

Bumper wine crop could offset effects of strikes

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Wine producers are on tenterhooks amid hopes that a good 2012/13 crop could boost exports and help offset the effects of labour disruptions and other issues in the wine producing industry.

Industrial action last month led to the death of two people and caused damage worth about R100m in the Western Cape. Farm workers were demanding an increase in their daily wage from R69 to R150.

The strikes are due to start again on 9 January, which is also meant to coincide with the 100th anniversary of the 1913 Land Act that confined black people to only 13% of the country's land mass.

Wines of South Africa chairman Johann Krige said on Thursday (27 December) it was still too early to tell if there would be a bumper crop.

"We have had a reasonable hot spell for about a week but it is still too early to say what impact that would have on the current crop," Krige said.

Last week, the South African Wine Industry Information and Systems (Sawis) said the current crop would be 0.8% lower than last year's.

Sawis spokeswoman Yvette van der Merwe said next year's wine crop - including juice and concentrate for non-alcoholic purposes, wine for brandy and distilling wine - was expected to amount to 1,070m litres.

She said the wine-producing region in the Western Cape had experienced one of the best winters recently, with chilly conditions and sufficient rain.

Domestic sales of natural wine from November last year to October this year showed an increase of 2.4% to 319.3m litres, Van der Merwe said.

Exports of natural wine for the same period climbed by 18.3%, due to the increase in bulk wine and white wine exports.

Krige said that an increased crop size, coupled with a weaker rand, would give local wine producers an edge over international competition, especially in Europe and the emerging East Asian markets.

He said exporters were getting used to the international trend of exporting wine in bulk.

"One container can hold 20,000 litres of bulk wine or only 9,000 litres in bottles," he said.

Krige added that the sector was concerned about the likely effects of strikes in the industry.

Last week it emerged the Department of Agriculture, Forestry and Fisheries had spent R10m on food parcels for farm workers who were not paid during the strike last month.

Agriculture Minister Tina Joemat-Pettersson promised that the workers' wage determination would be reviewed this month.

When the Department of Labour pointed out the agriculture department could not legally change the wages it had set, Joemat-Pettersson called for food donations for the workers.

Source: *Business Day* via I-Net Bridge

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