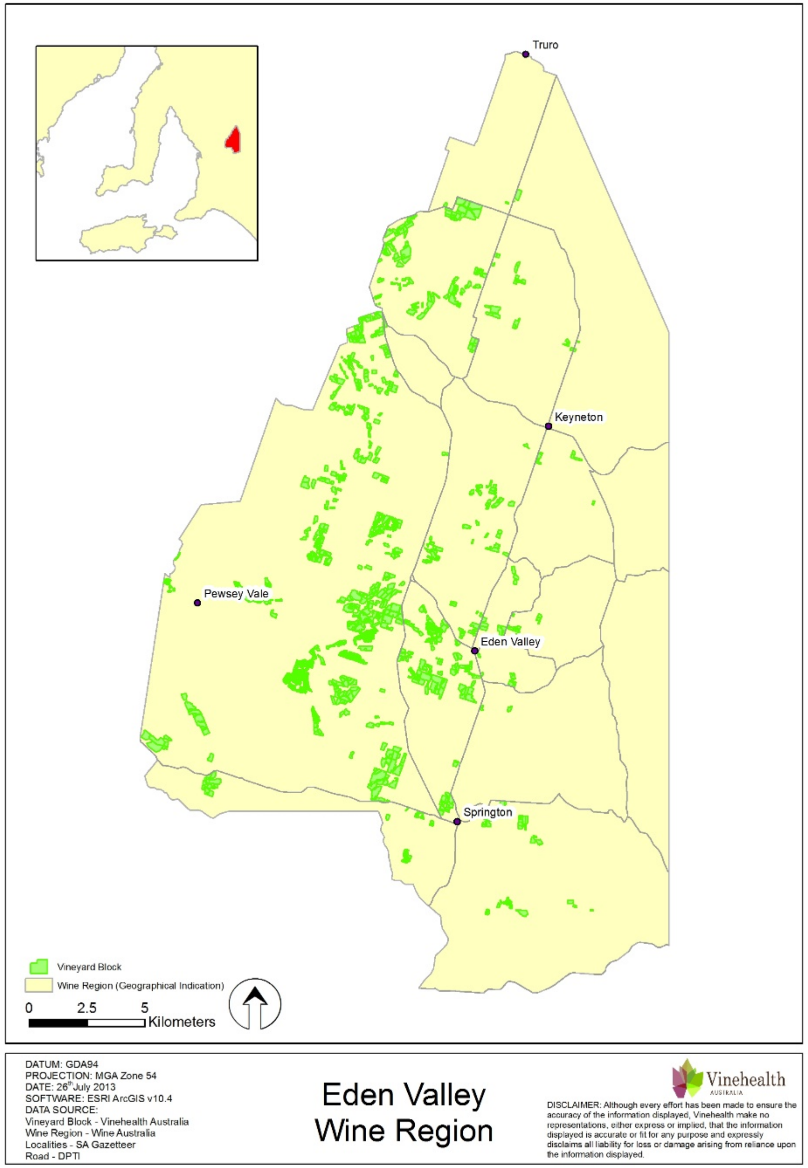

SA Winegrape Crush Survey

Regional Summary Report – 2016

Eden Valley Wine Region

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 90%; however, individual regions may vary. 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 2016).

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

PLANTING DATA

Source of planting data tables

Planting data is not collected by the 2016 Australian Wine Sector Survey. The information is obtained from the vineyard register maintained by Vinehealth Australia (formerly the Phylloxera and Grape Industry Board of South Australia).

Vinehealth Australia 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 Vinehealth Australia, and to report details of their plantings on an annual basis. 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 2016 and include all plantings from the 2015 planting season.
2. 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 2016 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 a slight error in totals or percentages.

EDEN VALLEY

Vintage overview

Vintage report

As in the neighbouring Barossa Valley, the 2015/16 growing season started in the middle of a dry year in the Eden Valley. Annual (2015) rainfall was 530mm, 75% of the long term average. The resulting drier soils combined with a warmer than average spring and early summer (Oct – Dec maximum temps were 1.5-5.5C warmer than average) so the vines grew well and set a good number of bunches.

January was less extreme with average temperatures and few heat spikes. With no rain for most of the month the vines kept ripening their grapes quickly. Up to 25mm of rain fell in the last days of the month, providing welcome refreshment.

February was very slightly below average in temperature and continued to be even and dry, so when harvest started in February it continued evenly. March, while expectedly cooler that February, was above average in temperature and rainfall. By the end of March and Easter many vineyards were picked, although there were a few cooler sites and later varieties that extended into April.

The challenge of the dry season in many vineyards was limited water, as many vineyards in the Eden Valley rely on surface water catchment in dams which hadn't had any run off the winter before. However, despite this, most vineyards ripened evenly and completely, once again proving the tenacity of the grape vine, and the value of old vines.

It was a difficult year for estimating crops. Higher than average bunch numbers in a very dry year meant berries were mostly smaller than average. The diurnal variation, so important to the Eden Valley wine style, was nearly a degree higher on average. The results overall were good but not bumper yields, with great flavours and colours (in reds) and excellent natural acids. Standout varieties this year include Riesling, Cabernet and Shiraz, but disappointments are few.

Louisa Rose – Head of Winemaking, Yalumba

Overview of vintage statistics

The reported harvest from Eden Valley in 2016 was 9,991 tonnes, almost identical to the 2015 harvest (9,658 tonnes).

The five year average crush for Eden Valley is 9,174 tonnes implying that 2016 yields were basically on par with average. Apart from the minimum crush over the period of 6,460 tonnes in 2014, all the past five reported crush figures for Eden Valley have been around 9, 800 tonnes.

The estimated value of fruit from the region was $16.9 million, compared with $15.9 million last year, reflecting a significant jump in the average purchase value across all varieties. The average purchase price for all the major varieties increased again, with Shiraz up by $35 to $2,346 per tonne, Chardonnay up by $160 to $1,103 per tonne, Riesling by $201 to $1,617 per tonne and Cabernet Sauvignon up by $88 to $2,358 per tonne, consolidating significant increases last year. Eden Valley had the highest average price paid for Shiraz, Cabernet Sauvignon, Merlot and Riesling in 2016 and the second highest (after the Adelaide Hills) for Chardonnay.

The price dispersion data shows a similar pattern to last year, with 41% of red tonnages purchased at between $1500 and $2000, while 48% were purchased at over $2000, and in the whites, 25% purchased between $1500 and $2000 and 5% at above $2000.

There were 16 hectares of new plantings in Eden Valley in the 2015-16 season, almost all whites, and the total area increased by 16ha. While the amount of new planting is small, it goes against a trend of zero plantings and net reductions in planted area in most regions last season.

EDEN VALLEY — Winegrape intake summary – vintage 2016

Variety	Tonnes purchased	E[1] (less than $300)	D ($300-$600)	C ($600-$1,500)	B ($1,500-$2,000)	A (above $2,000)	Total value purchased	Calc avg. purch. value per tonne	Winery grown fruit	Total crushed[2]	Est total value ALL grapes
Barbera	-	na	na	na	na	na	$0		1	1	$2,529
Cabernet Franc	11	0%	0%	0%	3%	97%	$22,580	$1,989	4	16	$30,975
Cabernet Sauvignon	452	0%	0%	5%	47%	49%	$1,064,748	$2,358	369	821	$1,935,197
Grenache	9	0%	0%	0%	32%	68%	$20,224	$2,293	8	17	$38,503
Mataro	-	na	na	na	na	na	$0		29	29	$63,474
Merlot	176	0%	0%	40%	60%	0%	$256,284	$1,455	120	297	$431,628
Pinot Noir	174	0%	0%	58%	42%	0%	$240,125	$1,379	105	279	$384,263
Shiraz	1,314	0%	0%	0%	39%	61%	$3,081,647	$2,346	1,025	2,339	$5,485,676
Tempranillo	30	0%	0%	100%	0%	0%	$39,065	$1,300	29	59	$77,181
Other red	67	0%	0%	62%	2%	37%	$101,871	$1,530	83	149	$228,553
Red Total	2,233	0%	0%	12%	41%	48%	$4,826,543	$2,162	1,774	4,007	$8,677,981
Chardonnay	731	0%	25%	58%	17%	0%	$805,920	$1,103	786	1,516	$1,672,633
Muscat a Petit Grains Blanc	23	0%	0%	100%	0%	0%	$20,836	$920	9	32	$29,479
Pinot Gris and Pinot Grigio	106	0%	0%	100%	0%	0%	$135,136	$1,276	288	394	$503,070
Riesling	919	0%	0%	48%	39%	13%	$1,486,221	$1,617	1,978	2,897	$4,686,108
Sauvignon Blanc	148	0%	0%	100%	0%	0%	$154,056	$1,042	162	310	$322,494
Semillon	197	0%	2%	94%	4%	0%	$151,201	$768	26	222	$170,957
Traminer	85	0%	0%	100%	0%	0%	$91,598	$1,072	27	113	$120,945
Viognier	204	0%	0%	37%	62%	1%	$312,010	$1,528	193	398	$607,512
Other white	24	0%	0%	99%	0%	1%	$28,580	$1,205	79	102	$123,240
White Total	2,436	0%	8%	62%	25%	5%	$3,185,558	$1,308	3,549	5,985	$8,236,438
Grand Total	4,669	0%	4%	38%	33%	25%	$8,012,101	$1,716	5,323	9,991	$16,914,419

1 Percentages reflect pricing grade's share of purchases for each variety

2 It is estimated that the non-response rate (NRR) nationally is 10%, however the NRR will vary for each region. Generally, regions will have a lower NRR when there is a high proportion of purchased winegrapes within the region

EDEN VALLEY

Current plantings by variety and year planted

Source: Vinehealth Australia

Variety	Current area in hectares Pre-2013	2013	2014	2015	Total area	% planted in 2015
Red winegrapes						
Cabernet Franc	5	0	0	0	5	0%
Cabernet Sauvignon	303	4	0	2	309	1%
Grenache	20	0	0	0	20	0%
Mataro (Mourvedre)	10	0	0	0	10	0%
Merlot	72	0	0	0	72	0%
Meunier (Pinot Meunier)	2	0	0	0	2	0%
Other Red	7	1	1	0	9	1%
Petit Verdot	10	0	0	0	10	0%
Pinot Noir	62	0	0	1	63	1%
Sangiovese	2	0	0	0	2	0%
Shiraz	704	9	7	0	720	0%
Tempranillo	9	0	0	0	9	0%
Total red varieties	**1,205**	**15**	**8**	**3**	**1,230**	**0%**
White winegrapes						
Chardonnay	256	6	2	7	271	3%
Muscat A Petit Grains Blanc (White Frontignac)	7	0	0	0	7	0%
Other White	11	1	2	0	14	0%
Pinot Gris	34	1	0	0	36	0%
Riesling	539	0	5	7	551	1%
Roussanne	6	0	0	0	6	0%
Sauvignon Blanc	60	0	0	0	60	0%
Savagnin	3	0	0	0	3	0%
Semillon	25	0	0	0	25	0%
Traminer (Gewurztraminer)	17	2	1	0	19	0%
Viognier	41	1	0	0	42	0%
Total white varieties	**1,000**	**12**	**10**	**14**	**1,035**	**1%**
Unknown variety	14	0	0	0	14	0%
Total all varieties	**2,219**	**27**	**17**	**16**	**2,280**	**1%**