

Getting a grape deal,  
not just a handshake  
with hope



Veraise

# A resilient industry participant or sucker for punishment?



Results of 25+ years in the wine industry →



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Making wine thrive.

# We are optimists



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How Times Change



# No-one is having much fun within the supply chain

10-year average crush (1.7million tonnes)

The last 5 years average crush (1.6 million tonnes)

Drawdown of stock (less than 1.5 million tonnes equivalent)

SSR (stock to sales ratios)

White is currently at 1.59 – 10 Year average 1.38 (+15%)

Red is at 2.12 – 10 Year average 1.88 (+13%)



# What have wine producers done as a result?

JIT (just in time) lean inventory management

Eleventh hour decisions and deals



# Shift in Procurement Behavior

Picking the eyes out

More requirements placed on suppliers

Fruit doesn't sell itself anymore



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# Maximising Value Every Vintage

Production decisions are often disconnected from real demand

Commoditization of grapes erodes margin, leads to oversupply and value destruction

Many participants lack pricing and market visibility

What it looks and tastes like is important.....but



# Changing approach to agreements

## Negotiating

Finer details

Collaborative, win-win

Long term partnerships

## Bargaining

Price and quantity

Competitive, win-loss

Short term needs

The reality is we now bargain



# Key considerations - Buyers

Strategic sourcing influenced by:

- Risk profile
- Cash flow
- Equipment/Capacity constraints

Supply fulfilled as:

- Grapes
- Juice or must
- Wine post press
- Wine (bottle ready) to winery or to bottling facility

Multitude of players in this space

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# A Sale is a Sale right?

More than an “At least I sold it” attitude

There’s the price you get offered and the price you get paid

Undertake due diligence. Play it safe

A valued existing long-term relationship may require some sacrifice



# What does a good deal look like?

## What it is

Written grape supply agreement

Clear details on price, payment terms, tonnes, Baume, Specifications and penalties

Reference to the Industry Code of Conduct

No ambiguous clauses

Include specific requirements



# What does a good deal look like?

## Who its with

Reliable payers

How easy are they to deal with – particularly during vintage

How flexible are they?

What size fish are you in the pond?

Platforms they utilise and levels of engagement



# Better Decisions = Beter Deal = Better Outcomes

Be informed, be prepared, be realistic, learn from each deal

Reward versus Risk

Mutually beneficial relationships and transactions

The value of grapes is not fixed - it is determined by how intelligently they are directed into end markets

