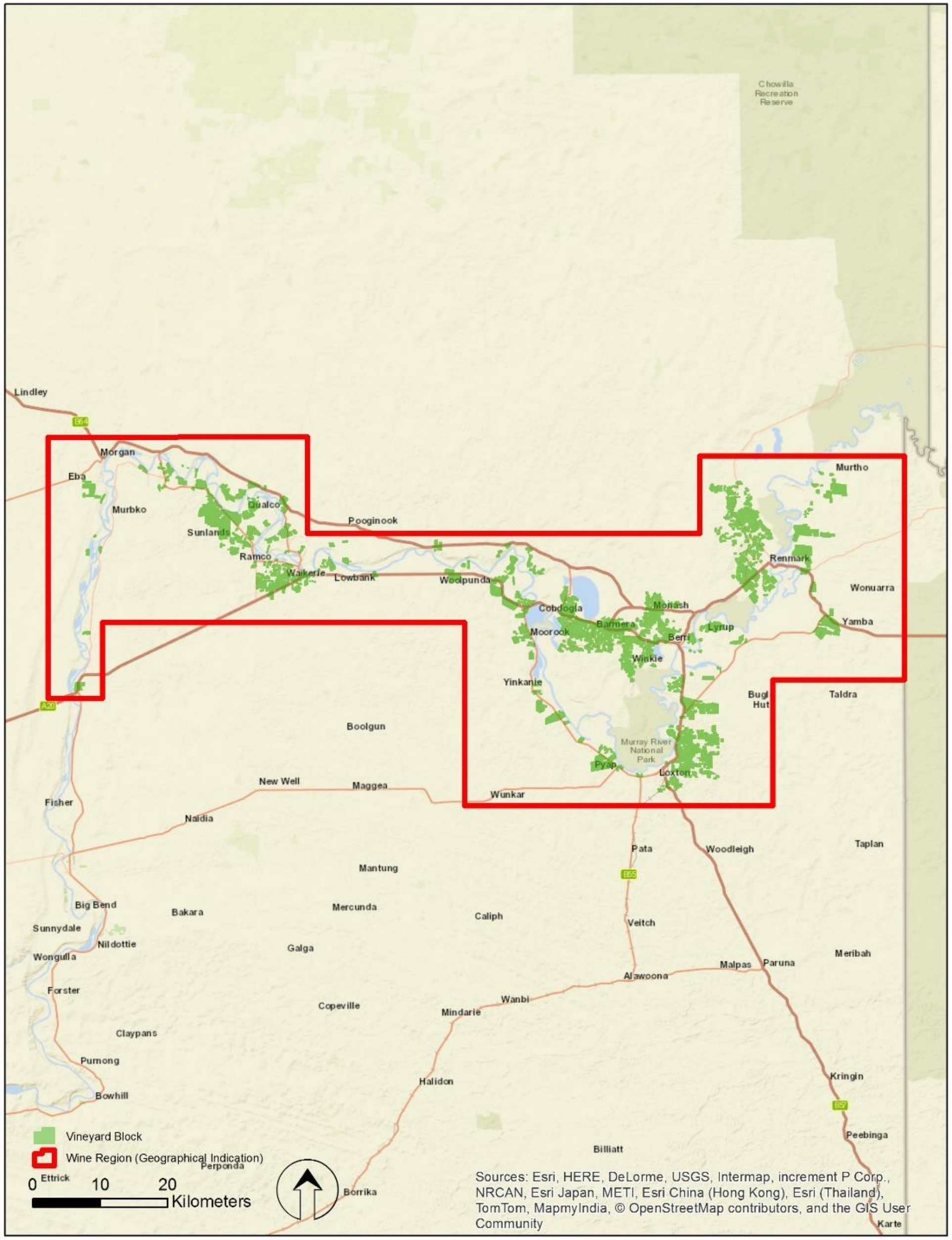

DATUM: GDA94
PROJECTION: MGA Zone 54
DATE: 8th March 2017
SOFTWARE: ESRI ArcGIS v10.4
DATA SOURCE:
Vineyard Block - Vinehealth Australia
Wine Region - Wine Australia

Riverland Wine Region

Vinehealth Australia

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SA Winegrape Crush Survey

Regional Summary Report 2017

Riverland Wine Region

Wine Australia July 2017

Riverland

Vintage overview

VINTAGE REPORT

Vintage 2017 witnessed another solid contribution from growers and wineries across the region with total tonnage likely to exceed the 456K tonnes of 2016 despite the hailstorm in November, which is estimated to have resulted in crop losses of 20K-30K tonnes.

Early disease concerns failed to materialise and rejection rates were very low. Unusually heavy February rains, followed closely by an intense three-day heatwave proved challenging and impacted markedly on baumé trends, particularly for Shiraz. Many assessors reported seed and skin ripeness well ahead of baumé. This gave rise to indecision and disappointment for many and also hampered scheduling for some.

Alternative and organic winegrowers reported a successful year with no disease, good yields and wines offering early signs of outstanding wine outcomes.

Feedback from Riverland wineries suggest:

- A full 4 week vintage slippage due to the relatively cool growing period
- Merlot – an excellent year
- Chardonnay, Sauvignon Blanc and Cabernet Sauvignon – very good wine outcomes
- Shiraz – a good result despite baumé levels being uniformly and significantly hindered by the February wet / heat phenomenon

Chris Byrne, Riverland Wine

OVERVIEW OF VINTAGE STATISTICS

The reported harvest from the Riverland in 2017 was 470,123 tonnes, up on the 456,988 tonnes reported in 2016.

The five-year average crush (2013-2017) for the Riverland is 442,774 tonnes. The actual crush has increased each year since 2010 and was higher again this year than last year, which eclipsed the 2004 crush when the state total was the highest on record.

The total estimated value of all grapes increased from $114 million to $162 million, reflecting an increase in the overall average price paid as well as the increased tonnes.

The average prices for most major varieties increased. For whites, Chardonnay increased by 6% to $310 per tonne, Sauvignon Blanc by 10% to $380 and Pinot Gris by 5% to $503 per tonne. In the reds, Shiraz increased by 18% to $396 per tonne, Cabernet Sauvignon increased 13% to $391 per tonne and Merlot by 9% to $390 per tonne.

The price dispersion data shows that 97% of red tonnages were purchased at between $300 and $600 per tonne and only 3% at below $300 per tonne, compared with 20% in 2015. For the whites, 65% were purchased at between $300 and $600 and 35% below $300 per tonne.

There were 127 hectares of new plantings in 2016, compared with 144 hectares the previous year. Shiraz (57 hectares) and Pinot Gris/Grigio (42 hectares) were the main contributors to the increase in new plantings. There was a net reduction in total vineyard area in the Riverland of nearly 300 hectares.

Riverland

Winegrape intake summary table - red

Variety	Tonnes purchased	E (less than $300)	D ($300-$600)	C ($600-$1,500)	B ($1,500-$2,000)	A (above $2000)	Total value purchased	Calc avg. purch value per tonnes	Change in price YoY	Winery grown fruit	Share of own grown	Total crushed	Est total value ALL grapes
Red													
Barbera	19											19	$6,460
Cabernet Franc	6											6	$1,650
Cabernet Sauvignon	50921		100%	0%			$19,907,028	$391	13%	15852	24%	66773	$26,104,183
Dolcetto	4											4	$1,183
Durif	331		98%	2%			$164,025	$495	24%	178	35%	509	$252,159
Grenache	5502	43%	56%	0%			$1,835,594	$334	19%	1195	18%	6697	$2,234,218
Lagrein	29	31%		58%		11%	$25,957	$906	78%			29	$25,957
Malbec	278									219	44%	497	$146,639
Mataro/Mourvedre	2371	43%	57%	0%			$837,673	$353	13%	203	8%	2574	$909,288
Merlot	18630	0%	100%				$7,269,946	$390	9%	8449	31%	27079	$10,567,002
Montepulciano	122		56%	41%		3%	$76,700	$628	-6%	53	30%	175	$110,210
Muscat a Petit Grains Rouge/Rose	144											144	$61,935
Petit Verdot	6840	1%	98%	1%			$2,424,877	$355	5%	4839	41%	11680	$4,140,487
Pinot Noir	7402		100%				$2,842,173	$384	6%	996	12%	8397	$3,224,487
Ruby Cabernet	973		100%				$340,892	$350	16%	781	45%	1754	$614,574
Sangiovese	98	25%	75%				$36,019	$366	83%	334	77%	432	$158,399
Shiraz	91880	1%	98%	1%			$36,424,766	$396	18%	24621	21%	116501	$46,185,537
Tarrango	247											247	$59,800
Tempranillo	568		98%	0%		1%	$242,908	$428	23%	217	28%	785	$335,785
Other red	1217	3%	94%	2%		0%	$565,383	$465	0%	904	43%	2121	$985,429
Total red	**187591**	**3%**	**97%**	**0%**		**0%**	**$73,209,538**	**$390**	**14%**	**58841**	**24%**	**246423**	**$96,125,382**

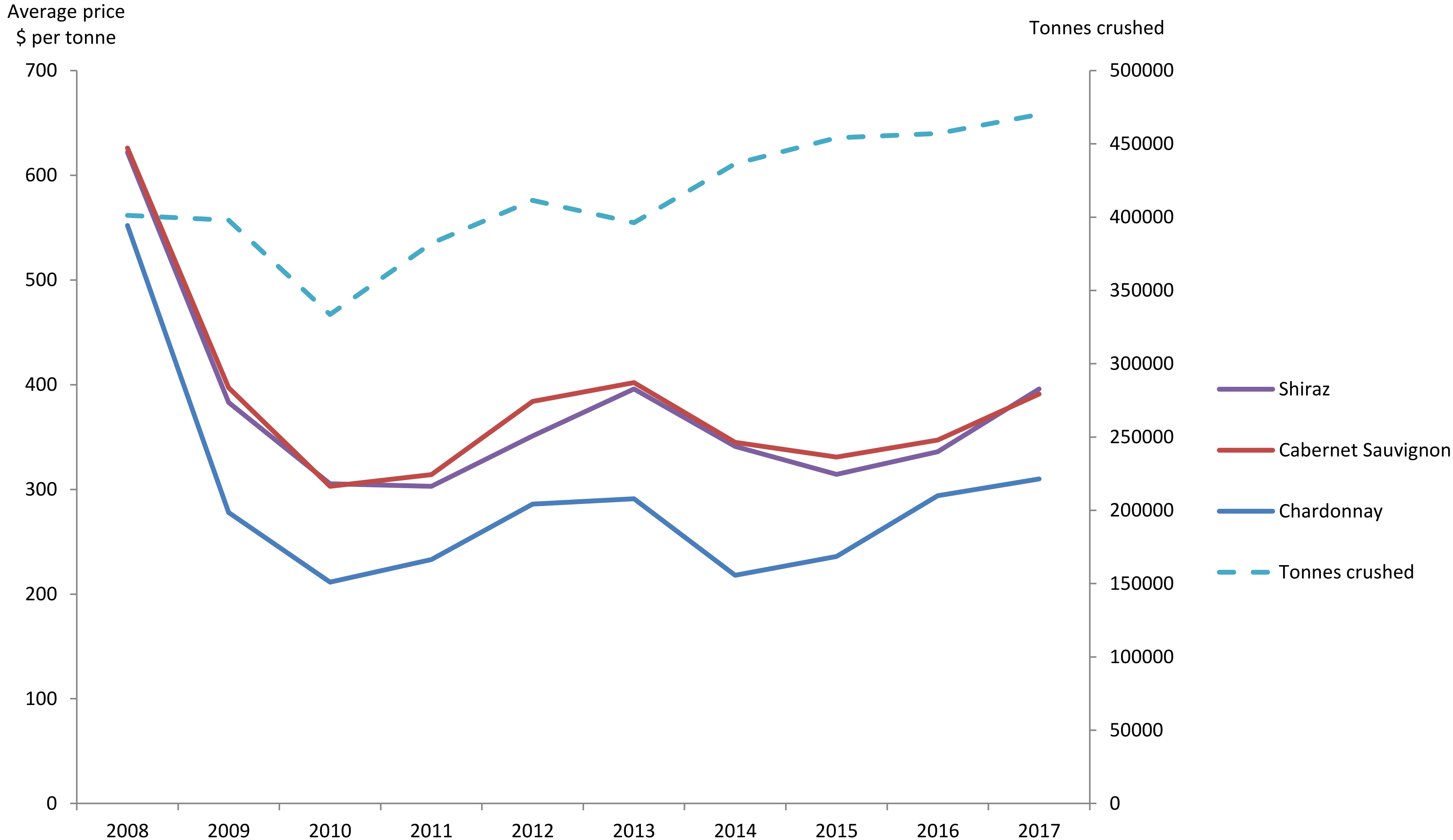
Riverland

Winegrape intake summary table - white

Variety	Tonnes purchased	E (less than $300)	D ($300-$600)	C ($600-$1,500)	B ($1,500-$2,000)	A (above $2000)	Total value purchased	Calc avg. purch value per tonnes	Change in price YoY	Winery grown fruit	Share of own grown	Total crushed	Est total value ALL grapes
White													
Canada Muscat	35									55	61%	90	$45,045
Chardonnay	96701	5%	95%	0%			$30,017,063	$310	6%	19654	17%	116355	$36,117,824
Chenin blanc	1740	100%					$393,142	$226	10%			1740	$393,142
Colombard	24899	100%					$5,527,408	$222	9%	4016	14%	28915	$6,418,996
Doradillo	38									95	71%	133	$29,033
Fiano	186		83%	16%	2%		$100,821	$541	28%			186	$100,821
Gewurztraminer	992		100%				$373,503	$377	-18%	1633	62%	2625	$988,522
Moscato Giallo	56											56	$14,045
Muscadelle (Tokay)										33	100%	33	$9,610
Muscat a Petit Grains Blanc	4074	3%	97%				$1,259,277	$309	3%	808	17%	4882	$1,508,868
Muscat Gordo Blanco	24913	98%	2%				$5,771,935	$232	10%	4605	16%	29518	$6,838,843
Pinot Gris/Grigio	1995		100%				$1,004,381	$503	5%	665	25%	2661	$1,339,335
Riesling	1900	6%	94%				$607,485	$320	-2%	619	25%	2519	$805,263
Roussanne	9											9	$2,452
Sauvignon Blanc	14267	1%	99%				$5,424,181	$380	10%	4974	26%	19241	$7,315,336
Semillon	4787	90%	10%				$1,287,573	$269	7%	4968	51%	9755	$2,623,766
Sultana	132	100%					$28,189	$214	-1%			132	$28,189
Verdelho	1397	57%	42%	2%			$479,604	$343	-10%	41	3%	1438	$493,564
Vermentino	534	10%	87%	3%			$220,616	$413	2%	323	38%	856	$353,965
Viognier	1313	28%	60%	12%			$480,149	$366	-5%	424	24%	1737	$635,153
Other white	605	97%	2%	2%			$146,767	$243	5%	216	26%	821	$199,212
Total white	**180564**	**35%**	**65%**	**0%**	**0%**		**$53,162,015**	**$294**	**5%**	**43127**	**19%**	**223702**	**$66,260,984**
Total all varieties	**368155**	**18%**	**81%**	**0%**	**0%**	**0%**	**$126,371,553**	**$343**	**11%**	**101968**	**22%**	**470123**	**$162,386,363**

Riverland

Historical weighted average price vs tonnes crushed



Riverland

Current plantings by variety and year planted – white winegrapes

Current area in hectares

Variety	Pre-2014	2014	2015	2016	Total area	% planted in 2016
White winegrapes						
Biancone (White Grenache)	7	0	0	0	7	0%
Chardonnay	4,458	2	0	2	4,462	0%
Chenin Blanc	85	0	0	0	85	0%
Colombard	786	0	1	0	787	0%
Doradillo	36	0	0	0	36	0%
Muscadelle (Tokay)	8	0	0	0	8	0%
Muscat A Petit Grains Blanc (White Frontignac)	127	0	0	0	127	0%
Muscat Gordo Blanco	998	4	3	0	1,006	0%
Other White	50	1	3	1	55	2%
Palomino	7	0	0	0	8	0%
Pinot Gris	73	7	6	42	127	33%
Riesling	180	4	0	0	184	0%
Sauvignon Blanc	517	0	0	16	532	3%
Semillon	342	0	0	0	342	0%
Sultana	148	0	0	0	149	0%
Traminer (Gewurztraminer)	113	0	0	0	113	0%
Trebbiano	15	0	0	0	15	0%
Verdelho	93	0	0	0	93	0%
Vermentino	19	2	0	0	21	0%
Viognier	120	0	0	0	120	0%
Total white varieties	**8,182**	**19**	**13**	**62**	**8,276**	**1%**

Source: Vinehealth Australia

Riverland

Current plantings by variety and year planted – red winegrapes

	Current area in hectares					
Variety	Pre-2014	2014	2015	2016	Total area	% planted in 2016
Red winegrapes						
Cabernet Sauvignon	3,174	26	28	3	3,231	0%
Grenache	342	0	0	0	343	0%
Malbec	23	0	0	0	23	0%
Mataro (Mourvedre)	242	0	0	0	242	0%
Merlot	1,179	3	9	4	1,195	0%
Other Red	80	3	8	1	91	2%
Petit Verdot	498	2	0	0	499	0%
Pinot Noir	298	0	0	0	298	0%
Rubired	38	0	0	0	38	0%
Ruby Cabernet	118	0	0	0	118	0%
Sangiovese	14	0	0	0	14	0%
Shiraz	5,317	44	65	57	5,483	1%
Tarrango	4	0	0	0	4	0%
Tempranillo	46	6	2	0	54	0%
Total red varieties	**11,373**	**84**	**112**	**65**	**11,634**	**1%**
Unknown variety	257	0	0	0	257	0%
Rootstock Block	25	0	0	0	25	0%
Table grapes - red	27	1	1	0	29	0%
Table grapes - white	11	0	16	0	27	0%
Multi-purpose red	62	0	0	0	63	0%
Multi-purpose white	26	0	2	0	28	0%
Total all varieties	**19,963**	**105**	**144**	**127**	**20,339**	**1%**

Source: Vinehealth Australia

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 88%; 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 2017).

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. 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.d

PLANTING DATA

Source of planting data tables

Planting data is not collected by the 2017 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.

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 2017 and include all plantings from the 2016 planting season.
2. 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 2017 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 slight variations between tables.

AUSTRALIAN WINE SECTOR SURVEY

The information for this report has been collected and analysed by Wine Australia as part of the Australian Wine Sector 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 provided by Brendan Tully, Vinehealth Australia.

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

Any questions about the report should be directed to:

Wine Australia
+618 8228 2000
information@wineaustralia.com