



CHANGING CONTRACTS, CODES & CULTURE

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SERIOUS COMMERCIAL CULTURE ISSUES

- Exploitive commercial culture – identified at length in 2005 Senate Inquiry
- Discarding of long term relationships with growers – pushing risk down the chain
- The low point - suspension of contracts
- Winery promotion of higher reliance on spot market purchases – eroding grower certainty
- Winery misinformation or misuse of grape supply or stocks info
- Bullyboy tactics - overt pressure, black-booking growers
- Focus on suppressing wine grape prices or rebuilding winery margins at growers' expense

CODE OF CONDUCT

- Taking Stock Report – fundamental changes required to grower / winery relationships
- The foundation stone of better relations – Australian Wine Industry Code Of Conduct
- Not designed for grape growers to sign – rebalancing towards weaker party (the grower)
- Gives winemakers chance to re-establish good relationships with growers
- Gives growers opportunity to redirect their fruit to Code signatories

TOWARDS AN INDUSTRY CHARTER

- Next Step – Wine Industry Charter
- Enshrine the interdependence of growers and wineries
- Drive winery acceptance of need for viable growers – reestablishment of long term partnerships
- Extension of openness, honesty and transparency of Code Of Conduct – plantings, contracts, changes in arrangements

TACKLING THE CONTRACT GAPS

- Move against winery short term thinking – focus on contracting growers
- Standardised contracts
- A standardized quality assessment system – no more quality grading used to suppress prices

WHERE TO FROM HERE

- Push for Code Adoption by wineries
- WGGA to 'ride shotgun' on WFA & the wineries - conscience of the industry
- Growers – don't accept poor winery behaviour
- Use the Vintage Traders option as first response – rebalancing market power