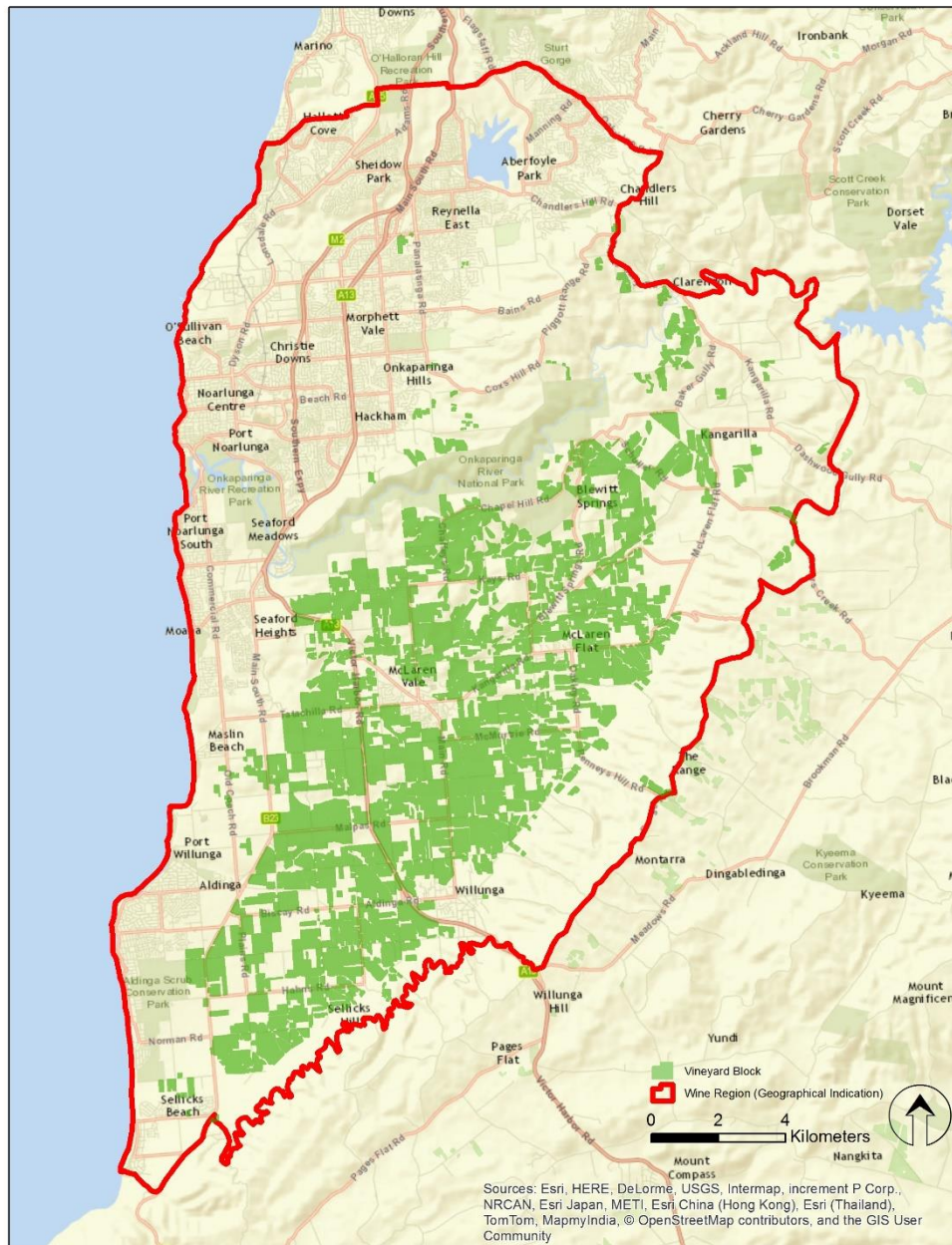


SA Winegrape Crush Survey

Regional Summary Report 2017

McLaren Vale Wine Region

Wine Australia July 2017



DATUM: GDA94
PROJECTION: MGA Zone 54
DATE: 8th March 2017
SOFTWARE: ESRI ArcGIS v10.4
DATA SOURCE:
Vineyard Block - Vinehealth Australia
Wine Region - Wine Australia

McLaren Vale Wine Region



DISCLAIMER: Although every effort has been made to ensure the accuracy of the information displayed, Vinehealth make no representations, either express or implied, that the information displayed is accurate or fit for any purpose and expressly disclaims all liability for loss or damage arising from reliance upon the information displayed.

McLaren Vale

Vintage overview

VINTAGE REPORT

Vintage 2017 in the McLaren Vale Wine Region was judged highly successful for both grape growers, who had above average crops with minimal faults, and winemakers who had the ability to pick fruit as they required during an extended dry autumn.

Winter weather conditions help set up the early growth of our vineyards with above average rainfall leading to full soil profiles.

Spring was also significantly wetter than average. There were notable large storms and high winds with frequent low-pressure fronts moving through the region. Fortunately, the weather patterns during flowering were relatively stable and dry. Spring air temperatures were cooler than average and flowering was delayed by 14-21 days compared to recent seasons, while veraison was also delayed.

Harvest began later than in 2016, with very few vineyards picked in February, with picking continuing into late April.

There was one significant rain event of approximately 25mm in the first week of February. Fortunately, this did not cause widespread berry splitting and Botrytis levels remained low in the aftermath. Weather conditions during March were stable, with little natural rainfall, although there were some morning dews.

Autumn continued to be warm and dry through early April allowing almost all vineyards to be successfully harvested.

The earlier picked red vineyards, including Shiraz and Tempranillo, have been described as having good fruit characters; winemaking reports are they are lively, bright, spicy, vibrant, and elegant. Towards the end of vintage, parcels of Grenache and Cabernet Sauvignon and Mourvèdre were described as excellent examples of these grape styles.

James Hook, McLaren Vale Grape, Wine and Tourism Association

OVERVIEW OF VINTAGE STATISTICS

The reported harvest from McLaren Vale was 44,287 tonnes in 2017, compared to 40,997 tonnes in 2016.

Over the past five years, the average crush has been 33,901 tonnes. This year's vintage was the largest in the past five years with the smallest being the 2015 harvest at 28,434 tonnes. (This may have been partly attributable to a low regional response rate.)

The total estimated value of the fruit was \$71 million, up from \$66 million, reflecting the increased tonnage. There were mixed results in the average price paid for the major varieties. The average price of Shiraz declined by 3% to \$1,743 per tonne while Cabernet Sauvignon increased by 3% to \$1574 per tonne, and Chardonnay by 3% to \$709 per tonne.

The price dispersion data shows that 66% of red fruit was purchased at over \$1500, compared with 65% in 2016 and 45% in 2015. For the whites, 80% was purchased between \$600 and \$1500 and only 8% at above \$1500.

There were 67 hectares of new plantings in McLaren Vale in spring 2016, compared with 66 hectares in 2015. 88% were red varieties, with just under half being Shiraz.

NB It is estimated that the total crush for McLaren Vale is close to 60,000 tonnes, based on planted area, average yields and levy returns supplied to Primary Industries and Regions SA.

McLaren Vale

Winegrape intake summary table - red

Variety	Tonnes purchased	E (less than \$300)	D (\$300-\$600)	C (\$600-\$1,500)	B (\$1,500-\$2,000)	A (above \$2000)	Total value purchased	Calc avg. purch value per tonnes	Change in price YoY	Winery grown fruit	Share of own grown	Total crushed	Est total value ALL grapes
Red													
Barbera	20									11	35%	30	\$38,476
Cabernet Franc	54			66%	9%	25%	\$88,331	\$1,634	36.60%	5	9%	59	\$96,818
Cabernet Sauvignon	4167			39%	50%	11%	\$6,560,657	\$1,574	3.00%	3969	49%	8136	\$12,809,604
Durif										17	100%	17	\$28,126
Grenache	1040		0%	34%	49%	17%	\$1,664,351	\$1,601	-1.20%	1255	55%	2295	\$3,673,806
Malbec	12									15	55%	27	\$36,211
Mataro/Mourvedre	312			40%	37%	23%	\$464,411	\$1,490	-9.70%	256	45%	568	\$846,132
Merlot	826		18%	72%	11%		\$689,933	\$835	-14.00%	556	40%	1382	\$1,154,772
Montepulciano	5									4	48%	9	\$18,425
Muscat a Petit Grains Rouge/Rose										0	100%	0	\$463
Nero d'Avola	28				76%	24%	\$52,720	\$1,894	10.30%	30	52%	57	\$108,868
Petit Verdot	156		63%	29%		8%	\$112,142	\$721	-24.50%	156	50%	312	\$224,719
Pinot Noir	314			100%			\$257,453	\$820	-1.70%	21	6%	335	\$274,547
Sangiovese	89			26%	74%		\$135,912	\$1,532	2.90%	179	67%	268	\$409,863
Shiraz	16670		0%	28%	45%	26%	\$29,063,914	\$1,743	-3.30%	10365	38%	27035	\$47,134,079
Tempranillo	187			10%	66%	24%	\$333,681	\$1,788	1.90%	161	46%	347	\$621,477
Other red	109			15%	32%	53%	\$211,327	\$1,941	4.60%	207	66%	316	\$613,682
Total red	23987		1%	33%	44%	22%	\$39,685,799	\$1,654	-2%	17207	42%	41194	\$68,090,069

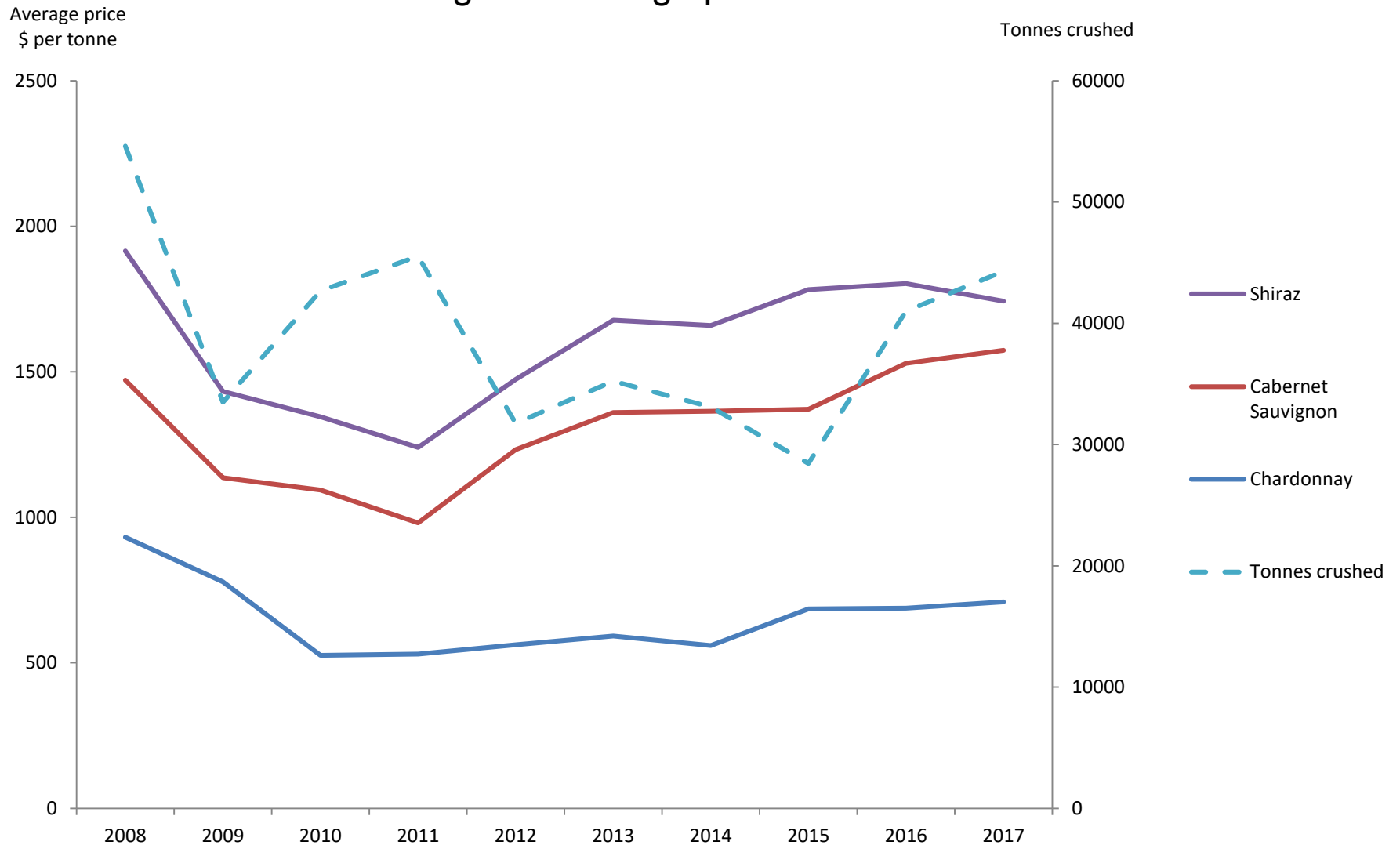
McLaren Vale

Winegrape intake summary table - white

Variety	Tonnes purchased	E (less than \$300)	D (\$300- \$600)	C (\$600- \$1,500)	B (\$1,500- \$2,000)	A (above \$2000)	Total value purchased	Calc avg. purch value per tonnes	Change in price YoY	Winery grown fruit	Share of own grown	Total crushed	Est total value ALL grapes
White													
Chardonnay	1191		19%	79%	2%		\$844,715	\$709	3.10%	427	26%	1619	\$1,147,479
Chenin blanc	9									15	61%	24	\$24,459
Fiano	22				100%		\$38,736	\$1,784	12.50%	7	25%	29	\$51,387
Gewurztraminer	1											1	\$957
Marsanne										39	100%	39	\$33,640
Moscato Giallo										11	100%	11	\$9,577
Muscat a Petit Grains Blanc	64			49%	51%		\$77,702	\$1,217	-8.50%	5	7%	68	\$83,229
Pinot Gris/Grigio	7									163	96%	170	\$170,120
Riesling	157									18	10%	176	\$205,590
Roussanne										77	100%	77	\$67,026
Sauvignon Blanc	182			100%			\$143,321	\$788	8.10%	108	37%	290	\$228,767
Semillon	26									113	81%	140	\$126,871
Verdelho	64									125	66%	188	\$273,179
Vermentino	57			3%	97%		\$90,706	\$1,605	7.40%	7	10%	63	\$101,302
Viognier	139			93%	7%		\$153,782	\$1,104	-1.20%	84	38%	224	\$246,927
Other white	23									54	71%	77	\$82,541
Total white	1941		12%	80%	8%	0%	\$1,690,172	\$871	5%	1254	39%	3195	\$2,853,051
Total all varieties	25928		2%	36%	41%	20%	\$41,375,972	\$1,596	0%	18461	42%	44390	\$70,943,120

McLaren Vale

Historical weighted average price vs tonnes crushed



McLaren Vale

Current plantings by variety and year planted

Variety	Current area in hectares				2016 Total area	% planted in 2016
	Pre-2014	2014	2015	2016		
Red winegrapes						
Barbera	11	0	0	0	11	0%
Cabernet Franc	26	0	1	0	27	0%
Cabernet Sauvignon	1,259	25	15	12	1,311	1%
Grenache	440	2	4	6	452	1%
Mataro (Mourvedre)	77	6	2	4	89	4%
Merlot	219	0	0	1	220	0%
Other Red	89	8	5	8	110	7%
Petit Verdot	48	0	0	0	48	0%
Pinot Noir	52	0	0	0	52	0%
Sangiovese	44	0	0	0	44	0%
Shiraz	3,858	88	38	28	4,012	1%
Tempranillo	59	0	1	0	60	0%
Total red varieties	6,180	130	66	59	6,435	1%
White winegrapes						
Chardonnay	370	0	0	2	372	0%
Chenin Blanc	17	0	0	0	17	0%
Marsanne	11	0	0	0	11	0%
Muscat A Petit Grains Blanc (White Frontignac)	11	0	0	0	12	1%
Other White	32	0	0	6	39	17%
Pinot Gris	20	0	0	0	20	0%
Riesling	32	0	0	0	32	0%
Sauvignon Blanc	62	0	0	0	62	0%
Savagnin	3	0	0	0	3	0%
Semillon	34	0	0	0	34	0%
Verdelho	14	0	0	0	15	0%
Vermentino	8	0	0	0	8	0%
Viognier	52	0	0	0	52	0%
Total white varieties	667	1	0	8	676	1%
Rootstock Block	4	0	0	0	4	0%
Multi-purpose white	3	0	0	0	3	1%
Unknown variety	199	0	0	0	199	0%
Total all varieties	7,053	131	66	67	7,317	1%

Source: Vinehealth Australia

Explanations and definitions

INTAKE (CURRENT VINTAGE) DATA

Definition of regions

Regions have been defined in accordance with Geographical Indication (GI) boundaries. If a GI region has not been declared, or produces less than 5,000 tonnes, then the data is aggregated into the relevant GI zone. Disaggregation of data into smaller regions such as Southern Fleurieu and Mount Benson is available on request from Wine Australia.

Total crush

The total crushed is the total tonnes of grapes crushed from a particular source region, whether processed in that region, another region in SA or interstate. All wineries in Australia are included in the survey collection process. However, not all wineries respond to the survey - therefore the total tonnage reported may underestimate the true crush. It is estimated that the overall response rate for the survey is 88%; however, individual regions may vary. Generally, regions will have a higher response rate when there is a high proportion of purchased winegrapes within the region

Reported fruit is separated into fruit produced from the winery's own or associated vineyards ("own grown") and from independent vineyards ("purchased").

Calculated average purchase value

The survey requests wineries to provide the total amount paid for each parcel of fruit purchased (or the price per tonne). This is the price paid for fruit of a particular variety at the point of receipt – NOT including freight. It includes any penalties or bonuses (eg Baumé) applied at the weighbridge, but DOES NOT INCLUDE other bonuses or adjustments such as end use quality bonuses, which are not available at the time the survey is conducted (May 2017).

The calculated average purchase value per tonne is the average amount paid per tonne of fruit across all wineries.

Winery grown grapes are not included in the calculation of average purchase value; nor are grapes grown by companies connected with the winery or under lease arrangements.

Important note on average purchase value

There is considerable variation in the pricing arrangements made by different wineries. For example, some wineries make adjustment payments based on the average value per tonne reported in this survey and some pay quality bonuses based on the end use of the product. These additional payments are not included in the reported figures. The average price also does not give any indication of the distribution of prices, or variables that go into individual contracts. It should also be noted that in minor varieties there may sometimes be very few purchases contributing towards a calculated average purchase value.

Price dispersion data (shaded columns in Intake Summary tables)

All purchases for each variety are grouped into categories according to the price paid for that fruit. The tonnes in each category are converted into a percentage of the total tonnes purchased, giving an indication of what share of fruit was purchased in each price range category. The categories are given nominal titles of A to E for convenience but these do not correspond with grades used by any particular winery.

Estimated total value of all grapes

The estimated total value of all grapes is calculated by multiplying the average purchase value per tonne by all tonnes crushed. If there is a variety where there are no purchases, then the average purchase value across all other varieties of the same colour in the same region is used to determine an estimated value for the own grown grapes.

Explanations and definitions cont.d

PLANTING DATA

Source of planting data tables

Planting data is not collected by the 2017 Australian Wine Sector Survey. The information is obtained from the vineyard register maintained by Vinehealth Australia.

Vinehealth Australia is required under the *Phylloxera and Grape Industry Act 1995* to maintain a complete and accurate register of vineyard owners in the state. Vineyard owners with plantings of 0.5 hectares or more are required to register with Vinehealth Australia, and provide details of any changes made to these vineyard plantings within three months of any such change. This information is kept strictly confidential.

Vineyard plantings are recorded by Geographical Indication. Planting details for smaller regions not included in the survey report are available on request from Vinehealth Australia.

For more information on registration of vineyards, please contact the Vinehealth Australia office on (08) 8273 0550.

Explanatory notes for planting data tables

1. Planting data tables are current as at April 2017 and include all plantings from the 2016 planting season.
2. Vines planted in a particular year may include top-worked or replaced vines, as well as new plantings in virgin ground. Where vines have been replaced or topworked, the old variety record is removed. This explains why the area planted for earlier years may be different in the 2017 report compared with previous reports.
3. Where a zero (0) appears in a table, this may indicate the presence of a planting of less than 0.5 hectares, or it may indicate zero plantings. Rounding may produce slight variations between tables.

AUSTRALIAN WINE SECTOR SURVEY

The information for this report has been collected and analysed by Wine Australia as part of the Australian Wine Sector Survey. The SA Winegrape Crush Survey Report has been prepared by Wine Australia on behalf of the South Australian Wine Industry Association, Wine Grape Growers South Australia and Primary Industries and Regions SA.

Maps and planting data tables provided by Brendan Tully, Vinehealth Australia.

The survey publication is available on Wine Australia's website wineaustralia.com, the Vinehealth Australia website vinehealth.com.au and via links from the Wine Grape Council SA website wgcsa.com.au and the South Australian Wine Industry Association website winesa.com.au

Disclaimer

This information has been made available to assist on the understanding that Wine Australia is not rendering professional advice. Wine Australia does not accept responsibility for the results of any actions taken on the basis of the information contained in this report, nor for the accuracy, currency or completeness of any material contained in it. Wine Australia expressly disclaims all and any liability and responsibility to any person in respect of consequences of anything done in respect of reliance, whether wholly or in part, upon this report.

Any questions about the report should be directed to:

Wine Australia
+618 8228 2000
information@wineaustralia.com