



To all whom this may concern,

Today I bring to you the perspective of a winegrape grower, located in the Riverland town of Renmark, South Australia. My position on the matter in concern, to continue as a Voluntary Code or change to a Mandatory Code, is a definite change to Mandatory Code. I believe with full certainty, to have a Mandatory Code that governs the Winegrape Industry is undeniably needed. The current Voluntary Code has been unsatisfactory in giving any certainty for fair pricing foremost, but also in terms of grape quality control, fair contracts for grape growers and all-around the sustainability of the Winegrape Industry. The Voluntary Code has been just that, and I believe, the wineries and growers that do follow the current Voluntary Code would have no problem with those rules being made mandatory, with the addition of price indicators, preseason contracts and quality assessment guidelines. Below I will explain the reasons why winegrape growers are demanding the change to a Mandatory Code. We have not come to this decision lightly, and you will understand the need to make the change is necessary.

Currently winegrape growers are going into each season with no direction. Even when speaking with their winery representatives; no definite contracts, desired varieties, or price indicators, no critical information is being given to winegrape growers, at the beginning of each season: July to August. At this time winegrape growers are making yearly decisions for their vineyards, pruning for the harvest ahead. This is when we need that critical information, to enable these decisions to be correct, and ensure the financial sustainability of our businesses.

Each winery and their Grower Liaison Officer may word things differently, although all are the same, no contracts and no price direction until harvest. This allows for wineries to have full control. Winegrape growers are continuing to manage their vineyards and produce a crop with the hope of a better return, or at least the same as the previous year, but with no financial security, and no ability to budget for a return, or at least a break even.

December to January, merely weeks before harvest, this is when growers begin to get a feel for price and contract availability. At this point in the season, winegrape growers have no choice but to take any offer given. If you choose to question, or use the ACCC to question the prices dictated, you may be harvesting straight onto the ground.

Growers have invested lots of money into; disease prevention or control, water, fertilisers, labour, harvest and cartage, not to mention the amount of their own time, which many growers haven't been compensated fairly for, if at all, for many years.

Many wineries are now mandating the AWRI Sustainability Certification, winegrape growers are being forced to do this training and spend thousands of dollars into audits to comply, yet how sustainable is this certification, when winegrape growers are being forced on Farm Household Allowance, just to feed their families, and keep a roof over their head. The Sustainability Certification lacks a financial sustainability aspect, from Winery to Grower, this should be added into a winery being able to use the Sustainability Trust Mark. Our vineyard has just completed

this Sustainability Certification this financial year, and there is no section on financial sustainability, it's no wonder why though. To complete this audit we spent \$2089, but it is hard to understand why, we, the winegrape grower is paying for this Sustainability Certification, when it doesn't even gain us \$1, but it does financially benefit the wineries.

To offer growers prices as low as \$120 per tonne for red winegrapes for the past 3 years is disgraceful. Especially when wineries grow their own grapes and know the cost of production average is \$300 per tonne. More so when there was no limit on the number of tonnes the wineries would accept at this price. The word 'glut' has been used for the past few years to explain why prices are so low. Although if there was a true glut, wineries would be telling their growers, they are unable to purchase the red winegrape varieties in question. The word 'glut' used here has the meaning: to lower the price.

Winegrape vines don't have the ability to be turned off. When planting a grain or vegetable, growers have the ability to change, season to season, or not to plant for the season, given enough notice. Winegrape vines take two years of constant work to plant and to train up onto double wires correctly. Making an allowance for the second year, when even with all this labour and care has been taken, some vines will not thrive, and you will need to replant and continue to train. Now considering the two years it takes to produce a crop that begins to cover the money invested into the development. How can we continue to allow purchase prices to be offered merely weeks before harvest and at below cost of production prices?

Winegrapes are not a product that we can harvest and keep in a cool room or in a silo for weeks or months while the pricing market changes. Once they have reached the wineries preferred baume level, growers have all of 4-7 days to have them off the vine, within the specified baume level acceptable to wineries, or we have the fear of being rejected at the weighbridge on delivery. They need to be delivered at the winery within 24 hours of being harvested. Wineries can take 1 day to 4 weeks to find a booking for your grapes to be delivered. By the time we are at 4 weeks there is barely a grape to be harvested. There is no compensation for the loss of berry weight to grower, as the grapes are shrivelling on the vine waiting to be booked into the winery. The winery will add megalitres of water to make up for the loss of juice in the winegrape and reduce the high sugar level, if delivering past 13-14 baume. This often being done at a time when leasing water is as low as \$50 per megalitre, not that a grape grower would be able to add any level of water to their truck of grapes, without being rejected. The grower again loses.

Currently the Voluntary Code allows wineries the ability to sign onto the Code if they want to. Many wineries have not signed onto this Voluntary Code, which I believe is why the industry is in the mess it is currently. Pairing this with the lack of repercussions for wineries not abiding by the Voluntary Code, when they freely signed onto it. You cannot have half an industry doing things however they like and then the other half trying to do it fairly.

A Mandatory Code is the only way forward, it allows the Winegrape Industry to build a global name as a truly Sustainable Winegrape Industry. It will target the glut of red grapes as growers would have the opportunity to remove, replace or mothball current plantings knowing the true issues the industry is facing.

The payment terms we abide by are also hard to forward plan on, and every winery payment terms are a little bit different. Having a set timeline of being paid before the end of the financial

year would make budgeting, season to season, more streamline, and would make processing our taxes easier, not having to currently carry through and move back payments so it is all calculated in the correct financial year. This is messy to simply say it. Harvest begins in January and is concluded by March-April. Having a payment of 50% on delivery, and the remaining 50% by end of June makes more sense. You would not expect any other industry to work for payment terms of 8 months post-delivery (if you deliver your grapes in January, then your last payment in September is 8 months behind).

Winegrape vineyard owners are unable to employ, full time or part time employees, or to grow our businesses. The current payment terms do not allow for fair payment of employees. The contracts wineries often offer the winegrape grower are conservative, yearly with price at harvest. If they have longer terms than one year then they often come still with no price, with price to be given again by harvest. This information given at a fair time allows growers to make employment decisions, it also allows banks to look at growers with certainty. It allows us to run our businesses in the same way that our wineries run theirs and grow.

Knowing these questionable payment terms, there is no ability to employ even one Australian Citizen, that has a right, in Australia to be paid weekly or fortnightly, and at a minimum standard wage or hourly price. The Winegrape Industry Voluntary Code does not secure the growers financial security and so for, the grower cannot comfortably employ a person on their vineyard, understanding their employee may not get paid for months.

We are finding growers are working longer hours, which has an attached OHSW risk. Growers cannot afford to pay themselves let alone anyone else. Most winegrape growers that are trying to make it through to see a Mandatory Code implemented, are working a second job off farm. A business owner, at commercial level should have the ability and funds to pay themselves and have a great team working by their side, paying them fairly also. The only vineyards I know of that employee staff full time or part time, are the vineyards that are owned by wineries. The current Voluntary Code allows for a huge imbalance of power.

Growers meeting with winery representatives before investing into new plantings gain little to no insight into demand, or price indicators. This information is very tightly protected by wineries. Growers and wineries have the ability to be more profitable, if there is true transparency on the varieties in demand and price forecasting.

Currently there is no measure that truly states what each winery is offering for each variety, or what the demand in tonnage is. Winegrape growers can only use their past years figures as a guideline for future years. This is on the professional advice from the Farm Financial Counsellors we are working with as Farm Household Allowance receivers.

I have attached my own vineyards prices, per tonne of delivered grapes to show how incompetent it is to use the previous years figures for future forecasting.

If you look up these figures on the Wine Australia website they will be slightly different, as they use the average for our area. These numbers are a true representation of grower delivered grapes and I am happy to provide the invoice from winery to validate.

Table below:

Variety	2020 price	2021 price	2022 price	2023 price	2024 price
Red Grapes <i>Cabernet Sauvignon</i>	\$700 per tonne	\$500 per tonne	\$300 per tonne	\$150 per tonne	\$150 per tonne
White Grapes <i>Chardonnay</i>	\$420 per tonne	\$500 per tonne	\$400 per tonne	\$380 per tonne	\$330 per tonne

Currently white wine grapes are meant to be in demand, but as the table above shows, in 2021 we had a price of \$500 per tonne and currently we are at \$330 per tonne, barely covering cost. Not to mention the continued low prices of red grapes, under breakeven.

In 2020 was the last time we were able to receive a wage from our property, from then we have invested every cent, into surviving these incredibly hard times, or into developing our vineyard, into varieties wineries say are in demand, only to continue to be paid below cost of production. This indicates that the price growers are receiving for grapes that are in demand, is not being fairly met under the current Voluntary Code.

Riverland Wine is believed to be a representation of grower and winery for the Riverland, but in fact since I have started in this industry, they have been the furthest representation from grower possible. The need for a total overhaul of Riverland Wine is completely necessary. As I write this though, I would like to note that some of the names I would have been writing about, as to the lack of support for growers, have stepped down. Riverland Wine represents the winery and is very one sided, a fair representation of grower and winery with meetings open to all, would make this organisation a lot more beneficial for our area.

The development of the Blueprint by Minister Scriven incorporates input from Riverland wine and so some documents released by Riverland Wine were found to have government endorsement when they had not received it. The level of destructive power Riverland Wine has had is detrimental to the balance between grower and winery.

Riverland Wine is the body that our members turn to and listen to, they are meant to be advocating for our area, and currently this could not be further from the truth in everything I have had to do with them, especially in the past year. Riverland Wines Grower Liaison Office is set in Adelaide, how are you able to represent the Riverland or be there for growers to voice concern to, when you are so far removed from the area.

This organisation has the potential to be very beneficial for both winery and grower, and to advocate Riverland concern to SA Wine Grape Council if the correct ratio of grower and winery are incorporated into the organisation. Currently this chain is broken and so you see the need for growers to face their concerns higher up the chain, this comes with a number of phone calls, emails, petitions and a future of grower protests, if our voice is not being advocated for by the correct organisations.

It goes without saying that the current industry challenges we are facing are impossible, but with the right people in positions of power, this storm could have been weathered far better than it currently is. Every grower I have spoken to, would have preferred to drop their grapes onto the ground for a year as long as it was an unanimous decision. This would then have allow wineries

time to sell the surplus, to prevent this level of “glut” and long term financial implications for all. Unfortunately we had no fair representation of grower voice, so this has been missed and growers are paying the price again.

The need for a mandatory code was also seen in Dairy Farmers, facing the same challenges the Winegrape farmers are currently enduring. Dairy Farmers were being given nothing for all their hard work and the Winegrape Industry is no different.

Cabernet Sauvignon Grapes are being purchased at \$150 a tonne. In a \$28.00 750ml bottle of South Australian wine, growers are receiving a price of 11 cents. How can growers be the problem when growers are less than 0.1% of the cost involved in the bottle of South Australian red wine. There is no way that you can look at this problem we are facing and not see the need for a Mandatory Code of Practice, with the need to penalise those that don't abide by the rules. Australia is meant to be the lucky country, full of opportunity. If a Mandatory Code is not put in place, our government is saying that it is okay with slave labour, our winegrape growers are in the red and not being paid for a minute of their hard long days.

Currently the Winegrape Industry is allowing winegrape growers to be dictated to a price, whether it be fair or not. The Winegrape Industry needs a mandatory set of rules, the same as the Dairy Farmers needed and received. It is already too late for some of our growers, don't let it be too late for an entire industry.

Implementing a Mandatory Code can lead to a more equitable, efficient, and sustainable Winegrape Industry in Australia, benefiting both growers and wineries alike, with a positive focus for consumer and global export. Below I have summarised some key advantages:

For Winegrape Growers:

1. **Fair Pricing and Contracts:** A Mandatory Code could establish mandatory guidelines for fair pricing and transparent contracts, ensuring growers receive reasonable compensation for their grapes.
2. **Risk Management:** A Mandatory Code could provide frameworks for risk management, helping growers navigate issues like; market fluctuations more effectively.
3. **Strengthened Relationships:** By fostering better communication and understanding between growers and wineries, a Mandatory Code could enhance collaboration and partnership opportunities.
4. **Sustainability:** A Mandatory Code has the ability to ensure an environmentally sustainable future for the Winegrape Industry and a financially sustainable future for winegrape growers, meaning less government support and a more profitable Industry.
5. **Fair Recognition:** A Mandatory Code has the potential to enforce correct labelling on bottles, to recognise the percentage of grapes in each bottle received from each region. Recognising the correct regions as leaders in grape production, example.; Knowing a South Australian bottle is 100% South Australian, made up of 20% Barossa Shiraz, 80% Riverland Shiraz. Giving winegrape growers recognition for their product, and consumers better purchasing information.

For Wineries:

1. **Consistent Quality:** A Mandatory Code could help standardise quality benchmarks, leading to more consistent grape quality, which is crucial for quality wine production and export advantages.
2. **Sustainable Practices:** Ensuring sustainable farming practices through a Mandatory Code can enhance the reputation of the Winegrape Industry and attract environmentally-conscious consumers and export markets.
3. **Enhanced Traceability:** A focus on traceability within a Mandatory Code can improve product transparency, appealing to consumers who value knowing the origin of their wine.
4. **Market Stability:** A more organized supply chain, with clearer guidelines, can lead to greater stability in winegrape supply and purchase. Enabling wineries to; reduce risks and forward plan.
5. **Brand Reputation:** Wineries that adhere to a Mandatory Code may enhance their brand reputation by demonstrating commitment to ethical sourcing and fair treatment of winegrape growers and employees.

Overall Industry Benefits:

- **Increased Competitiveness:** A Mandatory Code can strengthen Australia's position in the global wine market. Building a global name for Australian Wine as leader in sustainability and fair trade from farmer to consumer.
- **Consumer Confidence:** Transparency and ethical practices can build consumer trust and loyalty. When consumers hear that the growers and wineries are united, they have better confidence in purchasing Australian Wine.
- **Sustainability Goals:** A Mandatory Code can support broader sustainability initiatives within the industry. The next generation winegrape growers are all about sustainability and equality and a Mandatory Code brings the Australian Winegrape Industry to the front line for a sustainable future.

If there is anything above that you require more information, or more clarification on, please do not hesitate to contact me.

Thank you for your time,

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