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Positive message in vineyard figures

The Winemakers' Federation of Australia welcomes today's release of Australian Bureau of Statistics (ABS) data showing a continuing fall in national vineyard areas.

President Tony D'Aloisio said an oversupply of grapes and wine was a contributing factor to the profitability issues the industry had faced in the past few years.

"Data shows a decrease from 166,000 hectares under vine in 2008, to 155,000 in 2010 to 145,000 now and that is significant," he said.

"The Federation has been urging the industry to reassess the size and mix of its vineyards in recent years and these figures confirm the reports we have heard of action being taken."

The need to reduce vineyard area was a key message of the Wine Restructuring Action Agenda (WRAA) statements of November 2009 and December 2010. These stated that:

- At least 20% of bearing vines in Australia were surplus to requirements, and the problem was not restricted to specific regions, varieties or price points
- Structural surpluses of grapes and wine were damaging the industry by entrenching discounting and eroding profitability.

"Our focus now must be to ensure that we are keeping the right vineyards in the right places to meet our emerging demand opportunities and to improve our profitability performance," Mr D'Aloisio said.

He also noted that the ABS figure for 2012 grape production was in line with that estimated in the WFA's Vintage Report released in July.

"The industry does need to be conscious of the potential for grape production to rise again to unsustainable levels, even with reduced areas under vine, if we see a return to the higher yields of recent years," he said.

"These issues are important and will be a focus for discussion at next week's biennial Wine Industry Outlook Conference in Melbourne. I urge all those who are interested in our industry's future to attend."

Information about the conference can be found via www.wfa.org.au

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