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The Australia Grape Growers Case

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Overview

- Oz Wine in its context
- The two typical case regions
- The environmental issues
- Current issues

	Grapes area harvested, ha		Wine production, tonnes	
1	Spain	1,000,000	France	6,590,750
2	France	764,164	Italy	4,673,400
3	Italy	725,353	Spain	3,339,700
4	China	568,450	USA	2,211,300
5	Turkey	472,545	China	1,657,500
6	USA	388,580	Argentina	1,547,300
7	Iran	227,461	**Australia**	**1,133,860**
8	Argentina	218,000	Chile	1,046,000
9	Chile	202,000	South Africa	965,500
10	Portugal	179,472	Germany	961,100
11	Romania	176,170	Russia	696,260
12	**Australia**	**167,422**	Portugal	694,612
13	Moldova	128,350	Brazil	345,000
14	South Africa	115,000	Greece	303,000
15	India	111,000	Austria	281,476
16	Uzbekistan	111,000	Serbia	224,431
17	Greece	103,200	New Zealand	189,800
18	Germany	99,747	Hungary	176,000

Oz Wine in its context

- Industry Structure

  2572 Wine Producers

  4 have more than 40% market share

  20 have more than 75%

About 7,000 grape growers

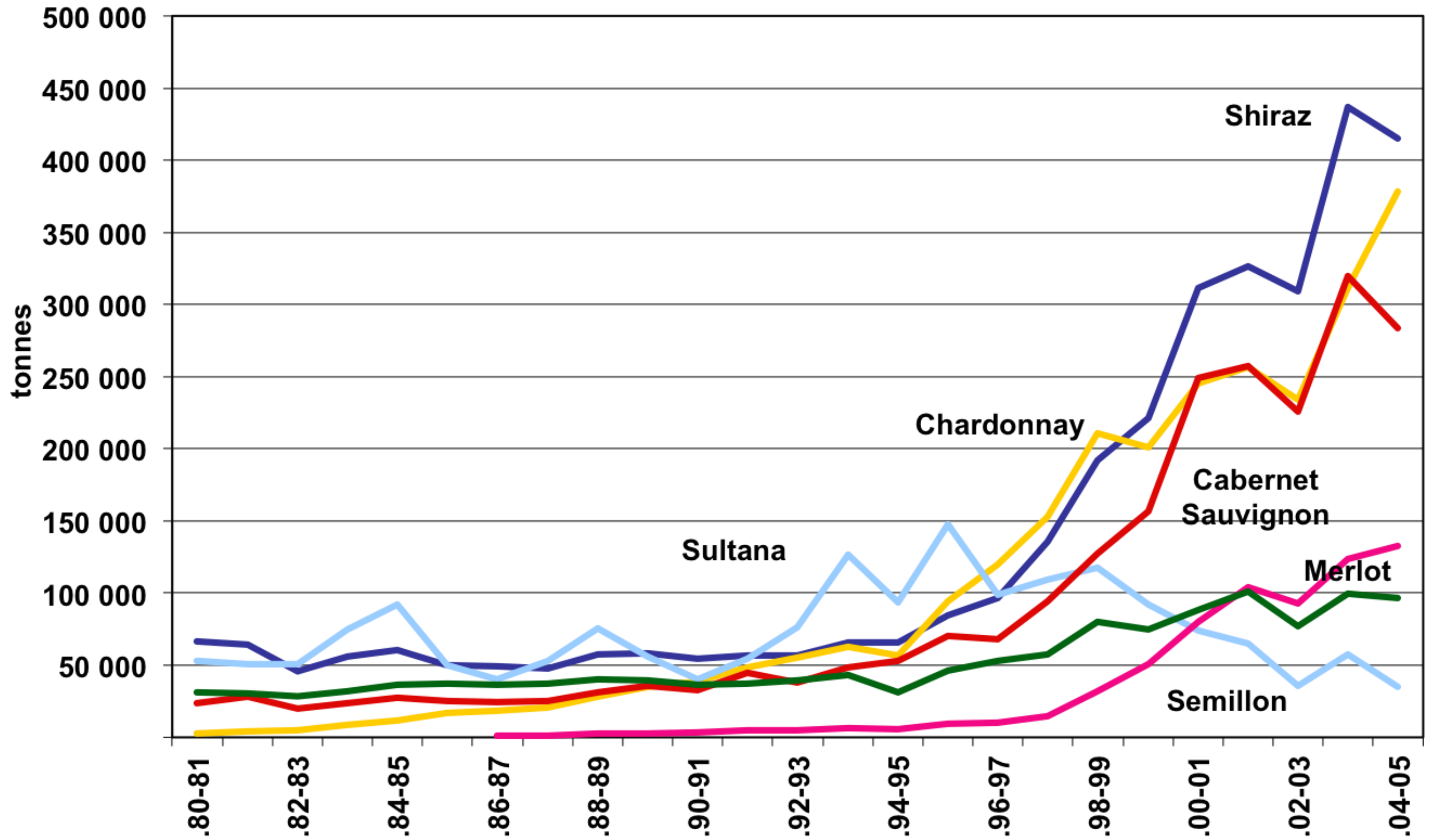
About 148,000 ha, down from 173,000 (2006 high, 15% lower)

Warm zones, around 60% of production, from 16 to 19 t/ha)

  Riverland not uncommon to be around 27 t/ha

Cool zones, less than 8 t/ha, Barossa around 6 t/ha

Big change in varietal mix since 1990



Source: ABS Vineyard Survey

Global Food Studies

Australia's Wine Regions

THE UNIVERSITY OF ADELAIDE AUSTRALIA

WESTERN AUSTRALIA
1 Swan District
2 Perth Hills
3 Peel
4 Geographe
5 Margaret River
6 Blackwood Valley
7 Pemberton
8 Manjimup
9 Great Southern

SOUTH AUSTRALIA
10 Southern Flinders Ranges
11 Clare Valley
12 Barossa Valley
13 Eden Valley
14 Riverland
15 Adelaide Plains
16 Adelaide Hills
17 McLaren Vale
18 Kangaroo Island
19 Southern Fleurieu
20 Currency Creek
21 Langhorne Creek
22 Padthaway
23 Mount Benson
24 Wrattonbully
25 Robe
26 Coonawarra
27 Mount Gambier

QUEENSLAND
28 South Burnett
29 Granite Belt

NEW SOUTH WALES
30 New England Australia
31 Hastings River
32 Hunter
33 Mudgee
34 Orange
35 Cowra
36 Riverina
37 Hilltops
38 Southern Highlands
39 Gundagai
40 Canberra District
41 Shoalhaven Coast
42 Tumbarumba
43 Perricoota

VICTORIA
44 Murray Darling
45 Swan Hill
46 Goulburn Valley
47 Rutherglen
48 Glenrowan
49 Beechworth
50 King Valley
51 Alpine Valleys
52 Strathbogie Ranges
53 Upper Goulburn
54 Heathcote
55 Bendigo
56 Pyrenees
57 Macedon Ranges
58 Sunbury
59 Grampians
60 Henty
61 Geelong
62 Yarra Valley
63 Mornington Peninsula
64 Gippsland*

TASMANIA
65 Tasmania*

Snowtown
Clare
Bute
A1
A32
B84
Balaklava
Eudunda
Owen
Kapunda
A20
Mallala
Nuriootpa
B10
A1
Lewiston
Lyndoch
Virginia
Williamstown
Salisbury
Mt Pleasant
Port Adelaide
Birdwood
Lobethal
ADELAIDE
Glenelg
M1
B34
M2
Nairne
Mt Barker
Clarendon
M1
Murray Bridge
Noarlunga Centre
A1
Willunga
Strathalbyn
Tailem Bend
B12
Wellington
Mt Compass
Milang
Normanville
Clayton
B1
A8
DEEP CREEK
CONSERVATION PARK
Meningie
70km
Morgan
B64
Renmark
Barmera
Berri
A20
Blanchetown
Loxton
Swan Reach
Mannum
BILLIATT
CONSERVATION PARK
Karoonda
KARTE
CONSERVATION PARK
Pinnaroo
B12
Lameroo
B12
WhereIS
© 2009


Barossa

The Riverland

Region covers 23,145km²


The Riverland

The Riverland

Typical Farm Zones

- South Australia, warm and cool climate
- Riverland
  - Mostly mechanized, major costs associated with water, labour, interest
  - Producers rely on off-farm income
  - Private standards dominate
- Barossa
  - Much more use of hand harvest

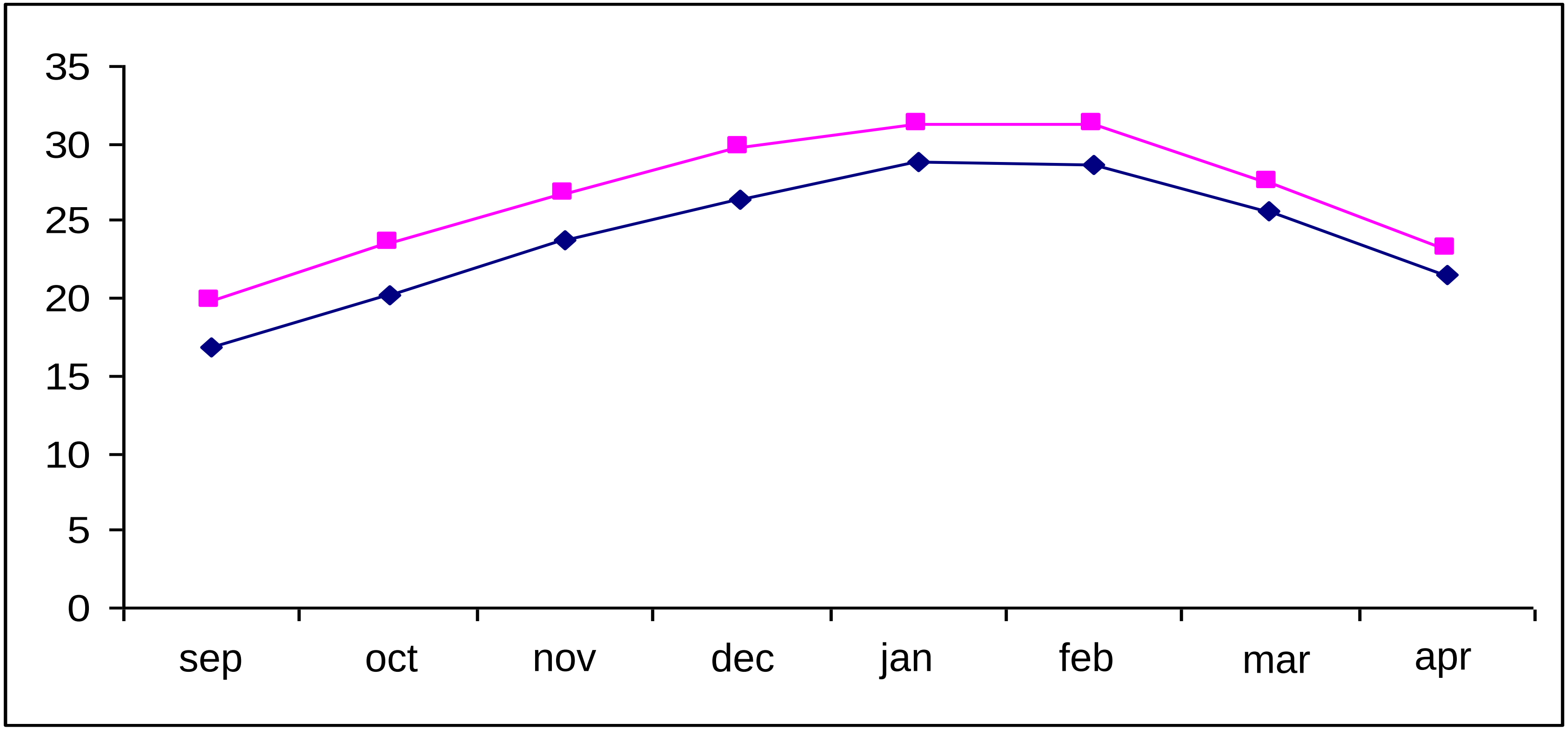
Land size structure 2012

Region	<10 ha		10 to 24 ha		25 to 49 ha		50 to 99 ha		100+ ha		Total	
	Ha	Growers	Ha	Growers	Ha	Growers	Ha	Growers	Ha	Growers	Ha	Growers
Barossa	1,760	436	2,983	190	2,637	80	2,161	32	4,076	16	13,617	754
Riverland	3,215	635	4,833	310	3,258	96	2,169	30	7,643	34	21,117	1,105

Source: 2012 South Australian Winegrape Crush SurveyPhylloxera and Grape Industry Board

Mean daily maximum temperature over growing season: **Riverland** and **Barossa**

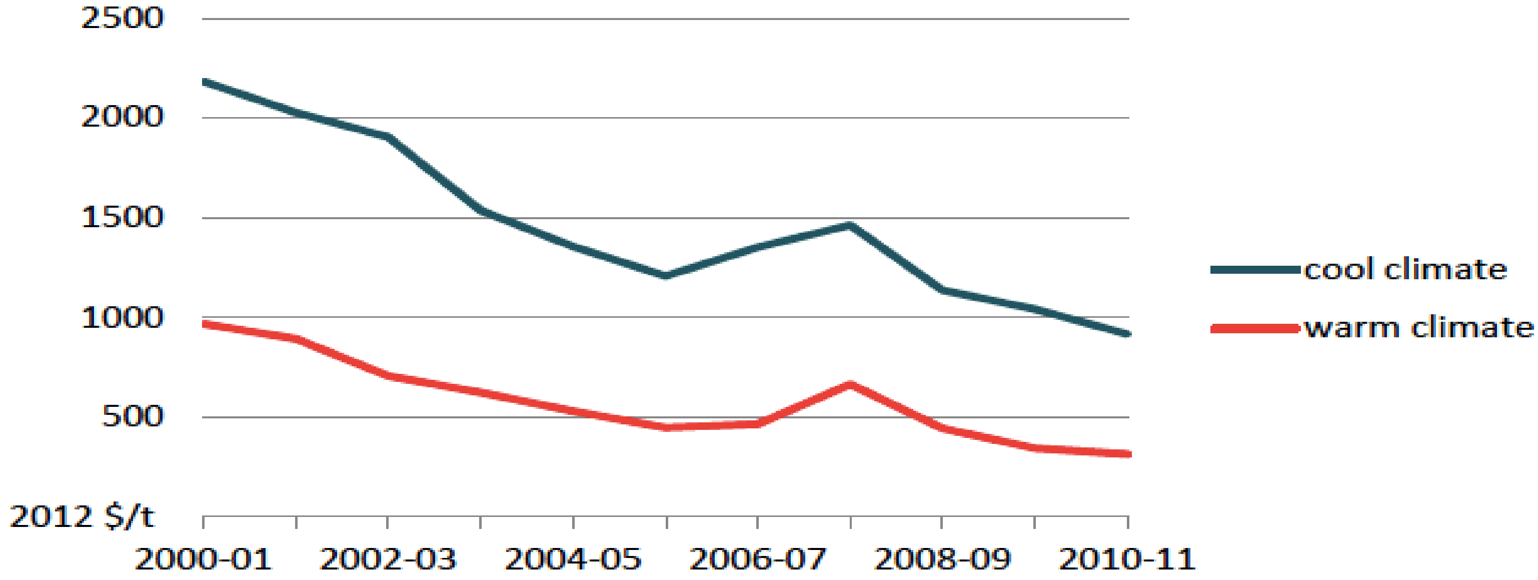
Riverland = 2.7ºC higher on average



Why are profits so low in the reference period?

- Low grape prices
- Extended dry period
- Water license lowered
- Borrowing to rent/buy water
- Paying interest

Average Australian Red Wine Grape Prices



Data source: Wine Australia 2011 (and previous issues); ABARES

Grape Prices Riverland

	Average Purchase Price per ton				
	2008	**2009**	**2010**	**2011**	**2012**
Shiraz	$622	$383	$305	$303	$351
Cab Sav	$626	$397	$303	$314	$384
Chardonnay	$408	$278	$211	$233	$286


The Riverland

The water story

- Water license, permanent or temporary
- Water controlled to allow for environmental flows
- Riverland grape producers need 4 ml/ha minimum
- Reductions in allowance meant buying more
- Salinity and drainage issues
- Barossa
    - maybe use little water
    - but majority have access
    - important for vine health to irrigate post harvest


Nets to protect from birds and kangaroos !

Relevant regulations and strategies in the wine sector regarding environment

- Australian Natural Heritage Charter
- Burra Charter – the Charter for the Conservation of Places of Cultural Significance
- Environmental Code of Practice for Wineries and Distilleries
- International Chamber of Commerce Business Charter for Sustainable Development
- National Environment Protection Measure for Used Packaging Materials
- National Environmental Health Strategy
- National Greenhouse Response Strategy
- National Principles for the Provision of Water for Ecosystems
- National Strategy for Agricultural and Veterinary Chemicals
- National Strategy for Cleaner Production
- National Strategy for Ecologically Sustainable Development
- National Strategy for Ozone Protection

- National Strategy for the Conservation of Australia's Biological Diversity
- National Water Quality Management Strategy – Effluent Management Guidelines for
- Wineries and Distilleries
- Our Common Future (alias, the Brundtland Report)
- Planning Guidelines for Wineries and Distilleries in South Australia
- Ramsar Agreement
- Rio Declaration on Environment and Development
- The National Waste Minimisation Recycling Strategy

Thanks