



13 December 2023  
CCW Grower Meeting

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# Agenda

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- Welcome
- Apologies
- Recent History
- Mediation
- Vintage 2024
- PSA Review

# Recent History

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- In the second half of 2022 numerous meetings together with detailed negotiations were undertaken with Accolade Wines on supply of the Co-operatives grapes for Vintage 2023.
- Shiraz and Cabernet were highlighted by Accolade as being in oversupply and they sought a reduction in tonnes supplied.
- At all times CCW reinforced the Preferred Supplier Agreement (PSA) obligation to take all grapes grown.

# Recent History

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- In seeking a negotiated outcome, a position of a reduced yield delivered for a higher payment for SHZ and CAS was presented by CCW to Accolade.
- In conjunction with this yield proposal other options of red to white redevelopment and mothballing were proposed.
- Agreement on these options was reached between the parties inclusive of payment amounts and terms.
- These strategies were communicated to the members to enable growers to make in-vineyard decisions.

# Recent History

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- In conjunction with these discussions on supply pricing negotiations for all varieties was occurring between the parties.
- While agreement on price was reached on most varieties, the use of the Independent Expert was invoked by CCW in February 2023 for Shiraz and Cabernet Grapes
- The Independent Expert process was undertaken during late Feb/early March and a Determination was provided on 24 March 2023.
- Accolade refuted the Determination.

# Recent History

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- Since March 2023 CCW has sought all avenues, legal and other to finalise Shiraz and Cabernet payments to the value of the Independent Experts determination.
- Legal processes culminated in a Mediation hearing between the parties on the 22 November 2023.

# Mediation

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- **V23 pricing**, agreement was reached whereby Accolade Wines will pay 91% of the V23 Independent Expert decision for Shiraz and Cabernet grape deliveries. These payments will be made with the final grape payment on 22 December 2023.
- Whilst we acknowledge that we did not fully deliver the pricing from the V23 Independent Expert, it must be understood that any mediation requires concessions to be made and whilst we were confident in our legal position to enforce the Independent Expert's decision, the significant costs and time required to proceed to court need to be taken into consideration.

# Mediation

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- **Preferred Supplier Agreement**, Members should be aware that Accolade broadened the dispute beyond V23 Shiraz and Cabernet grape deliveries and pricing and raised legal challenges to the current PSA.
- Accolade had a view that the CCW Board should agree to an amended PSA with Accolade as part of the settlement. The Board firmly resisted this and explained that the members need to be extensively involved in any discussions regarding an amended PSA and its terms.
- As part of the settlement, we have agreed to engage in a process with Accolade over the next 6 months to determine if we can agree an amended PSA. Rest assured, no new terms have been agreed and the Board intends to consult extensively with the members throughout the process.



# Mediation

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- V24 and V25, the current PSA will continue to govern the relationship between the parties for V24 and V25 as long as a new or revised PSA hasn't come into effect,
- However, there is now a capped total tonnage of 150,000T to Accolade for each of V24 and V25 with caps by variety.
- This now allows CCW to pursue potential sales of excess grower fruit above the cap with other parties with certainty.

# Vintage 2024

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- Accolade has today provided indicative market pricing for V24 grapes with first V24 pricing meeting to be held on 18 December
- Final Pricing for V24 will be determined in accordance with the PSA.
- Tony Hickey has been agreed as the nominated Independent Expert if we cannot reach agreement with Accolade.
- Accolade has made it clear that they will not provide any payments for mothballing vineyards or red to white conversions as they did in V23.
- CCW has confirmed sales of grapes to other wineries

# PSA Review

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- The PSA review will be undertaken by CCW and Accolade supported by an Independent Facilitator – Stephen Strachan.
- Agreed an indicative timeframe leading up the May AGM
- Extensive communication and consultation with the members will be undertaken during this time.
- Once again it is reinforced that no new terms have been agreed to by CCW on this matter.

Questions?

Thank you

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