Wrattonbully Wine Region

Regional summary report

2006 South Australian Winegrape Utilisation and Pricing Survey

Phylloxera and Grape Industry Board of SA
October 2006

Vintage report

2006 was a very good year for yield and quality, full flavour development, no fungal diseases, and modest to good yields has seen some outstanding wines made, with all varieties performing well.

Wrattonbully experienced very favourable growing conditions, with a mild spring leading to warm to hot summer with modest (near average) rainfall. HDD = 1742 against long term average of 1508 set up optimal conditions for ripening.

White varieties performed well with solid yields averaging 10-12 t/Ha, although red varieties were near averages with Cabernet and Shiraz at 7-9 t/Ha, with reduced flower set and some extreme temperatures in late January affecting yields. Merlot yielded well at an average of 10 t/ Ha.

Generally favourable weather conditions prevented the occurrence of any fungal disease, or pests. Rain events were modest in relation to other regions which kept canopy vigour at levels that rewarded growers with good growth and ripening conditions right through to a very early vintage.

In most cases vintage finished some 2-3 weeks ahead of usual (by early – mid April), with the warm spring conditions setting up excellent fruit composition and flavour development. This led to a lot of fruit being picked at ideal Baume's and consequently wines of lower alcohol backed with solid to exceptional fruit flavours.

Peter Bird
S Smith & Son

Overview of vintage statistics

The harvest from Wrattonbully was 22,379 tonnes in 2006, 33% above 2005, and nearly half the record crop of 2004. Unlike most grapegrowing regions of South Australia, where around 9% of grapes are estimated to have been left unharvested or harvested to waste, and in spite of the increased production, there appears to have been very little Wrattonbully fruit left out of the crush[1]. The total value of grapes from the region increased from $21 million to $25 million despite falls in the average purchase value for the major varieties – including Shiraz, which fell by over $200 per tonne.

The estimated production from the Wrattonbully region for 2007 is 23,000 tonnes (this estimate does not take into account recently increased water restrictions and frost events) – very similar to the 2006 crush. 21,000 tonnes is already committed to the wineries, leaving less than 1000 tonnes uncontracted. By 2011, the estimated production is 23,500 tonnes, of which 64% (15,000 tonnes) is already under contract or winery grown fruit. This leaves around 8,500 tonnes likely to be made available on the open market.

The overall supply vs demand picture for SA indicates that wineries are already committed to take more fruit in 2007 than they require, meaning that there is not likely to be a spot market for any uncontracted Wrattonbully fruit next year. By 2011, the total requirement for South Australian fruit is 840,000 tonnes – well below the 2006 harvest and 190,000 tonnes below the estimated 2011 production of 1,030,000 tonnes. 700,000 tonnes is already committed, leaving a spot market demand of 140,000 tonnes, compared with an estimated 330,000 tonnes available – including the estimated 8,500 tonnes from the Wrattonbully region. All major red and white varieties are expected to be in surplus (particularly Chardonnay), with small shortfalls possible in Colombard and minor varieties such as Sauvignon Blanc and Pinot Noir. Therefore there is unlikely to be a restoration of supply-demand balance within the five-year timeframe, assuming production forecasts prove to be reasonably accurate and the wineries' requirement does not change substantially.

New plantings in Wrattonbully in 2005 (including top-working and replacements) amounted to less than 1% of the total area. However, as appears to be the case across South Australia, there is no indication of any significant removal of grapevines being undertaken.

[1] *From the Board's "Harvest Outcomes and Plantings Intentions" survey of growers conducted in May 2006.*

Wrattonbully — Winegrape intake summary – vintage 2006

Variety	Tonnes purchased	Lowest price[1]	Highest price	Total value purchased grapes	Calc avg. purchase value per tonne	Winery grown fruit	Total crushed	Est total value ALL grapes
RED								
Cabernet Sauvignon	5,045	$250	$2,700	$6,290,857	$1,247	3,887	8,932	$11,138,096
Malbec	29			$25,740	$900	0	29	$25,740
Merlot	1,579	$285	$2,038	$1,606,355	$1,018	1,534	3,113	$3,167,478
Other red	21			$32,800	$1,600	44	64	$103,040
Petit Verdot	0			$0		63	63	$71,203
Pinot Noir	0			$0		242	242	$274,826
Sangiovese	0			$0		57	57	$64,493
Shiraz	3,688	$225	$2,700	$3,797,368	$1,030	2,897	6,584	$6,780,093
Total red winegrapes	**10,360**			**$11,753,120**		**8,724**	**19,084**	**$21,624,969**
WHITE								
Chardonnay	1,937	$375	$2,200	$2,015,801	$1,041	485	2,422	$2,520,508
Other white	0			$0		18	18	$18,588
Riesling	22			$21,204	$950	33	55	$52,364
Sauvignon Blanc	175	$850	$1,300	$182,172	$1,042	458	633	$658,798
Semillon	30			$5,900	$200	51	80	$16,000
Viognier	33			$44,397	$1,338	54	87	$117,054
Total white winegrapes	**2,197**			**$2,269,474**		**1,098**	**3,295**	**$3,383,312**
Total all winegrapes	**12,557**			**$14,022,594**		**9,822**	**22,379**	**$25,008,280**

[1] *Lowest and highest prices paid are only reported where there are at least three purchasers*

Wrattonbully

Estimated supply and fruit availability 2007 to 2011

Variety	2007 Est Supply [1]	2007 Winery grown grapes	2007 Contract purchases [2]	2007 Available supply [3]	2009 Est Supply [1]	2009 Winery grown grapes	2009 Contract purchases [2]	2009 Available supply [3]	2011 Est Supply [1]	2011 Winery grown grapes	2011 Contract purchases [2]	2011 Available supply [3]
RED WINEGRAPES												
Cabernet Sauvignon	9,503	4,861	5,483	-841	9,541	4,535	3,239	1,767	9,541	4,167	2,320	3,053
Malbec	51	0	20	31	51	0	20	31	51	0	20	31
Merlot	3,375	1,643	1,129	603	3,399	1,670	743	986	3,399	1,678	444	1,277
Other Red	128	50	61	17	128	50	61	17	128	2	61	65
Petit Verdot	65	75	6	-16	65	75	6	-16	65	75	6	-16
Pinot Noir	170	231	0	-61	170	231	0	-61	170	134	0	36
Sangiovese	44	45	0	-1	44	45	0	-1	44	45	0	-1
Shiraz	6,605	3,211	2,608	785	6,691	3,235	1,512	1,944	6,691	3,115	846	2,730
Total red winegrapes	**19,939**	**10,116**	**9,307**	**516**	**20,088**	**9,841**	**5,581**	**4,666**	**20,088**	**9,216**	**3,698**	**7,175**
WHITE WINEGRAPES												
Chardonnay	2,359	451	1,089	819	2,646	461	867	1,318	2,646	280	828	1,538
Other White	22	71	0	-49	99	118	0	-19	99	146	0	47
Riesling	57	47	40	-30	76	54	40	-18	76	54	0	22
Sauvignon Blanc	340	502	170	-332	355	523	130	-298	355	537	100	-282
Semillon	68	47	0	21	68	47	0	21	68	53	0	15
Viognier	90	58	19	13	128	65	0	63	128	65	0	63
Total white winegrapes	**2,935**	**1,176**	**1,318**	**441**	**3,372**	**1,268**	**1,037**	**1,067**	**3,372**	**1,135**	**928**	**1,310**
Total all winegrapes	**22,875**	**11,292**	**10,625**	**958**	**23,460**	**11,109**	**6,618**	**5,733**	**23,460**	**10,351**	**4,625**	**8,484**

[1] Supply forecast derived from planting details recorded on PGIB vineyard register (see planting report)

[2] Contracts already in place - not intended contracts

[3] A negative number indicates supply forecast is below wineries' estimated commitment

Wrattonbully

Current plantings by year planted

Current area in hectares by year planted

Variety	Pre-2003	2003	2004	2005	Total area	% planted in 2005
RED WINEGRAPES						
BARBERA	1	0	0	0	1	0%
CABERNET FRANC	1	0	0	0	1	0%
CABERNET SAUVIGNON	1174	18	1	0	1193	0%
MALBEC	6	0	0	0	6	0%
MERLOT	301	7	0	1	309	0%
PETIT VERDOT	6	0	0	0	6	0%
PINOT NOIR	15	0	0	0	15	0%
SANGIOVESE	4	0	0	0	4	0%
SHIRAZ	642	25	0	5	672	1%
TEMPRANILLO	9	0	0	0	9	0%
OTHER RED	5	0	0	0	5	0%
TOTAL RED WINEGRAPES	**2165**	**50**	**1**	**6**	**2221**	**0%**
WHITE WINEGRAPES						
CHARDONNAY	164	27	25	6	222	3%
MARSANNE	2	0	0	0	2	0%
PINOT GRIS	0	0	0	6	6	94%
RIESLING	0	7	0	0	7	0%
SAUVIGNON BLANC	27	6	0	0	32	0%
SEMILLON	6	0	0	0	6	0%
VIOGNIER	9	0	0	4	13	29%
TOTAL WHITE WINEGRAPES	**207**	**40**	**25**	**16**	**288**	**6%**
TOTAL ALL VARIETIES	**2372**	**89**	**26**	**22**	**2509**	**1%**

Explanations and Definitions

INTAKE (CURRENT VINTAGE) DATA

Definition of regions

Regions have been defined in accordance with declared or interim 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 Currency Creek, Southern Flinders Ranges 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 who source fruit from South Australian vineyards are included in the survey collection process. Reported fruit is separated into fruit produced from the winery's own vineyards ("own grown") and from independent grower owned 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 using planting data contained in the Phylloxera and Grape Industry Board's vineyard register – ie they are independent of the Utilisation and Pricing survey . Estimated bearing area is multiplied by expected yield per hectare, to give estimated production. The supply forecasts do not make any allowance for large-scale grubbings, yield capping or the effects of water restrictions/drought 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.

Demand (required intake)

T**he demand figure (required** intake) is the tonnage required by wineries to achieve sales forecasts. From 2006, demand figures are no longer reported for individual regions. This is because, for the majority of fruit purchased, the requirement is not specifically regional – but rather it is price/quality based and therefore interchangeable between regions. Demand (fruit requirement) is reported for "warm" vs "cool" climate fruit (Riverland vs. the rest of South Australia) and for the whole of South Australia. Therefore it is important to read the state summary report in conjunction with the individual regional reports.

The % required/committed intake shows the percentage of the wineries' requirement that is *already* committed for a given year. Eg a figure of 83% indicates that wineries already have contracts (or own grown fruit) to supply 83% of their demand for that year.

Note: not all wineries provide estimates of future intakes - particularly for the later forecast years. Therefore forecasts for later years tend to underreport actual demand. The projections of future intake should be interpreted and used cautiously. It should be noted that there is considerable variation from one survey to the next in demand projections for the same future forecast year, as marketing indications change. The projections should only be interpreted as general indications of current levels of confidence, and trends in varietal preferences.

PLANTING DATA

Derivation of planting data tables

Planting data is **not** derived from the 2006 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 2006 and include all plantings from the 2005 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 2006 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.