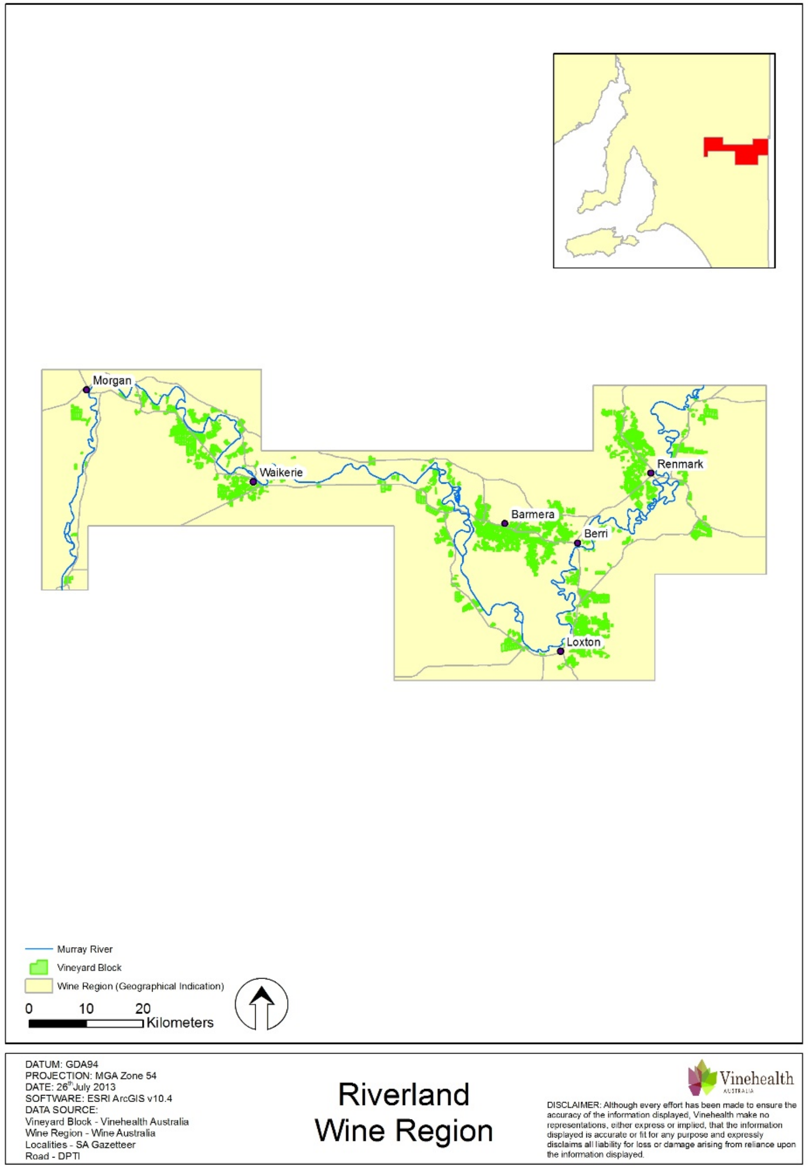


Winegrape Crush Survey

Regional Summary Report – 2016

Riverland 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.

RIVERLAND **Vintage Overview**

Vintage report

Riverland wineries reported outstanding quality for reds and very satisfactory whites despite the compressed vintage. By all accounts and despite the challenging heat conditions the wine produced has been rated as excellent. Intakes recorded by wineries foreshadowed a similar sized harvest to 2015 despite the climatic influences and water pressures.

There were some difficulties with scheduling, as a result of the climatic conditions. Most wineries exercised discretion around minimum baumés; scheduling deliveries a little earlier than normal to counteract the challenge of accelerated ripening at receival points.

Anecdotally there seemed to be a significant increase in the volume of winegrapes coming into the region, particularly from Murray Valley, Coonawarra and Limestone Coast. Again, the volume of tonnes being sold outside the region increased; this is a good sign for many that there is a growing demand for Riverland grapes from regions including McLaren Vale, the Barossa Valley, Langhorne Creek, Clare and beyond. Substantial parcels were transported to southern Victoria and even to Queensland.

Chris Byrne - Riverland Wine

Overview of vintage statistics

The harvest from the Riverland in 2016 was 456,988 tonnes, very similar to the 2015 crush of 454,184 tonnes. This was the highest crush since 2006 and the third highest on record for the region. The five-year average crush for the Riverland is 431,056 tonnes. The actual crush has increased each year since 2010 and was higher this year than in 2004 when the state total was the highest on record.

The total value of purchased grapes increased by 11% from $103.2 million to $114.4 million, while the total estimated value of all grapes increased 10% from $130.2 million to $142.6 million, reflecting an increase in the overall average price paid from $283 per tonne to $310 per tonne.

The average prices for most major varieties increased. Chardonnay increased from $236 to $294, Sauvignon Blanc from $330 to $348 and Pinot Gris from $463 to $480, consolidating a big jump in 2015. In the reds, Shiraz increased from $314 to $336 and Cabernet Sauvignon increased from $331 to $347. The average price of Merlot and Riesling fell slightly.

The price dispersion data shows that 95% of red tonnages were purchased at between $300 and $600 per tonne and only 4% at below $300 per tonne, compared with 20% last year. For the whites, 22% were purchased at between $300 and $600 compared with 14% in 2015.

There were 128 hectares of new plantings in the 2014-15 season, compared with 105 hectares the previous year – nearly half being Shiraz. The total vineyard area increased by 8 hectares to 20,608 hectares. There are estimated to be over 200 ha of non-bearing vines due to come into production over the next two vintages.

RIVERLAND Winegrape intake summary – vintage 2016

Red varieties

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 Sauvignon	49,487	0%	99%	0%	0%	0%	$17,153,677	$347	14,729	64,216	$22,259,096
Durif	243	8%	92%	0%	0%	0%	$96,679	$398	6	248	$98,882
Grenache	3,568	78%	22%	0%	0%	0%	$1,004,691	$282	822	4,390	$1,236,107
Lagrein	44	14%	65%	21%	0%	0%	$22,678	$511	-	44	$22,678
Malbec	196	100%	0%	0%	0%	0%	$52,942	$270	107	303	$81,869
Mataro	1,881	66%	34%	0%	0%	0%	$590,717	$314	240	2,121	$666,136
Merlot	18,744	1%	99%	0%	0%	0%	$6,719,814	$358	6,693	25,437	$9,119,172
Muscat a Petit Grains Rouge/Rose	172	0%	100%	0%	0%	0%	$69,422	$404	-	172	$69,422
Petit Verdot	7,382	15%	84%	0%	0%	0%	$2,505,578	$339	4,450	11,832	$4,016,000
Pinot Noir	7,113	18%	82%	0%	0%	0%	$2,569,697	$361	1,135	8,249	$2,979,741
Ruby Cabernet	1,498	18%	82%	0%	0%	0%	$552,398	$369	1,641	3,140	$1,157,432
Sangiovese	44	100%	0%	0%	0%	0%	$8,800	$200	319	363	$72,626
Shiraz	88,791	0%	99%	1%	0%	0%	$29,842,637	$336	23,051	111,842	$37,589,994
Tempranillo	445	14%	86%	0%	0%	0%	$154,851	$348	216	660	$229,915
Other red	493	60%	14%	26%	0%	0%	$193,200	$392	412	905	$354,649
Red Total	180,102	4%	95%	0%	0%	0%	$61,537,779	$342	53,820	233,923	$79,953,719

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

RIVERLAND

Winegrape intake summary – vintage 2016

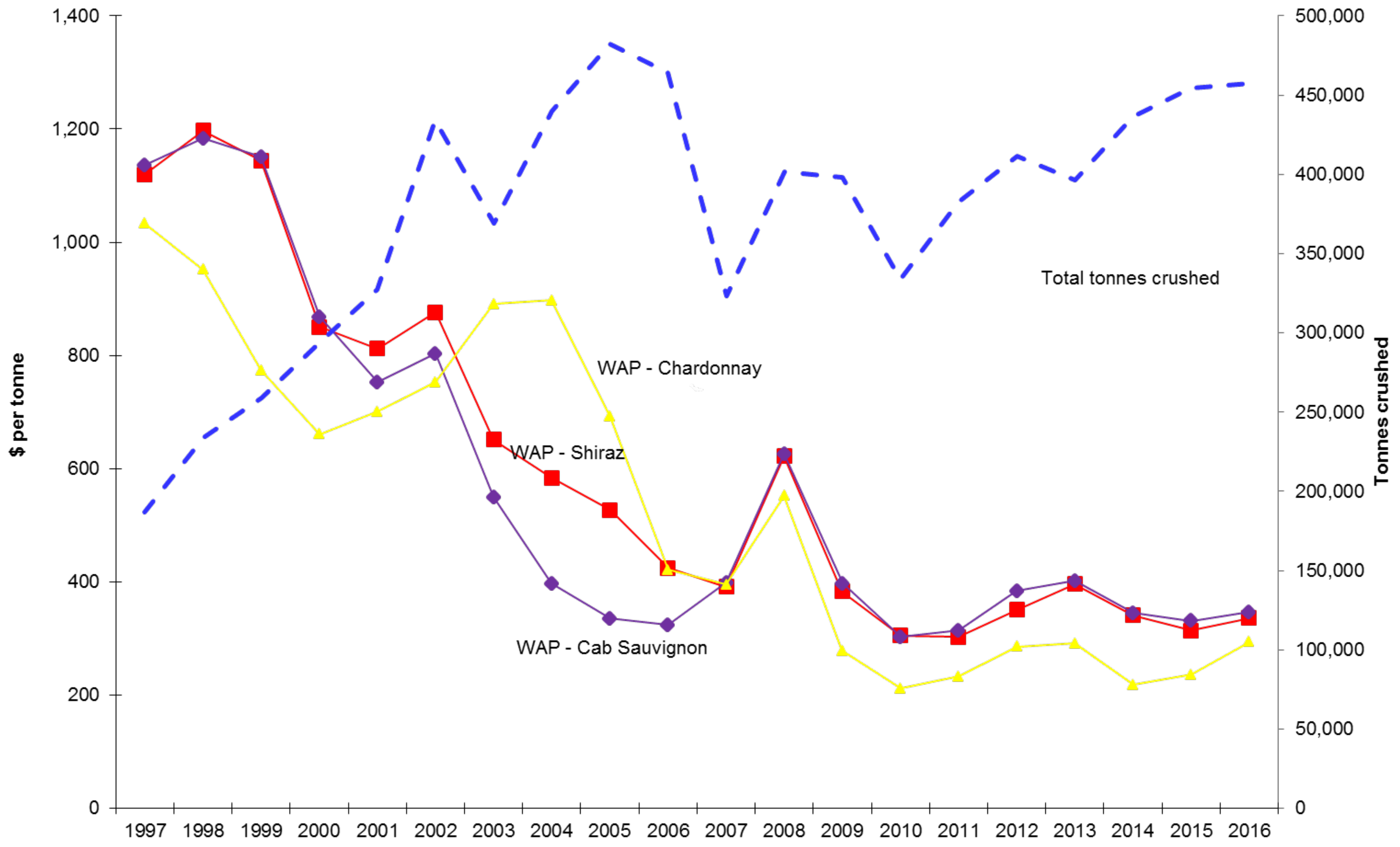
White varieties

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
Chardonnay	106,159	84%	16%	0%	0%	0%	$31,236,661	$294	14,207	120,366	$35,417,027
Chenin Blanc	1,915	100%	0%	0%	0%	0%	$392,229	$205	-	1,915	$392,229
Colombard	23,824	100%	0%	0%	0%	0%	$4,845,484	$203	2,559	26,384	$5,366,034
Doradillo	79	100%	0%	0%	0%	0%	$16,908	$215	949	1,028	$220,915
Muscadelle	-	na	na	na	na	na	$0		22	22	$6,107
Muscat a Petit Grains Blanc	3,989	9%	91%	0%	0%	0%	$1,194,017	$299	916	4,905	$1,468,299
Muscat Gordo Blanco	23,192	96%	4%	0%	0%	0%	$4,910,765	$212	3,689	26,882	$5,691,990
Pinot Gris and Pinot Grigio	1,735	0%	100%	0%	0%	0%	$833,341	$480	467	2,202	$1,057,481
Riesling	2,384	10%	90%	0%	0%	0%	$775,140	$325	750	3,134	$1,018,987
Sauvignon Blanc	13,072	1%	98%	0%	0%	0%	$4,551,354	$348	4,182	17,254	$6,007,554
Semillon	4,826	89%	10%	0%	0%	0%	$1,216,312	$252	5,081	9,907	$2,497,002
Sultana	244	100%	0%	0%	0%	0%	$52,546	$215	-	244	$52,546
Traminer	2,344	29%	54%	18%	0%	0%	$1,075,261	$459	569	2,913	$1,336,334
Verdelho	2,381	52%	39%	9%	0%	0%	$907,755	$381	60	2,440	$930,585
Viognier	1,242	44%	41%	16%	0%	0%	$477,253	$384	425	1,667	$640,549
Other white	1,260	44%	56%	1%	0%	0%	$408,959	$325	544	1,804	$585,633
White Total	188,645	77%	22%	0%	0%	0%	$52,893,985	$280	34,421	223,066	$62,689,274
Grand Total	368,747	42%	58%	0%	0%	0%	$114,431,764	$310	88,241	456,988	$142,642,992

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

RIVERLAND **Historical Weighted Average Price vs tonnes crushed**



RIVERLAND

Current plantings by variety and year planted

White varieties

Source: Vinehealth Australia

	Current area in hectares					
Variety	Pre-2013	2013	2014	2015	Total area	% planted in 2015
White winegrapes						
Biancone (White Grenache)	7	0	0	0	7	0%
Chardonnay	4,571	2	2	0	4,575	0%
Chenin Blanc	89	0	0	0	89	0%
Colombard	793	0	0	0	793	0%
Doradillo	71	0	0	0	71	0%
Muscadelle (Tokay)	12	0	0	0	12	0%
Muscat A Petit Grains Blanc (White Frontignac)	140	4	0	0	144	0%
Muscat Gordo Blanco	1,012	8	4	3	1,026	0%
Other White	54	1	1	3	58	5%
Palomino	7	0	0	0	8	0%
Pinot Gris	74	0	7	4	85	5%
Riesling	188	0	4	0	191	0%
Sauvignon Blanc	517	0	0	0	517	0%
Semillon	352	0	0	0	352	0%
Sultana	149	0	0	0	150	0%
Traminer (Gewurztraminer)	113	0	0	0	113	0%
Trebbiano	15	0	0	0	15	0%
Verdelho	103	0	0	0	103	0%
Vermentino	17	2	2	0	21	0%
Viognier	124	0	0	0	124	0%
Total white varieties	**8,408**	**18**	**19**	**10**	**8,456**	**0%**

RIVERLAND

Current plantings by variety and year planted

Red and other varieties

Source: Vinehealth Australia

	Current area in hectares					
Variety	Pre-2013	2013	2014	2015	Total area	% planted in
Red winegrapes						
Cabernet Sauvignon	3,172	42	26	26	3,265	1%
Grenache	345	0	0	0	345	0%
Malbec	23	0	0	0	23	0%
Mataro (Mourvedre)	237	6	0	0	243	0%
Merlot	1,166	20	3	4	1,193	0%
Other Red	63	18	3	6	89	6%
Petit Verdot	500	0	2	0	501	0%
Pinot Noir	302	0	0	0	302	0%
Rubired	24	14	0	0	38	0%
Ruby Cabernet	137	0	0	0	137	0%
Sangiovese	14	0	0	0	14	0%
Shiraz	5,360	42	44	65	5,511	1%
Tarrango	4	0	0	0	4	0%
Tempranillo	46	0	6	0	52	0%
Total red varieties	**11,390**	**143**	**84**	**100**	**11,717**	**1%**
Unknown variety	259	0	0	0	259	0%
Rootstock Block	25	0	0	0	25	0%
Table grapes - red	31	0	1	1	33	2%
Table grapes - white	12	0	0	16	28	58%
Multi-purpose red	62	0	0	0	62	0%
Multi-purpose white	27	0	0	0	27	0%
Total all varieties	**20,214**	**161**	**105**	**128**	**20,608**	**1%**