

Global changes in the economic activity of viticulture has had evident affect of the Tyrrells Ashman Vineyard.

Viticulture is the study of the cultivation and growing of grapes. The Tyrrells Ashman Vineyard is located 2 hours drive North - North - West of Sydney.

On Burke Road, Pokolbin, Lower Hunter Valley the property boasts 450 acres growing the grape varieties of Semillon, Pinot noir, Shiraz and Chardonnay.

Global changes which have impacted the Tyrrells Ashman Vineyard include:

- Consumption trends
- Demand and Supply
- Exchange rates
- Competition from other countries as well as Transnational corporations
- Technology, and
- International wine show.
- Trade Agreements

Consumption Trends refers to the amount of consumption and patterns in consumption. Globally,



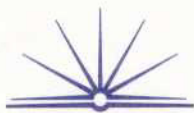
the amount of consumption has decreased in ~~quantity~~<sup>quantity</sup> and increased in quality. Such trend benefits the Tyrrell's Ashman Vineyard as Tyrrells can provide globally a ~~of~~ high quality wine at a cheaper rate. Globally there has been a 25% decrease in wine consumption. Trends especially in Italy where people want wines of cheap prices and good quality. Tyrrell has been affected positively, where by they can provide cheap wines at high quality.

### Demand and Supply

Demand of wine globally now centres on quality, with a demand of Tyrrells wines from the USA, UK, New Zealand, Scandinavian countries and now Japan, Tyrrells must supply. Supplying in a demand is beneficial for the company.

The demand for cheap, high quality wines allow for Tyrrell to be competitive in the viticulture market.

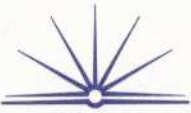




Tyrrells supplies wines to Melbourne and Sydney, with only 25% of its production exported overseas. Select clients also demand for wine such as restaurants, hotels and Airlines including, Qantas, British Airways and previously Ansett Australia. These demands for Tyrrells wine positively affects the Tyrrells company financially.

Exchange rates determine the amount of wine Tyrrells can send overseas and the supplies they can import in order so that they will be advantaged. The current low Australian dollar of 52 cents per US dollar means that it is cheaper for Tyrrells to export wine to other countries, giving it an advantage in the market.

On the other hand, the need for supplies such as Oak Barrels from France and USA, Cork from Portugal and Steel Vats from Italy, are expensive to import. It is a catch 22 situation where the costs of importing goods and supplies



is made up by the profits of exporting wines.

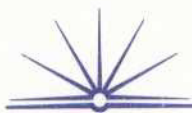
The weak Global economy has been the significant agent of the weak Australian dollar.

Competition from Transnational corporations such as Fosters and B&L Hardy give Tyrrells a difficult time. These transnationals globally are buying all levels of production from the wine making, the transportation, advertisement, accounting, transnational operate at optimum gain. Where as Tyrrells may only have a limited supply of grapes.

Globally, New world ~~can~~ countries are arising in wine production. Such global changes make it difficult for Tyrrells to compete in the international market. New world wine regions such as California and Australia provide competition for Tyrrells.

Technology advances around the world affect Tyrrells as they too, if they want to compete need to buy such technology. The use





of computers for advertising and organising especially the internet allows for accessibility of tyrells.

Other technological advances such as laboratories allow for tyrells to experiment with new blends of wines to compete with the market.

Trade agreements between countries allow for an ease of flow of goods and services. The open global trading market allows for tyrells to import supplies and export wines with ease of flow. Trade agreements between countries signifies globalisation and the oneness of the world which benefits tyrells in their demand and supply.

International wine shows are prestige wine tasting shows that allow for corporations such as tyrells to crack or enter into the local market of where the wine show is held. Wine shows



lay the foundation for the wines in that country. International wine shows allow for the establishment of Tyrrell's reputation and recognised wine production. Globally, international wine shows occur, giving exposure to companies such as Tyrrells and allowing for the entrance of their wines into markets around the world.

Global changes in viticulture are becoming increasingly dense. Where Tyrrells is affected by such factors of consumption trends, Demand and supply, Exchange rates, Competition globally from other countries, technology, trade Agreements and International wine shows, through the integration of such changes in the global wine industry, Tyrrells will continue to strive as a traditional family owned wine company, proud of its past and certain of its future.