

Grower communication: a winery imperative



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Recent developments and trends in the Australian wine industry are intensifying the urgency for better understanding of relationships between grapegrowers and winemakers. In less than a decade, the industry has witnessed an over-supply of grapes, followed by a severe drought. There are signs the collaborative relationships between growers and winemakers, often touted as a major success factor of the Australian wine industry, have been strained as a result. The over-supply altered market forces, shifting the power in the relationship to the winemaker creating opportunities to pressure growers into accepting less favourable grape terms. The subsequent drought rebalanced grape supply and demand, or even created an under-supply scenario; shifting the power in the relationship back towards the grower.

The *Directions to 2025* strategy, with its focus on quality and

regionality in wine production and promotion, hinges on good collaborative relationships between wineries and growers. Growers are important in producing quality wine (how many times have you heard "80% of a good wine is made in the vineyard?"). Further, the vineyards where growers are located should be the key components of regional brands. Thus to produce and market quality regionally branded wines, wineries will need to take notice of growers' needs. What must be recognised by wineries is that growers' needs are more than just higher grape prices.

To further comprehend the topic of grower relational "needs and wants" in dealing with wineries I conducted in-depth interviews with growers. The interviews showed that growers wished to have a long-term commitment or relationship with wineries, not only for financial security, but it also gave them a feeling of being wanted or ▶



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grapegrowing

needed. Many growers understood that in recent years the industry has been going through difficult times and that this has led to short-term contracts (or reduced commitments) and diminished grape prices. However, growers wished for wineries to be honest with them and provide information 'upfront' if there was a problem so that a remedy could be quickly formulated (change contract, seek a new buyer for grapes, etc). In many cases growers gained satisfaction when both parties were striving to make a specific product (generally a higher quality product) therefore both parties shared goals in which the winery trusted the grower and vice versa. However, this type of commitment, beneficial to both parties, was common when growers were dealing with smaller wineries as opposed to larger corporate-style entities.

The main issue that came from the interviews was the communication process between the winery and the grower. Communication is the 'conduit' of the relationship and this was viewed as critical to a successful relationship for both parties,

regardless of whether the communication was based around pricing terms, viticultural requirements, feedback, grower liaison day/committees etc. Generally growers wished for a clear line of communication. Dealing with wineries often involved communicating with various people, eg. grower liaison officers, grower liaison managers, winemakers, viticulturists, etc. Growers found that these different 'layers' of communication sometimes led to mixed messages and potential misunderstandings and conflicts. The implication was that much of the resources (eg. time, money and people) wineries spent liaising with growers could have been ineffective, or even unnecessary. It therefore stands to reason that both parties have to work together to make the highest quality product possible (particularly with *Directions to 2025* in mind), and effective communication is of extreme importance to this process.

The next part of my study will involve the use of questionnaires to determine growers' communication needs and the effect that communication has on grower performance. I will be contacting growers shortly.

Industry parties (wineries and growers) in Australia who are interested in more information please contact me via email at simon.somogyi@adelaide.edu.au or phone 0403 776 775.



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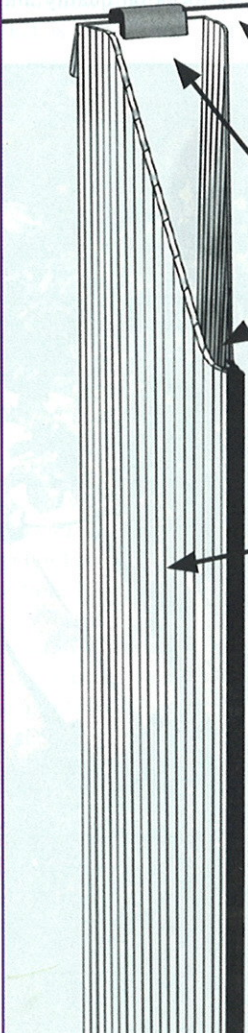
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