

Vignerons crushed by grape glut

1000 vines to be pulled out

By JULIEANNE STRACHAN

HUNTER vignerons have responded to the global wine glut by harvesting fewer grapes, new data from the Australian Bureau of Statistics has shown.

About 1700 tonnes less was reaped from the Hunter in the last financial year and industry leaders are tipping that figure will sink even lower.

It is a trend that is being repeated around the country, with the bureau revealing this week that vineyards everywhere had been producing less.

"The total grape crush for 2008-09 was down by 5.4 per cent on the previous year," the bureau reported.

Hunter Valley Vineyard Association president Geoff Krieger said the reasons were clear: a strong Australian dollar that was hurting overseas sales and a wine glut.

Mr Krieger said the Australian market was still buying local produce as strongly as ever, but a lot of overseas markets had virtually collapsed.

Figures from the Australian Wine and Brandy Corporation showed that Hunter wine exports had been slashed

in half over the past 12 months.

Hunter exports had sunk in value from \$15,765,940 in the 2008 calendar year to being worth \$4,430,452 in 2009.

The figures have come in spite of a growing market in China for Hunter wine, with exports to that nation improving last year.

Mr Krieger said the new statistics showed that the Hunter wine market was correcting itself.

"Unless you have been lying under a rock, you would have to know there has been a global oversupply of wine," Mr Krieger said.



"And the growers are responding to the oversupply and some are getting out."

"In the Hunter about 1000 hectares of vines will be pulled out for the next vintage."

"It's just a sign of the times."

In the Hunter, the amount of grapes used for winemaking

or distillation fell from about 28,132 tonnes in 2007-08 to 26,411 tonnes in 2008-09.

Mr Krieger said that in spite of the figures, Hunter producers had been somewhat protected from the financial effects of the wine glut.

"This oversupply has put



enormous downward pressure on prices," Mr Krieger said.

"In the Hunter, many of our producers are small, family-run operators and a lot of our wine is sold at the cellar doors or through mail order and we don't really sell through

distributors.

"The Hunter has been in a better position than other wine regions in Australia.

"That's a market we've worked hard on.

"I would much rather have a cellar door at Pokolbin than in Hay for instance."

PRESSURE: Hunter Valley Vineyard Association president Geoff Krieger said a lot of overseas markets had collapsed because of a global wine glut.

— Picture by Peter Stoop