

**Submission
No 4**

INQUIRY INTO WINE GRAPE MARKET AND PRICES

Name: Mr Rodney Raccanello

Date received: 20/09/2010

The Director – Standing Committee on State Development
Parliament House
Macquarie Street
SYDNEY NSW 2000

To Whom It May Concern,

Re: Inquiry into Riverina Wine Industry

As a third generation grape farmer I would like to draw your attention to what I believe is the major problem facing the wine grape industry at present;

- ⇒ Pricing. The current prices being paid per tonne for fruit grown affects the viability of individual growers and the industry as a whole.

The following are suggestions that could be implemented to help sustain wine grape growers in this industry;

- ⇒ A minimum price should be implemented for fruit at least sixteen weeks prior to the commencement of vintage. Farmers need to make important decisions on the quantity of inputs required to grow/maintain a crop and if farmers had access to minimum pricing information this would allow for them to make informed decisions regarding these inputs.
- ⇒ An independent person/agency should be employed by the government to establish the method in which pricing of fruit is ascertained. Every person regardless of the industry that they are employed in needs a minimum amount of money in which to live. There is a minimum wage set for wage/salary earners in other industries why should farming be treated any different.
- ⇒ Terms of payment should be set for wineries to deliver payment thirty days after delivery.
- ⇒ Farmers should have the ability to collectively bargain for the sale of their fruit through one body such as a wine grape grower union.
- ⇒ Changes to grower contracts should be implemented because at present contracts guarantee supply not the price of the fruit sold. The terms of these contracts can change yearly as all items stipulated in these contracts refer to information in the grower guide book which changes yearly.
- ⇒ At present pricing is set on the quality of the fruit sold, for example by assessing the colour and sugar levels. There should be a standard method upon which quality of fruit is assessed and therefore pricing established. There are many interpretations of quality and this results in varied pricing for the same quality fruit.

I wish to thank you for your time in reading my submission and I hope that you will be sympathetic to the cause of the wine grape grower industry. Currently the money being received for our fruit is insufficient and this is resulting in many farmers having to exit the industry as they are simply becoming unviable. The wineries in our region continue to show increasing profits while the farmers struggle to make enough money to live. All farmers should be given the same opportunity as the winery and other industries- to make a profit or to at least break even. The wine grape industry needs to become more transparent so that all parties have the ability to make informed decision.

Please contact me should you have any queries or concerns.

Many Thanks



Rodney Raccanello