



Achieving both business and social imperatives with strategic adaptation
From incremental to transformational
 Aysha Fleming

CSIRO LAND AND WATER DIVISION
 100 WILM LESTER BLVD

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Acknowledgments: Anne-Maree Dowd, Mark Howden, Lauren Rickards, Estelle Galland, Emma Jekko, Sarah Park and Nadine Marshall

Climate change facts

- Australia’s climate has warmed and will continue to do so.
- Extreme events are likely to become more frequent and/or more intense (heat waves, fires, floods, droughts, storms).
- Much of mainland Australia will have reduced rainfall and soil moisture.
- Hotspots of high vulnerability by 2050 include water security in the Murray Darling Basin.
- Humans have a higher adaptive capacity than natural systems – action required.

– (IPCC WGII, Chapter 25, 2013).

Key message 1:


Climate change needs to be part of strategic decision making processes undertaken by all wineries and vineyard operators as conditions change because of climate change.

Key message 2:

Wineries are currently pursuing many actions in terms of climate adaptation.

Why are some acting and others are not?

Wine case study partners



60 interviews
 50 surveys
 2010-2014

Yalumba
 Orlando Pernod-Ricard
 Brown Bros
 Shaw and Smith
 Growers

How the wine industry is adapting

- Improving water efficiency
- Improving energy efficiency
- Reducing waste
- Reducing inputs/costs
- Experimenting with shading, orientation, canopy management
- Changing marketing techniques – educating the consumer
- Changing logistics (e.g. minimising heat exposure)

How the wine industry is transforming

- Purchasing vineyards to take advantage of different climatic conditions, e.g. in Tasmania
- Changing enterprises (e.g. adding tourism ventures)
- Changing the capital base of the property (e.g. property amalgamations)
- Changing grape varieties to more heat/drought tolerant types
- Making different marketing or logistic decisions, e.g. overseas bottling
- Exiting regions predicted to become too hot/dry.

Key message 3:

Many actions for climate adaptation are being integrated with other business drivers and therefore look different for different companies.

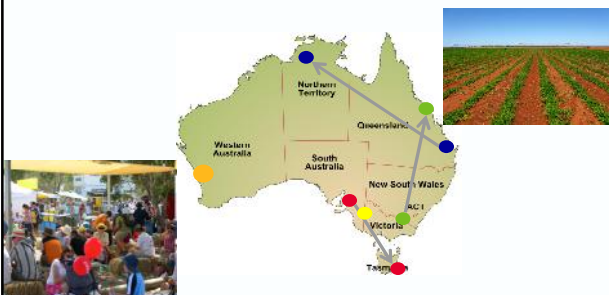
Comparison of different business strategy/goals concerning adaptation

Small business	Medium business	Large business
<ul style="list-style-type: none"> ▪Climate change as a marketing strategy/point of differentiation. ▪Climate change as a driver of innovation – new products, new locations ▪Potentially higher risk e.g. relocations, new product development. 	<ul style="list-style-type: none"> ▪Climate change specifically included in overarching strategy. ▪Climate change as an opportunity for general business improvements. ▪Medium risk, balancing new changes with traditions. 	<ul style="list-style-type: none"> ▪Climate change as a risk to be managed. ▪Adaptation integrated with efficiency, corporate responsibility and environment. ▪Wider base reduces risk e.g. Greater flexibility and range of options.

Key message 4

Transformation can be risky. Lessons can be learned from other primary industries' experiences with transformation.

Peanut, rice, wheat, livestock, community.



Achieving both business and social imperatives

- Develop a strategic plan for adaptation **specific to your context**
- Include social factors as well as business factors (networks, supply chains, leaders, consumers, as well as making money)
- Understand risks and **your approach** to risk

Thank you

CSIRO

Dr Aysha Fleming
Research projects officer
t +61 2 6232 5252
e Aysha.Fleming@csiro.au
w www.csiro.au

LAND AND WATER DIVISION
www.csiro.au

