NEILPO HEIGHTS VINEYARD

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Submission to the wine industry public hearing

Dear members of the committee

I am a wine Grape Grower who has a contract to deliver wine grapes to Tandou Wines.

Under the terms of the contract, our final payments are determined by the final selling price of the resulting wine (a market-based contract).

As growers we are not privy to any of the sale details, ie price, buyers, Quality, etc. We simply take their word for it.

Recently this winery reduced their estimated final price for chardonnay from \$600 per tonne to \$450 per tonne, Quoting bulk prices that have reduced from over \$1.00 per litre to .55c per litre. There are two aspects to this

- 1. it is too early to determine price as very few companies buy bulk before June 30th
- 2. The 55c per litre is excessively low in this current market when the lowest Quote I can find is 90c per litre.

Under these same contract we are being paid on average, \$275 per tonne on our red varieties when the reds that I have processed, and are the same as was delivered to them are receiving attention at \$1.00-\$1.20 per litre which equates to \$750 to \$1000 per tonne.

Because of the dry times and some stupid decisions Tandou are doing it tough. However, nowhere in my contract does it say that I have to forgo my percentage (what ever that may be) for the good of their shareholders. No doubt, this latest \$150 per tonne reduction is to reduce their June 30 liability to growers and thus keep their end of financial yearbooks looking good for the stock exchange.

As a grower and under the terms of my contract I need and am entitled to that money. It seems wrong that they can give a market-based contract yet divulge none of the details of that market.

The scenario that I have just detailed says to me that they do need some instrument to keep them accountable.

Sincerely Robin Gebert