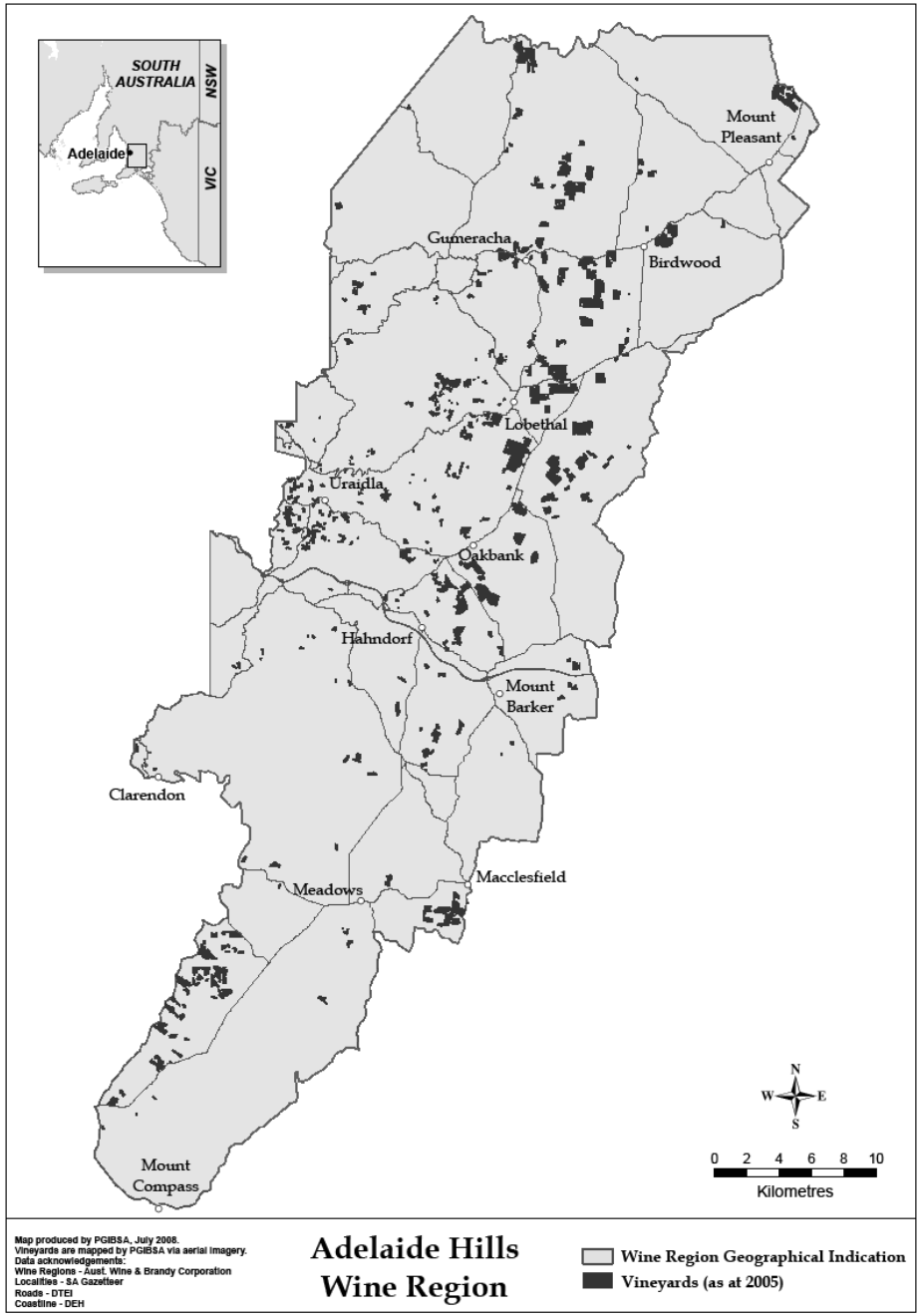

Adelaide Hills Wine Region

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

Peter Carmalt, the Australian Wine and Brandy Corporation, Sandy Hathaway and Rachel Inness - Phylloxera and Grape Industry Board of SA.

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DISCLAIMER

While every effort is made to ensure the accuracy and integrity of the information reported in this document, no responsibility is taken for any errors or omissions. The Phylloxera and Grape Industry Board of South Australia expressly disclaims any liability for the accuracy and sufficiency of the information, and in no circumstances shall it be held liable for the consequences of decisions, actions, assumptions and interpretations made by those who use the information contained within the report.

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
+618 8362 0488
admin@phylloxera.com.au

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.

Adelaide Hills

Vintage overview

Vintage report

Winter rainfall was close to long term average for most parts of the Adelaide Hills, resulting in soil moisture profiles being full. Temperatures remained cool in September, and budburst on most varieties was in line with the long term average. Temperatures during October increased rapidly, encouraging strong canopy development. The warmer than normal conditions continued during November, with heatwave conditions recorded in mid November. The heat and degree day accumulation resulted in phenology being ahead of average by the end of spring.

The warm conditions during early November were favourable for flowering particularly in the early varieties such as Chardonnay and Pinot Noir that consequently had very good set, whereas the heat wave did impact on set in some of the mid range varieties such as Sauvignon Blanc and Shiraz. Later varieties such as Cabernet Sauvignon completed flowering after the heatwave and set well.

Mild weather conditions during summer, in addition to the heat in November, contributed to an early start to vintage, which was approximately 14-21 days ahead of average. Nevertheless conditions during the ripening period were ideal with no late rain, mild day time temperatures and cold nights frequently below 10°C, all conducive to excellent flavour development and the retention of natural acidity in the fruit.

Harvest commenced in mid February with Pinot Noir for sparkling. Fruit ripened relatively fast resulting in another condensed vintage with harvest for most varieties being completed by mid March. Most varieties including Chardonnay, Sauvignon Blanc, Riesling, Cabernet Sauvignon, Shiraz and Merlot yielded close to average, whereas some varieties (if not shoot or fruit thinned) were well above average - including Pinot Noir and Pinot Gris.

In summary: while conditions during November were testing, good winter rainfall and generally mild conditions resulted in strong vine and crop development early in the season and mild conditions during the ripening period resulted in some of the best quality fruit for a number of years.

Murray Leake
Australian Vintage Ltd and Adelaide Hills Wine Region

Overview of vintage statistics

The harvest from the Adelaide Hills was 28,161 tonnes in 2010, 10,000 tonnes below the record 2004 harvest but above the vintages of 2005, 2006, 2007 and 2009. The total value of grapes from the Adelaide Hills increased marginally from $31 million to $33 million. The significant increases in average purchase values that occurred in 2007 and 2008 were not sustained in the major varieties, with Sauvignon Blanc falling by over $600 per tonne since 2008 to the lowest it has been since 1994. Chardonnay also fell by over $400 per tonne since 2008 to a record low for the region of $971.

New plantings in the Adelaide Hills in the 2009 season (including top-working and replacements) were 74 hectares (2% of the total area). This rate of growth is half what it was in 2008 but was higher than the average across the state (1%). The most planted variety recently was Pinot Noir, with 24 hectares in 2009 and 49 hectares in 2008. This variety had very little new plantings in the years prior to that.

The estimated production from the Adelaide Hills region for 2011 is 25,400 tonnes with 21,500 tonnes committed to the wineries, leaving around 3,900 tonnes (18%) uncontracted.

In 2015, the estimated production for the Adelaide Hills climbs slightly to 26,000 tonnes, of which only 12,000 tonnes is already under contract or winery grown fruit. This proportion of already committed fruit is almost one-half but leaves around 14,000 tonnes yet to be contracted, or available on the open market.

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

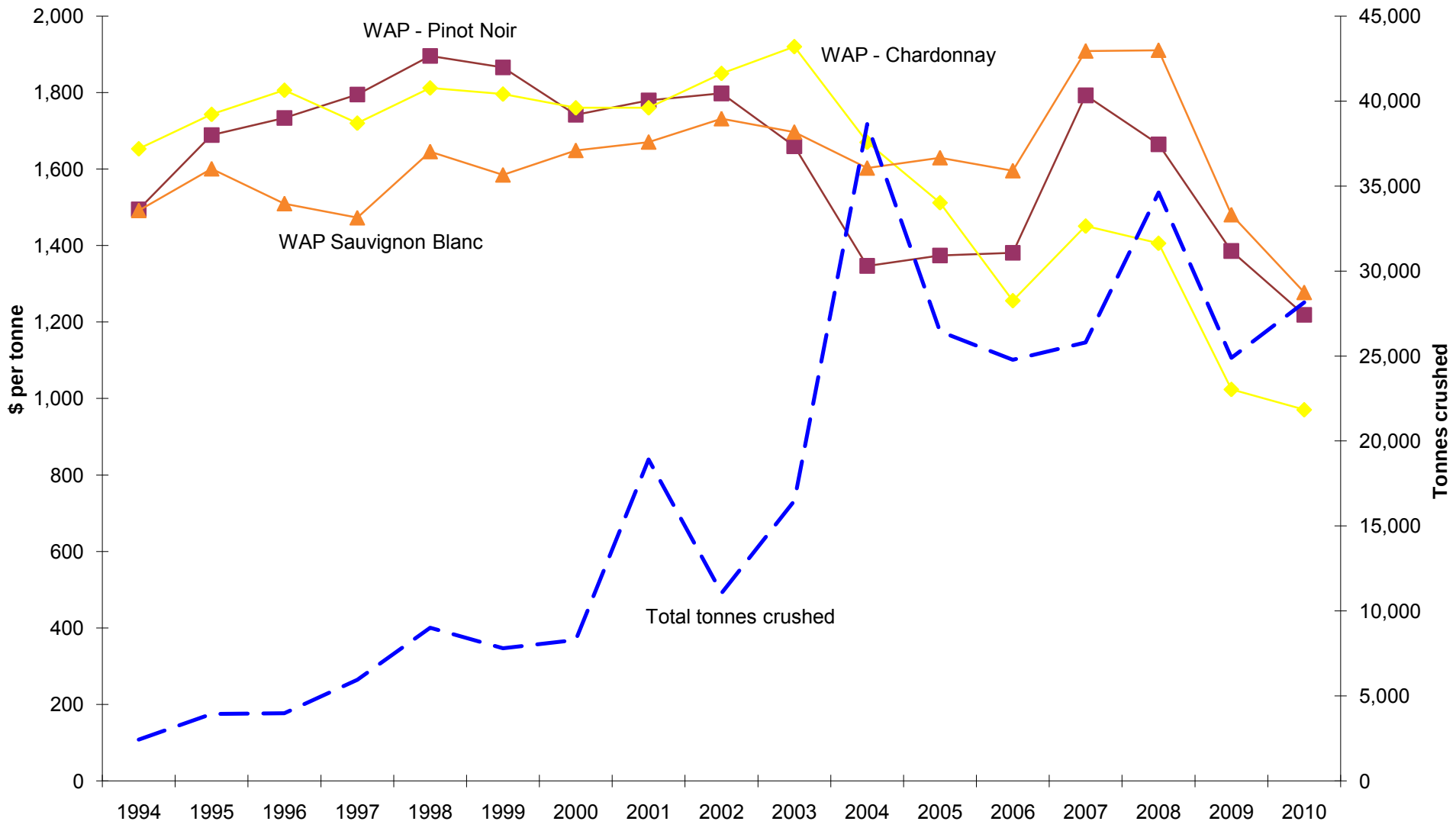
Variety	Tonnes purchased	Lowest price[1]	Highest price[1]	Total value purchased grapes	Calc avg. purch. value per tonne	Winery grown fruit	Total crushed[2]	Est total value ALL grapes
RED								
Barbera	14			$15,611	$1,155	0	14	$15,611
Cabernet Franc	0					12	12	$14,111
Cabernet Sauvignon	725	$500	$2,000	$746,578	$1,029	274	999	$1,028,224
Grenache	9	$500	$750	$5,465	$593	0	9	$5,465
Malbec	5			$5,000	$1,000	0	5	$5,000
Mataro	6			$8,610	$1,389	0	6	$8,610
Merlot	902	$230	$1,800	$743,453	$825	193	1,094	$902,301
Meunier	126	$700	$1,800	$121,346	$966	0	126	$121,346
Nebbiolo	4			$12,000	$3,000	16	20	$60,360
Petit Verdot	0					0	0	$441
Pinot Noir	5,000	$500	$3,000	$6,095,081	$1,219	660	5,659	$6,899,193
Sangiovese	63	$1,000	$1,700	$73,984	$1,183	0	63	$73,984
Shiraz	892	$250	$3,500	$1,266,975	$1,420	592	1,484	$2,107,062
Tempranillo	27	$1,450	$1,800	$44,830	$1,660	28	55	$90,523
Zinfandel	0					50	50	$58,794
Total Red winegrapes	**7,772**			**$9,138,932**		**1,823**	**9,595**	**$11,391,025**
WHITE								
Chardonnay	4,384	$100	$4,300	$4,255,758	$971	960	5,343	$5,187,328
Marsanne	1			$1,300	$1,300	0	1	$1,300
Other White	69	$700	$2,000	$78,198	$1,132	25	94	$106,014
Pinot Gris	1,291	$500	$2,700	$1,934,813	$1,499	828	2,119	$3,176,843
Riesling	634	$250	$2,124	$523,214	$825	127	761	$627,669
Sauvignon Blanc	6,376	$300	$3,416	$8,146,768	$1,278	2,527	8,903	$11,375,743
Semillon	388	$200	$2,500	$370,620	$955	279	667	$637,479
Traminer	269	$800	$1,900	$231,000	$858	69	338	$290,417
Verdelho	105	$250	$1,375	$86,930	$830	9	113	$94,152
Viognier	180	$200	$2,000	$137,627	$764	46	226	$172,491
Total White winegrapes	**13,696**			**$15,766,228**		**4,869**	**18,566**	**$21,669,436**
Grand Total All winegrapes	**21,468**			**$24,905,160**		**6,693**	**28,161**	**$33,060,462**

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 Adelaide Hills is 3%.

Adelaide Hills

Historical Weighted Average Price vs tonnes crushed



Current plantings by variety and year planted

Variety	Current area in hectares					
	Pre-2007	*2007*	*2008*	*2009*	*Total area*	*% planted in 2009*
Red winegrapes						
Barbera	1	0	0	0	1	*0%*
Cabernet Franc	3	0	0	0	3	*0%*
Cabernet Sauvignon	216	0	3	0	219	*0%*
Grenache	3	0	0	0	3	*0%*
Merlot	224	0	0	0	224	*0%*
Meunier (Pinot Meunier)	28	0	0	0	28	*0%*
Nebbiolo	6	1	1	0	9	*0%*
Other red	12	1	3	6	22	*27%*
Petit Verdot	2	0	0	0	2	*0%*
Pinot Noir	573	2	49	24	648	*4%*
Sangiovese	8	1	1	0	10	*1%*
Shiraz	322	0	4	5	331	*2%*
Tempranillo	15	0	2	5	22	*25%*
Total red winegrapes	**1,415**	**6**	**62**	**41**	**1,523**	***3%***
White winegrapes						
Chardonnay	888	0	0	1	890	*0%*
Other white	14	1	6	9	29	*29%*
Pinot Gris	201	26	27	9	263	*4%*
Riesling	93	1	0	1	96	*1%*
Sauvignon Blanc	882	86	40	11	1,020	*1%*
Savagnin Blanc	0	1	10	0	12	*0%*
Semillon	84	0	0	0	84	*0%*
Traminer (Gewurtztraminer)	21	0	0	2	23	*7%*
Verdelho	15	0	1	0	16	*0%*
Viognier	62	0	1	0	63	*0%*
Total white winegrapes	**2,262**	**116**	**85**	**33**	**2,496**	***1%***
Unknown variety	7	0	0	0	7	*0%*
Rootstock Block	1	0	0	0	2	*0%*
Total all varieties	**3,685**	**122**	**147**	**74**	**4,027**	***2%***

Adelaide Hills

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	7	0	8	8	7	0	8	8	7	0	8	8
Cabernet Franc	12	12	0	12	12	21	0	21	12	31	0	31
Cabernet Sauvignon	870	328	554	882	872	339	197	535	872	344	128	471
Grenache	17	0	3	3	17	0	3	3	17	0	3	3
Malbec	0	0	5	5	0	0	5	5	0	0	5	5
Mataro	0	0	5	5	0	0	5	5	0	0	5	5
Merlot	1,120	161	520	681	1,120	158	273	430	1,120	158	226	383
Meunier	170	0	116	116	170	0	33	33	170	0	33	33
Nebbiolo	40	16	4	21	43	16	4	21	43	20	4	24
Other Red	57	9	0	9	72	18	0	18	72	18	0	18
Petit Verdot	9	0	0	0	9	0	0	0	9	0	0	0
Pinot Noir	4,795	627	2,912	3,540	4,975	615	1,167	1,782	4,975	584	1,294	1,878
Sangiovese	53	0	48	48	55	0	0	0	55	0	0	0
Shiraz	1,295	746	730	1,476	1,309	755	365	1,119	1,309	765	160	925
Tempranillo	62	36	18	54	75	39	13	53	75	39	13	53
Zinfandel	0	41	0	41	0	41	0	41	0	41	0	41
Total red winegrapes	**8,506**	**1,978**	**4,924**	**6,903**	**8,735**	**2,001**	**2,073**	**4,074**	**8,735**	**1,999**	**1,879**	**3,878**
White winegrapes												
Chardonnay	5,332	1,103	3,147	4,250	5,335	1,053	1,192	2,245	5,335	972	976	1,948
Other White	148	32	86	118	199	15	85	101	199	15	68	83
Pinot Gris	1,858	816	607	1,424	2,000	826	369	1,195	2,000	819	341	1,160
Riesling	659	161	471	631	666	169	58	227	666	171	58	229
Sauvignon Blanc	7,701	2,809	4,274	7,083	8,018	2,839	2,617	5,456	8,018	2,728	1,635	4,363
Semillon	588	301	233	533	589	303	61	364	589	306	15	321
Traminer	170	69	161	230	177	74	0	74	177	74	0	74
Verdelho	112	8	93	101	113	8	0	8	113	0	0	0
Viognier	378	91	132	223	379	106	78	185	379	106	78	185
Total white winegrapes	**16,946**	**5,390**	**9,203**	**14,594**	**17,476**	**5,395**	**4,461**	**9,856**	**17,476**	**5,192**	**3,171**	**8,364**
All winegrapes	**25,452**	**7,369**	**14,128**	**21,496**	**26,210**	**7,396**	**6,534**	**13,930**	**26,210**	**7,192**	**5,050**	**12,241**

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

[2] *A raising factor of 1.03 has been applied to committed intake to allow for non-respondents*