSINESS ADVISORY SERVICE**



MURRAY HUME  
BUSINESS  
ENTERPRISE CENTRE

For example, we may address:

- ◆ Budgeting and Cash Flow Projections and options to address cash flow
- ◆ Business and Strategic Plans
- ◆ Risk Management Plans
- ◆ Interim Profit Reporting
- ◆ Succession, Sale of Business and Retirement Plans
- ◆ Accounting reports explained simply - Balance Sheet v Profit and Loss v Cash Flow

As part of the NSW Government's Business Connect Program we are able to offer a free advisory service for farmers and small business in the local region.

Our local consultant and qualified accountant has wide ranging experience in agribusiness, horticultural farming, packing and marketing (including organics), food and juice manufacturing, retail and hospitality, as well as in the not for profit sector.

The idea is to assist you with any finance related or business matters that you would like help with. An initial meeting is set up where you can detail your operation and areas that you would like to discuss further. Whilst we may raise issues that were not on your radar.

It may be that you simply need someone who is independent to listen to what is currently happening (good, bad or otherwise) and your ideas. From there we can plan the timetable to address any areas where you need help or guidance.

The above is a guide only. There is no limitations to the areas that we can assist, it is really a service provided to help you manage your business or develop your ideas, if we can.

Should you require further information or to arrange an initial meeting please contact Martin O'Donnell by phone on 0428 270405.

All information discussed or exchanged will remain completely confidential.

**SEASONAL REMINDER FOR ALL VITICULTURISTS**



It is that time of year when we start to plan our spray programs for our vineyards with herbicides being one of the first sprays to be applied.

Spraying your vineyard can also impact on properties around you and in particular downwind whilst spraying.

The important consideration is that your spray should remain on your property and conditions like weather inversions should be avoided.

Choosing the right sprays that comply with the AWRI Dog Book as well as physically killing your weeds is always a challenge.

Resistance to herbicides like glyphosate can be a massive problem where the one herbicide has been used over a number of previous years.

Inversions are particularly prevalent when the conditions are still, and the heat dissipates from the ground from early evening to early morning.

Rotating between fungicides is good practice during the season, so too is rotating between herbicides.

We then tackle spray programs for fungicides and Insecticides. It is important all label conditions are adhered too, especially withholding periods and export MRL's.

Planning your program will mean choosing between Glyphosate, Glufosinate and Paraquat herbicide groups to combat resistance to get the best results.

One small breach could jeopardise thousands of litres of wine once delivered to the winery and render it unsaleable or restricted to domestic markets. Understanding how and why these sprays work and the particular stage of the disease life cycle we need to target is critical. There are many well qualified advisers to help in this regard and their input and advice is advised.

Each of these herbicides require different volumes of water and different spray volumes, which means strict adherence to labels, is a must to maximise your results.

# WINE GRAPES MARKETING BOARD

## Riverina

## NSW

Variety	Price dispersion				Tonnes purchased	Total value purchased	Average purchase value per tonne	Change in price year on year	Winery grown fruit	Share of winery grown	Total crushed	Estimated total value all grapes
	<\$300	\$300 to <\$600	\$600 to <\$1500	\$1500 to \$2000+								
<b>Red</b>												
Barbera	271	271			271			152	36%		424	\$189,336
Cabernet Franc	7		7		7				0%		7	\$4,344
Cabernet Sauvignon	15,672	5,816	9,856		15,672	\$9,925,328	\$633	6%	28%		21,680	\$13,730,675
Durif	7,182	1,947	5,215	20	7,182	\$4,706,836	\$655	-1%	13%		8,221	\$5,387,217
Grenache	77	77			77			99	56%		176	\$96,778
Lagrein								60	100%		60	\$73,740
Malbec	478		478		478			263	35%		741	\$488,292
Mataro/Mourvèdre	278	263	15		278	\$120,164	\$432	1%	15%		326	\$141,049
Merlot	11,571	2,473	9,098		11,571	\$7,038,580	\$608	8%	34%		17,529	\$10,663,193
Montepulciano	60	27	33		60			132	69%		192	\$143,005
Muscad à petits grains rouges	296	296			296	\$105,855	\$357	-3%	56%		667	\$238,074
Nero d'Avola	51	18	33		51			399	89%		450	\$327,898
Petit Verdot	1,907	1,900			1,907	\$928,899	\$487	3%	29%		2,672	\$1,301,268
Pinot Noir	3,613	630	2,982		3,613	\$2,079,429	\$576	20%	13%		4,142	\$2,384,158
Ruby Cabernet	5,721	4,756	965		5,721	\$3,104,806	\$543	3%	26%		7,698	\$4,177,918
Sangiovese	137	137			137	\$68,360	\$500	9%	55%		302	\$151,230
Shiraz	39,443	1,312	38,131		39,443	\$24,973,309	\$633	5%	28%		54,746	\$34,661,985
Tempranillo	4	4			4			508	99%		511	\$281,204
Touriga Nacional	20		20		20			18	46%		38	\$28,230
Other red	2,981	808	2,173		2,981	\$1,815,660	\$609	12%	64%		8,193	\$4,989,483
<b>Red Total</b>	<b>89,770</b>	<b>20,736</b>	<b>69,007</b>	<b>20</b>	<b>89,770</b>	<b>\$55,450,242</b>	<b>\$618</b>	<b>5%</b>	<b>30%</b>		<b>128,775</b>	<b>\$79,459,078</b>

(continues)

## Riverina (continued)

NSW

Variety	Tonnes purchased	Price dispersion				Total value purchased	Average purchase value per tonne	Change in price year on year	Winery grown fruit	Share of winery grown	Total crushed	Estimated total value all grapes
		<\$300	\$300 to <\$600	\$600 to <\$1500	\$1500 to >\$2000+							
<b>White</b>												
Chardonnay	31,391	31,391			\$12,703,043	\$405	4%	14,275	31%	45,666	\$18,479,919	
Chenin blanc	345	345			\$119,349	\$345	13%	141	29%	486	\$168,047	
Colombard	5,774	5,774			\$1,984,787	\$344	3%	1,389	19%	7,163	\$2,462,374	
Fiano	53	53							0%	53	\$26,320	
Gewürztraminer	3,572	3,572			\$1,274,477	\$357	2%	1,449	29%	5,021	\$1,791,386	
Marsanne	485	485			\$161,059	\$332	-8%	94	16%	578	\$192,276	
Muscât à petits grains blancs	7,668	7,668			\$2,692,316	\$351	0%	3,655	32%	11,323	\$3,975,590	
Muscât Gordo Blanco	5,098	5,098			\$1,788,942	\$351	2%	809	14%	5,907	\$2,072,818	
Pinot Gris/Grigio	9,723	9,703	20		\$4,821,228	\$496	5%	7,976	45%	17,700	\$8,776,237	
Prosecco	89	89							0%	89	\$48,923	
Riesling	1,042	1,042			\$363,013	\$348	4%	800	43%	1,841	\$641,566	
Roussanne	175	175							0%	175	\$59,378	
Sauvignon Blanc	10,865	10,865			\$5,015,258	\$462	6%	3,967	27%	14,832	\$6,846,495	
Semillon	16,791	16,723	68		\$6,013,367	\$358	2%	4,442	21%	21,232	\$7,604,093	
Verdelho	849	849			\$335,018	\$395	19%	1,081	56%	1,930	\$761,737	
Vermentino	20	20							0%	20	\$10,150	
Viognier	1,255	1,255			\$475,173	\$379	7%	145	10%	1,400	\$530,151	
Other white	2,971	40	2,931		\$1,299,615	\$437	1%	1,384	32%	4,355	\$1,904,957	
<b>White Total</b>	<b>98,164</b>	<b>40</b>	<b>98,037</b>	<b>88</b>	<b>\$39,191,413</b>	<b>\$399</b>	<b>4%</b>	<b>41,607</b>	<b>30%</b>	<b>139,772</b>	<b>\$56,352,417</b>	
<b>Grand Total</b>	<b>187,935</b>	<b>40</b>	<b>118,773</b>	<b>69,095</b>	<b>\$94,640,857</b>	<b>\$504</b>	<b>5%</b>	<b>80,612</b>	<b>30%</b>	<b>268,547</b>	<b>\$135,811,495</b>	

## Important for growers to note:

Media Release: 14th July 2020

### Securing your debt if you are selling grapes or wine

In these extremely challenging times for the wine sector, growers and wineries need to be particularly careful in exposing themselves to potential bad debts. If you are selling grapes or wine on credit, you must ensure that the debt is secured.

There are various ways in which you can secure the debt. Taking security over real property is generally the safest approach, but is often impractical. Taking directors' guarantees is common in business, but may not be available to a grower or winery selling their stock.

If you are selling wine, you would be wise to do so on the basis that you retain title to the stock until you are paid in full (for that stock and all stock you have previously sold to the buyer). That means that you continue to own it and can claim against the buyer for its return, if they do not pay you. Your lawyer should draft your Wine Supply Agreement or Terms and Conditions of Sale of wine accordingly.

Such a "retention of title" arrangement is often not available to grape growers nowadays because the purchasing winery is not entitled to the WET rebate if they do not own the grapes prior to their processing. Therefore, growers should provide in the Grape Supply Agreement that the winery grants them a "security interest" in the grapes (like a charge or mortgage), to secure their debt to the grower.

If you have a security interest in your favour (whether in the nature of a "retention of title" clause or another security interest), you should register it under the Personal Property Securities Act 2009 (Cth) (PPSA). If you do not, your security could be defeated by a third party creditor of the buyer (such as their bank), who might

have a security interest over all of the buyer's assets, or an administrator or liquidator appointed to the buyer. Since a security interest, that secures the repayment of a debt in connection with the purchase price of assets, qualifies as a "purchase money security interest", if it is properly registered under the PPSA, it will take priority over prior registered security interests over the buyer's assets (such as an "all assets" security registered by the buyer's bank). This "super priority" is important because ordinarily the registration made first in time will have priority.

It is not difficult or expensive to register a security interest under the PPSA (about \$300 generally), but it is vitally important to get the wording and timing of the registration right. You would be prudent to ask your lawyer to do this for you.

In these difficult times when "cash is king", it is critical that participants in the wine sector take a little bit of extra time and effort to protect their financial position.

### *Editors Comment*

The media release was written by Finlaysons Lawyers and Australian Grape and Wine and serves as a reminder to growers that even if you deliver your fruit you are not guaranteed to be paid in the event of a business collapse unless appropriate steps are taken to secure your debt.

**YOU SHOULD ASK THE QUESTIONS - is my money secure? Can I take security over my winegrapes?**

Growers wanting to discuss this matter further can contact the Board office on 6962 3944.



## SPRAY DIARY AND DOG BOOK



The Australian Wine  
Research Institute

For of you that like to have it available on your smart phone there is also an App available just go to the App store (iTunes of Google Play for Andriod) and type in **awri agrochemicals** and download.

Riverina Winegrape Growers will soon be sending out a manual spray diary to all growers to use if you are not on GrapeWeb.

The manual diary also allows you to keep a record of what you are doing in the shed when preparing to apply sprays. It can then be transferred to the online application if that is what you are using.

We urge all growers to enter all chemicals used, this includes fungicide, herbicide and insecticides used in vineyards, also record calibration of your spray units either manually or electronically.

**I wish to complete all second party HACCP audits by end of September 2020 so growers that haven't completed their HACCP audit for 2020 could you please contact myself Brian Bortolin on 0401 567 449 to make appointment.**

All constituted growers should have received your 2020/2021 AWRI Dog Book in the Grapegrower & Winemaker magazine sent to you early July. Please review this for the chemicals that you use.

If you wish to obtain another copy for other members of your staff or to have at multiple locations please contact the office on 69623944 or drop in at the WGMB office at 182 Yambil Street and pick up a copy. Also a number of the local rural suppliers will have them as reference documents.

You can also view an electronic copy online at [awri.com.au.viticulture/dogbook](http://awri.com.au/viticulture/dogbook) then scroll down to **Agrochemical Booklet 2020-2021**.

Or grab the PDF version of the book: <https://www.awri.com.au/wp-content/uploads/agrochemical-booklet.pdf>

Electronic versions of the 'Dog book' (pdf, [online search](#) and App) are all updated regularly. To keep in touch with all changes as they happen, sign up for [the AWRI's free eBulletin](#). <https://www.awri.com.au/information-services/ebulletins/>

**If I can be of any assistance in entering data on GrapeWeb or understanding the AWRI agrochemicals App, contact Brian Bortolin 0401 567 449.**



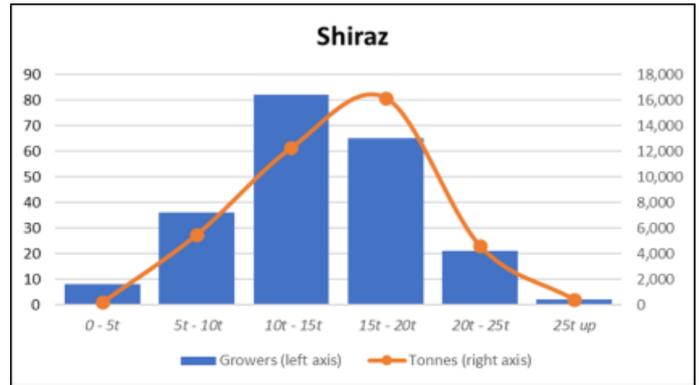
# WINE GRAPES MARKETING BOARD

## YIELD ANALYSIS 2020

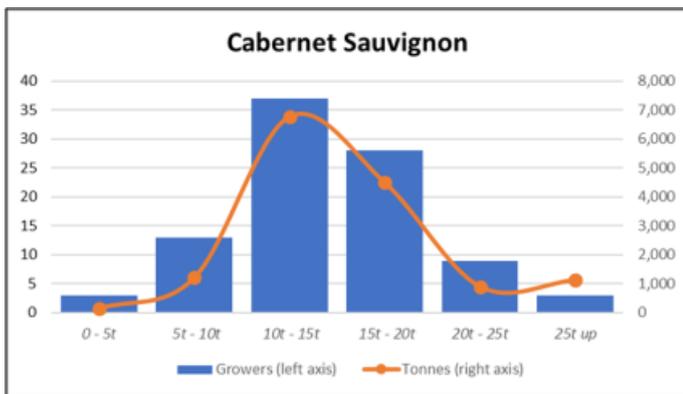
The following graphs show (based on the data held by the Board on regional plantings and deliveries of growers only) the yields received in the 2020 vintage.

The Board is very concerned for the financial well being of its members when many of them are producing winegrapes at yields that make returns unsustainable.

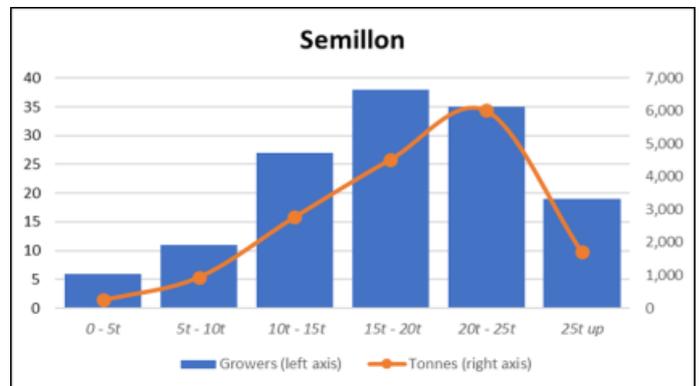
While pricing has increased as the graph on page 1 shows clearly in average terms looking at the returns of individual growers and their varieties it becomes alarming that the regions farm gate returns are not overly viable to fund replanting of aged vine material.



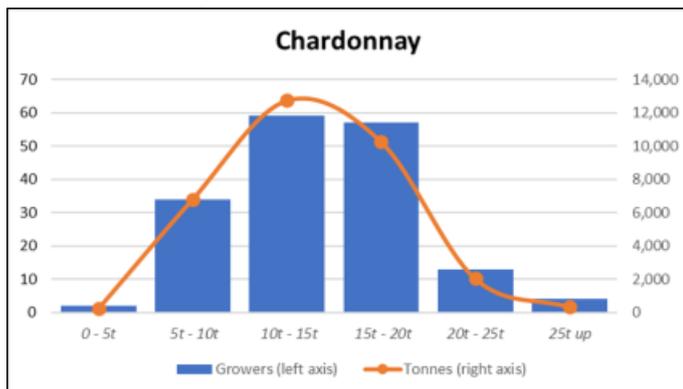
Shiraz avg purchase value: \$633, 59% of growers and 46% of the tonnes produced in 2020 were below 15 tonnes per hectare or \$9,495 per hectare.



Cabernet Sauvignon avg purchase value: \$633, 57% of growers and 55% of the tonnes produced in 2020 were below 15 tonnes per hectare or \$9,495 per hectare.



Semillon avg purchase value: \$358, 60% of growers and 52% of the tonnes produced in 2020 were below 20 tonnes per hectare or \$7,160 per hectare.



Chardonnay avg purchase value: \$405, 90% of growers and 93% of tonnes produced in 2020 were below 20 tonnes per hectare of \$8,100 per hectare.

The Board understands that many growers have other sources of farm income and many have taken on this extra work to remain viable.

If prices do not return a viable and profitable return to growers at the current yields then growers must try and increase the yields from their vineyards. ABAREs undertook a cost of production survey many years ago that noted that the top 25% of growers surveyed they were spending on average between \$271 to \$315 per hectare on fertiliser while using an averaged of 4.7ML per hectare of irrigation water.

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