

**Submission
No 39**

INQUIRY INTO WINE GRAPE MARKET AND PRICES

Name: Name suppressed

Date received: 30/09/2010

Partially Confidential

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October 1, 2010

Dear Sir or Madam:

Re: Inquiry into the grape market and prices

As a grape grower for the past twenty years I have a few urgent points of concern as to the path the industry has been on as is continuing to go down to the detriment of all growers concerned.

My first point of concern is pricing of our commodity at the farm gate. I strongly feel that the wine making industry is taking too much advantage of an over supply situation by releasing prices that are ridiculously low and far too late for farmers to put strategies into place that will assist them to make the correct business decisions for their financial positions. Without delving into too great detail it is incomprehensible how a winery can charge between \$4 to \$12 per bottle of average wine and only pay the grower between 15 and 25 cents per litre. This particular area is one that should be investigated thoroughly.

My second point of concern is the negotiation process. There is none, full stop. If a farmer chooses to negotiate prices he walks into a situation with the real threat to being perceived as a trouble maker and can soon find himself on the unwanted list for that particular winery. What we need is a Board with the power to negotiate minimum prices with all the wineries in the region on behalf of its growers.

Other issues affecting growers are:

- .The use of colour testing in red grapes
- .Price difference paid by wineries for the same grapes used in similar markets
- .Contracts that are no more than delivery agreements and only favours the winery

Thankyou for taking the time to read this submission and hopefully constructive outcomes will come from this inquiry.

Sincerely,

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