

2 March 2018

Australia-European Union Free Trade Agreement
Free Trade Agreement Division
Department of Foreign Affairs and Trade
RG Casey Building
John McEwen Crescent
Barton ACT 0221

Dear Sir/Madam

I write to you concerning the current issue in relation to the name 'Prosecco' and the potential impacts to the wine makers of the King Valley in North East Victoria. We are seeking your support to represent the Australian prosecco industry in upcoming Free Trade Agreement negotiations with the European Union, and actively resist attempts by the European Union to quarantine the use of the name "Prosecco" to a geographic area in Italy.

Australian domestic Prosecco sales are worth \$60 million annually and are growing at 56 percent year on year. The King Valley is the leading producer of Australian Prosecco with 2016 sales totalling \$22.3 million and the broader wine industry contributing an estimated \$7.6 billion to regional economies. Tourism and sales for Prosecco are set to deliver unprecedented economic growth for the entire King Valley and establish the region as the place where Australians purchase their Prosecco.

Our Hume Regional Development Australia (RDA) Committee is currently supporting the *King Valley Prosecco Road Plan* project which aims to gain a greater understanding of the potential and capacity of prosecco for the King Valley through research and analysis to capitalise on global growth in Prosecco sales. The project also aims to outline a 5-10 year strategy and plan to realise this potential.

There are concerns that the European Union will seek to protect the use of the grape varietal 'Prosecco' as a Geographic Indication (GI) in future Free Trade Agreement (FTA) negotiations, set to commence before the end of 2017. While the FTA will provide substantial benefits to Australia's agricultural sector and regional communities, any concession on the varietal 'Prosecco' will cause considerable damage to the growth opportunities for the Australian Prosecco market.



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The *Australian Grape and Wine Authority Act 2013* provides for a naming convention to protect wine GIs however, the name Prosecco is that of a grape variety that was changed to the name 'Glera' as recently as 2009 by the Italians. Prosecco is not a region like the French appellation 'Champagne'.

A key component to the success of King Valley Prosecco wine makers is the continued recognition of Prosecco as the sparkling wine of choice for consumers and therefore very important to remain of active consideration in any FTA negotiations.

Prosecco variety grapes have been grown in the King Valley since 1974 and the implications of any change to the name Prosecco could involve other Italian varietals, including Dolcetto, Montepulciano, Nero d'Avola and Sangiovese, all of which are grown in the King Valley. These wine makers have heavily invested in the brand equity associated with Prosecco and are set to make further significant investments in the growth of this exciting opportunity for the region.

We are most happy to provide further evidence and arguments to support the position of the wine makers of the King Valley, including meeting with you.

I look forward to your continued support of the Australian wine industry and regional Australians, and to hearing about your active representation affecting a positive outcome.

Yours sincerely



Susan Benedyka
Acting Chair, Regional Development Australia Hume.



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