When I was asked to give a talk for the ASVO on winemaker/grower relationships I realised that the topic was controversial. Anyone who knows the Sunraysia area knows that the relationship between growers and winemakers has always been controversial. But it’s quite amazing how things have changed. Even five years ago talking about a topic such as ‘quality’ would have been unheard of. I want to convey something of my experiences over the last 20 years—about the way relationships have been, how they are now, and the way I think they’ll be in the future.

We produce about 1,500 tonnes of fruit, half of which is sold locally to Brown Brothers at Milawa near Wangaratta and the other half going well outside the area. I’ve personally been involved with Brown Brothers for over 15 years and it has been a tremendous relationship. If there have been problems in the past we’ve always been able to talk things through, to manage them, and to come up with a satisfying result for both parties. I’m only in my second vintage with the local company but before that I’d had some disappointing results; not to say that there might not have been faults on both sides.

I have spent the last five years as a Director of Grape and Wine Research, and this has been a gratifying experience—and it’s taught me a few things. I’ve learnt that winemakers and grapegrowers can work tremendously well together, and that they can achieve a great deal when they do work together. The other thing I’ve learnt to do is to be able to look at things very objectively—to sit back and take my personal business out of the equation and look at what is good for the industry. Unfortunately I don’t think that this approach is widely practised. We often do what is good for ourselves as growers, or we do what is good for ourselves as a company, but basically the industry isn’t considered. I don’t think we can afford this attitude any longer, especially as we go into the challenges of the next century.

I want to touch briefly on the changes. It would have been unthinkable five years ago to have a meeting like this; I can’t imagine that it would have been very challenging to get a meeting held on this topic and to discuss subjects that focus on the quality of fruit. When I went to buy my first wine grape property at the end of the 1970s—I was originally a dried fruit grower—the bank refused finance. In the last 10 years banks have been bending over backwards to lend this industry finance. At the time, the bank tried to talk me into buying a table grape property instead; they considered this a much better industry to get into.

Cabernet Sauvignon at that time sold for $200/tonne, Rhine Riesling was $160/tonne, but most wineries didn’t want Rhine Riesling, they preferred to take the Sultana. I’ve really seen this industry in the pits and while it now looks fantastic, and it’s been a great industry to work in in the last 10 years in particular, it hasn’t always been that way. The relationship between growers and winemakers must now be based on a combined effort for the benefit of the industry.

This discussion will be broken into three parts—the past, the present and the future. I also want to speak about the irrigated areas, because, from my experience in Grape and Wine Research and through travelling all around Australia, I have found there is a different attitude between winemaker and grower when you get into the smaller, mainly ‘boutique’ area. Ours is without doubt the hardest area to work in because we’re the biggest part of the industry. Sunraysia and the Riverland produce over 60% of Australia’s crush, so if there is a problem it’s generally a large one.

There are now many people who are new to the industry, people who have come in during the last 10 years. They don’t know what it was like in the past; they haven’t seen the bad things because they’ve probably been caught up in the rush and exciting times.

I’ve been on a lot of committees and involved in grower organisations. In 1987 I was appointed to a price negotiating committee which ran in Victoria, New South Wales and the Sunraysia. Five winemakers and five grapegrowers, plus a departmental person either from the NSW or Victorian Government, were expected to negotiate the price of Sultana and Gordo grapes by mutual agreement. Premium varieties weren’t even considered, as there were hardly any in the region. Six hour meetings were not unusual and we were arguing over 50 cents a tonne—not a litre, 50 cents a tonne! Looking back I find this very hard to believe. The tone and feel of those price meetings was like a pressure cooker; you certainly didn’t socialise with the winemakers and they wouldn’t socialise with grapegrowers. Everyone went their own separate ways.

Back then the cask market was almost all we had; the profits were low and many growers were growing for the low cost of production. Intakes varied considerably. One year a winery would take a large supply or conversely, nothing. There was always the alternative of drying the fruit, but for anyone who was genuinely trying to get involved as a grower, swapping from one aspect to another led nowhere. But a lot of growers did dry in those days and they had no interest in the region. There was always the alternative of drying the fruit, but for anyone who was genuinely trying to get involved as a grower, swapping from one aspect to another led nowhere. But a lot of growers did dry in those days and they had no interest in the industry and no commitment as we know it now.

I can’t imagine that it would have been very challenging for winemakers either. Basically all they appeared to do was to take one wine cask off the line and put another cask onto it, just to use up the bulk supply. I’d liken the industry then to a big snowball, metaphorically hassled by a ‘blue heeler dog’ which would come up and bite us—either in the form of government interference or new taxation impost; whenever we tried something new. However, since the 1980s things gradually started to make progress.

Next I come to the present—and that’s from the beginning of the 1990s—when the industry started to take off. The Australian market was saturated in bulk wine but many
began to realise that other markets needed to be found. Obviously some of the large companies had some very good marketing people. I've even heard it said that Chernobyl was of assistance to the Australian wine industry—suddenly people wanted the clean, green image and wouldn't accept fruit that was in any way polluted. Australia was right in line to take full advantage of that.

The industry then developed the Strategy 2025 concept which actually did give it some direction. Then it started to attract investment—which was what we desperately needed. A s a united industry in the early nineties we were able to turn around taxation imposts that the then government wanted to impose on the industry. Had this reversal not occurred then probably the fortified market would have disappeared completely.

Throughout the nineties the Sunraysia area was transformed from a bulk area to the present situation where varieties far outweigh our neutral white capacity. It even looks as if Sultanas may be in short supply! We have also seen the emergence of some very notable winemakers—Tony Murphy, Andrew Peace and probably three or four others who have made great Chardonnay out of this area. This is something to feel really proud of. We've seen brands emerge, with Rosemount's Diamond Label as one of the fastest-growing wines in America. Huge exposure has occurred in the UK, because the majority of that fruit comes out of this area. And Jacob's Creek and Southcorp are all doing well with fruit grown in Sunraysia.

In the last 10 years a new type of grower has evolved. People are genuinely interested, and the younger men who are taking over their fathers' properties in this area have Bachelor of Science degrees; they've got new ideas—so it's no longer a case of people 'looking down their nose' at you if you are a winemakeg grower. A different type of winemaker has also emerged. Many now do two vintages—one in Europe, and one here. Winemakers and the grapegrowers are all focused on their jobs and are bringing new ideas back into the industry.

All of this has also been achieved with both sides generating good profits. A gain using that analogy of the snowball—through the '90s the snowball itself took off. The blue heeler dog jumped on top, the politicians jumped too, and everyone wanted to get in on the increasing success. This has been a very exciting time for everyone.

I would like to give a couple of examples of working jointly with winemakers. We and six other growers from the Swan Hill/Robinvale area became involved with Browns to develop Tarrango as one of their major wines. Tarrango was a wine developed particularly by the industry for the industry, through the CSIRO, to give a light red Beaujolais type wine, because we basically had no winegrapes of that type. John Brown believed that something really different could be done, but that there were problems. We've been growing that variety now for about eight or nine years and we have had a lot of problems with it; but we've worked well with Browns to get it to its present stage. It's now one of their best-selling wines in the UK and sells into Ireland at £15 a bottle.

Recently a group including some of Browns' growers travelled through Spain, Portugal, France and Italy to look at overseas conditions and the way wine is marketed in the UK. This was a fantastic experience. We visited one of Tesco's big stores in London which held 8,000 wine brands. The Australian part of this display was a metre wide and about 1.5 m high and on that shelf was a Rosemount Diamond label, a Jacob's Creek, but ironically no Tarrango—they'd run out of supply!

As a grower, it was an absolute eye-opener to visit those countries to see what we're competing against and to actually see the way wine is marketed and I would recommend this experience to every grower. We do tend to get bogged down in our own backyards, our own little areas and our own companies. I think that's a mistake that we cannot afford.

The other spin-off I see is that growers are well placed to promote their winemaker's products. A gain quoting the Brown Brothers experience—I and others in the Brown Brothers group have introduced their wines to many people because these are wines that a lot of the growers are very proud of. We display them in our houses and have bottles to share with friends. It may be that a lot of the other companies haven't really thought about using this promotional tool.

In considering the Year 2000—the future—it's a bit like crystal ball gazing; but I've split my comments into pluses and minuses. On the positive side I believe that there will be a lot of people drinking wine that have never done so before. There will also be a lot of people drinking better quality wine than they've ever drunk before; they may therefore even move up into more a expensive bracket. In my experience, once you've tasted better wine it is very hard to go back. I also believe the Olympic Games will provide an incredible opportunity to introduce our wines to a huge cross-section of the world's population. Southcorp is already helping to sponsor the Games and other companies no doubt will see opportunities in doing so. The Australian dollar is currently at a realistic value and we've also got the Asian economy on the rebound; I think these are two things that we really can take advantage of. And at long last we're getting the supply and demand right. We are hearing talk of over-supply, and of a lot more vineyards coming into production. Growers have made money in the last two years, but they've ploughed it back into the industry.

It is interesting that our achievements in the '90s were really without an eye to quality. This word was unheard of in this area. In the vineyard you just grew as many tonnes as possible. But now growers really do have to sit up and take note. We have to address the quality issue. Marketing is definitely going to be harder, but the industry has really got a great future. These are the pluses.

Now the minuses. I believe, as a grower, that Section 75A of the Taxation Act—Depreciation on Vineyard Planning—has attracted enough investment into this industry and that we as an industry should review Section 75A. Some of these huge new plantings are basically taxation driven; the fruit hasn't got a home, and this approach is not going to be beneficial to this industry for much longer.

I think we now have many inexperienced people in the industry—people who have really only known the high times and may not realise that things can easily slip back. I also think we have some real infrastructure problems at the moment. I think they're only short-term and they're being addressed. In the next two years I think that it is very important that the industry works together as a team. There will be some problems and we do have to be realistic. It is natural that there is a buyer and a seller then there will be a bit of conflict somewhere along the line.

I think an Australian wine so far has virtually sold itself, but we now have to direct more energy into our marketing. Basically the industry is in our hands, we've got it to where it is, and it is up to winemakers and grapegrowers to really pull together to ensure a realistic, stable future for everyone.