

CCW / Accolade Wines meeting notes - 7th & 8th September 2022

Note:

MB = mothballing or resting vineyards

RTW = Red to White vineyard conversion program

Derek Nicol speech

- CCW - Spray programs neglected by neighbours and the effects on grapes that are still being delivered
- Scheduled tonnes – what are they? The tonnes are in the contract in Schedule 1. Should be based on 3 years average?
- Is there anything to substantiate the claims on declining market
- Thank you for making the effort. Looking at MB or RTW can the tonnes come off another patch? In short yes – it will be based on average across the variety
- Streaming will it apply? AW is looking at reducing number of streams to combat this problem.
- Explain changing – problematic in the past CAS to CHA, is there longevity and confidence?
 - 5-10 on Sav blanc
 - Growth in prosecco and pin grigio
 - Domestic market demand
- Accolade own vineyards and direct growers
 - Banrock will not be harvesting SHZ and CAS
 - Accolade have been selling vineyards
- SAB & PIN for sparkling is it an option? Short answer yes.

Jim Godden speech

- Is there any way of increasing mothball price
 - It has been asked by CCW
- Government
 - Jim has talked to Nicola Centofani, Tim whetstone and Tony Pasin
 - Starting conversations
- Accolades position – Derek is meeting with Tony Pasin tomorrow
 - We need a united effort
- Chinese are importing from other countries and built their own wineries.
 - Wine consumption in China is down by 23%

- Banrock – will they be doing RTW and is there going to be a rose program for CCW growers?
 - Rose - selected on history/ quality and baume vs when they are ready to do it.
 - Banrock will be mothballed.
- Realistically the tonnes will not be reduced that much, What's the plan for intake?
 - Reduction of 50K tonnes is required
- Admin levy – reduced tonnes?
 - Decision will be difficult
- Pricing is required now
 - Up to \$150 if all tonnes are delivered
 - Griffith \$200 for 14T/ha is the rumour
 - Negotiations with accolade following see saw model – need a set of tonnes and market price to get the best return per Ha
- Requests are late, intake issues, rejected from disease...
 - Greater compensation for higher baumes?
 - Happy to look at it.
 - Reds would be on time with reduced intake.
- Going forward, reduced vintage V23, what is the future?
 - Its about moving forward and keeping businesses viable, somewhere around 10% less, with the right RTW balance.
- What is the situation with spirit market?
 - Not a viable option
 - Bulk wine market is not moving or selling at 40c
- Assuming only Shiraz and Cab
 - If growers bump up other varieties can they cope
 - Derek will look at this.

Accolade party left at 8:04pm

- Direct contracts – still looking at options and opportunities.
 - RTW there is concern on planting material and \$ return
 - Growers are redeveloping
 - MB benefits will be looked at on request.
 - Levies paid are being used to create a buffer?
 - Wine business... Direct needs to be paid at market price.
 - Were the contracts signed after China and market downturn?

- Organics – accolade no longer want it. – direct can sell it
- Contracts extended after china etc.
- Will one year mothball fix everything – no. If everyone does the same, it will have a better affect.
- Fruit fly – dropping fruit on ground – in talks with PIRSA
- Yield reduction must give an increase in price – costs remain the same
- What will CCW costs be this year?
 - Every avenue being worked on to make it less than last year
- Are we collateral damage from the last 2 PM's with China?
 - Australia is on the back foot, not only wine.
 - Needs correct channels
- No restrictions on whites, or any other variety apart from Shiraz and Cabernet
- \$150 to be the minimum is our position on SHZ and CAS – to be negotiated with Accolade
 - The math doesn't work.
- Are we going to get vines?
 - Ramsey rootstock is in short supply
 - Chalmers do have stock available.
- 26 Ha only being converted at this point in time
 - No planting material
 - Costs
 - Low commodity pricing for everything else
- If serious should be looking at 150 per tonne based on last 3 years delivery and then do what they like with the grapes.
- Pricing on whites
 - Opening position needs to be same as last year if not above
 - Northern hemisphere vintages