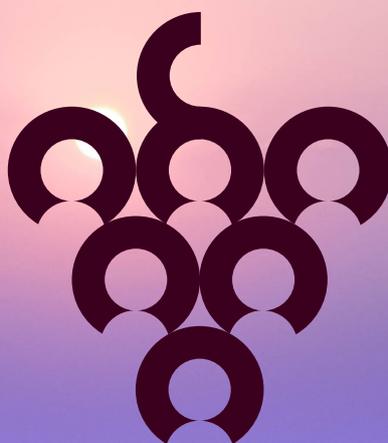


**KEY FINDINGS  
OF THE  
SA GRAPE  
GROWERS  
PRE-VINTAGE  
SURVEY**

2022

**WINE  
GRAPE  
COUNCIL  
SA**



## OVERVIEW

The Wine Grape Council of SA (WGCSA) is the peak body for South Australian grapegrowers funded through a voluntary contribution paid on all winegrapes sold from SA vineyards. The Council's vision is for a prosperous and sustainable South Australian Wine Grape Industry where the livelihoods of Growers and their communities are enhanced through agricultural practices, innovation, education, relationships and culture.

In January 2022 a survey was conducted amongst growers with a view to understanding their concerns. The survey comprised of 18 questions dealing with issues ranging from vineyard holdings, contracts and anticipated sales to expected movements in price, financial difficulties, and impact on their personal health and wellbeing. Responses were received from grower members across more than 11 regions within South Australia.

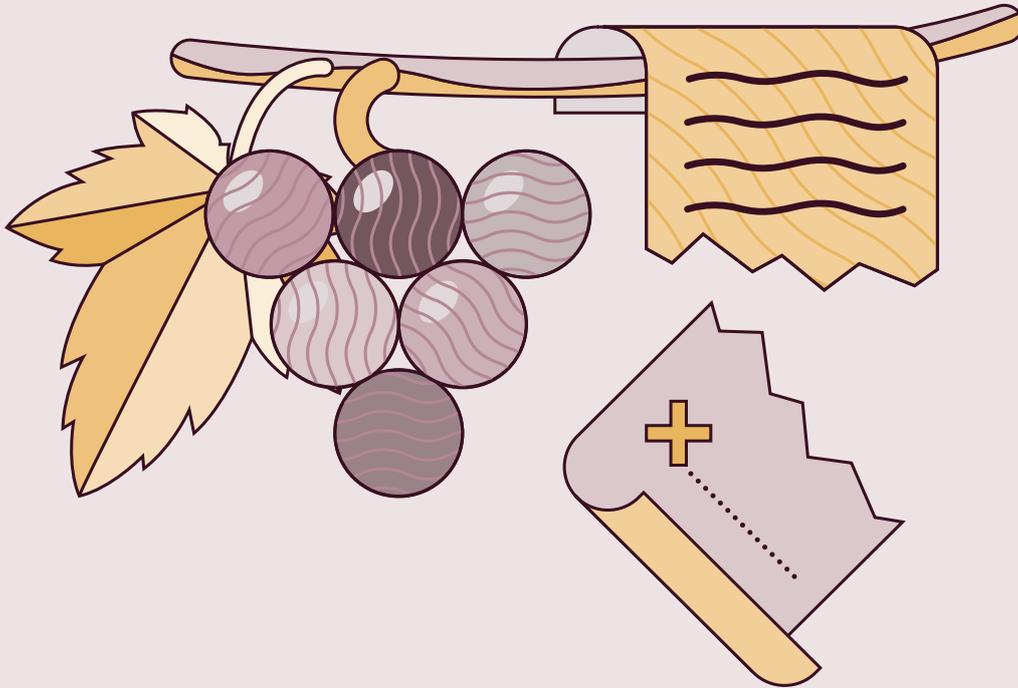
The purpose of this document is to show the key findings from the survey. Further details of the survey may be obtained by contacting Lisa Bennier, Business Manager WGCSA.

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## Finding 01

### A significant reduction in contracts for the sale of grapes



Some Uncontracted

46%

of grape growers have fruit on vines that is currently not under contract for sale

No contract

10%

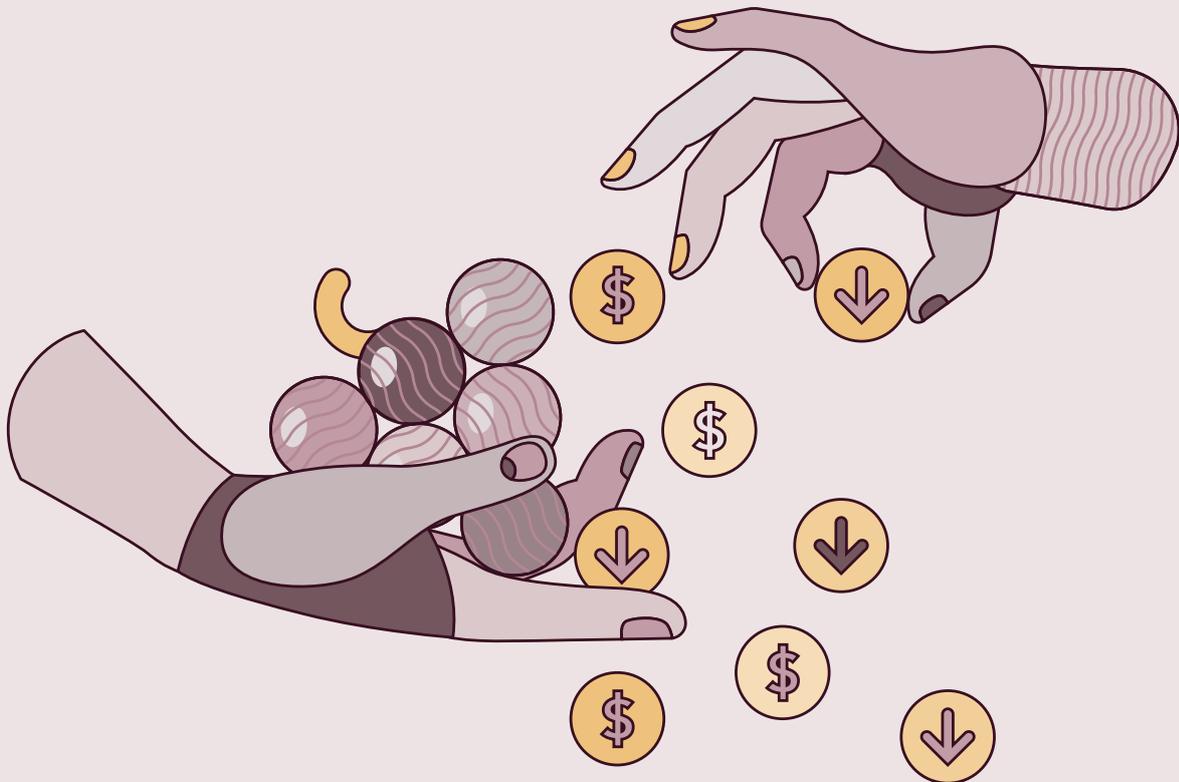
of grape growers have no contract of sale for grapes grown for the 2022 vintage

#### Significance of the finding:

Grapes that do not have a contract for sale will be released to the market at significantly discounted prices, often below the cost of growing the fruit. The reduction in buyers for grapes will put downward pressure on grape prices and income for growers. If growers cannot sell fruit, they will suffer significant annual losses as inputs for the current vintage have already been incurred over the growing season.

## Finding 02

### A Widespread Decrease in Pricing for Red Grapes



Reduced Income

Half Income Reduced

# 81%

of grape growers expect to receive a reduced income for red grapes compared to the previous vintage (2021)

# 28%

of grape growers expect a reduction of up to half of the income for red grapes compared to the previous vintage (2021)

#### Significance of the finding:

Reduced incomes create difficulties for growers to remain viable for future vintages and may force foreclosures and the need for exit strategies. The impact on the emotional well-being and mental health of growers has potential for significant social implications.

## Finding 03

### Average Red Grape Prices Offered to Growers



Shiraz

2021

\$1774 Tonne

2022

\$1558 Tonne

Cabernet

2021

\$1314 Tonne

2022

\$1028 Tonne

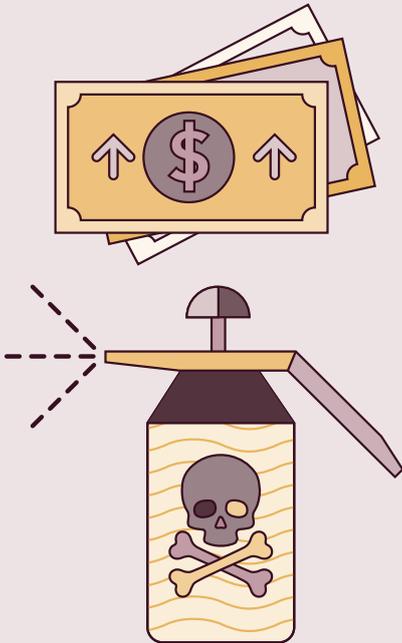
#### Significance of the finding:

Shiraz and Cabernet Sauvignon grapes comprised 78.52% of the total grape crush in 2021 and comprise the bulk of the income received for grape growers from red grapes in South Australia. Based on the average crush\*, the expected losses of income for Shiraz and Cabernet Sauvignon for 2022 are at least \$104,677,369 given 46% of growers still had some uncontracted fruit.

\*Seven year average Shiraz 271,639 tonnes (Wine Australia). Seven year average Cabernet Sauvignon 161,800 (Wine Australia).

## Finding 04

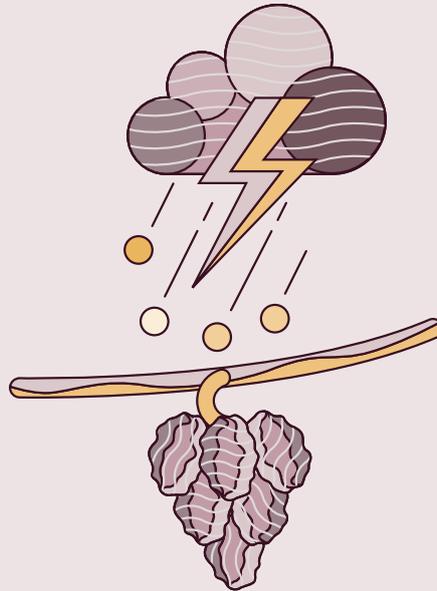
### Biggest Issues for Grape Growers



Cost of Inputs

# 41%

of grape growers state that they are experiencing difficulty with the rising costs of inputs (fertilisers, fungicides, mulch etc.) when compared to the previous two vintages



Crop Losses

# 39%

of grape growers state that they are experiencing difficulty with crop losses due to weather events (frost, hail etc.) when compared to the previous two vintages



Inability to Sell

# 32%

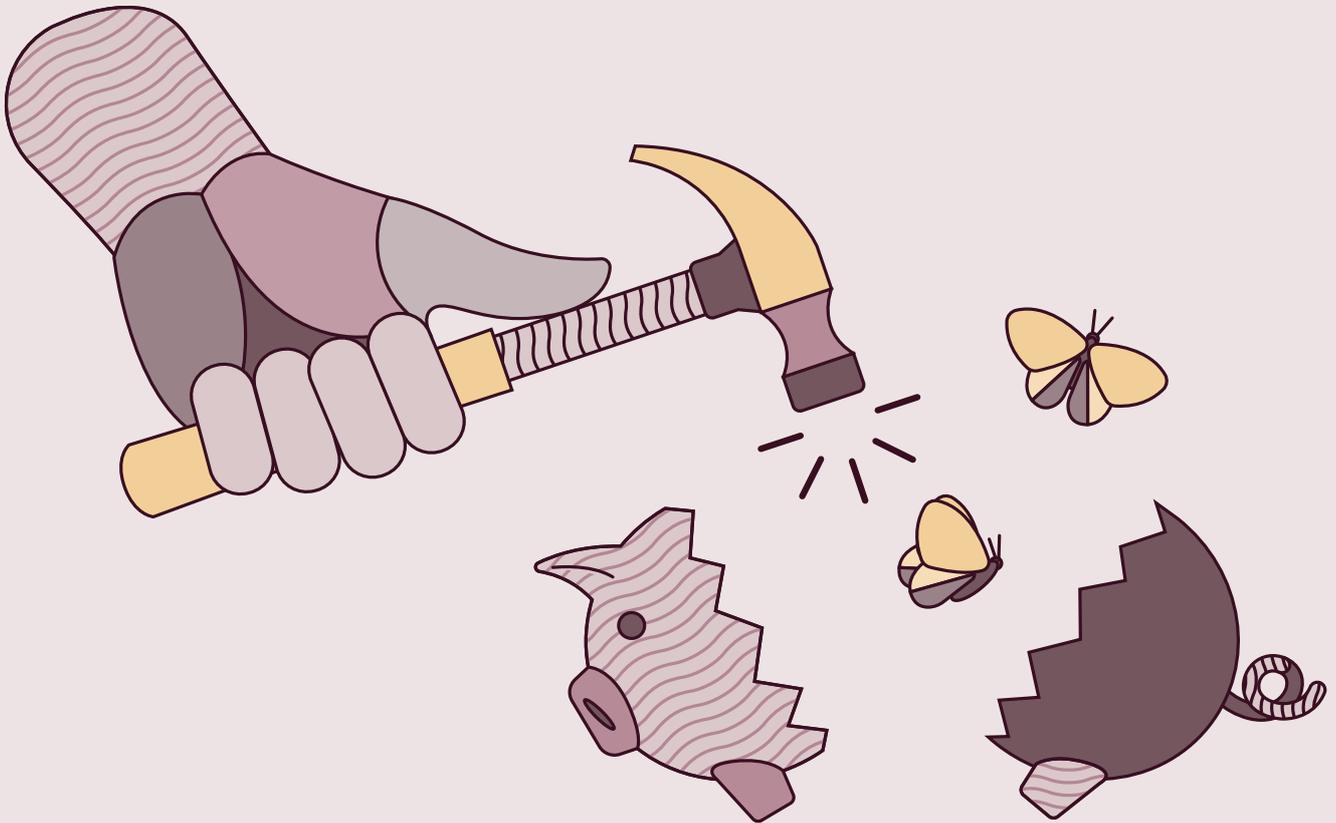
of grape growers state that they are experiencing difficulty with selling grapes when compared to the previous two vintages

#### Significance of the finding:

The convergent effect of the three biggest issues for grape growers; loss of income, reduced yield, higher input cost for the 2022 vintage has the potential to impact grape growers in a profoundly negative way.

## Finding 05

### Experiencing Financial Stress



# 19%

of grape growers are having or intend on having discussions with their Bank and/or Financial institution around financial difficulties as a result of the projected industry grape and wine surplus

#### **Significance of the finding:**

A significant number of grape growers in SA are, and will, require assistance from financial institutions to remain viable and the potential for bank foreclosure is rising.

## Finding 06

### Grape Grower Sentiment



Overall Mindset

Very Concerned

Health & Wellbeing

# 48%

of grape growers have feelings of concern regarding the circumstances surrounding the 2022 vintage

# 25%

of grape growers are very concerned regarding the circumstances surrounding the 2022 vintage

# 19%

of grape growers are concerned or very concerned regarding the state of their overall health and well-being

#### Significance of the finding:

The pressures of farming, together with its isolation, mean that farmers are more likely to experience depression and anxiety than other people. Rural farming communities are at greater risk of suicide than most other Australians.