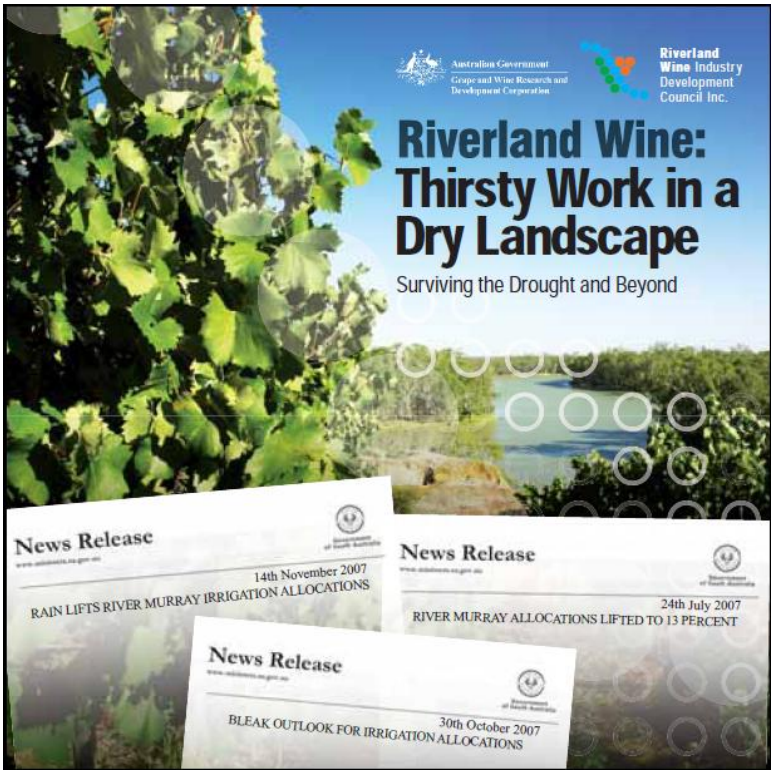
Riverland Wine Industry Development Council Inc.

Australian Government
Grape and Wine Research and Development Corporation

Coping with Drought: the experiences of the Riverland



FINAL REPORT to

GRAPE AND WINE RESEARCH & DEVELOPMENT CORPORATION

Project Number: RT 07/03-1

Principal Investigator: **Tim Smythe**

Research Organisation: **Riverland Wine Industry Development Council**

Date: 3rd June 2009

RITA Final Report – Coping with Drought: the Experiences of the Riverland
- Project Number RT 07/03-1 -

Executive Summary:

Reliability of supply has been a strength of the Riverland wine industry. Indeed supply, buoyed by optimistic growth in the late 1990's, had climbed to over 460,000 tonnes in vintage 2005 and 2006. Infrastructure, availability of land, climate and ever improving viticulture management made the Riverland a logical choice for vineyard development.

As optimistic as the days of the mid to late 90's were; the days of the mid 2000's were to act in contrast. As the drought continued, implications of its depth surfaced and irrigation restriction became part of the Riverland landscape. The question for industry became; could the Riverland continue as it had, with pride in its produce and confidence in its supply?

The 2007 vintage had sent shockwaves through the national industry. The drought combined with other environmental pressures and industry downturn to limit the national crush to a little over 1.3m tonnes, a far cry from the 1.86m and 1.92m tonne vintages of the previous years. Tank farms emptied, a slight market correction occurred and the industry despaired at the thought of what vintage 2008 might hold.

Cost structures in vineyards struggled with the burden of extra water purchases and low fruit prices (not to mention climate change); there was no guarantee that enough supply would be produced to meet branded commitments and maintain a presence in the markets of the world.

In essence, season 2007/08 encapsulated a volatility that would soon grip the world. A paradigm shift was taking place and the industry was just beginning to face the transition required to ensure a healthy industry remained.

The 'audio CD' project was a bold concept that experimented with an alternate method of communication but incorporated a familiar format; rural reports had long been a popular avenue for information access in the Riverland. Consideration was given to the increasing economic and time pressures that faced winegrape growers in the region. It was hoped the CD could be listened to on the go.

Ultimately the audio CD was to act as an historical reference; a snap-shot of the times. A record of this nature had to tap into the latest scientific thinking with regard to climate change and what influence it may have had on the extended drought; how growers were managing; and review some of the options that were available to combat a warm dry environment. From this perspective 'Riverland Wine: Thirsty Work in a Dry Landscape' was a resounding success. Evaluation of this success was, however, much harder to come by; responses to the survey were low but generally positive.

Despite the disappointing level of response, efforts to explore new ways to engage winegrape growers must continue. The nature of the communication needs to alter; generational change can not occur unabated, the opportunity to drive cultural change must be embraced. Redefining resilience to better reflect the pursuit of value will help: defining a direction and building a commitment will only be achieved through good leadership, to which effective communication is paramount.

1. **Background:**

Those involved in agriculture around Australia are often called resilient. Change is an inherent part of the landscape and producers recognise it. The collective experiences of generations accumulate to lend themselves to an extraordinary adaptive capacity.

The drought that continues to threaten much of Australia combined with several difficult years in the wine industry provided conditions that remain a test to the resolve of even the most resilient. The oversupply of wine grapes, retail consolidation and a rising Australian dollar (2007/08), seriously affected the trading conditions for many wine Riverland grape growers; cash flows were restricted, equity lost and enterprises left vulnerable.

A drought induced market correction delivered opportunity but the fundamentals had not changed; wine grape producers of the region require continued support if the industry is to capitalise on future market improvements. A sustainable industry is the focus and that means our primary producers, as custodians of the land, need assistance with surviving the drought and finding financially viable outcomes.

Documenting the attitudes, outlook and actions employed by wine-grape growers managing one of the worst droughts on record was intended to provide a valuable historic record…it is from the difficult times we often learn the most. These experiences needed to be captured and extended to all growers.

The production of an audio CD concentrating on the adaptive capacity of members of the Riverland grape growing community, with links to industry leaders and scientists was seen as a powerful tool. Furthermore, new methods of communication needed to be explored. With an ageing population, generational change had to be embraced and the communication needs of the diverse population had to be considered. By producing and deploying an audio CD it was hoped that a message would be communicated to a demographic that were increasingly restricted by time (reduced staffing levels and off farm income playing a role) and that inroads would be made to the development of a new communication strategy, with the next generation in mind.

2. **Objectives:**

The objective was to produce an audio CD that took a 'snap shot' of the Riverland wine grape growing community and industry as it harvests the fruit from a season of drought.

Interviews with selected growers were conducted, gathering information on the following:

- The actions taken on their property to combat the drought, produce a crop and protect their vineyard asset i.e.:
    - Strategies used to improve water use efficiency;
    - Changes to infrastructure (conversion to drip, removal of less productive units etc.)
- Attitudes to water trade
- Industry outlook
- How had irrigated grape growing changed?

Interviews were conducted with selected industry leaders to gain their thoughts on the impact of drought. Information on the following was sought:

- The impact of the drought and the challenges faced by both wineries and growers (the effect of oversupply);
- The performance of the industry during these difficult times, information supply to stakeholders etc); and
- Industry outlook

Interviews with leading scientists and industry specialists were conducted to offer an overview/insight on the following topics:

- Pest and disease management (low input/impact regimes);
- Climate change; and
- Vine improvement (alternate varieties) and rootstocks

3. Method:

Mr. Chris Brown of FARMRADIO was engaged to conduct interviews and produce the audio content. ABC radio has a strong following with their rural reports within the Riverland region. Mr. Brown brought expertise in this form of media and presentation.

RWIDC ensured that Mr. Brown was appropriately briefed on the issues facing the Riverland wine industry. Industry personnel were identified and contact was made to secure their consent; briefings were then conducted and interview times arranged (late March 2008).

Several drafts of the CD were produced and GWRDC, through Program Manager, Dr. Mark Krstic, were privy to the content of the interviews and made suggestions throughout the course of the project.

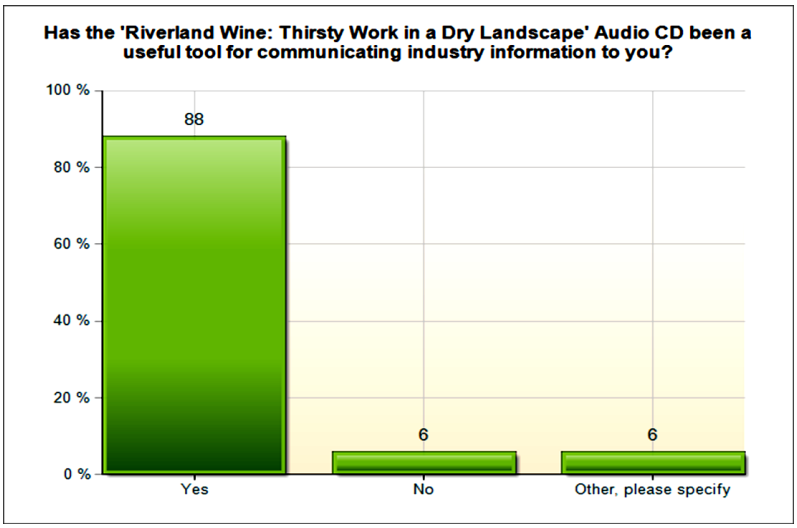
The Audio CD - 'Riverland Wine: thirsty work in a dry landscape' - was finalised in July and 1700 copies were produced. The copies were then circulated by post, with a survey for evaluation, to all Riverland Growers in August 2008.

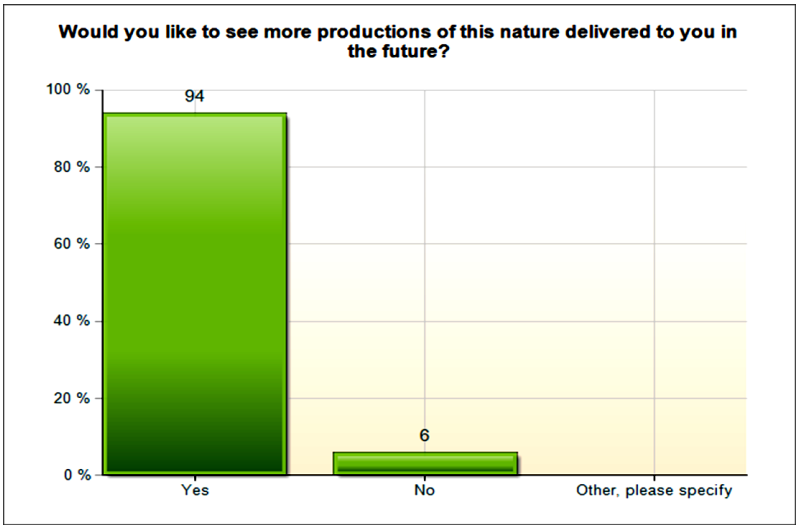
4. Results/Discussion:

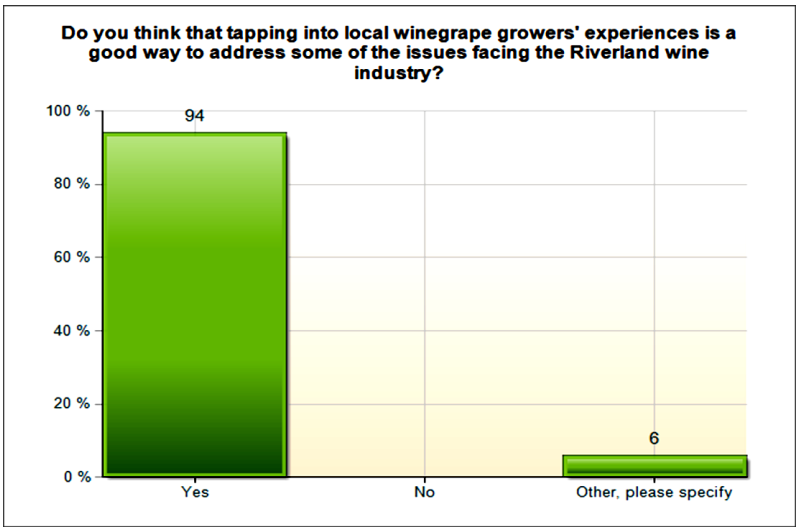
The 'Riverland Wine: Thirst Work in a Dry Landscape' audio CD is included with this report. Technical issues had prevented the incorporation of the material onto the Riverland Wine web site (www.riverlandwine.org.au) at the time of writing: links to a number of the interviews will appear in due course.

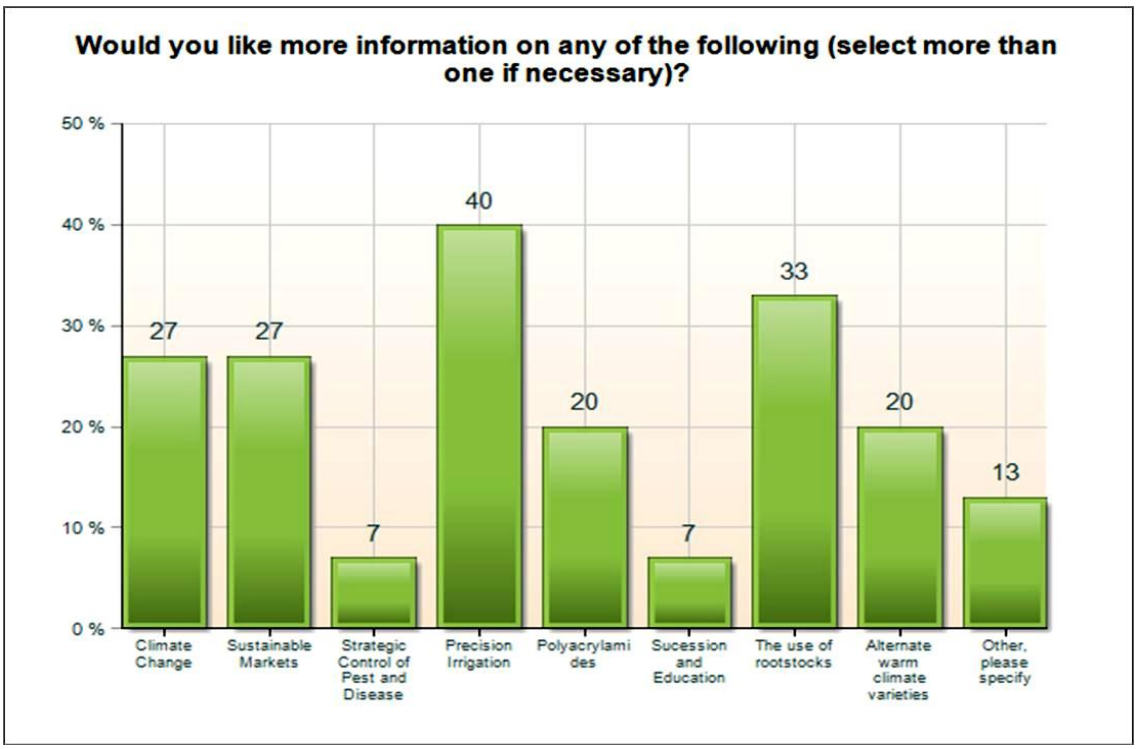
For information on the CD please contact the Riverland Wine Industry Development Council on 08 8582 2952.

Survey Results




Would you like to see more productions of this nature delivered to you in the future?
100 %
80 %
60 %
40 %
20 %
0 %
94
6
Yes
No
Other, please specify


Do you think that tapping into local winegrape growers' experiences is a good way to address some of the issues facing the Riverland wine industry?
100 %
80 %
60 %
40 %
20 %
0 %
94
6
Yes
No
Other, please specify


Would you like more information on any of the following (select more than one if necessary)?
50 %
40 %
30 %
20 %
10 %
0 %
27
27
7
40
20
7
33
20
13
Climate Change
Sustainable Markets
Strategic Control of Pest and Disease
Precision Irrigation
Polyacrylamides
Sucession and Education
The use of rootstocks
Alternate warm climate varieties
Other, please specify