

PO Box 586 Moama 2731
T +61 (0)3 5480 0755 F +61 (0)3 5480 0233
E enquiries@nuffield.com.au W www.nuffield.com.au
A.B.N. 33 092 327 396

2008 SCHOLARSHIP SUPPORTERS

Apple and Pear Australia Limited	Landmark
Australian Wool Innovation	Meat and Livestock Australia
Ausveg and the National Vegetable Levy	Northern Territory Department of Primary Industry, Fisheries and Mines
Cooperative Bulk Handling	Nufarm
CSBP	Rabobank
Fisheries Research and Development Corporation	Rural Industries Research and Development
Grain Growers Association	Corporation Chicken Meat Program
Grains Research and Development Corporation	Sidney Myer Fund
Horticulture Australia Limited	

Page 1 of 3

7 October 2008

Matthew puts a premium on Barossa identity

After four months of international travel researching regional marketing campaigns, Barossa Valley grape grower and Nuffield Scholar Matthew Munzberg says the world wine market is set to become even more competitive.

And if South Australia's Barossa region wants its voice to be heard in the market place, it needs a simple, single message and a premium product, he says.

Mr Munzberg operates a 45 hectare vineyard in the Barossa Valley, and produces wine under the Mad Dog label. Regional branding and marketing was the subject of his Nuffield Scholarship, sponsored by Nufarm, which took him to the US, New Zealand, South Africa, England, France, Spain and Germany.

Following his travels, Mr Munzberg has returned with a clearer vision of the issues Barossa growers are facing, and ideas about how they can address some of these issues.

He is confident the Barossa is producing a premium product, and having visited wine growing regions around the world, he is also confident the Barossa is one of the best places in the world to produce wine, in terms of climate, soils and infrastructure.

"France is a nice place to grow grapes, but I wouldn't want to drive a truck on some of their roads. And I saw vines planted in Spain on what looked like a field of rocks – there didn't seem to be any soil at all," he says.

However countries such as France and Spain have an advantage over Australia when it comes to wines because so many of their grapes are picked and sorted by hand, producing potentially higher quality products. After talking to wineries in Stellenbosch, South Africa, and attending the South African WineX show, where more than 200 companies showcased their wine, Mr Munzberg says South Africa is also quickly improving the quality of its product, and could be a threat to Australia's premium wine producers.

"We can't assume South Africa will stick to lower priced products, and they have a lot of the same advantages as Australia in terms of soils and climate. They also have lower labour costs – around \$2 an hour compared with \$17 an hour in Australia – which means they can afford to do more hand picking and sorting of their grapes, which may lead to a better quality product." Mr Munzberg says South American wine production is developing in much the same way.

In overseas markets Australian wines are facing competition from local brands as well as

For information

Catherine Norwood, Coretext Communications
03 9670 1168
E cnorwood@coretext.com.au

Page 2 of 3

other international winemakers. Mr Munzberg says even generic ‘buy local’ campaigns such as the “So Good, So Maryland” promotion he discussed during his visit to the US, provided competition at a domestic level with imported produce, and were much better resourced than Australian regional campaigns.

INTERNATIONAL PERCEPTIONS

During a stopover in England Mr Munzberg spoke with two bottleshop owners, one a convert to Australian wines who was happy to promote the products, the other who dismissed Australian wines as a “homogenous, low-cost product, for the major supermarket chains to sell”.

He also spoke with freelance wine writer Jamie Goode, based in England, who is already a fan of Australian wine, and says Goode makes a good point about a simple, single message promotion.

“In the Barossa we were thinking about trying a subregional promotion to differentiate our wine based on different soils and grape varieties within the valley and the region. But when you look at the general perceptions of Australian wine overseas, as cheap and happy, it seems clear that this kind of campaign may only appeal to a small number of wine geeks.

“We need to concentrate on a message of a premium quality product from a region with a long and proud heritage of wine production.” And, according to Mr Munzberg, that message needs to start at home with growers in the Barossa.

“You can only label wine as grown in the Barossa Valley if it is grown on the floor of the valley. Everything else is labelled as wine from the Barossa region. But in reality, international markets aren’t really capable of making that distinction. We’re already competing against the rest of the world. We don’t need to be competing against each other as well,” he says.

Other domestic issues that need to be addressed include the ability of Barossa growers to vertically integrate the marketing of their products from grape to bottled product. He says while there are wine production and marketing cooperatives in South Australia for growers who don’t produce their own product, these don’t seem to be working as well as some cooperatives in other countries he visited.

“For instance, in France, growers have to commit either all or none of their harvest to their co-op. There’s a lot more grower support when it’s an all or nothing proposition, which is not the way it works in Australia, and I don’t know whether it would even be a legal model here,” he says.

BAROSSA IDENTITY

One of the greatest issues to be addressed at home is the loss of identity when larger wineries use Barossa grapes in a mixed blend labelled as “Produce of South East Australia”, Mr Munzberg says.

“Less than half of the wine produced from our annual harvest – of around 70,000 tonnes – is identified as coming from the Barossa,” he says. “If we can have our wine identified as the premium product it is, and can get a price premium, then even the smaller operators in the

For information

Catherine Norwood, Coretext Communications
03 9670 1168
E cnorwood@coretext.com.au



Page 3 of 3

region will be able to maintain their viability. If it becomes a case of having to get bigger and produce more of a lower-priced product it will change the whole culture of the region, to the detriment of South Australia, and the country as whole. We could lose a unique part of our heritage.”

After such an intense period of travel and research Mr Munzberg expects it will take him many months to reflect on and distill the lessons from his Nuffield Scholarship. Apart from issues specific to his industry, he says the Nuffield program has greatly increased his confidence in himself, and in Australian agriculture as a whole.

“When I left I was just a local farmer. Now I feel proud to be a farmer in Australia, growing food for the world. I’m very proud of what we do and the important role Australia has to play in world agriculture.”

SPRING TOUR

Mr Munzberg will be in Tasmania this week for the Nuffield Australia Spring Tour, from October 7-12. Six of the 16 returning 2008 Scholars will present their research findings during the tour, and the 2009 Nuffield Scholarship winners will be announced at a gala dinner in Hobart on Friday 10 October.

Contact: Matthew Munzberg, (08) 8563 2758, mobile 0418 396 841, email Kammunz@hotmail.com, or visit Mr Munzberg’s blog www.barossa-grapegrower.blogspot.com.

A high-resolution photograph of Mr Munzberg can be downloaded from the link www.coretext.com.au/communications_images.php

Caption: Norm McKibben (left) of Pepper Bridge Winery in Walla Walla, Washington, USA, discusses the regional wine marketing campaigns with the Barossa Valley’s Nuffield Scholar Matthew Munzberg.

For information

Catherine Norwood, Coretext Communications

03 9670 1168

E cnorwood@coretext.com.au