



Improving market transparency in perishable agricultural goods industries

Wine grapes industry first workshop 17 August 2021: Workshop communique

Background

In late 2020, the Australian Competition and Consumer Commission (ACCC) conducted an inquiry into bargaining power imbalances in supply chains for perishable agricultural goods (PAG) in Australia. The inquiry recommended that the government explore measures to increase price transparency in PAG industries to increase competition in those industries.

In response to this recommendation, the Australian Government, through the Department of Agriculture, Water and the Environment (DAWE), has committed \$5.4 million to improve price and market transparency in PAG industries by:

- delivering co-design workshops with PAG industries to understand their market transparency issues, opportunities and requirements
- delivering a grants program to develop and implement tailored mechanisms to improve price and market transparency.

The workshops provide an opportunity for participants to discuss price and market transparency issues in their sector, brainstorm ideas to improve transparency and co-design the details of solutions going forward.

Workshop outcomes

Sixteen industry and government representatives attended the first wine grapes price and market transparency workshop. The objective of the first workshop was to discover and analyse the issues, barriers and opportunities to achieve market and price transparency in the wine grapes industry.

Participants ([Appendix A](#)) worked in small groups that explored:

- Issues – Negative characteristics within the wine grapes industry that decrease price and market transparency.
- Barriers – Negative characteristics external to the wine grapes industry that decrease price and market transparency.
- Internal opportunities – Positive characteristics that exist within the wine grapes industry that can potentially increase price and market transparency.
- External opportunities – Positive characteristics outside the wine grapes industry that can potentially increase price and market transparency.

Throughout this process, issues and barriers (and consequently, opportunities) were categorised as either legislative, regulatory, industry specific, general process, technology driven, consumer driven and other (for example, informational or political). Table 1 identifies and categorises the key themes of issues, barriers and opportunities from the workshop discussions.

Table 1 Issues, barriers and opportunities

| Category | Issue/Barrier | Opportunity |
|------------------------|---|--|
| Technology/Information | Interpretation and quality of supply/demand analysis of data; understanding price determinants; understanding the effect of global markets | More powerful data analytics. |
| Information | Lack of information on pricing, stock, quality, end use of product; crush report has weighted data inputs; customer requirements not known before ready to harvest. | More useful data made available and maintained by an independent body. Improve integrity of data currently available. |
| Regulatory | Industry code of conduct: poor participation and commitment to sign up; would benefit uncontracted growers. | Strengthen Industry code of conduct: <ul style="list-style-type: none"> • Increase participation • Consider making mandatory |
| Industry | Different methods used to determine quality of product. | Consistent approach to measuring the quality of product. |
| Industry | Many players in the supply chain using different models for contracting. | Greater use of collective bargaining. |

Priority opportunities

A number of themes were drawn out from the opportunities identified. These were prioritised by participants:

- More powerful data analytics
- Increase code of conduct participation/make code of conduct mandatory
- Consistent approach to measuring quality of product
- More useful data is made available and maintained by independent body
- Improve integrity of data currently available
- Collective bargaining

Next steps

The outcomes of the first workshop provide the basis for generating ideas for potential solutions to improve price and market transparency in the wine grapes industry. Ideas generation will be co-designed by participants in Workshop 2 on 21 September 2021.

Appendix A: Participant list

- Treasury Wine Estates
- Australian Grape and Wine
- Inland Wine Regions Alliance
- Murray Valley Winegrowers Inc
- Casella
- Wine Australia
- Pernod-Ricard Winemakers
- Endeavor Group
- Riverina Winegrape Growers/Wine Grapes Marketing Board
- Australian Competition and Consumer Commission
- DAWE Agricultural Policy Division

© Commonwealth of Australia 2021

Unless otherwise noted, copyright (and any other intellectual property rights) in this publication is owned by the Commonwealth of Australia (referred to as the Commonwealth).

All material in this publication is licensed under a [Creative Commons Attribution 4.0 International Licence](#) except content supplied by third parties, logos and the Commonwealth Coat of Arms.

The Australian Government acting through the Department of Agriculture, Water and the Environment has exercised due care and skill in preparing and compiling the information and data in this publication. Notwithstanding, the Department of Agriculture, Water and the Environment, its employees and advisers disclaim all liability, including liability for negligence and for any loss, damage, injury, expense or cost incurred by any person as a result of accessing, using or relying on any of the information or data in this publication to the maximum extent permitted by law.