

RRAT Senate Committee

3/10/24

Sirs/Madams,

It is with deep concern as a grape grower in The Riverland of South Australia I make this submission.

I feel the scales of fair & equitable winegrape Purchase agreements between growers & wineries/winemakers, are greatly tilted in favour of Wineries & winemakers.

We in fact, as original winegrape growers (Not corporate investors) either side of the short wine boom, for many years now, have been forced into submission as price takers not price makers.

From personal experience I can inform you that many control tools have been enabled & fully maximised by wineries & winemakers alike.

For example,

Winegrape colour schemes being introduced for red varieties whereby samples are analysed for colour content & growers payments penalised on a reducing sliding scale according to the colour score determined by the winery.

This scheme opened up a helpless scenario for (contracted to deliver) growers, who were compelled to deliver their perishable products not knowing what the monetary return would be.

Again from personal experience I can inform you that, any questions raised with the wineries regarding the colour results meant certain repercussions would be enforced, such as the withholding of rollover contracts for future seasons.

Another example brilliantly invented by the Wineries/Winemakers because of the purposely created glut, is the tonnage Delivery/Ha restrictions enforced on growers by wineries.

This scenario meant that growers could deliver a set tonnage/Ha for a nominated minimum price.

Any further tonnages could be either picked on the ground to save the vines for the following year, or delivered to the winery at the growers cost for no monetary gain whatsoever to the grower from the wineries.

So in fact

The wineries had room in their tanks to take the said surplus winegrapes at no cost to them, but had no room in their tanks to take the surplus winegrapes if they had to pay for them.

Another huge factor in this industry to the Riverland grower's disadvantage is "True labelling"

This has been purposely omitted by the controlling factor (Wineries/Winemakers) in our industry to their great advantage.

For as long as I can remember I've seen truckloads of wine grapes(Now tankers) leaving our area destined for better known winemaking areas, only to be blended in with their products & marketed as wholly & solely as that regions product.

So

Its ok & the quality is good enough for our winegrapes to be used as extenders for better known winemaking regions,

But its not ok for Riverland growers to be paid accordingly or our region to be recognised for its contribution to the industry.

In short, wine bottle labels should state, exactly the contents of that bottle.

For example, if the genuine contents are 55 percent marketed & known winemaking region product, blended with 40 percent alternate (Riverland for example) region & 5 percent water the label should say so.

At the moment, that's not happening, consumers have no idea what's in that bottle, & Riverland growers are not getting their due reward.

Wineries & winemakers are very clever business people.

They've worked out exactly what it costs to produce a tonne of wine grapes in our region, so accordingly, we as wine grape growers receive year after year a very small fraction just above that cost so as to keep us in business so we can continue providing the wineries with a clean useable product.

Add the natural disaster factors such as the recent Frosts of this season & Hail or Frost damage of past seasons, skyrocketing costs & consistently low commodity prices, it becomes quite the unknown to say the least being a Primary Producer.

Other factors including irrigation water restrictions also come into play, whereby we weren't allowed to use our own irrigation water allocation but we could buy in (as much as you like at a much higher cost) extra allocation from interstate so we could use the same water that runs in our own waterway.

In Summary

Some growers have already been forced out of the industry.

Other growers decline to speak for fear of reprisals.

The recent findings by the ACCC of the 2 supermarket giants are not unlike the goings on of our industry today.

If the Riverland is required to continue as a winegrape growing region so as to continue contributing to this states economy, things must change.

A "Mandatory code of conduct" should & must be adopted to provide some sort of security to our nations Primary Producers.

Thank you for your time.

Harry Vlassopoulos

Barmera SA