

REFERENCE: The Australian Wednesday 19 February 2003

Wine's Cargo Cult

BRL Hardy's wine exports have grown from filling 400 containers in 1993 to needing an expected 10,000 shipping boxes this year - and the strain is being felt at the warehousing end.

The company's bottling plant at Reynella, South Australia, is pushing out such huge volumes of export wines that BRL has rented several warehouses around Adelaide.

Now Flinders Ports has come to the party with plans to build a \$13 million storage and export warehouse for the winemaker at the new Outer Harbour re-development.

The move suits both sides: it means BRL streamlines its export logistics, while for Flinders it is a new customer for its ambitious \$400 million port expansion.

The 20,000sqm warehouse, next to the CSX container terminal, will have room for 1.6 million cases of wine.

Wine will go from the bottling plant to the wharf, eliminating the city warehousing stage.

BRL Hardy spokesman Mick Scammell said cost-saving was not the objective.

The company, currently the subject of a takeover bid from the US-based Constellation Brands, had bought some reasonably cheap space in Adelaide while the new building would be comparatively expensive.

"It's far more about streamlining the operation," Mr Scammell said.

Wine would be brought in one side of the warehouse on pallets, loaded into containers on the other side, and then moved the short distance to the ship.

Meanwhile, Flinders Ports chief executive Vincent Tremaine said his company's plan for Outer Harbour included an integrated wine logistics centre, with provision for bottling, packaging and warehousing.

He wanted to see Outer Harbour as the hub for South Australia's wine industry.

Growth of BRL Hardy's export business could require the port to build a second warehouse in the short to medium term. Flinders, in which

Adsteam Marine owns a 14.3 per cent interest, operates seven ports in South Australia.

The 10-year redevelopment of Outer Harbour is beginning with channel deepening and a new deep water grain terminal.