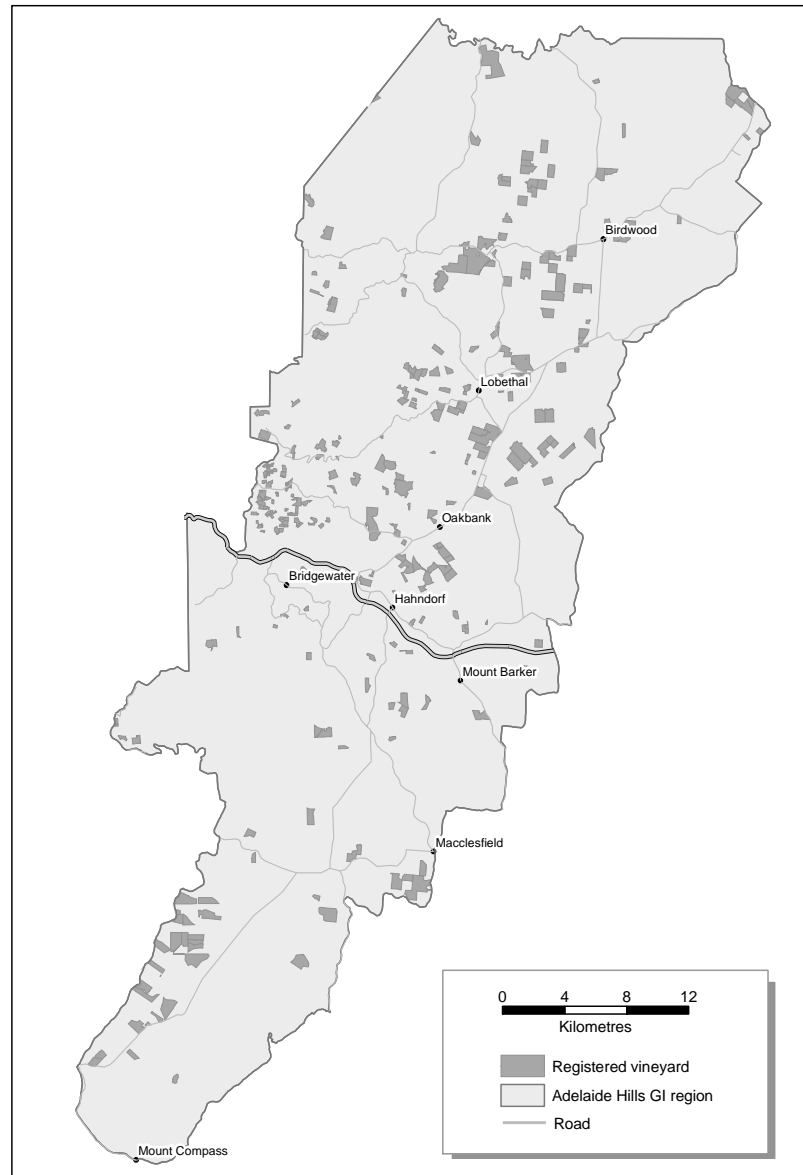


ADELAIDE HILLS VINTAGE OVERVIEW



Vintage report

Overall, growers were happy with the 2003 vintage - a relief following the disastrous 2002 vintage (quantity-wise).

Even though winter rainfall was below average, soil moisture profiles were full. Spring produced good, dry and warm growing conditions, but with an above average number of frosts reported.

The usual one week of wintry weather in November did interrupt flowering in some varieties across the region. The hardest hit were Chardonnay and Pinot Noir through the Piccadilly Valley.

The decision by many growers to leave more buds or revert to cane pruning because of a concern of poor bunch initiation following the adverse spring conditions of 2001, did appear to reap benefits post flowering. Fruit set across the region, apart from the Piccadilly Valley, resulted in satisfactory bunch numbers.

December and January produced hot, dry, but not adverse conditions for vine and fruit growth. February resembled an early autumn and fruit maturity slowed. A rain event mid-February caused some concern, with fruit-splitting evident in the earlier ripening varieties. Conditions stabilised up to and into vintage, which was delayed two to three weeks.

Initial comments from winemakers are positive for whites and reds.

Alan Dean, Adelaide Hills Wine Region

Overview of vintage statistics

There were 16,481 tonnes crushed from the Adelaide Hills in 2003, which was up about 45% on the very low yielding 2002 vintage although still somewhat below the region's potential, as bunch numbers were low. While there was a 23% surplus in red varieties, there was a 35% shortfall overall in white varieties.

The average purchase value for most red varieties was down around \$100 per tonne compared with 2002, while there were relatively small fluctuations in white varieties. Chardonnay was up by \$70 per tonne, reflecting the shortfall; on the other hand Sauvignon Blanc was down \$35 per tonne despite also being in short supply.

The forecast for the region is for very little growth in red varieties, with short-term surpluses particularly in Cabernet Sauvignon and Shiraz, while white varieties are expected to grow by a further 25% and still be in short supply by 2008. Chardonnay is expected to account for more than 50% of white production, and Sauvignon Blanc to overtake Pinot Noir as the second most important variety for the region. In the minor varieties, there is a substantial unmet demand anticipated in Pinot Gris, while on the other hand, Riesling and Semillon are in over-supply.

There was a 9% increase in plantings of white varieties in 2002, and a 3% increase in red varieties (Shiraz and Pinot Noir).

ADELAIDE HILLS CURRENT PLANTINGS BY VARIETY AND YEAR PLANTED

Table 2.1

Area in hectares by year planted

Variety	Pre-99	1999	2000	2001	2002	Total	% planted 2002
RED WINEGRAPES							
BARBERA	0	0	0	0	1	1	88%
CABERNET FRANC	10	1	2	0	0	13	0%
CABERNET SAUVIGNON	299	44	20	16	3	381	1%
GRENACHE	2	1	0	0	0	3	0%
MALBEC	1	1	3	0	0	5	0%
MATARO	0	0	0	1	0	1	0%
MERLOT	235	48	40	15	1	340	0%
NEBBIOLO	3	0	2	1	0	6	0%
PETIT VERDOT	0	2	0	1	1	4	15%
PINOT NOIR	354	80	40	31	16	520	3%
RUBY CABERNET	0	0	0	0	0	0	0%
SANGIOVESE	5	3	4	0	0	12	0%
SHIRAZ	209	56	33	23	22	343	6%
TEMPRANILLO	2	2	5	5	0	13	0%
OTHER RED	28	0	0	0	1	30	4%
TOTAL RED WINEGRAPES	1148	238	149	93	44	1672	3%
WHITE WINEGRAPES							
CHARDONNAY	438	35	70	133	65	741	9%
CHENIN BLANC	0	0	0	0	0	0	0%
RIESLING	23	5	17	27	28	100	28%
SAUVIGNON BLANC	272	28	70	85	32	487	7%
SEMILLON	88	9	8	1	0	106	0%
TRAMINER	1	0	0	5	15	21	72%
VERDELHO	25	3	0	0	0	28	0%
VIOGNIER	19	9	19	10	3	59	5%
OTHER WHITE	19	11	19	2	0	51	1%
TOTAL WHITE WINEGRAPES	884	99	204	263	144	1594	9%
ROOTSTOCK BLOCK	1	1	0	1	0	3	0%
TOTAL ALL VARIETIES	2034	337	354	356	188	3269	6%

ADELAIDE HILLS TONNES CRUSHED BY VARIETY - VINTAGE 2003

Table 2.2

Variety	Total winery grown	Total other growers	Total crushed	Total preferred	Tonnes from other growers as % of total	% of demand supplied	Number of wineries reporting tonnages (> 0)		
							Own	Other	Preferred
RED									
Cabernet Franc	13	43	56	36	77%	155%	3	6	6
Cabernet Sauvignon	147	1312	1459	1110	90%	131%	11	20	23
Gamay	0	9	9	0	100%		0	1	0
Malbec	6	4	11	14	39%	75%	1	2	2
Merlot	151	1502	1653	1480	91%	112%	8	15	19
Meunier	6	308	314	276	98%	114%	1	4	3
Nebbiolo	11	0	11	14	0%	77%	2	0	2
Petit Verdot	0	16	16	16	100%	97%	0	1	1
Pinot Noir	183	3865	4048	3473	95%	117%	11	19	23
Sangiovese	0	60	60	5	100%	1207%	0	3	1
Shiraz	168	1481	1649	1115	90%	148%	8	18	19
Tempranillo	4	6	10	14	60%	72%	1	2	2
Zinfandel	23	0	23	23	0%	99%	2	0	2
Total RED	713	8605	9319	7577	92%	123%			
WHITE									
Chardonnay	525	3064	3589	5653	85%	63%	14	23	33
Marsanne	0	1	1	0	100%		0	1	0
Other white	0	10	10	4	100%	241%	0	2	1
Pinot Gris	12	364	375	1200	97%	31%	3	9	9
Riesling	109	199	308	267	65%	115%	8	9	12
Sauvignon Blanc	317	1436	1753	3297	82%	53%	11	20	27
Semillon	31	755	786	408	96%	193%	2	10	11
Verdelho	0	86	86	0	100%		0	2	0
Viognier	14	241	255	233	95%	109%	3	10	9
Total WHITE	1006	6157	7162	11062	86%	65%			
Total for region	1719	14762	16481	18639					

ADELAIDE HILLS CROP VALUE DATA - VINTAGE 2003

Table 2.3

Variety (1)	Grower grown	Total crushed	estimated total value		lowest price (2)	highest price (2)	calc average purchase value per tonne (3)	
			purchased grapes	total grapes				
RED								
Cabernet Franc	43	56	\$57,748	\$74,790	\$1,150	\$1,800	\$1,346	100%
Cabernet Sauvignon	1312	1459	\$2,011,854	\$2,237,940	\$800	\$2,900	\$1,534	100%
Gamay	9	9	\$7,200	\$7,200			\$800	100%
Malbec	4	11	\$6,705	\$17,171			\$1,635	100%
Merlot	1502	1653	\$2,319,019	\$2,552,839	\$800	\$2,400	\$1,544	100%
Meunier	308	314	\$549,005	\$559,707	\$1,600	\$2,145	\$1,784	100%
Petit Verdot	16	16	\$31,463	\$31,463			\$2,023	100%
Pinot Noir	3865	4048	\$6,417,092	\$6,721,450	\$500	\$3,000	\$1,660	100%
Sangiovese	60	60	\$85,365	\$85,365	\$896	\$2,023	\$1,414	100%
Shiraz	1481	1649	\$2,486,813	\$2,769,140	\$750	\$3,500	\$1,680	100%
Tempranillo	6	10	\$11,563	\$19,233			\$1,918	100%
Total RED	8605	9284	\$13,984,211	\$15,076,682				
WHITE								
Chardonnay	3064	3589	\$5,882,509	\$6,889,519	\$1,300	\$3,500	\$1,920	100%
Marsanne	1	1	\$2,376	\$2,376			\$1,800	100%
Other white (group)	10	10	\$17,936	\$17,936			\$1,861	100%
Pinot Gris	364	375	\$631,610	\$652,107	\$1,400	\$2,289	\$1,737	100%
Riesling	199	308	\$273,186	\$422,480	\$915	\$1,600	\$1,373	100%
Sauvignon Blanc	1436	1753	\$2,437,008	\$2,974,236	\$1,000	\$2,100	\$1,697	100%
Semillon	755	786	\$1,016,218	\$1,057,517	\$840	\$2,000	\$1,346	100%
Verdelho	86	86	\$130,884	\$130,884			\$1,517	100%
Viognier	241	255	\$387,150	\$408,848	\$1,300	\$2,100	\$1,604	100%
Total WHITE	6157	7162	\$10,778,877	\$12,555,903				

(1) Only includes varieties where some fruit was purchased. Varieties where all fruit is winery grown are not shown in this table.

(2) The absence of lowest and highest prices means that fewer than three wineries supplied pricing data for each variety.

(3) This does not include end use bonuses or other adjustments determined post-receival.

ADELAIDE HILLS ESTIMATED AND PREFERRED FUTURE INTAKE OF GRAPES 2004 TO 2008

Table 2.4

Variety	2004		2005		2006		2007		2008	
	estimated	preferred	estimated	preferred	estimated	preferred	estimated	preferred	estimated	preferred
RED										
Cabernet Franc	59	41	69	52	69	53	69	54	53	54
Cabernet Sauvignon	2290	1274	2213	1327	2022	1428	1923	1469	1685	1515
Durif	2	0	2	0	2	0	2	0	2	0
Gamay	7	0	7	0	7	0	7	0	0	0
Malbec	19	14	19	14	19	14	19	14	19	14
Merlot	2165	2035	2142	2135	2250	2243	2214	2392	2216	2491
Meunier	314	283	314	284	303	275	275	278	274	279
Nebbiolo	17	19	18	19	19	20	20	21	21	22
Petit Verdot	24	24	24	24	24	24	24	24	24	24
Pinot Noir	4257	3821	4536	4075	4376	4215	4318	4402	4096	4482
Sangiovese	50	5	54	5	26	6	26	6	26	6
Shiraz	2110	1096	2317	1334	2898	2035	2759	2084	2482	2184
Tannat	4	0	4	0	4	0	4	0	4	0
Tempranillo	39	24	59	39	69	49	89	59	89	69
Zinfandel	26	26	31	31	31	31	32	32	32	32
Total for RED	11384	8662	11809	9338	12118	10393	11780	10836	11022	11173
WHITE										
Chardonnay	5739	7371	6665	8213	7213	9086	7383	9723	7327	9897
Other white	6	0	6	0	6	0	6	0	6	0
Pinot Gris	410	2237	441	2271	912	2291	913	2291	861	2259
Riesling	589	349	903	455	919	435	931	441	669	443
Sauvignon Blanc	4016	3544	4631	4184	4810	4488	4797	4779	4811	4842
Semillon	967	530	971	566	959	664	915	725	918	732
Traminer	147	35	279	55	296	55	296	55	296	55
Verdelho	247	0	247	0	229	0	194	0	81	0
Viognier	264	221	298	256	320	279	324	295	293	295
Total for WHITE	12385	14287	14442	16000	15664	17298	15759	18308	15261	18523
Total for region	27369	22949	26251	25338	27782	27691	27539	29144	26283	29696

ADELAIDE HILLS PAST PRODUCTION AND PROJECTIONS FOR MAJOR VARIETIES 1992 - 2008

Figure 2.1

Past production and projections (major varieties)

