

# Wine Australia for Australian Wine

Wine Grape Council SA

Roadshow 2018

# Strategic Plan 2015–2020

## Goal:

A prosperous Australian grape and wine community.

## Priorities:

Increasing demand and the premium paid for all Australian wine.  
Increasing competitiveness.

# Funding

Our funding comes from grape producers, wine producers, exporters and the Australian Government:

- **RD&E funding** (66% of budget)  
33% of funding from the Grape Research Levy (\$2 per tonne) and R&D component of Wine Grapes Levy (\$5 per tonne).  
33% of funding from Australian Government matching funding.
- **Marketing funding** (16% of budget):  
Promotion component of Wine Grapes Levy and Wine Export Charge.
- **Regulatory funding** (14% of budget):  
Funded from regulatory fees charged on cost-recovery basis.
- **User-pays activities** (4% of budget):  
Voluntary contributions for market development activities.

A woman with reddish-brown hair, wearing a black t-shirt and dark pants, is standing in a vineyard. She is holding a long, thin, silver pole vertically, reaching up with both hands to touch the leaves of a grapevine. The vineyard has rows of grapevines with green leaves and some small white flowers. The ground is covered with dry, yellowish grass. In the background, there are more vineyard rows and a building with a red roof under a bright, slightly cloudy sky.

RD&E

# Does vine balance matter?

Completed collaborative R&D project at CSIRO and NWGIC

## What was done and where?

### Regions

- Murray Valley
- Langhorne Creek, and
- Hilltops.

### Treatments

- early defoliation
- crop thinning
- late pruning.

### Seasons

- 2013–14
- 2014–15
- 2015–16

## What were the results?

### Early defoliation

- 20% reduction in yield
- no impact on balance
- most preferred wines

### Crop thinning

- 35% reduction in yield
- reduced vine balance
- no change in quality

### Late pruning

- delayed maturation
- no reduction in yield
- increased vine balance
- no change in fruit quality

**Bunch environment/vine structure is more likely to be the key**

Take home message:

**Crop thinning could just be leaving potential income on the vineyard floor**

Final report available at:

[www.wineaustralia.com/au/research/search/completed-projects/csp-1202](http://www.wineaustralia.com/au/research/search/completed-projects/csp-1202)



# Winter drought

Soon-to-be-completed collaborative project at SARDI and CSIRO

## What was done and where?

Region: Barossa Valley (SARDI  
Nuriootpa vineyard)

Seasons

2015–16

2016–17

2017–18 (wines still being analysed)

Field trials to simulate reduced  
winter rainfall using rainout shelters  
between May and August.

[www.wineaustralia.com/research/strategy-4-improving-resource-management/climate-adaptability/sar-1304-\(1\)](http://www.wineaustralia.com/research/strategy-4-improving-resource-management/climate-adaptability/sar-1304-(1))

## What were the results?

Reduced winter rainfall results in  
reduced yield (up to 40%)

Top-up irrigation during winter  
restored yield, but not completely.

Irrigation at budburst caused  
excessive growth, gave poorer  
quality fruit and didn't restore yield.

**Vines aren't as dormant  
during winter as you  
might think**

Take home message:

**In dry winters, don't  
wait until spring to  
irrigate**



What's on the horizon?





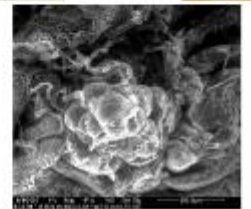
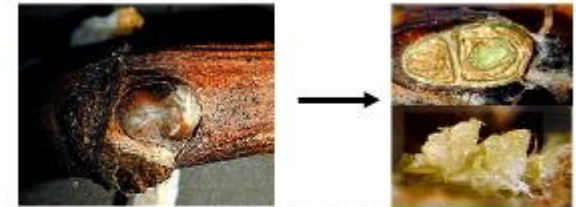
# Measuring bud fruitfulness non-destructively

Current project at the University of Tasmania developing a spectral method for rapid, early prediction of yield in grapevines using new technology for imaging the contents of intact buds.

- laboratory based FT-NIR spectroscopy
- portable (hand-held) UV-Vis-NIR spectroscopy *in situ*.
- Results being compared with the traditional bud dissection method to determine bud fruitfulness.
- Will develop a predictive model to allow simple scanning of buds to provide yield forecasts prior to budburst.



Bud dissection



Images: Dr Joanna Jones  
(University of Tasmania)



# Smarter spraying

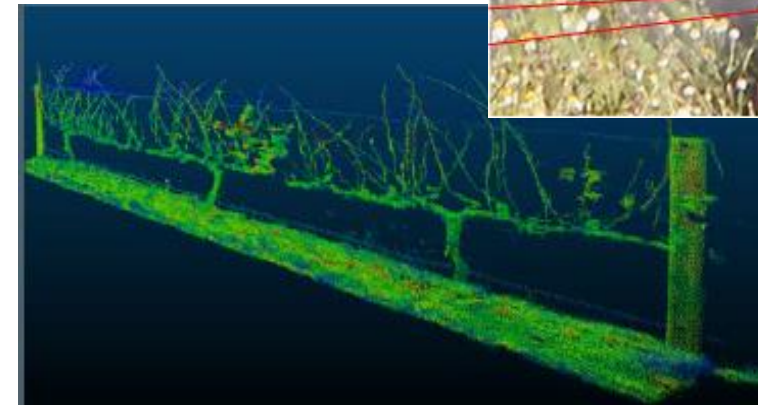
Current project at University of Queensland evaluating LiDAR (Light Detection and Ranging) mounted on a vineyard ground vehicle for sensing the canopy.

- allows a sprayer to be turned on/off in response to the presence/absence of the canopy
- optimised, real time spraying using appropriate dose rates, adjusted to canopy density
- creating a 'PACE' system (Pesticide Addjusted for Canopy Environment) – first time in vineyards.
- Significant chemical savings are achievable – 50% or higher.

Reduced chemical spray drift using electrostatics and recycle/recapture spray units.



*Images: Dr Andrew Hewitt  
(University of Queensland)*

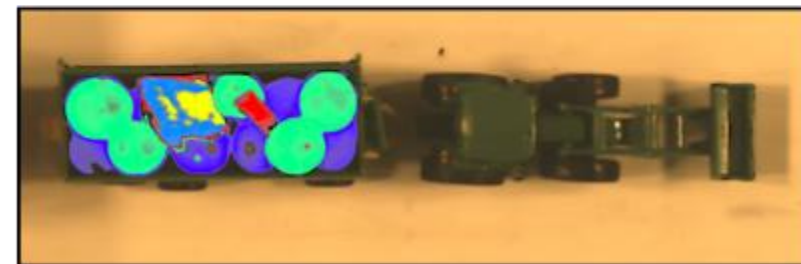
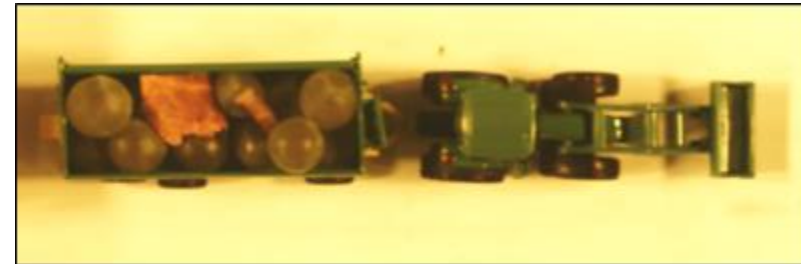


*Image: Drs E Edwards  
& M Thomas (CSIRO)*

# Rapid objective assessment of bunch rot at the weighbridge

Current project at AWRI to assess hyperspectral imaging.

- Comparing Vis-NIR hyperspectral and RGB imaging to delineate and measure bunch rots.
- Comparing results to metabolites that are indicative of bunch rot.
- Assessment of material other than grapes (MOG).



*Images: Dr Paul Petrie (AWRI)*



# Trunk diseases

Completed and ongoing collaborative projects at SARDI and NWGIC

- Trunk diseases are widespread in Australia and cause significant yield loss (up to 1500kg/ha).
- Uneven bunch ripening can reduce the quality of the resultant wine.
- These diseases can be managed with preventative wound treatments and curative remedial surgery to remove infected wood.

Resources available [www.wineaustralia.com/eutypa-dieback](http://www.wineaustralia.com/eutypa-dieback)

- Best Practice Management Guide (updated this February)
- factsheets, and
- videos.





# Post-harvest care of vines

Completed collaborative project at SARDI and NWGIC

- Post-vintage grapevine management is crucial to a favourable start to the following season.
- There is high demand for carbohydrates and other nutrients at budburst. These need to be put into storage the season before.
- In dry years, the vines are more reliant on post-harvest irrigation and nutrition to build up reserves.

Factsheet and other resources available at  
[www.wineaustralia.com/post-harvest-grapevine](http://www.wineaustralia.com/post-harvest-grapevine)







\$50m Package



# What is the \$50m Package?

Australian Government commitment of \$50 million over four years (2017–20) that aims to:

- grow wine exports, and
- attract more international visitors to our wine regions.



# The four programs within the \$50m Package

## **China and USA marketing (\$32.5m)**

Targeted multi-year marketing campaigns that improve the perception and awareness of Australian wine in China and USA markets, as well as the premium paid.

## **Capability development (\$2m)**

Development and delivery of education programs and toolkits to improve the capability of wine businesses to capture export opportunities and develop wine tourism products and services.

## **Grants (\$11m)**

**Wine Export Grants** that build the capacity of small and medium wine businesses to capture export opportunities in China and the USA.

**State-based and competitive grants** for initiatives that increase international wine tourist numbers and expenditure across the states and regions.

## **Transforming cider businesses (\$0.5m)**

Development of a brand proposition and go-to-market strategy for the Australian cider industry based on detailed market analysis.



# Working with the wine sector to:

- drive growth in key markets
- improve the quality perception of Australian wine
- create a platform for the commercial success of our brand owners, and
- facilitate in-market support and engagement for brand owners.

## Why the focus on premium wine?

- In most markets, Australian wine already has a strong position in the commercial segments.
- Growth opportunities at both ends, but value growth is stronger at the premium end.
- Need to promote Australia's entire wine offering by sharpening the focus on, and understanding of, our more premium or fine wines.





# \$50m Package headlines

## International wine tourism

- Major co-investment of \$1.5m with Tourism Australia
- More than 100 million video views on social (across trailers and Super Bowl)
- Generated more than 12,000 media articles
- A social media reach of approx. 890 million across multiple platforms (80% in the USA).

## Key messaging campaign

- \$10 million targeted marketing campaign over three years in China and the USA
- Working with creative agency to reset and refocus Australian premium wine message through traditional and digital media channels.

## Major upcoming events

- Vinexpo Hong Kong (29–31 May 2018)
- China Roadshow (4–12 June 2018)
- Australia Decanted (22–26 July 2018).





# \$50m Package headlines

## Grants

- Announcement of successful *International Wine Tourism Competitive Grant* applications – May 2018
- Strong interest in Wine Export Grants – closing on expiration of funds or 1 May 2020

## Capability development

- Development of two separate but comparable programs underway:
  - (1) Wine export capability building program, and
  - (2) Wine tourism capability building program.



A landscape photograph featuring a clear blue sky with scattered white clouds. In the foreground, a row of green trees and bushes is visible, partially obscured by a wooden fence. The text "State of play" is centered in the middle of the image.

State of play



# Key takeaways

Australian wine is in a strong position going into 2018. Global supply is down while Australia has had three years of consistent harvests.

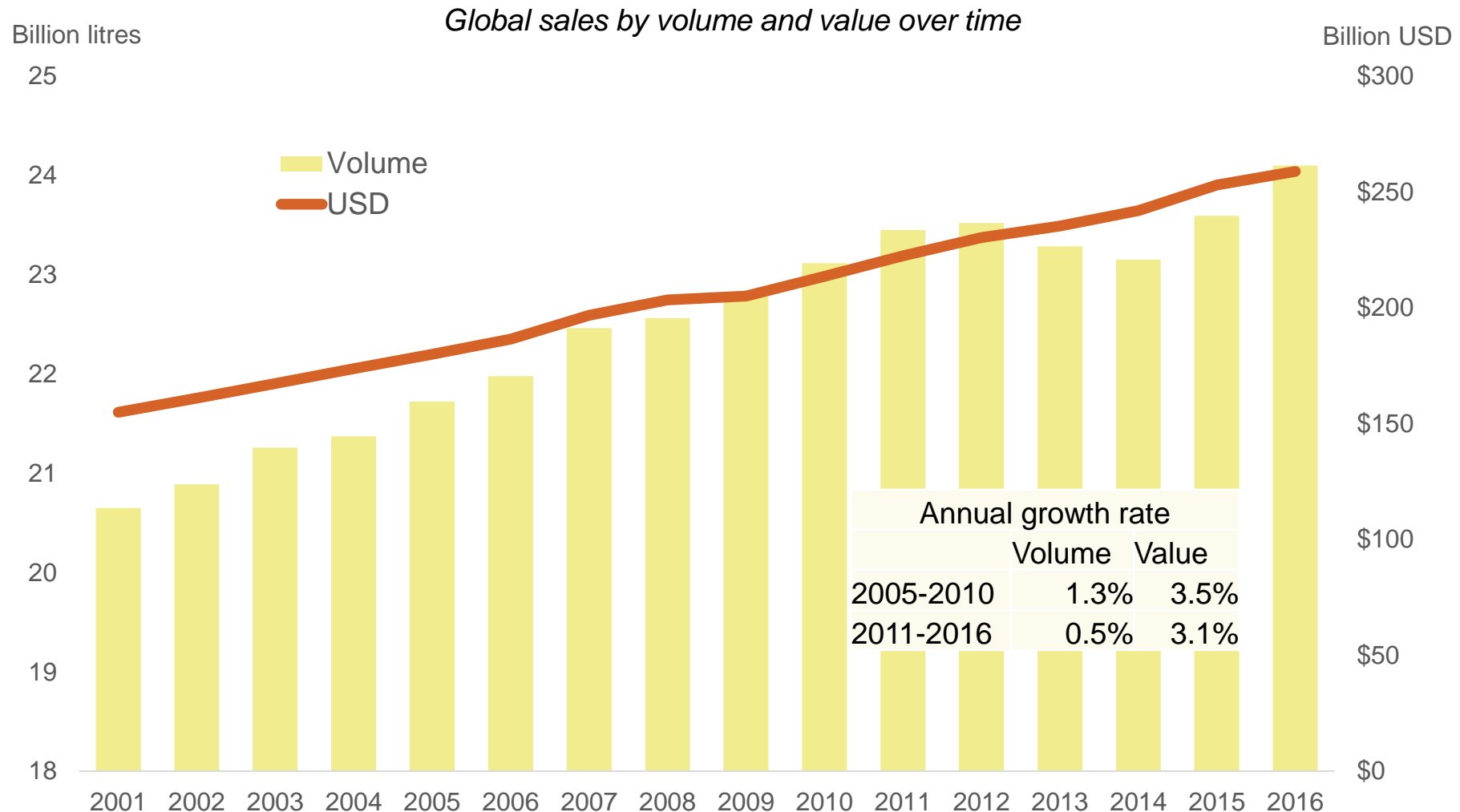
Over the next few years, there are significant opportunities for growth across a number of markets, varieties, channels and price points, which will be facilitated by new trade agreements and the \$50 million Package.

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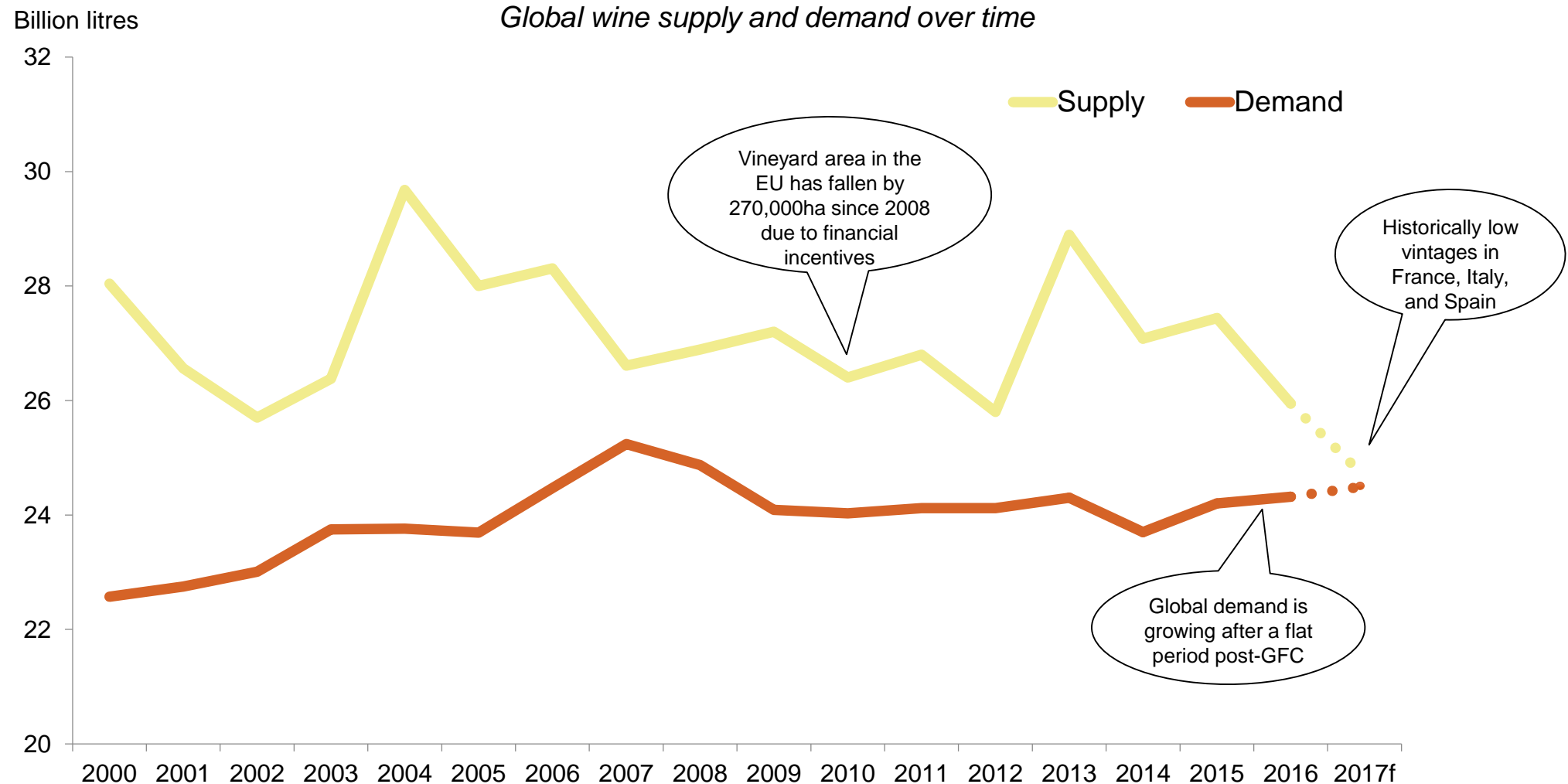




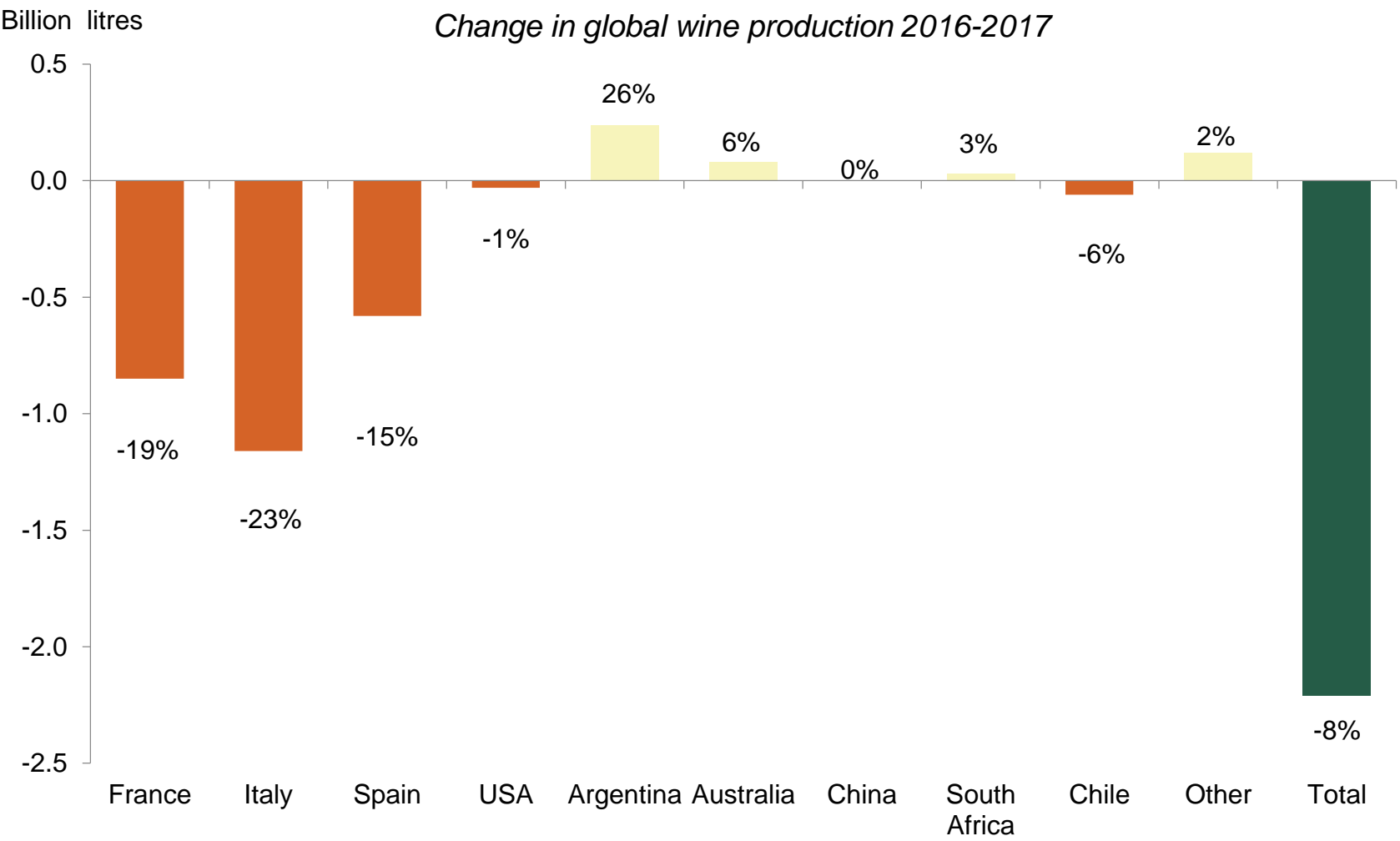
# Global wine sales have been growing slowly but steadily



# While demand is increasing, supply is falling



# Global wine production was historically low in 2017



# Bulk wine prices are also improving

*Australian bulk wine prices by variety*





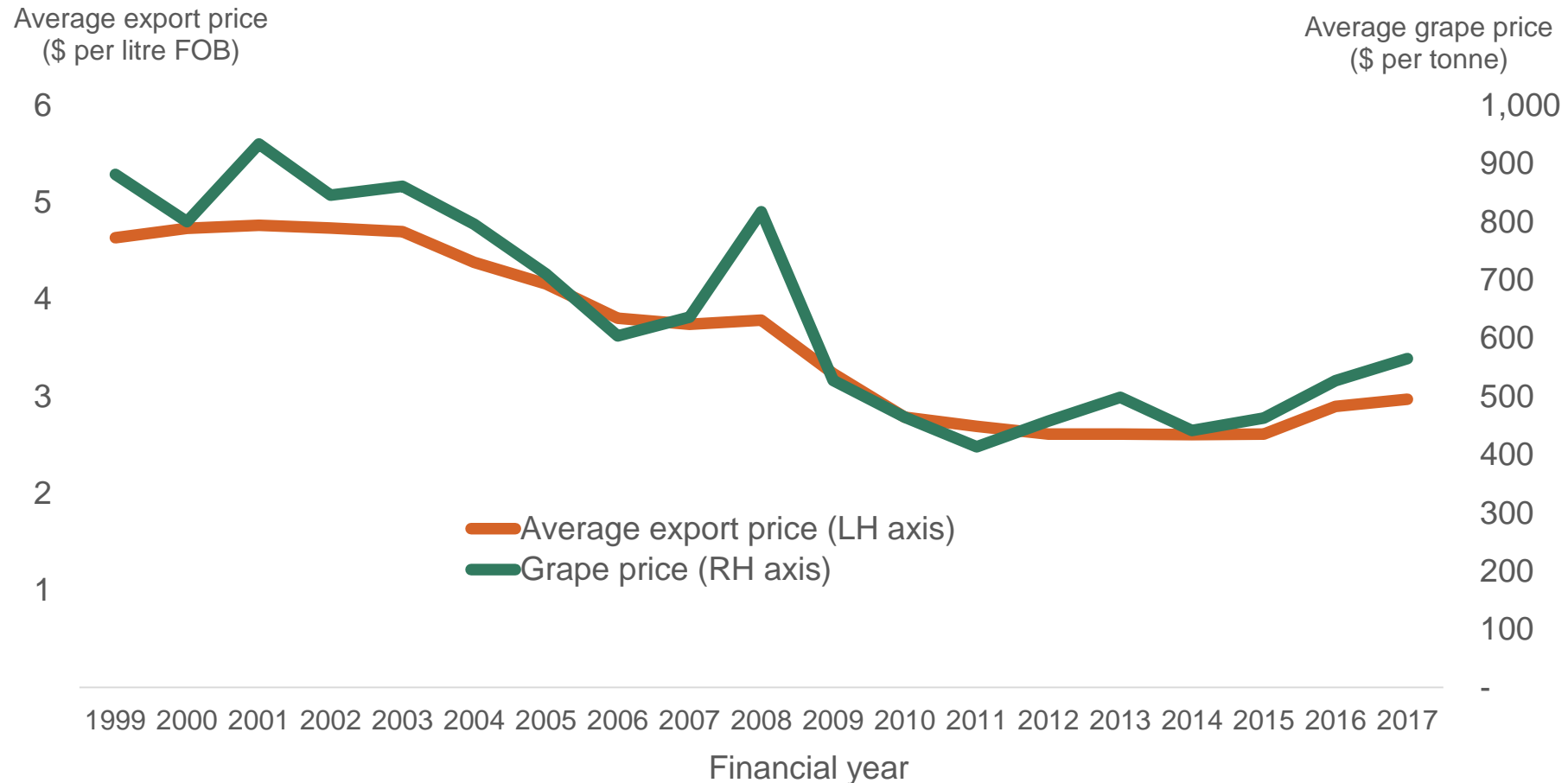
# Australian exports are growing strongly – driven by China

- Growth in year ended March 2018 in:
  - value and volume
  - bottled and bulk wine
  - all major price points, and
  - most markets.
- Growth strongest:
  - at \$10 plus – reflects global premiumisation trend
  - in China and NE Asia, and
  - for red wines.



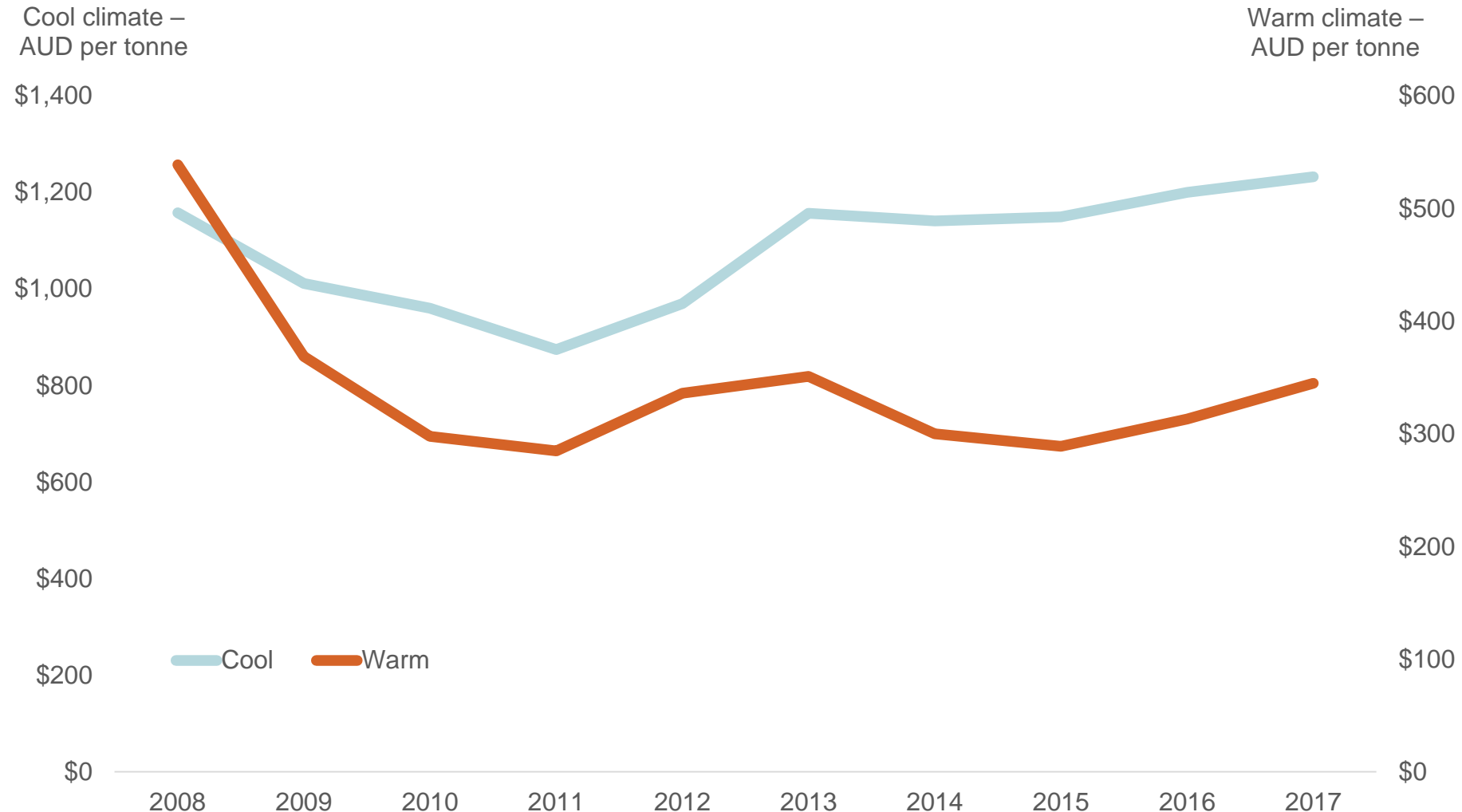
# Rising export prices historically flow through to grape prices

*Average export price and average winegrape purchase price over time*



# Grape prices are firming across the grapegrowing spectrum

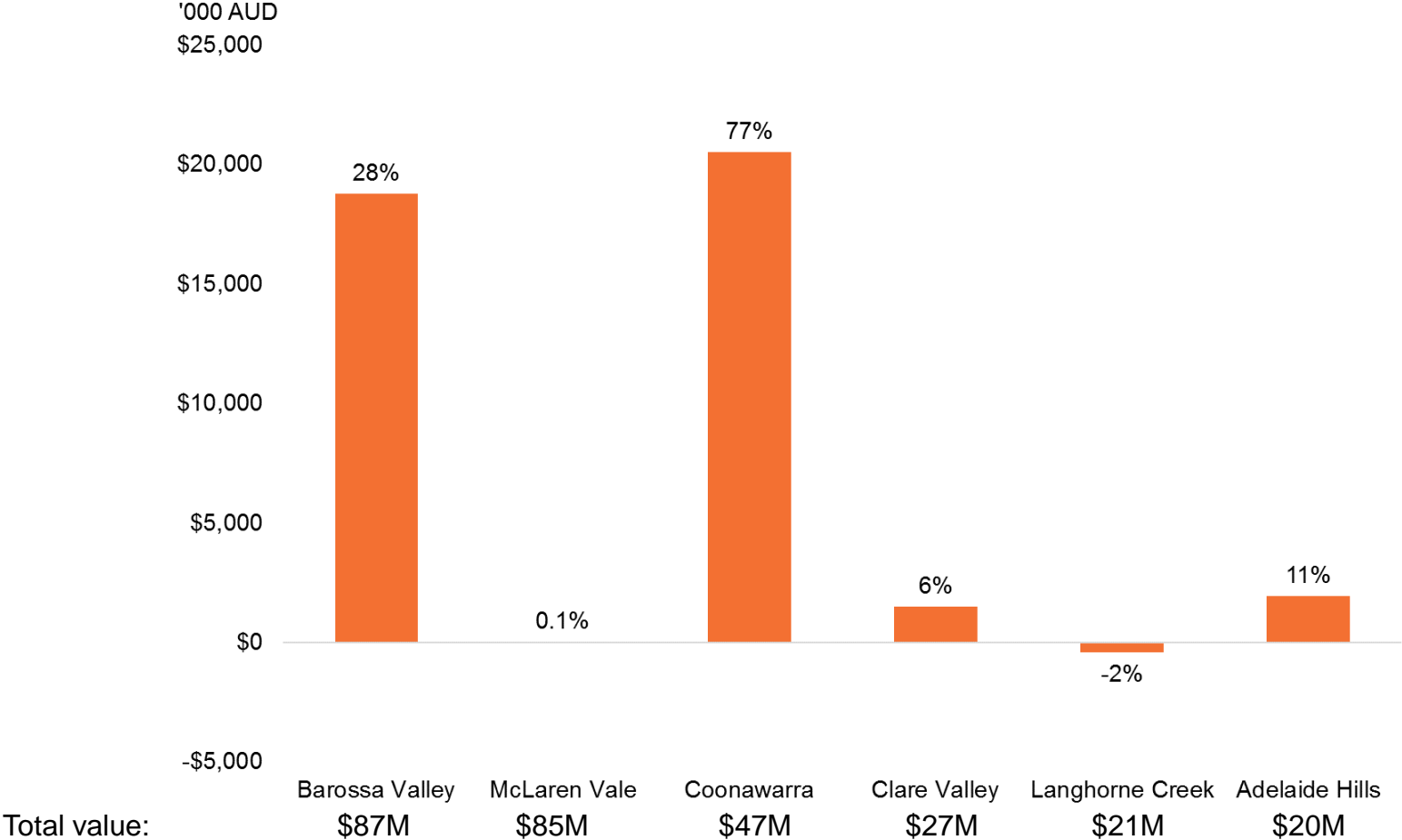
*Australian winegrape purchase prices over time, warm vs. cool*





# Most South Australian regional label claims are increasing in export value

*Year on year % change in export value by SA region (March 2018)*



# Outlook for 2018

- global supply likely to remain constrained
- exchange rates likely to remain stable
  - USD/AUD tipped to remain below 85c in 2018
- trade agreements expected to have some benefits
  - ChAFTA, JAEPA, TPP-11
- political/economic environment uncertain
  - the impact of Brexit and USA policies
- consumer trends: 'quality not quantity'
- environmental threats in the longer term
  - climate change
  - biosecurity risks, especially phylloxera.



