

Report on Russian Wine Industry Delegation visit to South Australia, Saturday 3 – Sunday 11 March 2007

Background

The Russian Union of Winegrowers and Winemakers invited, through Austrade Moscow, South Australian Wine Industry experts to review the Russian Wine Industry with a view to assisting the industry and gaining a valuable foothold in this emerging wine market. PIRSA, represented by Mr Vic Patrick, (South Australian Wine and Grape Industry Consultant), Mr David Travers, (Acting Agent General London) and supported by Ms Nina Mitropolskaya, (Senior Business Development Manager, Austrade, Moscow), represented South Australia on a grape and wine industry trade visit to Russia between 28th October and 4th November, 2006.

Following the visit to Russia, Vic Patrick and David Travers with assistance from Austrade, Moscow, submitted the report, “Russian Wine Project”. (http://www.pir.sa.gov.au/byteserve/wine/russia_wine_project.pdf) The report highlights the immediate and long term opportunities of “getting in at the ground floor” but also recognises that there are risks in developing trade relationships in a market such as. It is vital that any business and organisation that is considering developing a trade opportunity get the best possible advice and manage the high risk factors realistically.

“Directions to 2025” the Australian wine industry’s key strategy for sustainable development was released in May, 2007. Russia is identified in “Directions to 2025” as an emerging wine market, where Australia needs to forge a strong presence in these early stages of the market’s development.

The “Russian Wine Project” report recommended that a visit by a Russian Wine Industry Delegation be made to South Australia during vintage in 2007. The visit was undertaken with details listed below. This was a joint project between the Office of Trade (Department of Trade and Economic Development), Office of Agent General (London), Grape and Wine Group (Primary Industries and Resources, SA) and Austrade, Russia.

The Visit

1/. Russian Members of Delegation:

- Mr Valery V. Loginov

President, Union of Winegrowers and Winemakers (SVVR)

- Mr Igor Kandaurov,

Director of Primorsky farm (Krasnodar Region)

- Mr Gennady V. Olesko

Chief of Winegrowing and Gardening Department, Krasnodar region

- Ms Aliona (Elena) Klenyaeva
Brand Manager (Australia), RusImport

2/. Hosted by:

- Office of Trade, Department of Trade and Economic Development - Ms Maggie Farrell
- Office of Agent General, London – Mr David Travers
- Grape and Wine Group, Primary Industries and Resources SA – Ms Annabel Mugford

Objectives

- Directly explore areas of potential commercial interest
- Consider the future of technical collaboration between South Australia and Russia
- Further develop key relationships between the South Australian wine industry members and the Russian wine industry members
- Further develop key relationships between the South Australian government and Russian provincial governments especially in relation to the grape and wine industries
- Consideration of bilateral exchanges and scholarships between industry, government and education sectors.

Program

Industry and Organisations Visited

Industry Meetings:

- Matilda Plains Winery
- Bremerton Wines
- Yalumba Wines
- Wolf Blass Winery
- Peter Lehmann Wines
- Penfold Wines
- Ledgard Pruning Systems
- Tarac Technologies
- Nukorc

Technical Organisations visited:

- Australian Wine Research Institute
- Wine Innovation Cluster (SARDI, CSIRO, University of Adelaide)
- PIRSA Research Station
- Yalumba Vine Nursery

Wine Industry Organisations met with:

- Australian Wine and Brandy Corporation

- Winemakers Federation of Australia
- Wine Grape Growers of Australia
- SA Phylloxera and Wine Grape Board
- Langhorne Creek Wine Industry Council

Educational Organisations visited:

- Carnegie Mellon University
- Murray Institute of TAFE
- Nurioopta High School

Three dinners were held with wine business owners and representatives attending.

As always, the wine industry was generous in their time, interest and hospitality.

Meetings with Members of Parliament

Hon. Rory McEwen MP

Minister for Agriculture, Food and Fisheries, and Forests
Government of South Australia

Mr Leon Bignell MP

Member for Mawson

Meetings with Senior Government Officials:

- Mr Raymond Garrand, Chief Executive Officer, DTED
- Mr Don Plowman, Executive Director, Agriculture and Wine, PIRSA
- Mr Wayne Parham, Director, Office of Trade, DTED
- Ms Kris Roberts, Director, Grape and Wine Group, PIRSA

Contacts:

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- Office of Agent General, London (David Travers email: david.travers@south-aus.eu)
- Grape and Wine Group, Department of Primary Industries and Resources (Annabel Mugford email: Mugford.annabel@saugov.sa.gov.au)
- Austrade, Russia (Nina Mitropolskaya email: nina.mitropolskaya@austrade.gov.au)

Summary of progress against objectives to date:

Objective	Progress End April, 2007	Lead
1/. Directly explore areas of potential commercial interest	This is commercial in confidence. Without breaking confidentiality, as well as the visits listed above, a number of contacts were made between delegation members and wine businesses regarding possible commercial interactions. It is up to the businesses to follow up directly on any opportunities whilst bearing in mind that Russia is an emerging market and risks must be fully assessed and managed by the businesses before undertaking trade opportunities. Austrade (www.austrade.gov.au) is available to assist businesses in assessing the market, opportunities and risks. The Office of the Agents General, London is working with Rusimport on developing in-market events later in the year and also negotiating the possibility of a major event sponsorship for 2008. Wine Australia has added Russia to its list of emerging markets.	Individual businesses with support from Austrade.
2/. Consider the future of technical collaboration between South Australia and Russia	Awaiting response from Russian Delegation. Austrade broadening contacts within Russian Wine Industry.	Agent General and Austrade
3/. Further develop key relationships between the South Australian wine industry members and the Russian wine industry members	Mr Loginov, in his role of President of the Union of Winegrowers and Winemakers, has expressed interest in future contact with both the WGGA and WFA to further discuss possible training in Australia and information exchange.	PIRSA to facilitate contact.
4/. Further develop key relationships between the South Australian government and Russian provincial governments especially in relation to the grape and wine industries	Awaiting response from Russian Delegation.	Agent General and Austrade in the first instance.
5/. Consideration of bilateral exchanges and scholarships between industry, government and education sectors.	Mr Loginov expressed interest in developing opportunities for Russian viticultural and winemaking students and practitioners to come and study here through TAFE. However, still awaiting response from Russian Delegation.	Agent General and Austrade in the first instance.

