

**Submission
No 24**

INQUIRY INTO WINE GRAPE MARKET AND PRICES

Organisation: Young Irrigation Network

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Young Irrigation Network Inc.

"Our Future Together"

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24th September 2010

The Director – Standing committee on state development
Parliament House
Macquarie St
Sydney NSW 2000

To Standing Committee members,

I am writing as a representative of the Young Irrigation Network, which represents all young people aged 18-40 involved in the irrigation industry, including irrigation farmers. One of the biggest concerns in the industry today is the low number of next generation farmers willing to take over the family farm. There are a number of reasons for this and, I would like to highlight our issues through your inquiry.

Basically, young farmers are not encouraged to continue the family legacy in farming due to the poor return for crops. The issues in the wine grape industry are causing many younger people to seek employment off the farm, as the financial return from the sale of wine grapes is insufficient to support more than one generation.

The problem that many younger growers face is the lack of bargaining power with the perishable crop. They see their fathers delivering grapes for less than the cost of production, and witness them not having the opportunity to negotiate with the winery without fear of retribution. This is not a way of life that is attractive or desirable to new and enthusiastic farmers.

To ensure that grape growing is a viable venture for the future there needs to be a mandatory code of conduct that is adhered to by all in the industry. This code would enable price negotiation and give an early indication of grape prices, which would allow growers to develop strategies and adjust their farming practices in accordance with the end product price.

The existing terms of payment are highly desirable and they need to remain for the certainty of cash flow of future farmers. If these terms were removed, the retail suppliers and other providers would be less likely to service the industry as grape growers would not have certainty of a reliable payment framework.

In the interests of a brighter future in agriculture, on behalf of the Young Irrigation Network, I thank you for conducting this inquiry.

Kind Regards,

Kristy Bartrop, Chairperson
Young Irrigators Network