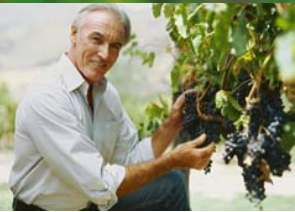


ALTERNATIVE VINEYARD STRUCTURES



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“There are many ways of going forward, but only one way of standing still”



Franklin Roosevelt – US President

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HOW do we
get there?



WHERE will we be
in the future?



WHAT CAN WE DO?

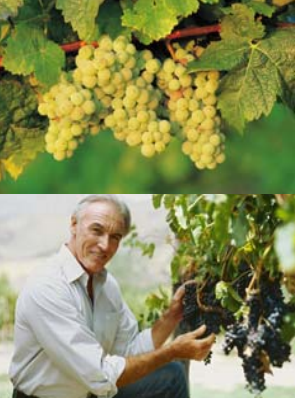


Confront the brutal facts of the current situation!

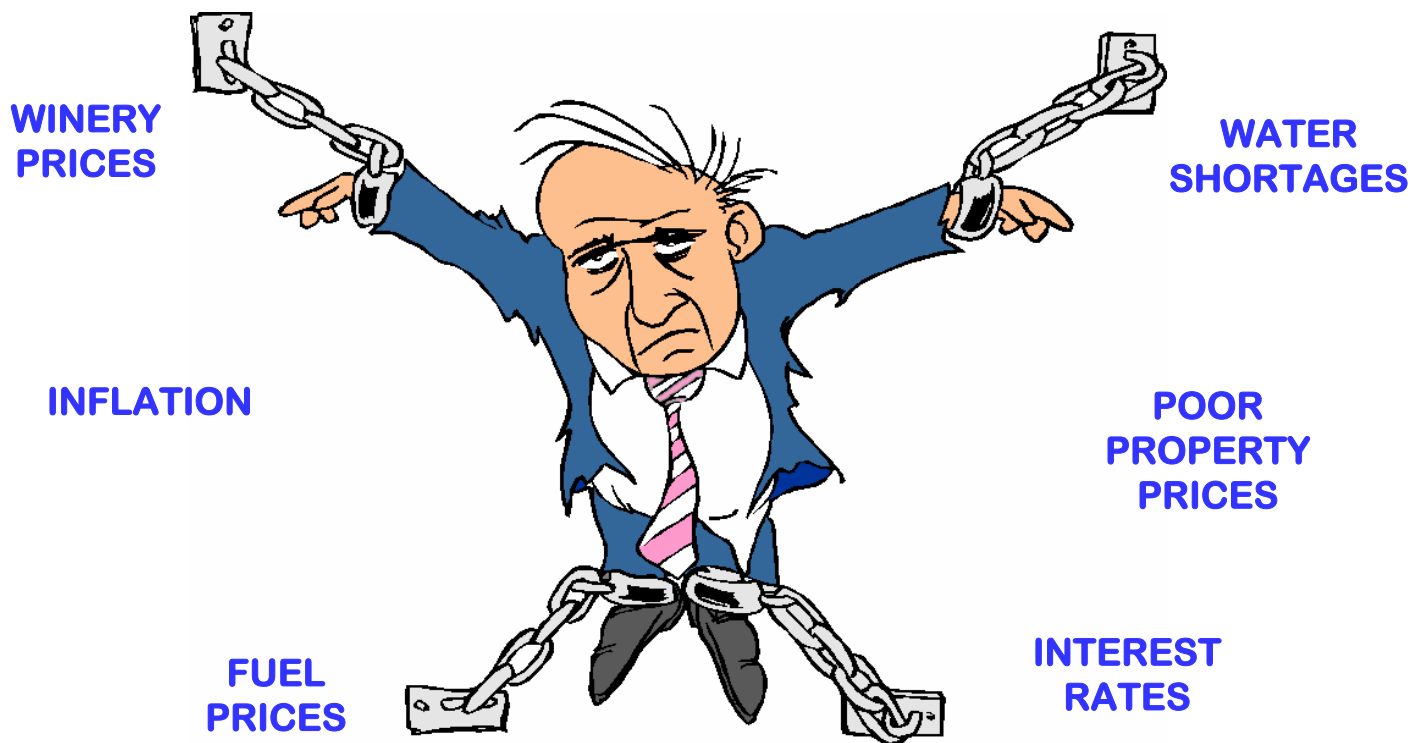
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CONFRONT THE BRUTAL FACTS



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“Failure is simply the opportunity to begin again more intelligently”

Henry Ford - Industrialist



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A Simple View of our Region

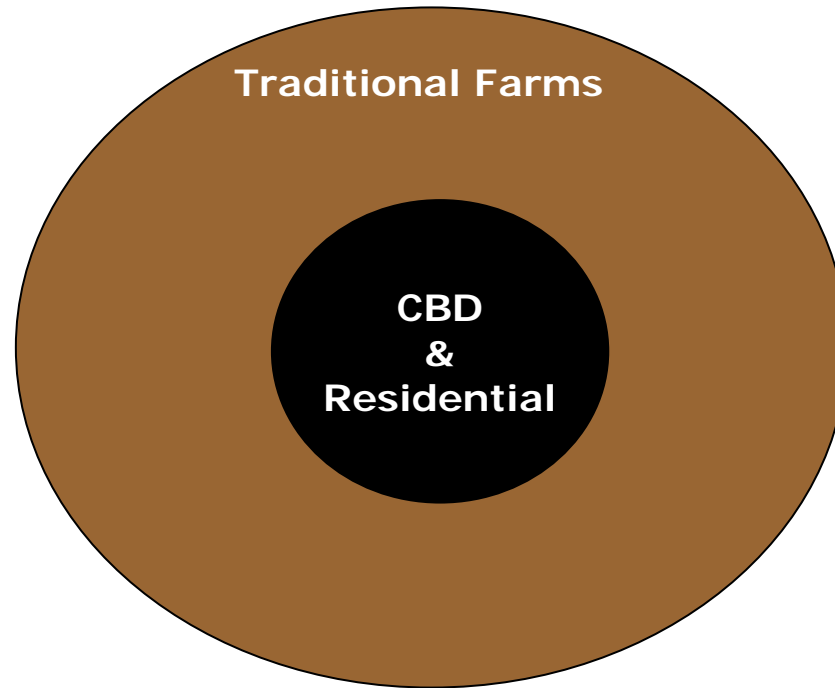


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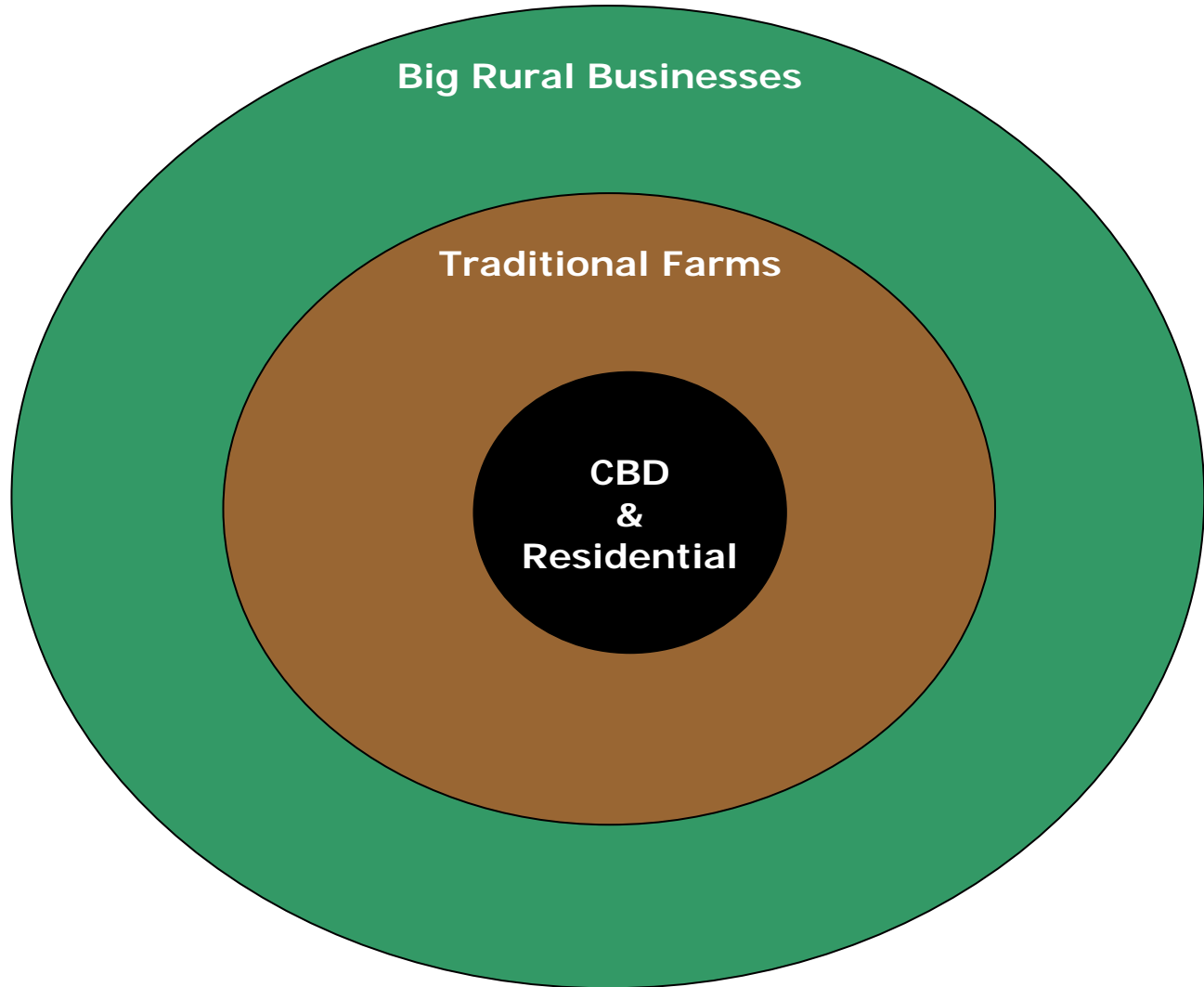
A Simple View of our Region



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A Simple View of our Region



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What do YOU currently do?

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Traditional Structure

- Own Land
- Own Vines
- Own Water
- Grow Grapes
- Live on Property



XYZ Vineyard

ASSUMPTIONS

- 30 Acres
- Value – \$390K (\$13K/acre)
- 60% Debt (Loan/Overdraft/Equipment)
- Income \$4K/acre (8 tonne @ \$500)
- Operating Expenses \$2.2K/acre
- Additional Water purchase \$400/acre (1 Meg @ \$400/Meg)



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XYZ Vineyard

RESULT

- Profit per Acre - \$700 Before Tax
- Profit for Property - \$21,000

THIS IS A GOOD RESULT!



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What are the key elements for successful businesses?

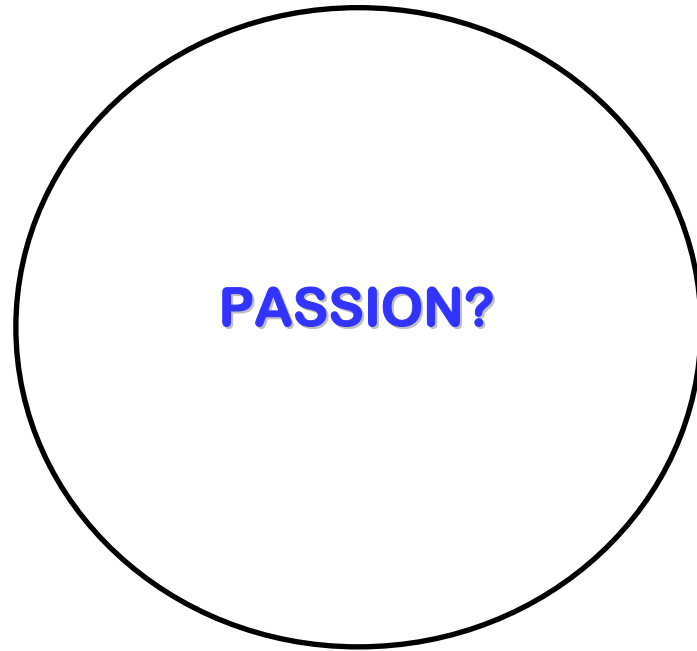


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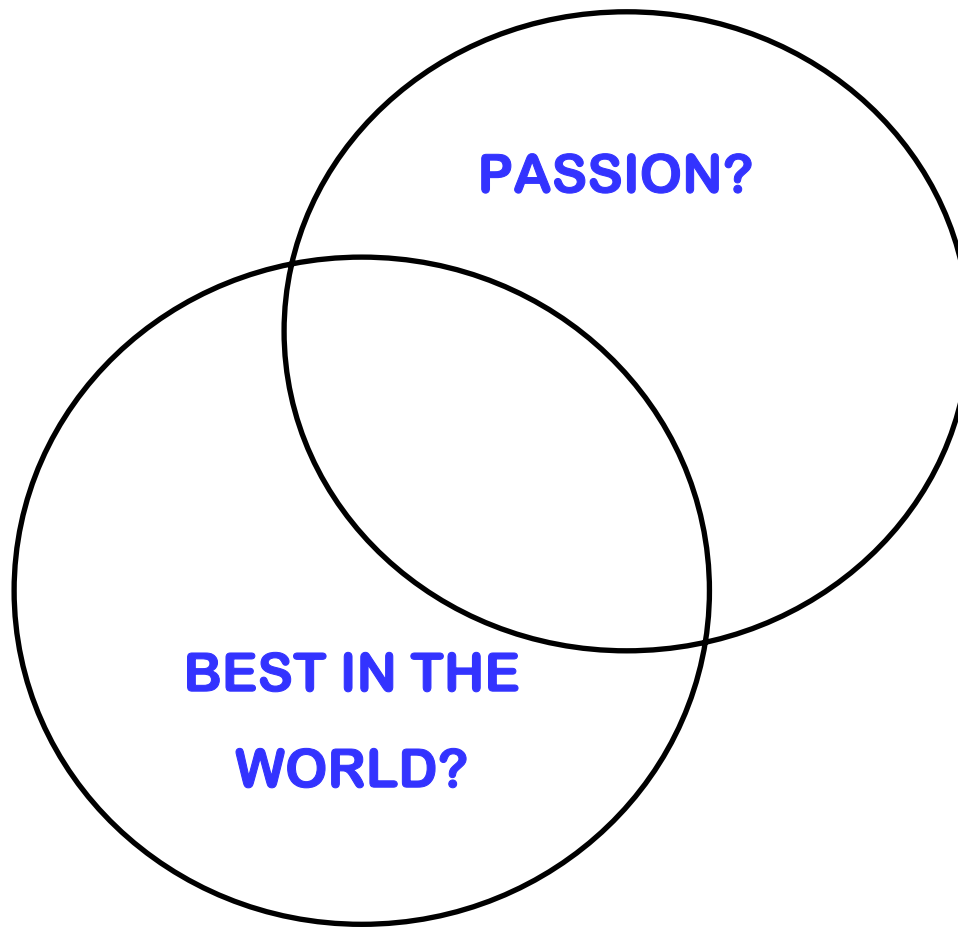


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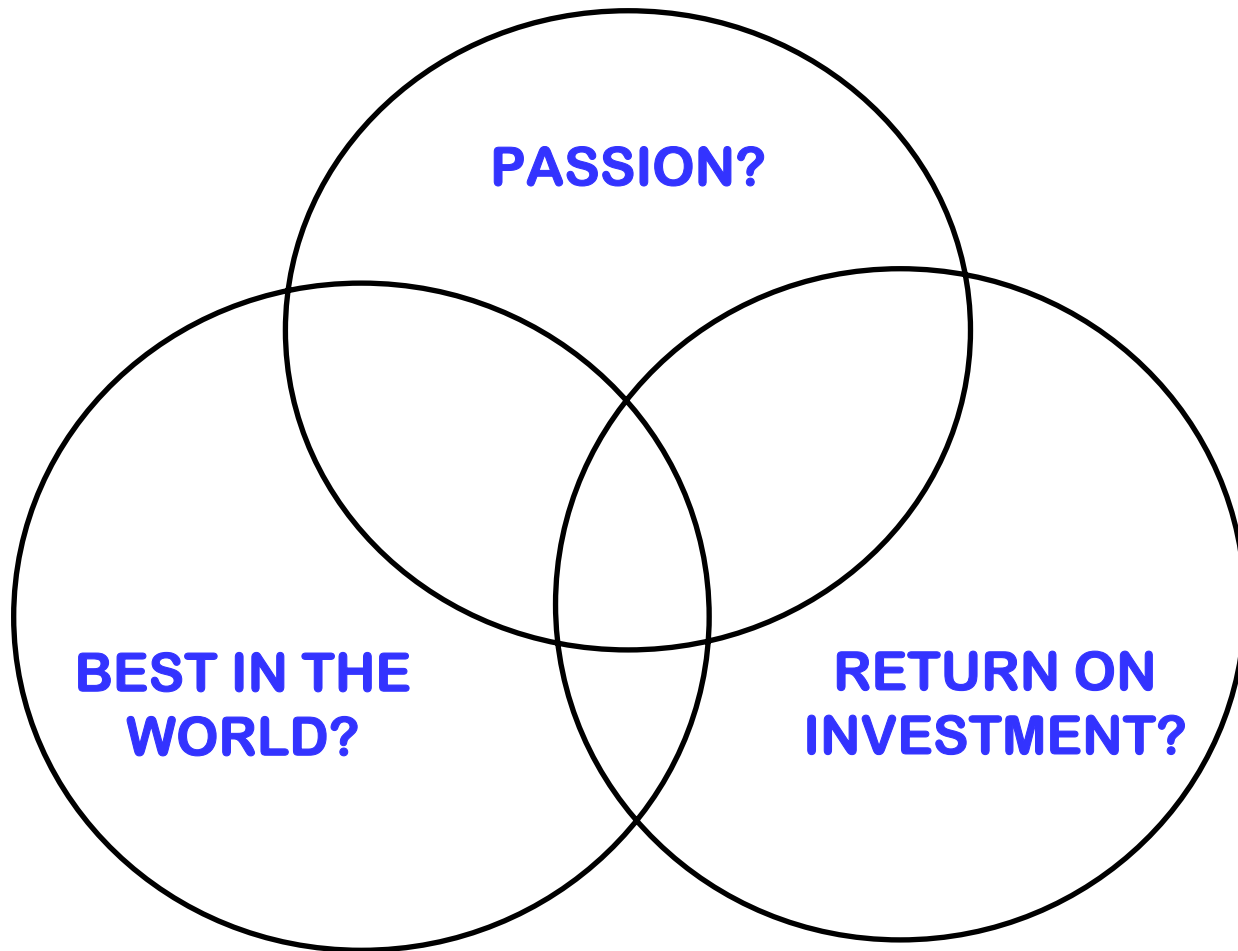


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WHAT CAN WE DO?

We need cultural change.

What could we be doing here?



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Revision of Traditional Structure

- Own Land
- Own Vines
- Own Water
- Grow Grapes
- Live on Property



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WHAT DO YOU WANT TO DO?



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GRAPE GROWER
Vs
PROPERTY OWNER
Vs
BOTH
Vs
NEITHER





A GRAPE GROWER?

Do you have the **PASSION**?

Can you be the **BEST IN THE WORLD**?

Will you **MAKE LOTS OF DOLLARS**?



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Assess

- § Resources required (Land, Equipment, Skills, Working Capital, etc)
- § Property rental or lease, what terms?
What payment process?



PLAN TO GET SCALE AND RECOVER



- q Sell the vineyard land, plan an exit strategy?
- q Grow your existing vineyard business or create a new one?
- q Diversify commodities on existing acres?
- q Seek investors - alliance or joint venture?
- q Purchase or lease assets?



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Additional Notes - Growers



- ✓ Will the landowner agree to the crop?
- ✓ Share all resources amongst the land parcels
- ✓ Needs good income and good profit
- ✓ Needs security of tenure
- ✓ Needs to know who owns any added capital improvements
- ✓ Redistribute resources to most profitable commodity



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A LAND OWNER?

Do you have the **PASSION**?

Can you be the **BEST IN THE WORLD**?

Will you **MAKE LOTS OF DOLLARS**?



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Assess

- What is the value of your property?
- Expected Return?
- Details of Lease?



HOW TO BE LANDOWNERS



- Landlords
- Share farming.
- Joint ventures.
- Co-operative Company that leases the co-op members' land.
- Off-farm work whilst other members run the vineyard.



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Additional Notes - Landowners



- ✓ Property owners will lease the land to the Growers
- ✓ Thus Growers will aggregate several smaller holdings into cluster farms
- ✓ A legal and commercial arrangement
- ✓ Land value will grow with time
- ✓ Off farm work



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HOW DO YOU START?



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- Ø Industry advice.
- Ø Professional advice.
- Ø Market assessment.
- Ø Centrelink Grants



SUCCESS LEAVES CLUES



- ✓ Look at what others are doing
- ✓ Dry land farmers
- ✓ Other industries



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***“We can’t solve problems
by using the same kind of
thinking we used when we
created them”***

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Albert Einstein – Genius





Thank You!

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