

RITA Final report

Project No: RT 06/01-4

Project Title: Surviving the downturn – making ends meet

Project completion date 6th October 2006

Project contact details:

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Have planned Project Outputs been delivered by agreed timelines

Yes.

The seminar “Surviving the downturn – making ends meets” was held on 6th October, 2006 attended by 70 Victorian Grape growers.

Were there any variations to the project?

Not applicable

Communication of Project progress

The seminar was addressed by

(a). Dr P Dry discussed the topic “Vine balance and mechanisation”.

He concluded:

- Indices such as Y/P are useful measures to indicate whether vine balance has been achieved or not;
 - o However, they should not be used in isolation because they may be misleading, particularly when applied to most Australian regions with their great variation in varieties and management techniques
- Other indicators of vine balance such as earliness of maturity may be equally as good and should certainly be considered together with the more traditional indices.
- It is clear that neither yield nor berry weight – in isolation – are reliable indicators of vine balance, or of vine performance in general.
- How can we achieve vine balance in the long term?
- Vineyard managers may need to become more interventional in terms of yield control during the growing season
 - o Particularly where yield control cannot be readily achieved by appropriate combinations of pruning level and deficit irrigation strategy
- Early intervention will have least yield penalty and greatest potential benefit for wine quality

(b). Dr M McCarthy discussed the topic “Reducing vineyard inputs and improving profitability”

McCarthy set the scene for his topic by an examination of bottled wine price, grape price and the relationship between operating costs specifically in the Western Districts.

He makes the point that in many Greater Victorian vineyards "many vineyards not even covering operating costs. What about profit?"

McCarthy asked if there is a relationship between yield and colour concluding that there is scope to increase yield without sacrificing quality.

From here McCarthy examined the operating costs per hectare putting forward a range of areas where significant operating costs could be reduced.

His conclusion was that whilst some saving can be made at harvest, pruning and chemical purchases the main cost saving needs to involve the reduction of labour inputs.

Processes that lead to an increase in the level of mechanised in the vineyard was highlighted as a key requirement to improving vineyard profitability.

McCarthy showed from his data that western Victorian vineyards require a price per tonne of \$1,500 to break even hence growers must grow super premium and premium quality grapes.

If this was not achieved the vineyard mix needed examination and where necessary vines removed.

(c). Dr Ian Goodwin addressed the topic: Irrigation and Drought. Specifically he discussed drought management options, minimising stress at critical times, budgeting water, soil moisture monitoring and finally the use of saline water.

Drought management options include reducing water use by minimising surface wetting (drip irrigation, mulch), using cover crops to compete with any weed populations and adding organic matter, optimising canopy size and leaf area density specifically by hedge pruning, utilising RDI techniques and low vigour varieties, rootstocks and clones linked to conservative water use.

Other options include increasing soil moisture by increasing OM (mulch) and applying gypsum. Goodwin also indicated deep ripping vine rows and avoiding compaction also assisted in increasing soil moisture levels.

Goodwin highlighted 4 rootstocks (140 Ruggeri, 99 Richter, 110 Richter, 1103 Paulsen) as drought tolerant rootstocks that can assist in drought tolerance options.

Finally he indicated fruit thinning would increase ripening capacity.

Goodwin then progressed to the topic minimising stress at critical times highlighting 4 key phenological times to apply irrigation water.

(a). Prior to bud burst – to avoid bud desiccation and encourage flush of root and shoot growth thoroughly wet the rootzone (soil > 100 kPa)

(b). Flowering and set – period when yield is most susceptible and irrigation is required to avoid stress (- 50kPa)

(c). After veraison – irrigation at this time avoids a decline in Brix, and excessive yield decline. Irrigation is for stress maintenance (- 200kPa)

(d). Post harvest – water is applied to encourage CHO storage and for stress management (-200kPa). Don't allow a vegetative flush.

Goodwin recommended 2 publications:

Soil Water Monitoring : an information package by P Charlesworth
www.publish.csiro.au/pid5079.htm

And for the intellectually challenged: Guidelines for computing crop water requirements FAO Irrigation and Drainage paper 56 www.fao.org

The final area of Goodwin's talk covered the use of saline water for irrigation. He made the point that yield decline was experienced once irrigation water salinity passed ECe 1.5 dS/m with a 50 % yield reduction experienced at 6 dS/m.

(d). Lawrie Stanford from AWBC addressed the topic **Situation and Prospects** looking specifically at wine balance and supply issues, outlined a number of reasons to be positive about the future of the wine industry, examined potential market opportunities and where the Grampians sits within the Australian market. Stanford indicated that there are excessive wine stocks being held at the moment. These excessive stocks are likely to continue for some time due to grape vine plantings coming into production from the "boom" of the 90's. It is likely to be sometime before wine comes back into balance and it is probably not appropriate for borderline operations to hang on until the recovery occurs – they should decide now what they are to do.

Traditionally sourced warm inland fruit represents 85% of the market opportunity across both exports and domestic markets.

Traditionally sourced cooler climate fruit represents 15% of the market opportunity across both exports and domestic markets.

Market growth is obviously in the warm inland fruit where 60% of grape production occurs, no oversupply exists but grape prices are under pressure. The oversupply is primarily in cooler climate grapes with pressure on price for both grapes and wine. The reasons to be positive include history – the recent "boom" is just another in a long line of such events in Australian wine history.

Wine as a commodity is a small player but it's influence is increasing especially as several wine companies become "global" players and Australian wine is seen in the market as "full, rich, vigourous character and quality", constitutes a high class wine and "is higher in quality, strength and body, as also in character and flavour"

In international competitions Australian wine preforms exceptionally well punching well above the industry's size.

Australian market opportunities exist in UK off-trade especially in the high end wines – we need to build our top end (£4+) image. In the USA growth is possible at all price points with growth expected in the \$3 to \$7 range likely to be strong.

Opportunities also exist for the top end product.

The China, Japan Hong Kong Singapore markets also have opportunities at the premium and above market areas.

Western Victoria's share of the export pie is interesting – Pyrenees has exported 13 to 15% of production in recent years; Grampians exported 19 to 22% with Henty – 2% and other western Victorian areas exporting 7%.

Western Victorian markets are generally focused on the USA, UK, Canada with smaller export levels to HK, Switzerland, Sweden, Singapore also featuring .

Stanford's key conclusions were:

- current imbalances are likely to be transitional – the longer run, fundamental reasons for continued success are unchanged.
- Nevertheless the current imbalances will last well into the end of the decade – not all players will survive
- The message about Australia's high end offer needs to be convincingly told.

(e). Joanne Butterworth-Gray from VWIA outlined the VWIA strategic plan for the wine industry 2006 – 2010.

This plan has 5 objectives to meet the challenges facing our industry:

- grow domestic and international markets based on the regionality of the Victorian wine industry
- grow the tourism market – become Australia’s leading destination for cellar door visitation
- strengthen the industry skill base in all areas
- Improve efficiency in producing consistently high quality wines by adapting world’s best practice in production and environmental management
- Facilitate sustainable wine industry investment

The meeting was reviewed by the organising committee and judged an outstanding success with initial planning offered for a similar programme next year.

The viticultural seminar fits well with the Western Victorian Wine Challenge building the scope and viability of the event ensuring its longevity.

Attachments

Vine balance and mechanisation – PR Dry

Reducing vineyard inputs and improving profitability – M McCarthy

Irrigation & Drought – Ian Goodwin

Situation and prospects – Lawrie Stanford

Vintage 2010 – beyond red and White – J Butterworth-Gray

Seminar invitation

Evaluation form and evaluation responses summary

Reconciliation

Major findings from the seminar evaluation:

- 69 people attended.
- Most attendees found that the seminar was valuable to their business.
- The least valuable speakers were MMcC and JBG.
- Other topics:
 - o Case studies: Budgets
 - o How can we work together as growers to reduce costs.
 - o Alternative varieties.
 - o Fertiliser requirements.
 - o Long term effects of saline/ sodic water.
 - o Frost.
 - o Promoting the regions.
 - o Exporting future markets, future trends for different varieties.
 - o Marketing: how can we as a region to do it better.
 - o Projected demands for non-traditional varieties and their market dynamics.
 - o Spray/ costs/ preventative/ eradicator.
 - o Biological vs standard practises: cost & quality over the long term.
 - o Water quality.
 - o Continued updates of the current topics.
- Venue was too cold and too big for numbers.
- All attendees (32) responses said that they would attend again.
- Great seminar.
- Longer lunch for networking.
- Have the seminar on the same day as the WC dinner.

Surviving the downturn- Making ends meet!

Evaluation Form

Please respond to the following questions to assist the organisers of the seminar when developing similar information sessions in the future.

1. The seminar provided information that was valuable to me in my business.

1 2 3 4 (Please circle: 1= no value, 4= very valuable)

2. What did you value most from today's seminar? (Please tick box/boxes)

Vine balance and mechanisation (Dr. Peter Dry)

Reducing vineyard inputs and improving profitability (Dr. Michael McCarthy)

Irrigation and drought (Dr. Ian Goodwin)

Wine Industry Overview (Lawrie Stanford)

Victorian Wine Industry Strategy 2007-2001 (Joanne Butterworth Grey)

3. What did you find least valuable from today's seminar?

4. What changes, if any, would you make to your business following today's proceedings?

5. What other topics would you like more information about?

6. Was the venue suitable? If not, why?

7. Would you consider attending a similar seminar in Ararat next year?

8. Any further comments/ suggestions?

Thankyou for attending & providing us with your feedback on this workshop!



Australian Government
Grape and Wine Research and
Development Corporation

REGIONAL INNOVATION & TECHNOLOGY ADOPTION (RITA) RECONCILIATION

Project No. RT 06/01-4

Project Title
SURVIVING THE DOWNTURN – MAKING ENDS MEET SEMINAR

- Please ensure that all figures are inclusive of GST (if applicable).
- The figures in the following table should reflect the approved GWRDC funding amount and any approved Variation after Project commencement.

Budget item	Approved Budget (current year)	Expenditure (current year)
Venue & equipment hire		731.99
Advertising, postage, printing		561.35
Travel & accommodation for presenters		1874.49
Catering		399.94
TOTALS (incl. GST)	(a) \$4510	(b) \$3567.77
Balance* (a) minus (b)	\$942.23	
Total GWRDC funding (whole project)	\$4510	

***Notes:**

- Approval must be requested from GWRDC to carry over funds to the following year.
- A full financial Reconciliation is required at the end of the project (to accompany the Final Report). Any unspent funds must be returned to the Corporation

I hereby certify that this Statement of Expenditure is true and correct.

.....
Signature

.....
Printed Name

.....
Date