

## **CHAIRMAN'S REPORT 2002/2003**

The Murray Valley Winegrape Industry Development Committee (IDC) through the levy paid by growers continues to play an integral role in the region's winegrape industry. The projects funded have helped to make the region more profitable for growers who participate in the projects and who take advantage of the services and information provided. This region is well situated to underpin the success of the Australian wine industry particularly the "big brand" exports that are made predominantly from grapes produced in the inland-irrigated regions. The region covered by the IDC accounts for approximately 25% of the total Australian crush.

The appointment two years ago of a full-time Industry Development Officer (IDO), Susan Byrne, has proven to be a great success. From a management and structural point of view direct industry control of the IDO has meant that all the projects are now better coordinated and managed for the direct benefit of growers. Susan has proven to be a worthy choice for the position showing great skill in getting information to growers to help build the collective viticulture knowledge of the region.

The priorities of the IDC in targeting the use of levy funds have remained the same as last year. There is emphasis on market information – data gathering, analysis and distribution for use by the industry. The other key area in terms of vineyard management is grape quality and many of the funded projects have some elements that address the complex issues of how to achieve grape quality. Increasingly there is interest in the balance between yield and quality and also how to measure quality in the vineyard and achieve consistency.

Projects are approved by a vote of levy paying growers. The process of developing project submissions has improved significantly over the past two years. A grower priority group has been formed to analyse and develop project needs from a grower's perspective. This allows grower input into projects and reflects immediate commercial needs. Some of the projects are staged to research the current science, then workshop with growers to evaluate whether on-farm trials or grower information groups are warranted. There is now a clear process for taking the last difficult step from scientific research into commercial viticulture and growers are driving this process more than ever before. Probably the last piece of the jigsaw that can still be improved is for the scientists to use this mechanism to have their research evaluated and cooperate with the IDO to have the science commercially tested.

Growers and wineries continue to face considerable commercial challenges. The 2003 vintage saw both tonnes crushed and prices decline by 16%, which meant a drop in value of \$31m compared to 2002. From oversupply in 2002 there has been a rapid turnaround to a shortage of some premium varieties, particularly Shiraz predicted for 2004 with wineries estimating that new vineyard development is required over the next five years at least. The increased demand is driven by continued strong sales growth in some export markets. The industry faces continued competitive challenges and rationalisation of wine companies in response to tough market conditions and discounting. The Australian industry is now expected to continue overall growth whilst the boutique winery and vineyard sector is forced to rationalise. The economies of scale and style of wine will continue to favour the inland irrigated regions.

The challenge for the Murray Valley region is to take advantage of the growth opportunities while maintaining a balance between supply, demand and profitability. Producers will continue to rely on levy-funded projects to underpin their commercial well-being.

The projects completed in 2002/2003 and those approved for 2003/2004 are shown below. For further details go to the industry web site at [www.murrayvalleywinegrapes.com.au](http://www.murrayvalleywinegrapes.com.au).

<b>Projects Funded</b>	<b>Project Cost 2002/2003 Actual \$</b>	<b>Project Cost 2003/2004 Approved \$</b>
Annual Regional Crop Forecasting	16,000	15,600
Field Days	6,091	3,000
Grower Groups - Quality	36,000	21,000
Industry Development Officer	44,128	56,254
Industry Representation	3,000	6,600
Market Information & Statistics	61,906	28,700
Grapevine & Australian Viticulture Magazine - Newsletters & Publications	56,080	62,403
On Farm Demonstrations	10,272	-
Regional Irrigation Benchmarking	4,700	-
Rootstock Evaluation for Murray Valley Region	29,363	-
Regional Wine Shows - Wine Quality Assessment	6,000	4,000
Foliar Mineral Sprays	-	16,024
Vineyard Cooling	-	12,000
Managing for Colour	-	7,200
Preventing Delayed Ripening	-	7,200
National Viticulture Input	-	45,000
Grower Survey	-	11,044
Industry Development Committee Administration	56,353	70,803
<b>Total (GST exclusive)</b>	<b>329,893</b>	<b>366,828</b>

Contact Susan Byrne the Industry Development Officer for viticulture related assistance or Ashley Turner regarding voting or administration of levy funds.

Susan Byrne  
Wine Grape Industry Development Officer  
Address: 31a Deakin Ave Mildura Vic  
Post: PO Box 2745, Mildura, VIC, 3502  
Phone: (03) 50 213 911  
Fax: (03) 50 232 335  
E-mail: [susan.byrne@hotmail.net.au](mailto:susan.byrne@hotmail.net.au)

Mr Ashley Turner, MVWIDC Administration Accountant  
C/- Thomsons - Accountants & Advisers  
Address: 133 Langtree Ave Mildura Victoria  
Post: PO Box 1608 MILDURA VIC 3502  
Phone: (03) 5021 2244  
Fax: (03) 5021 1430  
Email: [ashlevt@thomsons.au.com](mailto:ashlevt@thomsons.au.com)

All growers are encouraged to participate in the project approval and voting process.

**MAX TOLSON**

**CHAIRMAN**

**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE**