



Wine Grape Growers Australia

# MEDIA RELEASE

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## **Grapegrowers applaud Woolies decision to sign Code with them**

Wine Grape Growers Australia (WGGA) which represents the interests of Australian winegrape growers, applauds the decision by Woolworths this week to sign up to the Australian Wine Industry Code of Conduct – as a commitment to good commercial practices with growers.

The Chairman of WGGA, Mr Vic Patrick, said “this outcome between a major retailer and growers establishes the belief there can be good commercial relations between these two important parts of the value-chain.”

The Australian Wine Industry Code of Conduct establishes a basic commercial code and dispute resolution mechanism for the terms under which winegrape purchasers acquire fruit from growers. It is a voluntary code created collaboratively between WGGA, on behalf of growers, and the Winemakers’ Federation of Australia (WFA), on behalf of winemakers.

Lawrie Stanford, Executive Director of WGGA, was quick to note that “while the supermarkets are often cast by supplier industries as bullies in the marketplace, the willingness of a major retailer to sign up to good commercial practices with growers, sets an example to a significant part of WFA membership, who have been slow to do so.”

“Moreover,” Mr Stanford said, “WGGA is surprised by the contrast between the wine producers’ quest for a code of commercial practice between retailers and themselves while many of their membership are reluctant to sign up to doing the same with their own suppliers – the grape growers.”

WFA is actively seeking a formal code of conduct with retailers. According to its recently released WFA Actions document, “WFA believes that a Code of Conduct based on agreed principles and practices with the retailers has the potential to drive more fairness and consistency across the supply chain.”

“This is ironic” said Mr Stanford, “only 33 wineries – including less than half of the WFA’s own Board members – have so far signed their own Code with growers.”

Mr Patrick acknowledged the WFA Board policy of support for the Wine Industry Code and that three of Australia’s largest wine producers: Treasury Wine Estates, Accolade Wines and Premium Wine Brands, as well as a number of other significant wine companies including Yalumba, Tyrells and Wirra Wirra, have all signed up to the Code.

However, only 33 wineries in total have signed up, inclusive of many very small businesses, which makes the target of 50 of Australia’s top 100 wine producers signed up by December 2013, unlikely to be met.

“WFA Board members are strongly encouraged to set an example for their membership to follow. If they are not signatories to the Code, it is hard for the Federation to persuade other wineries to sign” Mr Patrick said.

For Woolworths, signing the Wine Industry Code will primarily affect their winemaking business Dorrien Estate winery. The code will cover more than 150 growers supplying around 15,000 tonnes of grapes to Dorrien Estate each year, from all around Australia.

Supermarkets are also dealing directly with growers through direct sales of bulk wine for retailer’s own brands. While holding some concerns for proprietary brands, WGGA sees this trend as inevitable to some extent, but containable if traditional wine producers are willing to compete for grower loyalty.

Mr Stanford said. “If growers find that they get a better deal from the retailers, that is where they will go. The fact that wineries are seeking a code with retailers, while failing in numbers to support their own industry code with growers, illustrates the fact that many wineries are not competitive in the business of forging formal and meaningful partnerships with the growers who are vital to the success of their businesses.”

For further information and media interviews, please contact  
**WGGA Executive Director Lawrie Stanford on 0417 859 282.**

## **ABOUT WGGA**

Wine Grape Growers Australia is the peak national organisation representing winegrape growers across Australia.

WGGA’s purpose is to be an effective advocate for the national interests of Australia’s 6,200 winegrape growers.

WGGA is committed to securing profitable, innovative and environmentally sustainable winegrape industry that has the skills and knowledge to respond to current and future challenges.

WGGA’s key functions are

- To provide a grower voice in industry debates and with the Federal government.
- To establish industry vineyard biosecurity arrangements to protect Australian vineyards from pest and disease threats.
- To improve market opportunities through activities like negotiating maximum residue limits for vine disease treatments.
- To facilitate better trading terms with winegrape purchasers.
- To deliver information and resources to growers to assist their businesses.

WGGA’s website is [www.wgga.com.au](http://www.wgga.com.au).