



# **ENVIRONMENTAL MUD MAP**

Western Victoria Viticulture Seminar, 3 October 2008

**Environmental pressures:**

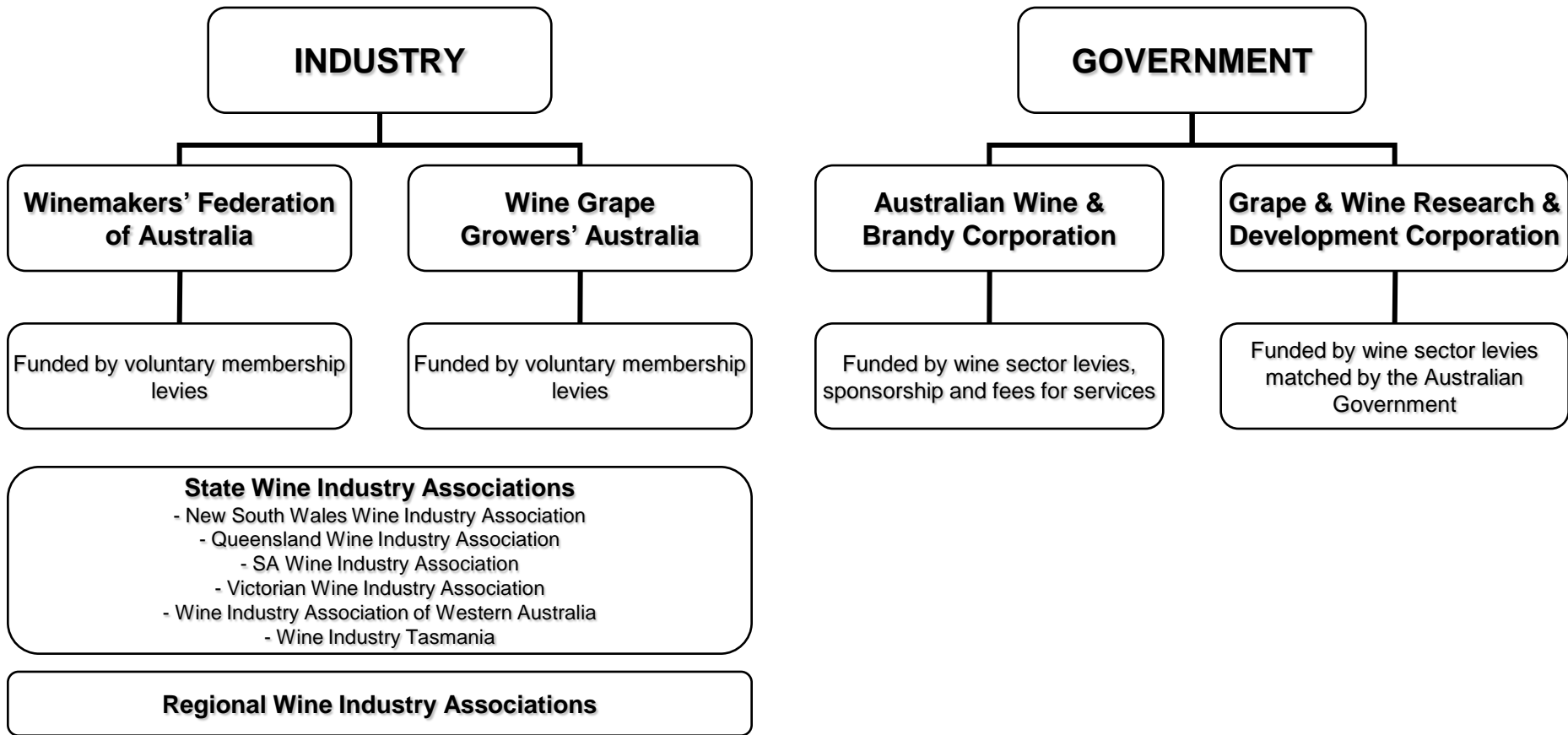
**SNAP SHOT of a BIG PICTURE**

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## Industry Organisations





## Overview

Consumer trends

Markets

- Non government organisations
- Retailers

Regulators

Industry responses





## Consumer trends

Wine production largely seen as enviro-friendly

Consumers believe that glass is enviro-friendly

Alternative packaging formats have a high rejection rate

June 2008 Wine Intelligence briefing prepared for LIWF

Wine is the least over-packaged product

Biodynamics and 'wine miles' at bottom of consumer's list

Marks & Spencer Customer Survey



## Consumer trends

‘Consumer aspirations’ differ to sustainable behaviour

Know the jargon but not the theory

‘If I can buy it from the supermarket, then the retailer has already approved the production process’

DEFRA Social research released Dec 2007

‘Green’ alcoholic beverages are a new growth area but ‘Price’ and ‘Availability’ are barriers to purchase

Most unwilling to pay >10% extra for ‘green’ products/services

MINTEL US research released Mar 2008



## **Markets – NGOs**

UK Waste & Resources Action Program (WRAP) GlassRite Wine initiative –

- export in bulk & bottle in market
- flint glass instead of green
- lightweight bottles

GlassRite Wine Mk II – in-market advocates for change

EnviroWise UK – water use efficiency in production of goods



## Markets – NGOs

UK Carbon Trust – development of PAS 2050: Specification for the assessment of life cycle GHG emissions of goods and services

World Resources Inst & World Business Council for Sustainable Dvpmt developing a new life cycle GHG protocol

International Organisation for Standardisation (ISO) developing a new ISO for GHG accounting (ie carbon footprints) and life cycle assessment



## **Markets – NGOs**

Supplier Ethical Data Exchange (SEDEX)

Secure database to store and share ethical trade data

Traditionally a labour standards/ethical trade program

Self assessment proforma against set criteria, audit required if identified risks are too great

Environmental criteria added February 2008

Part of mandatory terms of trade for supply to Tesco, M&S and others





## Markets – NGOs

### Pesticides Residue Committee



Small number of product categories targeted quarterly

Residue testing of products chosen at random from UK supermarkets

Residues publicly reported regardless of whether or not a maximum residue limit is exceeded

Wines tested in first quarter 2008, results due September 2008



## **Markets – Australia – Woolworths**

AFGC and Woolworths – joint project to review carbon footprint methodologies and application in other markets. Due to report back in October

Woolworths conducting a carbon footprint pilot with a Tasmanian horticultural producer

Woolworths South Africa using the wine industry enviro program as part of their supplier guidelines for their 'Good Business Journey' program



## Markets – UK – Tesco

“There is a revolution occurring in green consumption, but this needs to be made as easy and convenient as possible for consumers” *Dan Jago, Director Beers, Wines & Spirits*

Carbon rating and labelling pilot

Carbon labelling solution for wine – not yet agreed upon but “safe to assume that this is not far away”.



working with  
the Carbon Trust



working with  
the Carbon Trust





## **Markets – UK – Waitrose**

Aware of social implications of activities such as bulk importation and bottling in-market

Commissioned Susan McRaith MW to develop an integrated sustainability standard for own label wine, modelled on Linking Environment And Farming (LEAF)

## **Markets – UK – Co-op**

Lightweight glass bottles – 305g bottle of own-brand Fitou

Interested in partnering with producers to drive innovation in modified glass bottles in entry level and higher tier wines



## **Markets – US – Wal-Mart**

Sustainable Packaging Scorecard metrics:

GHG emissions from package production; Sustainable material; Average distance to transport material; Package to product ratio; Cube utilization; Recycled content; Recovery; Renewable energy to power each facility; and, Innovation different to energy standard

Soon to release a more wide ranging Sustainability Scorecard



## Industry Responses – Competitors

Californian Sustainable Winegrowing Practices to evolve from a self-assessment program to a 3<sup>rd</sup> party audited scheme

NZ Winegrowers adopted policy to have all producers operating under a 3<sup>rd</sup> party audited environmental assurance scheme by 2012 – *a passport to trade*

South Africa looking to commercialise *Integrated Production of Wine*, which currently enjoys ~98% participation

Table grape growers in India have GlobalGAP certification



## **Industry responses - Australia**

International Wine Carbon Protocol and Calculator under development in partnership with NZ, South Africa and US

Australian Wine Industry Stewardship (AWIS) – 2008 survey yielded 2,361 responses to build on results from 2,610 growers in 2007

AWIS to continue for 2009 vintage, prior to evolution into a more rigorous environmental assurance program for 2010



## Industry responses – Australia

Australian Wine Environmental Stewardship (AWES)

VOLUNTARY National environmental assurance program

Challenges:

- Cost effective
- Getting the scheme right for small, medium and large
- Attitudinal variation and managing expectations
- Growers in 'survival mode'





**Default certification scheme –**

**Freshcare Environmental**

Based on Freshcare Code (Environment)

Developed in 2006 using Horticulture Australia Ltd's *Guidelines for Environmental Assurance in Australian Horticulture*

Involves training, workbook with best practice information and document templates, farm visit and optional audit

Anticipate using same framework to develop a Winery Code using licence conditions, enviro impact assessments etc





**wfa**

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Federation of  
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*For the Industry by the Industry*

**Thanks for  
your attention**

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