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# **Specialized Australian Cover Crops – The Seedco Experience**

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# Outline

- **Grape & Wine Research & Development Corporation Project (GWRDC)**
- **Project Findings**
- **VinEco Branded Products**
- **Competitor Reaction to VinEco Products**
- **Competitor Impact on VinEco Products**
- **Wine Industry Response to Cover Crops**
- **Sales of Cover Crop Mixes**
- **Take Home Messages**



# Grape Wine Research & Development Corporation (GWRDC) Project

- **January 1994 – April 1999**
- **Areas trials conducted – Adelaide Hills, Yarra Valley, McLaren Vale, Clare Valley, Padthaway, Great Western, Barossa Valley, Goulbourn Valley, Coonawarra and Eden Valley, Riverland, Sunraysia, MIA, Langhorne Creek**
- **Australian Viticulture Area (1996) – 78,000ha**
- **South Australia most important grape growing state**
- **VinEco mixes developed as a result of trial work**



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# Project Findings

- **Cover Crop Cost Effectiveness**
  - **Benefits are long term sustainability and improved efficiencies in the vineyard**
  - **Decisions are usually based on the overall costs rather than potential benefit**
  - **Growers may elect to sow cheap alternatives to proprietary products.**
  - **Cost of mixes is greatest barrier to uptake**



# Project Findings

- **Many viticulturalists are essentially young & well educated, but not trained in agronomy**
- **Cover cropping is an area where they lack knowledge and rely heavily on consultants.**
- **Ground cover management is a low priority in most vineyards**
- **Continued extension of new information and research findings is essential if interest and awareness is to be maintained**
- **Blends must not propagate or harbor disease or pests**



# VinEco Branded Products

- **Rebound 1 – Annual regenerating sward of perennial ryegrass and subclover**
- **Rebound 2 – Annual regenerating sward of summer dormant perennial ryegrass & annual medic**
- **Nemfix – Specific cultivar of mustard for nematode control**
- **Biomax – Blended mix for green manuring**
- **Weedcheck – Fodder Radish for strong winter weed suppression and soil improvement**
- **BT Assist – Beneficial Insectory Blend**



# Wine Industry Response to Cover Crops

- **Project was conducted at a time of major expansion within the wine industry and the uptake of results & knowledge was very high**
- **VinEco blends were well received by the industry with good attendances at field days and subsequent sales of cover crop mixes**
- **Articles were repeatedly placed in all major industry magazines and information circulars highlighting the benefits of cover crops**



# Competitor Reaction to VinEco Products

- **Generic components & blends were being offered to industry based on VinEco results and mixes**
- **Cheaper component mixes undercut sales of VinEco mixes**
- **Competitor's margins were cut to gain market share from VinEco products**
- **Competitors traded their own mixes off against VinEco mixes and reported VinEco benefits**
- **Poor trial results of competitor mixes used to promote cheaper mixes**



# Competitor Impact on Vineco Products

- **VinEco products seen by industry as expensive when compared to competitor mixes**
- **Sales decreased rapidly in the more expensive VinEco mixes**
- **Extension work to industry reporting the benefits of VinEco products was weakened due to price disparity with competitor mixes**
- **Confusing messages on why cover crops should be used began to grow as price became the major driver of cover crop mix sales**



# Sales of Cover Crop Mixes

- **At the end of 2000, the wine industry began to feel the pressure from over supply of wine and dollar returns to vineyards began to decrease**
- **The Cover Crop retailers became their own worst enemy as many merchants were in the industry chasing the quick dollar return while the wine industry was booming**
- **When the wine industry bubble burst, so did the use of cover crops**
- **Today cheap generic mixes are generally used on a limited scale**
- **Many growers went back to what they had been doing before cover crops became popular – bare earth**



# Take Home Messages

- **Specialized products require constant awareness of the economics benefits to the end users**
- **Pitch your products to multiple industries to weather any economic downturn in one industry**
- **Develop a dedicated cliental and be prepared to rigorously defend them from competitors**
- **Always review costs of your products**
- **Understand your cliental and their changing needs**
- **Respond rapidly to market signals and be adaptable**
- **Availability of cash resources is major impediment to uptake**
- **Water use of Cover Crops in drought**



**Thank you for your time**





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