

**Submission
No 16**

INQUIRY INTO WINE GRAPE MARKET AND PRICES

Name: Name suppressed

Date received: 22/09/2010

Partially Confidential

I am a grape grower who is prepared to put pen to paper to voice my concerns over the state of our industry. I am a third generation grape grower and currently own and/or manage a number of horticultural farms with the major crop being wine grapes.

Until November 2009 I owned an additional two gazetted horticultural farms. These farms were sold due the fact that the farms were planted with varieties that suited to one winery in particular and were now out of favour.

My contract was close to being renewed with the winery, but the relationship with the winery soured. It was becoming harder and harder to understand the reasoning behind managements attitude towards myself and other growers who were in the same position and who had been loyal suppliers through the boom years.

Choosing to supply and support local wineries at economic loss over supplying corporate wineries turned out to be a naive and misplaced concept where a man's word was better than his signature.

Over 50% of grapes I now sell are opportunistic sales. I don't know if they are sold until they are over the weighbridge and then the price sold for is not always an indicator of its quality but when wineries have you over a barrel it comes down to creating a cash flow to meet commitments.

In closing, some wineries are trying to be fair to their growers under these extreme conditions other than being opportunistic leaches.