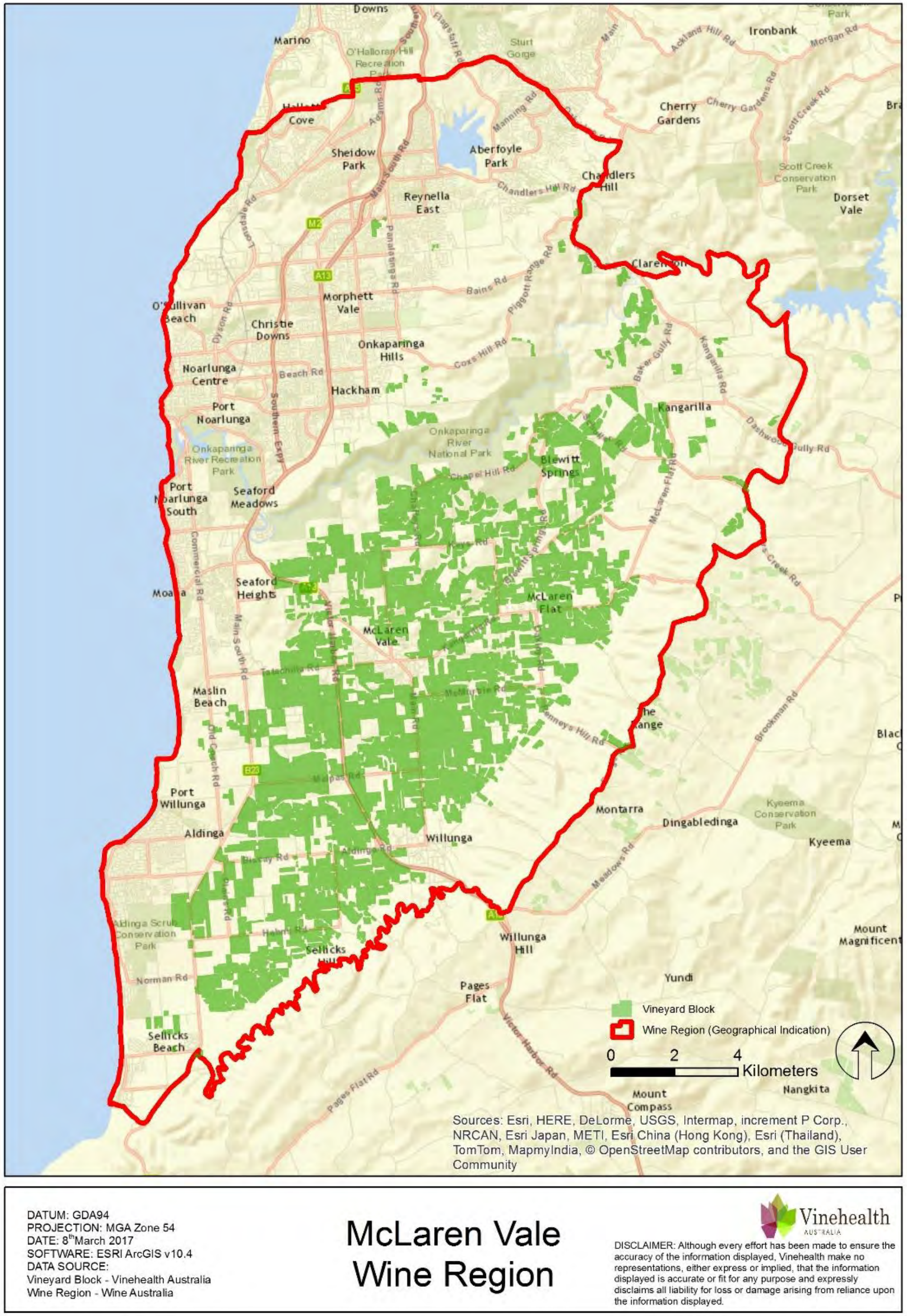


SA Winegrape Crush Survey

Regional Summary Report 2018

McLaren Vale Wine Region

Wine Australia August 2018

McLaren Vale

Vintage overview

VINTAGE REPORT

The 2018 vintage in McLaren Vale is being touted as producing wine of excellent quality. While total tonnages were down for the season, compared to a wet and fertile 2017, the wine quality was set up by the wet growing season in 2016/2017 which led to healthy lush vines through the early part of this season. For 2017/18 the conditions were much drier which prevented excessive vigour or disease problems as the vines switched from vegetative growth to ripening fruit.

Winter rainfall was average and soil moisture sensors recorded a wet soil profile at budburst. Budburst fell in the middle of September, in line with long term averages, although late compared with recent warm vintages.

Spring rainfall totals were 30-60% below average, ranging from 60-80 mm along the coast at Sellicks and Maslins Beach, to up to 200 mm at Clarendon on the escarpment of the Mt Lofty Ranges. Summer was unusually dry; there was as little as 10mm of rain from 1st of January to when picking began at the end of February. Rainfall totals around the region for summer 2017-18 were below average with weather stations reporting around 60% to 80% of their summer average.

Fortunately, McLaren Vale growers have access to multiple water sources, including recycled water, which allows for timely irrigation - and the naturally wet Blewitt Springs and Clarendon districts are considered to benefit from drier seasons.

January had 14 days consecutively above 30ºC, but fortunately only three days above 40ºC.

Favourable ripening during February, with daytime temperatures in the high 20s and cool nights, led to fruit in great condition at picking.

James Hook, McLaren Vale Grape, Wine and Tourism Association

OVERVIEW OF VINTAGE STATISTICS

The reported harvest from McLaren Vale was 35,650 tonnes in 2018, compared with 44,153 tonnes in 2017 – a decline of 19%.

Over the past five years, the average crush has been 36,408 tonnes. This year's vintage was very similar to the average. The largest reported crush in the past five years was the 2017 crush while the smallest was 28,434 tonnes in 2015.

The total estimated value of the fruit was $60 million, down from $71 million in 2017, reflecting the decreased tonnage. Overall, average prices increased by 6% for red varieties and 5% for white varieties.

The average price of Shiraz increased by 7% to $1869 per tonne – the highest since 2008, while Cabernet Sauvignon also increased by 7%, reaching a record price of $1677 per tonne. The average price for Chardonnay increased by 10% to $781 per tonne.

The price dispersion data shows that this year 24% of red fruit was purchased at $2000 or above, compared with 22% in 2017. For the whites, the vast majority (91%) was purchased at between $600 and $1500.

There were 48 hectares of new plantings in McLaren Vale in spring 2017, compared with 67 hectares the previous spring. 98% were red varieties, with 58% being Shiraz. The total planted area as at 30 April 2018 is 7,324 hectares, 140 hectares less than in 2013.

NB It is estimated that the reported crush under-estimates the total crush in McLaren Vale by around 25% as a result of a low regional response rate. However, the reported trends, prices and varietal composition of the crush are likely to be representative of the full production.

McLaren Vale

Winegrape intake summary table - red

	Total tonnes purchased	Price dispersion - number of tonnes in each price range					total value purchased grapes	Average purch. value per tonne	Change in price YoY	Winery grown fruit	Share of winery grown	Total crushed	Est total value ALL grapes
		< $300	$300 to <$600	$600 to <$1500	$1500 to <$2000	$2000+							
Red													
Barbera										10	100%	10	$10,024
Cabernet Franc	38			20	3	15	$73,030	$1,930	18%	0	1%	38	$73,782
Cabernet Sauvignon	3,517			1,094	1,885	538	$5,898,824	$1,677	7%	3,124	47%	6,641	$11,138,531
Durif	13			5		8				19	60%	32	$71,898
Grenache	1,349		5	408	637	299	$2,263,976	$1,678	5%	1,006	43%	2,355	$3,952,327
Malbec	12					12				8	39%	20	$40,910
Mataro/Mourvedre	380			112	214	54	$590,518	$1,553	4%	152	29%	532	$826,217
Merlot	940	110	16	724	69	21	$916,474	$975	17%	410	30%	1,350	$1,316,593
Montepulciano	5				5					8	63%	13	$19,275
Nero d'Avola	17				6	11	$34,344	$2,060	9%	38	69%	55	$112,365
Petit Verdot	77			74		4	$69,304	$895	6%	121	61%	198	$177,355
Pinot Noir	312			312			$266,041	$852	4%		0%	312	$266,041
Sangiovese	136			56	80		$201,379	$1,478	-4%	100	42%	236	$348,466
Shiraz	13,230			2,096	7,294	3,839	$24,722,351	$1,869	7%	7,266	35%	20,496	$38,301,066
Tempranillo	130			10	80	40	$249,750	$1,915	7%	83	39%	214	$408,787
Other red	85			7	21	57	$159,778	$1,884	-3%	176	67%	261	$491,454
Red total	**20,241**	**110**	**21**	**4,919**	**10,294**	**4,897**	**$35,506,760**	**$1,754**	**6%**	**12,521**	**38%**	**32,762**	**$57,555,091**

Note: Where there are fewer than three purchasers of a variety, the average price and total value are not reported to protect confidentiality.

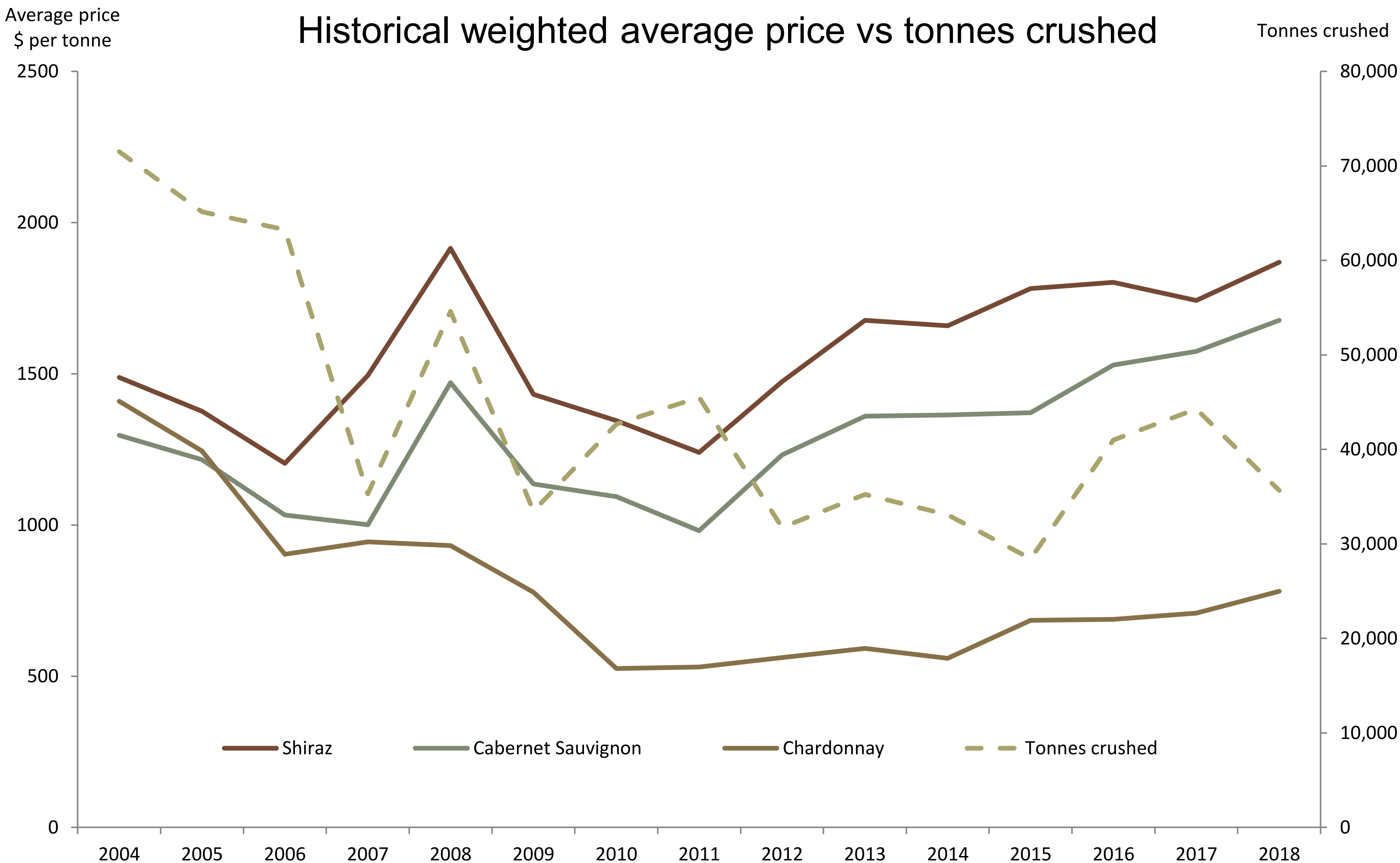
McLaren Vale

Winegrape intake summary table - white

	Total tonnes purchased	Price dispersion - number of tonnes in each price range: < $300	$300 to <$600	$600 to <$1500	$1500 to <$2000	$2000+	total value purchased grapes	Average purch. value per tonne	Change in price YoY	Winery grown fruit	Share of winery grown	Total crushed	Est total value ALL grapes
White													
Chardonnay	1,485			1,455	30		$1,160,078	$781	10%	158	10%	1,643	$1,283,330
Chenin blanc	6		4	1						20	78%	26	$12,435
Fiano	44				44		$75,262	$1,707	-4%		0%	44	$75,262
Marsanne	92			92						34	27%	126	$138,089
Muscat Blanc a Petits Grains	34				32					20	37%	54	$81,390
Pinot Gris/Grigio										198	100%	198	$243,930
Riesling	146			145	1					11	7%	157	$184,493
Roussanne	17					17				18	52%	35	$87,665
Sauvignon Blanc	82			82			$72,932	$888	13%	97	54%	180	$159,530
Semillon	11		11	1						32	74%	43	$22,918
Verdelho	88			75	13		$84,908	$966		14	14%	102	$98,429
Vermentino	37				37		$59,609	$1,608	0%		0%	37	$59,609
Viognier	137		3	131	0	2	$151,433	$1,102	0%	77	36%	214	$235,742
Other white	13			10		3				17	57%	29	$43,338
White total	**2,193**		**19**	**1,992**	**157**	**23**	**$1,996,662**	**$911**	**5%**	**695**	**24%**	**2,888**	**$2,726,158**
Grand total	**22,434**	**110**	**39**	**6,911**	**10,452**	**4,920**	**$37,504,990**	**$1,672**	**5%**	**13,216**	**37%**	**35,650**	**$60,281,249**

Note: Where there are fewer than three purchasers of a variety, the average price and total value are not reported to protect confidentiality.

McLaren Vale



McLaren Vale

Current plantings by variety and year planted

	Year planted					
Variety	**Pre-2015**	**2015**	**2016**	**2017**	**Total area**	**% planted in 2017**
Red winegrapes						
Barbera	11	0	0	0	11	0%
Cabernet Franc	26	1	0	0	27	0%
Cabernet Sauvignon	1,285	15	4	5	1,309	0%
Grenache	445	4	1	3	454	1%
Mataro (Mourvedre)	83	1	4	2	90	2%
Merlot	213	0	0	0	213	0%
Petit Verdot	48	0	0	0	48	0%
Pinot Noir	51	0	0	0	51	0%
Sangiovese	44	0	0	0	44	0%
Shiraz	3,942	37	24	28	4,031	1%
Tempranillo	56	1	3	3	63	5%
Other red	97	8	9	6	120	5%
Total red varieties	**6,301**	**67**	**45**	**47**	**6,461**	**1%**
White winegrapes						
Chardonnay	350	0	2	0	352	0%
Chenin Blanc	17	0	0	0	17	0%
Marsanne	11	0	0	0	11	0%
Muscat A Petit Grains Blanc (White Frontignac)	12	0	0	0	12	0%
Pinot Gris	20	0	0	0	20	0%
Riesling	32	0	0	0	32	0%
Sauvignon Blanc	62	0	0	0	62	0%
Semillon	33	0	0	0	33	0%
Verdelho	15	0	0	0	15	0%
Vermentino	8	0	0	0	8	0%
Viognier	53	0	0	0	53	0%
Other white	35	0	6	1	43	2%
Total white varieties	**648**	**0**	**8**	**1**	**657**	**0%**
Rootstock Block	4	0	0	0	4	0%
Multi-purpose white	3	0	0	0	3	0%
Unknown variety	199	0	0	0	199	0%
Total all varieties	**7,155**	**67**	**53**	**48**	**7,324**	**1%**

Source: Vinehealth Australia

Explanations and definitions

AUSTRALIAN NATIONAL VINTAGE SURVEY

The information for this report has been collected and analysed by Wine Australia as part of the Australian National Vintage 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 are provided by Vinehealth Australia (see notes on planting data tables pg 20).

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

Photo credits

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Disclaimer

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Note: data published in this report supercedes that in earlier reports. Minor variations in reported figures can occur due to data revisions.

Any questions about the report should be directed to:

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Explanations and definitions - continued

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 85 per cent; 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 receival – 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-June 2018).

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.

Average and total purchase values are not reported where there are fewer than three purchasers of a variety in a particular region.

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.

Price dispersion data (shaded columns in Intake Summary tables)

All purchases for each variety are grouped into price segments according to the price paid for that batch of fruit. The sum of tonnes in all the price segments may not match the total tonnes purchased where there are tonnes reported without an associated price.

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 for the same variety across similar regions, or 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 continued

PLANTING DATA

Source of planting data tables

Planting data is not collected by the 2018 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 and provided for this survey in a deidentified and aggregated manner.

Explanatory notes for planting data tables

Regions are defined according to the Register of Australian Geographical Indications.

To protect confidentiality, the following rules are applied to reporting varieties:

- where there are fewer than 10 registered owners with plantings of a particular variety across the state, that variety is not separately identified in either the state or the regional reports but is grouped with “other red/white”, AND
- where there are fewer than three registered owners with a particular grape variety in a given region, that variety is not separately identified in the regional report but is grouped with “other red/white” unless it is a white variety listed in the top six, or red variety in the top five by planted area for the state for the current year.

- Planting data tables are current as at 30 April 2018 and include all plantings from the 2017 planting season.
- Reference to “other varieties” includes rootstock, multi-purpose and table-grape plantings.
- 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 2018 report compared with previous reports.
- 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 discrepancies in totals.

For more information on the planting data in this report or about registration of vineyards, please contact the Vinehealth Australia office on (08) 8273 0550.

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