

Thank you for your letter of 15 May and I would like to respond with the following.

It would appear to me as a small producer from the Yarra valley that the biggest challenge we have presently is the duopoly that we have in the retailing of wine in Australia. Not only is possibly 70% of all wine sold through a Coles or Woolworths stores they also are now producing wine under their own brands and generally passing this off as 'small producer' labels. Please see web site <http://whomakesmywine.com.au/thelist.html>

This is not an even playing field for a true small producer and it is the small producers who have been the backbone of the industry for some time.

We have been told by many smaller boutique bottle stores that if we do business with Coles or Woolworths we can no longer do business with them as Coles and Woolworths will demand the lowest price.

For our industry to have a proper 'market forces' distribution the larger retail chains should be limited in what they are able to do. That is, if they have a certain size in the retail market they should be stopped by playing in the wholesale market, as well as, producing their own wine under supposed family labels. Otherwise with their weight of distribution power how are true small producers supposed to be able to compete and create a strong viable industry.

Brett Butcher
Managing Director & Vigneron

