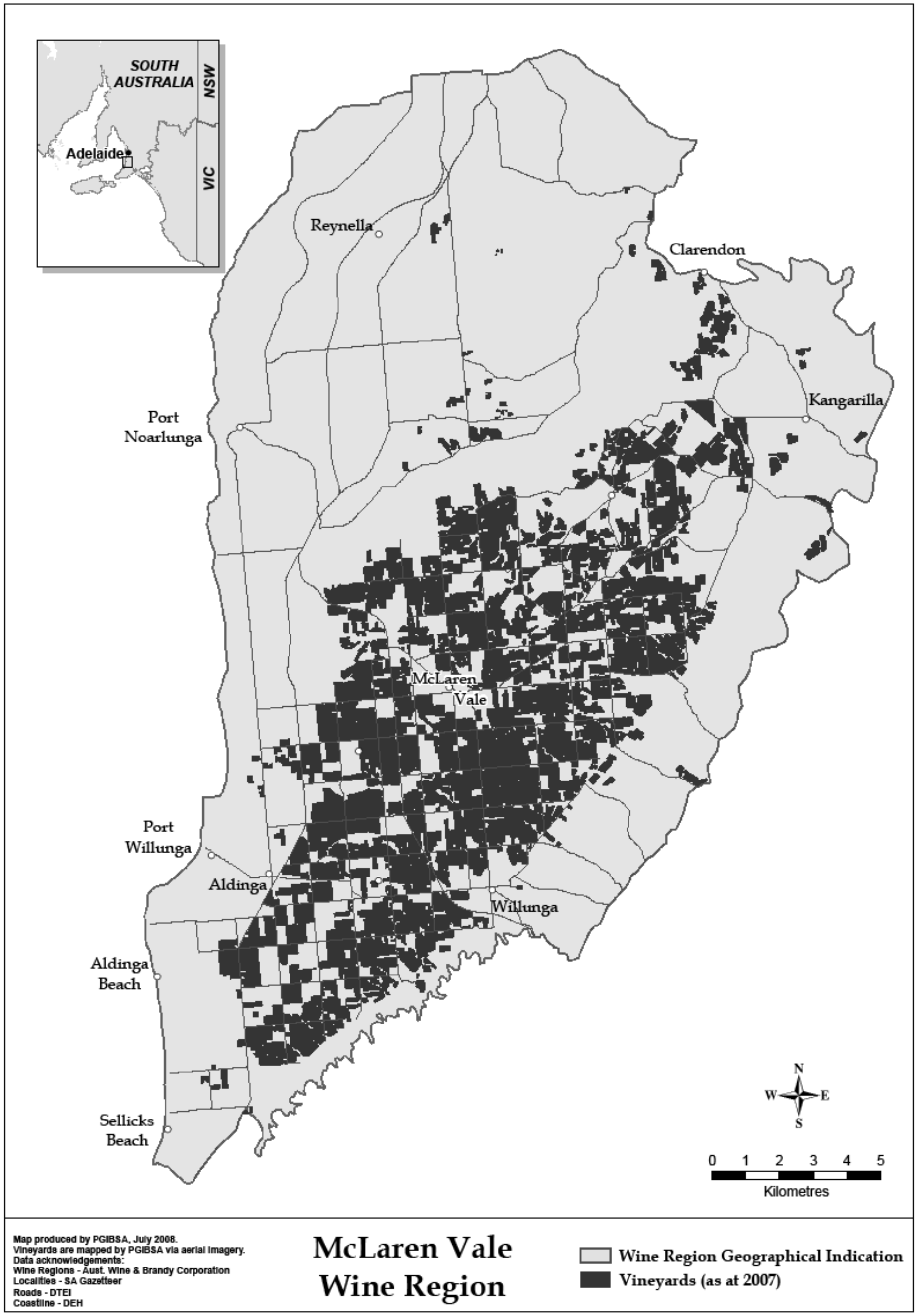

McLaren Vale wine region

Regional summary report

2010

ACKNOWLEDGEMENTS

This survey has been produced by the Phylloxera and Grape Industry Board of South Australia on behalf of the **South Australian Wine Industry Association,** the **Wine Grape Council of SA Inc** and **Primary Industries and Resources SA,** who jointly fund the survey.

The publication of this survey is made possible through the support of the South Australian and interstate wineries that processed fruit from South Australian vineyards in 2010. The information is provided voluntarily by wineries on the understanding and assurance that information from individual wineries will be kept strictly confidential. Only aggregate responses are reported. Draft results and supply forecasts are checked by regional industry representatives. Vintage reports have been provided by the regional representatives, local growers or industry associations. Particular thanks for their assistance go to: Jim Caddy, David Edwards, James Freckleton, Juliet Henderson, Elise Heyes, Lian Jaensch, Murray Leake, Frank Nicholls, Louise Rose, Stuart Sharman, Nigel Squire, Michelle Stehbans, David Watkins, and Daniel Zuzolo.

The survey publication is available on the Board's website www.phylloxera.com.au. The state summary and regional reports can be downloaded as PDF files. Previous reports (since 2000) are also available on the website, and hard copies of reports from previous years back to 1998 are available from the Board's office.

COVER IMAGE

Photograph by Catherine Cox, Phylloxera and Grape Industry Board of SA.

REPORT PREPARATION

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DOCUMENT STRUCTURE AND LAYOUT

The full survey report incorporates 15 stand-alone regional reports, covering the major declared GI regions in South Australia, and a state summary section with aggregate data, forecasts by variety and historical comparisons. The report may be downloaded as one document or in sections as a series of PDF files from the PGIBSA website www.phylloxera.com.au.

INTERPRETATION OF REPORT INFORMATION

Please refer to the **EXPLANATIONS AND DEFINITIONS** for definitions, limitations and interpretations of different statistics reported.

Any questions about the report should be directed to:

Phylloxera and Grape Industry Board
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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 the Board's office.

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 that are known to source fruit from South Australian vineyards are included in the survey collection process. However, not all wineries submit a survey form - therefore the total tonnage reported may underestimate the true crush. An estimate of the non-response rate for each region is provided below each intake summary report. Reported fruit is separated into fruit produced from the winery's own or associated vineyards ("own grown") and from independent vineyards ("purchased").

Crop value data

On the survey forms, wineries are asked to record **total purchase value.** This is the total amount 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.

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. The **estimated total value of purchased grapes** is calculated by multiplying the average purchase value per tonne by the total tonnes purchased. The **estimated total value of total 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.

Note: in small varieties there may sometimes be only one winery contributing towards a calculated average purchase value per tonne.

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. Therefore the average price should not be compared directly with an individual grower's arrangement.

Highest and lowest price

Wineries are asked to report the highest and lowest prices paid for any parcel of fruit of a particular variety, of any size. The highest of all highest prices, and the lowest of all lowest prices are reported – provided that at least three wineries have provided this information for any particular variety. *Note: the highest or lowest price may be for a very small parcel of fruit - and/or reflect an unusual pricing arrangement - eg payment by the hectare rather than per tonne, "spot market" sales of excess fruit etc.*

FORECASTS

Estimated supply

Supply forecasts have been calculated independently using the planting information obtained from the PGIBSA vineyard register (see below). They are calculated by multiplying the area of vines by an estimated yield figure determined separately for each variety in each region, which takes into account industry practices and objectives as well as historical averages. However, the supply forecasts do not make any allowance for future vine removals or mothballing, yield capping or the effects of ongoing water restrictions or unusual seasonal conditions.

Committed intake

Committed intake is the amount of fruit that wineries are *already* committed to take in, for a given future year. It is made up of winery grown fruit and contract purchases. Only existing or ongoing contracts are included – not intended future signings or renewals.

Explanations and Definitions

Available supply

Available supply (uncommitted fruit) is the difference between estimated supply and committed intake. It is the amount of fruit estimated to be available on the open (spot) market. NB If the committed intake is higher than the estimated supply, this indicates a discrepancy between the independent supply forecasts and the wineries' estimates of future production. In this case, available supply is recorded as zero – rather than as a negative number.

Comparing supply and committed intake

In order to compare supply with committed intake, the latter figures are "raised" to compensate for non-respondents. There is no raising of supply figures because it is assumed that the PGIBSA vineyard planting information is close to 100% complete. The non-response rate is calculated separately for each region and is indicated below the relevant tables.

Demand (required intake)

Following consultation with industry during 2009, it was decided to omit demand figures from the 2010 survey. These figures were considered by the majority of respondents to be unreliable and/or unhelpful. They also add considerably to the survey load for the wineries. Readers of this report are encouraged to provide feedback on this decision either directly to SAWIA or the WGCSA, or to the PGIBSA.

PLANTING DATA

Derivation of planting data tables

Planting data is **not** derived from the 2010 South Australian Utilisation and Pricing Survey of wineries. The information is obtained from the vineyard register maintained by the Phylloxera and Grape Industry Board of South Australia.

The Board is required under the *Phylloxera and Grape Industry Act 1995* to maintain a complete and accurate register of grapegrowers in the state. All vineyard owners with more than 0.5 hectares are required by law to register with the Board, and to complete an accurate vineyard return each year, giving details of their plantings. This information is kept strictly confidential. An accurate vineyard register enables the Board to produce complete, up-to-date statistical information on vineyard plantings by variety, year planted and location.

For more information on registration of vineyards, please contact the Phylloxera and Grape Industry Board office on 08 8362 0488.

Explanatory notes for planting data tables

1. Planting data tables are current as at April 2010 and include all plantings from the 2009 planting season. Vines planted in a particular year may include topworked 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 2010 report compared with previous reports.
2. Vineyard plantings are recorded by Geographical Indication. Planting details for smaller regions not included in the survey report are available on request from the Board.
3. Where a 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 a slight error in totals or percentages.

Vintage report

Healthy rainfall, favourable conditions for most of the growing season, low disease pressure and a stress-free ripening period characterised the 2010 vintage.

Above average rainfall in winter and autumn set vines up well with healthy canopies and allowed the soil to store water, to be accessed later by the vines in the warmer part of the season.

Conditions since the mid 2000’s have seen a trend of earlier bud burst, flowering and harvest with shorter ripening seasons. The 2010 vintage was no exception with budburst beginning in late August leading to flowering and veraison occurring earlier than what was previously considered normal.

Spring began with wet and stormy conditions. Strong westerly winds caused small amounts of shoot damage in some vineyards, but in general McLaren Vale experienced an even start to the season. A series of hailstorms in late September damaged some vineyards between McLaren Flat, Willunga and McLaren Vale. Chardonnay vineyards were affected most with some poor berry set which led to a reduction in crops.

Summer weather came early with consecutive days around 35^{o}C in November which for the most part did not cause any problems with the exception of Grenache. All other varieties set well. Heavy rainfall during December helped ‘brighten’ vines up and kept them growing until around Christmas, setting them up well for ripening.

Powdery mildew pressure was higher than in the last few seasons due to overcast weather and high humidity that came with the December rain. December’s rain also triggered a downy mildew alert, but dry weather between January and harvest prevented any commercially significant outbreaks of downy mildew.

No further rain interrupted harvest. February and March were mild and calm with cool nights. The cool nights helped keep vines fresh with heavy dews occurring in the morning.

Crops were balanced and the wines emerging from the red varieties particularly are of a high standard. The skins were very thick and dark with a good level of tannin.

McLaren Vale Grape, Wine and Tourism Association

Overview of vintage statistics

The harvest from McLaren Vale in 2010 was 42,679 tonnes, 27% up on the lowest harvest for 14 years in 2009. The estimated total value of the grapes increased by $10 million in 2010 to $51.4 million. Average prices fell for all major varieties, with Chardonnay falling to a new record low price for the region of $526, almost one third the value received at its peak.

There were few new plantings in McLaren Vale in spring 2009 (including top-working and replacements), the lowest for many years (55 hectares) and the total net area fell slightly. One half of the new plantings were Shiraz, while Mataro (Mourvedre) increased its total area by 20% to 60 hectares.

The estimated production from McLaren Vale for 2011 is around 55,500 tonnes. 42,000 tonnes is already committed to the wineries, leaving around 13,000 tonnes uncontracted.

In 2015, the estimated production is 56,000 tonnes, of which a bit over half (31,000 tonnes) is already under contract or winery grown fruit. This leaves an estimated 25,000 tonnes – nearly half of the estimated production – as yet uncommitted.

Across the state, assuming "normal" growing conditions, there is expected to be a 278,000 tonne surplus compared with demand in 2015 (see State Summary section).

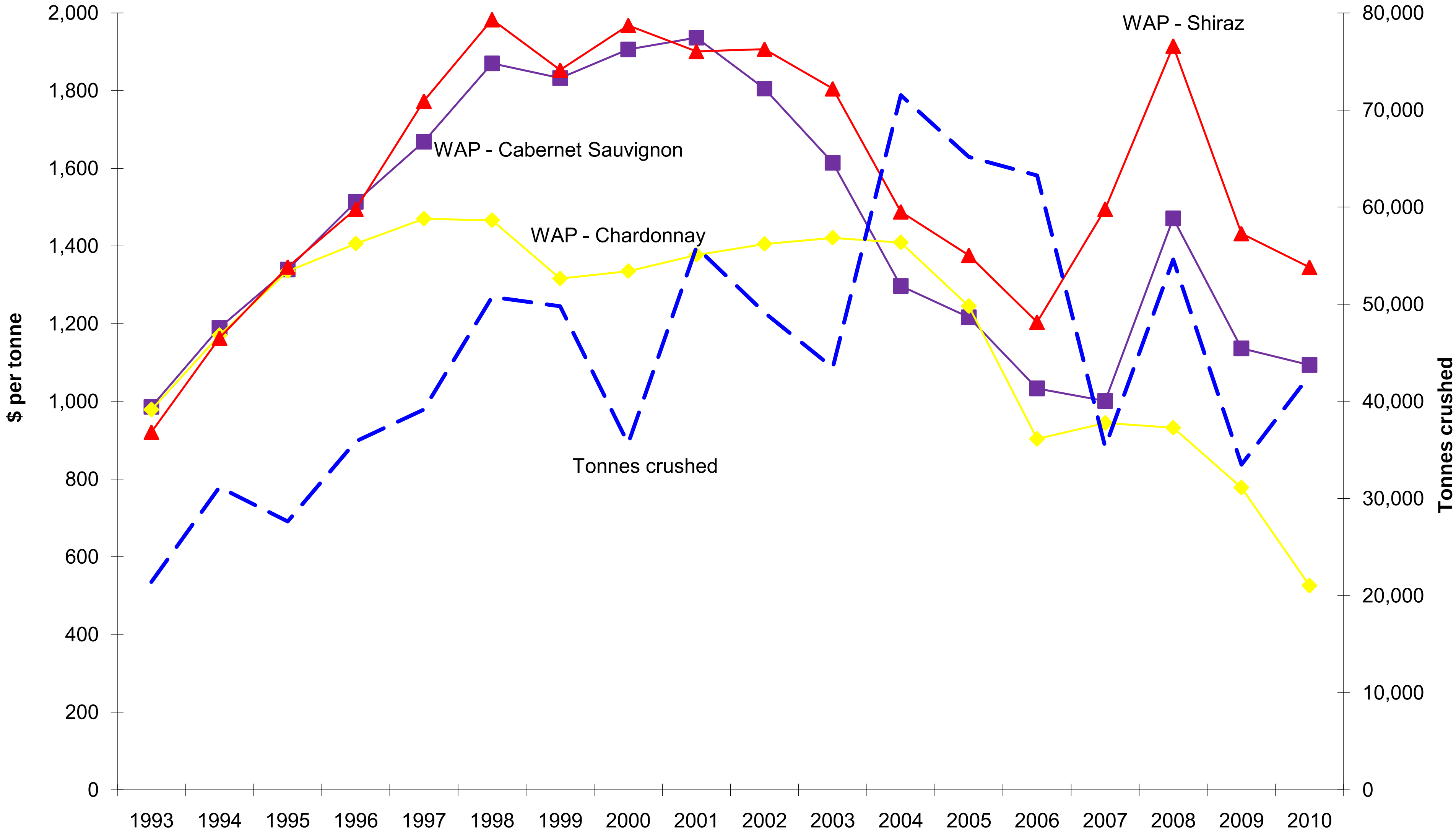
Winegrape intake summary - vintage 2010

Variety	Tonnes purchased	Lowest price[1]	Highest price[1]	Total value purchased grapes	Calc avg. purch. value per tonne	Winery grown fruit	Total crushed[2]	Est total value ALL grapes
RED								
Barbera	3			$4,500	$1,500	72	75	$112,635
Cabernet Franc	84	$400	$1,500	$93,615	$1,114	79	163	$181,579
Cabernet Sauvignon	4,048	$250	$6,000	$4,426,725	$1,094	2,865	6,913	$7,560,209
Grenache	1,123	$300	$3,050	$1,500,602	$1,337	533	1,656	$2,213,680
Malbec	7			$5,654	$790	17	24	$19,110
Mataro	106	$900	$2,500	$175,074	$1,645	171	277	$455,765
Merlot	1,005	$300	$2,500	$910,398	$906	786	1,791	$1,622,594
Nebbiolo	0					95	95	$120,470
Other Red	19	$1,100	$2,000	$26,718	$1,436	105	123	$177,187
Petit Verdot	289	$280	$1,500	$217,489	$752	275	564	$423,895
Pinot Noir	503	$450	$1,976	$458,658	$912	102	605	$551,338
Ruby Cabernet	0					6	6	$7,579
Sangiovese	114	$750	$1,900	$166,902	$1,469	91	205	$301,138
Shiraz	14,852	$200	$6,000	$19,980,457	$1,345	9,542	24,394	$32,816,925
Tempranillo	60	$1,500	$2,000	$106,533	$1,783	62	121	$216,481
Touriga	0					14	14	$17,230
Zinfandel	0					14	14	$17,205
Total Red winegrapes	**22,213**			**$28,073,326**		**14,828**	**37,041**	**$46,815,019**
WHITE								
Chardonnay	1,847	$140	$1,500	$970,788	$526	692	2,539	$1,334,698
Chenin Blanc	98	$500	$1,200	$91,404	$931	86	184	$171,594
Marsanne	108	$1,458	$1,700	$159,071	$1,467	43	151	$222,051
Muscat a Petit Grains Blanc	18			$31,706	$1,745	42	61	$105,605
Other White	85	$200	$1,800	$123,744	$1,448	36	122	$175,917
Pedro Ximenes	10			$7,000	$673	43	53	$35,942
Pinot Gris	66	$1,200	$1,597	$94,691	$1,437	124	190	$272,477
Riesling	244	$300	$1,800	$228,001	$935	81	324	$303,312
Roussanne	65	$1,000	$1,700	$83,659	$1,283	18	83	$106,755
Sauvignon Blanc	384	$80	$2,000	$424,877	$1,105	294	678	$749,365
Semillon	484	$150	$1,003	$308,098	$637	207	690	$439,622
Traminer	14			$10,256	$752	0	14	$10,256
Verdelho	80	$600	$1,210	$89,763	$1,124	90	170	$191,295
Viognier	261	$600	$1,896	$343,285	$1,316	117	378	$497,701
Total White winegrapes	**3,765**			**$2,966,343**		**1,873**	**5,638**	**$4,616,591**
Grand Total All winegrapes	**25,978**			**$31,039,669**		**16,701**	**42,679**	**$51,431,610**

1 Lowest and highest prices are only reported when there are at least three purchasers. Very low prices may relate to extremely small parcels of fruit or fruit delivered that was over the contract amount or penalised for other reasons.

2 It is estimated that the non-response rate for McLaren Vale is 13%.

McLaren Vale **Historical Weighted Average Price vs tonnes crushed**



McLaren Vale

Current plantings by variety and year planted

Current area in hectares

Variety	*Pre-2007*	*2007*	*2008*	*2009*	*Total area*	*% planted in 2009*
Red winegrapes						
Barbera	10	1	3	0	14	*0%*
Cabernet Franc	30	0	0	0	30	*0%*
Cabernet Sauvignon	1263	0	6	5	1274	*0%*
Grenache	422	5	9	3	439	*1%*
Mataro (Mourvedre)	30	3	15	12	60	*19%*
Merlot	279	0	0	0	279	*0%*
Other red	38	3	9	5	55	*8%*
Petit Verdot	60	0	0	0	60	*0%*
Pinot Noir	77	0	0	0	77	*0%*
Sangiovese	47	1	3	1	52	*2%*
Shiraz	3559	47	67	22	3696	*1%*
Tempranillo	26	1	4	2	34	*7%*
Total red winegrapes	**5841**	**62**	**116**	**50**	**6069**	***1%***
White winegrapes						
Albarino	0	3	3	0	6	*0%*
Chardonnay	623	4	0	0	627	*0%*
Chenin Blanc	20	0	2	1	23	*3%*
Marsanne	12	0	0	0	12	*0%*
Muscat A Petit Grains Blanc	7	1	1	1	10	*11%*
Other white	10	0	0	1	11	*9%*
Pinot Gris	22	0	6	0	27	*0%*
Riesling	63	0	0	0	63	*0%*
Roussanne	10	0	0	1	11	*9%*
Sauvignon Blanc	120	4	1	0	125	*0%*
Savignin Blanc	1	0	3	0	5	*0%*
Semillon	98	0	0	0	98	*0%*
Verdelho	23	0	0	0	23	*0%*
Vermentino	0	0	5	1	6	*20%*
Viognier	77	3	1	0	80	*0%*
Total white winegrapes	**1085**	**15**	**22**	**5**	**1128**	***0%***
Rootstock Block	1	0	0	0	1	*0%*
Unknown variety	173	0	0	0	173	*0%*
Total all varieties	**7100**	**77**	**138**	**55**	**7371**	***1%***

McLaren Vale

Estimated supply and committed intake 2011 - 2015

	2011				2013				2015			
	Est Supply [1]	Committed intake[2]			Est Supply [1]	Committed intake[2]			Est Supply [1]	Committed intake[2]		
Variety		*Winery grapes*	*Contract purchases*	*Total committed intake*		*Winery grapes*	*Contract purchases*	*Total committed intake*		*Winery grapes*	*Contract purchases*	*Total committed intake*
Red winegrapes												
Barbera	108	92	0	92	115	114	0	114	115	114	0	114
Cabernet Franc	274	98	57	155	274	97	28	125	274	97	28	125
Cabernet Sauvignon	7,594	4,064	3,345	7,409	7,617	3,749	2,251	6,000	7,617	3,772	1,688	5,460
Grenache	3,868	939	1,436	2,374	3,913	950	1,079	2,029	3,913	950	1,013	1,963
Malbec	0	37	8	45	0	37	8	45	0	37	0	37
Mataro	362	186	129	315	449	183	130	313	449	183	134	318
Merlot	2,510	986	906	1,892	2,510	980	530	1,510	2,510	980	452	1,432
Nebbiolo	0	89	0	89	0	89	0	89	0	89	0	89
Other Red	406	157	21	179	453	167	21	189	453	168	21	190
Petit Verdot	537	311	21	332	537	311	15	325	537	311	15	325
Pinot Noir	694	165	394	560	695	161	320	481	695	161	0	161
Ruby Cabernet	0	0	0	0	0	0	0	0	0	0	0	0
Sangiovese	443	232	112	344	456	271	113	384	456	297	113	410
Shiraz	29,006	11,101	10,847	21,949	29,315	11,027	6,176	17,202	29,315	11,060	4,887	15,947
Tempranillo	259	150	77	227	280	155	59	215	280	167	54	220
Touriga	0	12	0	12	0	12	0	12	0	12	0	12
Zinfandel	0	11	0	11	0	11	0	11	0	11	0	11
Total red winegrapes	**46,060**	**18,631**	**17,354**	**35,985**	**46,612**	**18,315**	**10,730**	**29,044**	**46,612**	**18,408**	**8,406**	**26,814**
White winegrapes												
Chardonnay	5,007	1,346	1,212	2,558	5,017	1,327	607	1,934	5,017	1,330	385	1,715
Chenin Blanc	254	141	99	241	262	141	99	241	262	141	99	241
Marsanne	147	51	124	175	147	51	116	167	147	51	116	167
Muscat a Petit Grains Blanc	96	42	17	59	108	43	17	60	108	43	17	60
Other White	212	51	220	271	260	55	198	253	260	55	203	259
Pedro Ximenes	0	49	0	49	0	49	0	49	0	49	0	49
Pinot Gris	295	146	38	184	308	140	38	179	308	151	38	190
Riesling	505	120	190	310	505	114	142	256	505	114	113	227
Roussanne	126	23	66	88	132	23	60	82	132	23	60	82
Sauvignon Blanc	986	425	261	686	998	388	200	588	998	388	176	564
Semillon	976	252	412	664	976	254	298	553	976	254	137	391
Traminer	0	0	20	20	0	0	6	6	0	0	6	6
Verdelho	275	114	62	176	275	114	6	120	275	114	6	120
Viognier	633	147	172	319	642	131	177	308	642	131	177	308
Total white winegrapes	**9,513**	**2,906**	**2,895**	**5,800**	**9,631**	**2,830**	**1,966**	**4,796**	**9,631**	**2,845**	**1,534**	**4,379**
All winegrapes	**55,573**	**21,537**	**20,248**	**41,785**	**56,243**	**21,145**	**12,695**	**33,840**	**56,243**	**21,253**	**9,940**	**31,193**

[1] *Supply forecast produced by PGIBSA based on the South Australian vineyard register*

[2] *A raising factor of 1.13 has been applied to committed intake to allow for non-respondents*