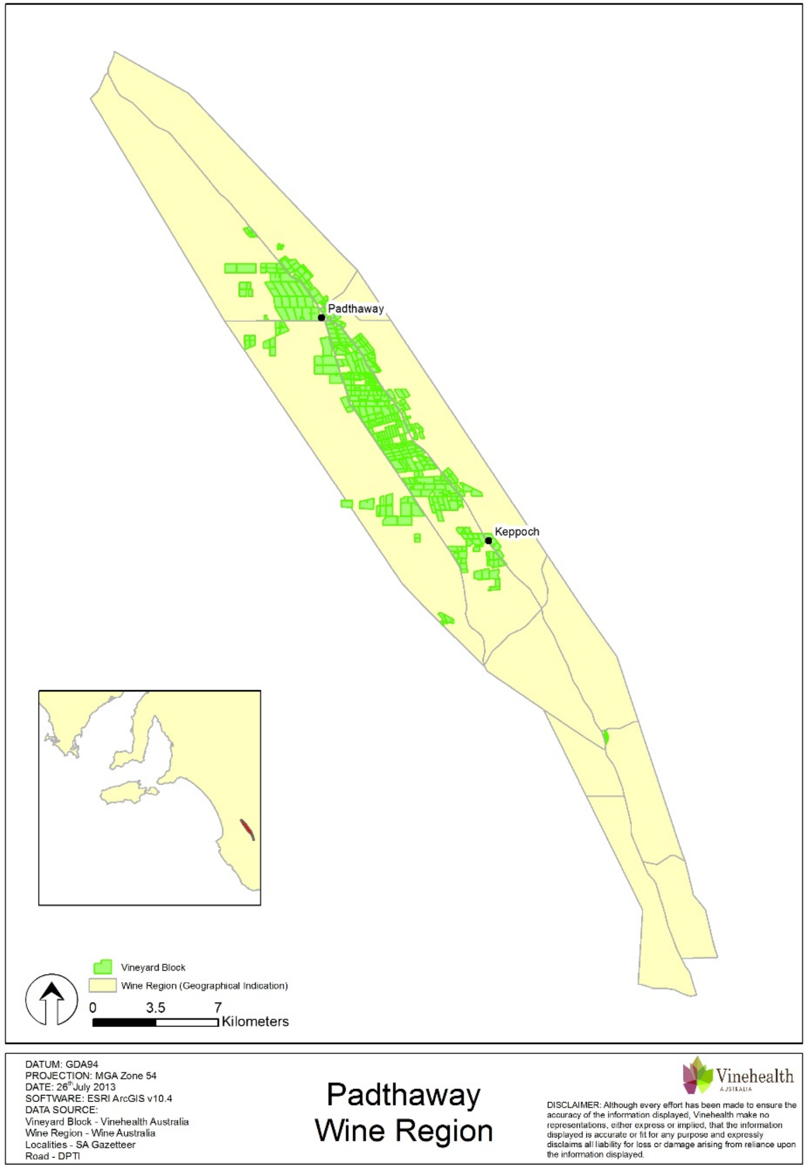

SA Winegrape Crush Survey

Regional Summary Report – 2016

Padthaway 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.

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Vintage overview

Vintage report

The 2016 season commenced once again with low winter and spring rainfall making it one of the driest years recorded. Because of this growers had to be vigilant when it came to supplementary irrigation in order to optimise the resource to maintain a fully functional canopy. We were fortunate not to receive the extreme high temperatures over 40 degrees as was seen in Vintage 2015.

Again due to the warm dry conditions presented to us, no significant disease pressure occurred. This also led to a reduction in the number of spray applications.

Vintage commenced on the 28th of January, similar in timing to last year, with the harvesting of Sauvignon Blanc followed closely by Pinot Gris and Chardonnay. As we experienced in 2015, we had another compressed vintage with most of the fruit being harvested over a two to three week period and with the majority being picked before Easter. The compressed vintages are becoming more frequent and I wonder if this is what we should expect in the coming years adding pressure to the whole supply chain from vineyard to the winery.

Yields increased to a more average year in comparison to the last two years. Warmer temperatures during flowering helped to promote an ideal fruit set resulting in a good number of berries per bunch. It was also pleasing to see Cabernet Sauvignon return to a more reasonable yield.

Winemakers are very happy with the quality of fruit delivered. Early indications are showing great colour with depth and balanced flavours in the reds and great varietal flavours in the whites

Andrew Bryson, President
Padthaway Grape Growers Association

Overview of vintage statistics

The harvest from the Padthaway region in 2016 was 44,922 tonnes – the largest since 2008 and the third highest crush from the region on record. Last year's was the smallest since 2007.The five year average crush for Padthaway is 31,723 tonnes.

The total estimated value of grapes almost doubled from $21 million to over $38 million, reflecting a slight increase in average grape prices as well as the larger tonnage. As well as doubling in volume, the average price for Cabernet Sauvignon increased by $81 to $1068 per tonne, while Shiraz increased in volume by over 70% and the average price increased by $66 per tonne to $1083 per tonne. In the whites, Pinot Gris increased by 50% in volume and by $6 in average price to $999 per tonne, the average price for Chardonnay decreased by $89 to $526 per tonne and Sauvignon Blanc decreased by $39 to $786 per tonne.

The price dispersion data shows that 95% of red tonnages were purchased at $600 or more, while for the whites, 54% were purchased at $600 or more compared with 62% in 2015.

There were only eight hectares of new plantings recorded in the region in 2015 – all Shiraz. This compares with 41 hectares in 2014 and 48 hectares in 2013 –all Cabernet Sauvignon. There was a net decrease of 75 hectares in vineyard area in the region – almost all losses being in white varieties.

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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
Cabernet Franc	69	0%	0%	100%	0%	0%	$45,322	$661	-	69	$45,322
Cabernet Sauvignon	5,824	0%	1%	95%	2%	1%	$6,220,199	$1,068	2,132	7,956	$8,497,120
Malbec	249	0%	0%	100%	0%	0%	$249,350	$1,000	660	909	$909,060
Merlot	1,328	0%	50%	50%	0%	0%	$792,267	$596	1,016	2,345	$1,398,436
Pinot Noir	1,026	0%	2%	98%	0%	0%	$847,280	$826	350	1,376	$1,136,182
Sangiovese	-	na	na	na	na	na	$0		48	48	$48,761
Shiraz	7,088	0%	1%	96%	2%	1%	$7,677,207	$1,083	4,210	11,298	$12,237,625
Tempranillo	-	na	na	na	na	na	$0		9	9	$8,889
Other red	-	na	na	na	na	na	$0		5	5	$5,384
Red Total	15,585	0%	5%	92%	2%	1%	$15,831,625	$1,016	8,430	24,015	$24,286,777
Arneis	-	na	na	na	na	na	$0		11	11	$7,361
Chardonnay	8,503	2%	68%	29%	0%	0%	$4,474,882	$526	4,322	12,824	$6,749,384
Pinot Gris and Pinot Grigio	2,633	0%	0%	100%	0%	0%	$2,629,533	$999	515	3,148	$3,144,342
Riesling	350	0%	15%	85%	0%	0%	$324,480	$927	2,072	2,422	$2,244,210
Sauvignon Blanc	1,303	0%	0%	100%	0%	0%	$1,024,416	$786	114	1,417	$1,114,196
Traminer	181	0%	0%	100%	0%	0%	$117,559	$650	234	414	$269,412
Verdelho	-	na	na	na	na	na	$0		281	281	$186,006
Viognier	98	0%	0%	100%	0%	0%	$98,030	$1,000	239	337	$337,030
Other white	46	na	na	na	na	na	$11,430	$250	6	52	$13,050
White Total	13,113	2%	45%	54%	0%	0%	$8,680,330	$662	7,794	20,907	$14,064,992
Grand Total	28,698	1%	23%	74%	1%	1%	$24,511,955	$854	16,225	44,922	$38,351,769

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

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Current plantings by variety and year planted

Source: Vinehealth Australia

	Current area in hectares					
Variety	Pre-2013	2013	2014	2015	Total area	% planted in 2015
Red winegrapes						
Cabernet Franc	12	0	0	0	12	0%
Cabernet Sauvignon	844	48	41	0	933	0%
Malbec	80	0	0	0	80	0%
Merlot	188	0	0	0	188	0%
Other Red	9	0	0	0	9	0%
Pinot Noir	120	0	0	0	120	0%
Shiraz	1,181	0	0	8	1,189	1%
Total red varieties	**2,434**	**48**	**41**	**8**	**2,531**	**0%**
White winegrapes						
Chardonnay	956	0	0	0	956	0%
Other White	10	0	0	0	10	0%
Pinot Gris	152	0	0	0	152	0%
Riesling	151	0	0	0	151	0%
Sauvignon Blanc	89	0	0	0	89	0%
Semillon	17	0	0	0	17	0%
Traminer (Gewurztraminer)	34	0	0	0	34	0%
Verdelho	20	0	0	0	20	0%
Viognier	19	0	0	0	19	0%
Total white varieties	**1,448**	**0**	**0**	**0**	**1,448**	**0%**
Total all varieties	**3,882**	**48**	**41**	**8**	**3,980**	**0%**