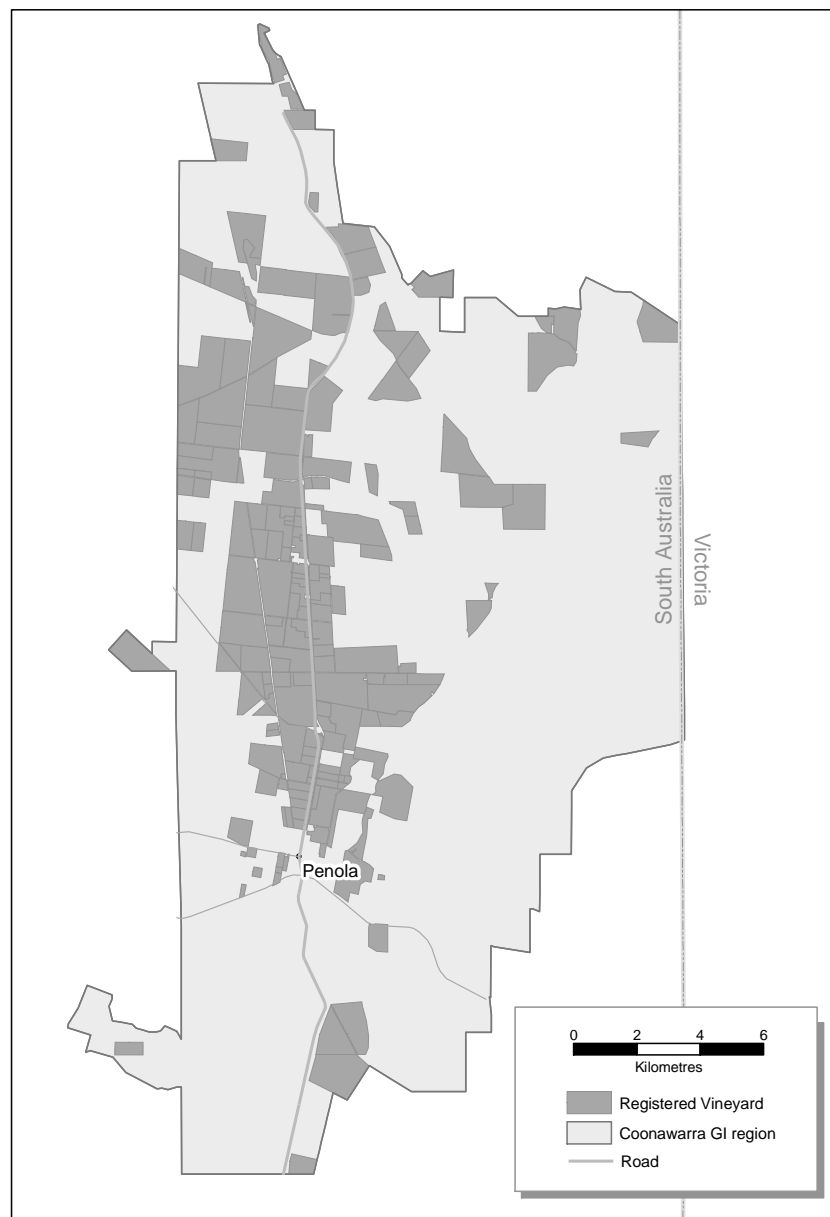


COONAWARRA VINTAGE OVERVIEW



Vintage Report

Despite some challenging weather and below average yields, the 2003 vintage can be described as very pleasing. Yields were approximately 25% below average across all varieties as a result of low bud fruitfulness from the previous season rather than the weather conditions.

During the winter of 2002, Coonawarra had below average rainfall; however, the rain that did fall came in late winter, ensuring good soil moisture levels for the spring growing period. These conditions brought about a good, even and slightly early budburst in early to mid September.

December and January were warm to hot and dry, apart from two significant rain events. Fortunately on both occasions the rain was followed by warm drying weather and therefore caused no problems.

In late February 35mm of rain fell over three days and as a result there was a small amount of berry splitting, with Chardonnay, Riesling and Shiraz being most affected.

Vintage commenced in late February with the harvest of grapes for sparkling wine base, and the harvest of white grape varieties for still wine began in early March.

On March 19th 48mm of rain fell in just over five hours, with some reports of localized minor hail damage. This caused a brief flurry of activity as winemakers picked any damaged fruit. Subsequent to this rain the weather was near perfect, with warm and sunny days continuing through to the completion of harvest. These ideal conditions resulted in fruit reaching its full maturity.

The 2003 white wines are showing excellent varietal definition and flavour, and the red wines are very well balanced and showing good varietal characters, with Shiraz and Cabernet Sauvignon looking particularly strong.

Bruce Redman

President – Coonawarra Vignerons Association

Overview of vintage statistics

The total crush of Coonawarra grapes was 23,037 – a big improvement on the very low harvest of 17,801 tonnes in 2002, but still 6,600 tonnes below the wineries' preference - with a 20% shortfall in both reds and whites. Coonawarra was one of very few regions this year where Cabernet Sauvignon and Shiraz were in short supply. The crush of whites was actually 10% lower than in 2002, and there was a marked shortage of Chardonnay.

Despite the shortfall, the calculated average purchase value per tonne for Cabernet Sauvignon dropped by \$100 per tonne. Conversely, the average value of Shiraz was up by \$60 per tonne.

The forecast for the region is for less than 10% further growth in red varieties from 34,000 tonnes in 2004 to 36,000 in 2008. Unlike last year's survey forecasts, this year's figures indicate a substantial (25% - 5,000 tonnes) short-term surplus of Cabernet Sauvignon, falling to a 10% surplus by 2008. However, this variety is still by far the most important for the region – accounting for over 50% of the total production in each of the forecast years.

A 2% increase in new plantings for Coonawarra appears to be in line with projected requirements.

COONAWARRA CURRENT PLANTINGS BY VARIETY AND YEAR PLANTED

Table 6.1

Variety	Area in hectares by year planted (1)					Total	% planted 2002
	Pre-99	1999	2000	2001	2002		
RED WINEGRAPES							
CABERNET FRANC	41	0	0	0	0	41	0%
CABERNET SAUVIGNON	2562	296	115	64	47	3083	2%
MALBEC	19	0	0	0	0	19	0%
MERLOT	264	63	44	52	4	426	1%
NEBBIOLO	0	0	0	0	0	0	0%
PETIT VERDOT	10	14	0	3	1	29	5%
PINOT NOIR	104	5	0	0	0	109	0%
SANGIOVESE	0	0	0	0	0	0	0%
SHIRAZ	866	76	39	32	29	1042	3%
TEMPRANILLO	0	0	0	0	0	0	0%
OTHER RED	3	0	0	0	2	4	38%
TOTAL RED WINEGRAPES	3870	454	198	150	82	4755	2%
WHITE WINEGRAPES							
CHARDONNAY	351	9	0	12	4	376	1%
RIESLING	199	5	0	0	0	204	0%
SAUVIGNON BLANC	63	9	0	3	2	77	2%
SEMILLON	11	0	0	0	0	11	0%
TRAMINER	2	0	0	0	0	2	0%
VIOGNIER	0	1	0	0	0	1	0%
OTHER WHITE	2	0	0	0	0	2	0%
TOTAL WHITE WINEGRAPES	627	25	0	16	6	673	1%
TOTAL ALL VARIETIES (1)	4497	478	198	166	88	5427	2%

(1) Note: changes to the Coonawarra GI boundary have meant a net increase of 100 hectares in vineyard area for the region.

COONAWARRA TONNES CRUSHED BY VARIETY - VINTAGE 2003

Table 6.2

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									
Barbera	1	0	1	2	0%	50%	1	0	1
Cabernet Franc	115	104	219	233	47%	94%	14	5	16
Cabernet Sauvignon	6311	5674	11985	14668	47%	82%	25	20	36
Malbec	89	0	89	57	0%	157%	4	0	4
Merlot	853	639	1492	1845	43%	81%	21	14	30
Meunier	12	2	14	11	14%	128%	2	1	2
Nebbiolo	1	0	1	0	0%		1	0	0
Petit Verdot	47	82	129	252	63%	51%	10	3	10
Pinot Noir	168	305	473	386	64%	123%	5	5	7
Sangiovese	1	0	1	3	0%	33%	1	0	1
Shiraz	3612	2018	5630	8373	36%	67%	20	13	27
Tempranillo	1	0	1	2	0%	68%	2	0	1
Total RED	11214	8823	20036	25832	44%	78%			
WHITE									
Chardonnay	1063	700	1764	2703	40%	65%	12	11	20
Other white	6	0	6	0	0%		1	0	0
Pedro Ximenes	6	0	6	0	0%		1	0	0
Riesling	717	199	916	563	22%	163%	6	4	9
Sauvignon Blanc	112	122	234	440	52%	53%	5	4	7
Semillon	41	2	43	36	5%	119%	4	1	4
Traminer	32	0	32	36	0%	89%	1	0	1
Total WHITE	1977	1023	3000	3777	34%	79%			
Total for region	13190	9846	23037	29609					

COONAWARRA CROP VALUE DATA - VINTAGE 2003

Table 6.3

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	104	219	\$123,237	\$259,644	\$1,080	\$1,800	\$1,183	100%
Cabernet Sauvignon	5674	11985	\$10,729,394	\$22,663,461	\$550	\$3,600	\$1,891	100%
Merlot	639	1492	\$1,164,868	\$2,720,794	\$1,100	\$3,000	\$1,824	100%
Meunier	2	14	\$2,492	\$17,494			\$1,246	100%
Petit Verdot	82	129	\$125,394	\$197,778	\$1,200	\$1,840	\$1,529	100%
Pinot Noir	305	473	\$408,632	\$634,719	\$1,192	\$1,430	\$1,342	100%
Shiraz	2018	5630	\$3,748,606	\$10,460,073	\$1,100	\$3,000	\$1,858	100%
Total RED	8823	19942	\$16,302,623	\$36,953,963				
WHITE								
Chardonnay	700	1764	\$1,014,934	\$2,555,561	\$1,050	\$2,040	\$1,449	100%
Riesling	199	916	\$203,254	\$933,916	\$850	\$1,210	\$1,019	100%
Sauvignon Blanc	122	234	\$164,211	\$315,646	\$1,150	\$1,540	\$1,350	100%
Semillon	2	43	\$1,762	\$37,583			\$881	100%
Total WHITE	1023	2956	\$1,384,161	\$3,842,707				

(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.

COONAWARRA ESTIMATED AND PREFERRED FUTURE INTAKE OF GRAPES 2004 TO 2008

Table 6.4

Variety	2004		2005		2006		2007		2008	
	estimated	preferred	estimated	preferred	estimated	preferred	estimated	preferred	estimated	preferred
RED										
Barbera	2	2	2	2	2	2	2	2	2	2
Cabernet Franc	323	226	292	226	268	228	268	228	268	230
Cabernet Sauvignon	21973	16433	22361	18327	22719	19418	22499	20847	22645	21123
Malbec	109	55	105	56	105	57	105	59	105	60
Merlot	2384	2307	2409	2357	2514	2625	2641	2805	2702	2895
Meunier	11	11	11	11	11	11	11	11	11	11
Petit Verdot	107	257	112	262	112	262	115	265	115	265
Pinot Noir	593	380	545	398	545	390	555	393	555	393
Sangiovese	3	3	3	3	3	3	3	3	3	3
Shiraz	8433	8728	8865	9675	9202	10244	9538	10725	9585	10986
Tempranillo	4	2	4	2	4	2	4	2	4	2
Total for RED	33942	28403	34708	31318	35485	33241	35740	35339	35994	35969
WHITE										
Chardonnay	3257	3060	3173	3168	3246	3382	3420	3547	3477	3653
Other white	9	0	9	0	9	0	9	0	9	0
Pedro Ximenes	15	0	15	0	15	0	15	0	15	0
Riesling	1125	847	1166	886	1157	948	1288	1046	1272	1071
Sauvignon Blanc	590	519	569	518	569	518	547	518	466	423
Semillon	59	41	59	41	59	41	59	41	59	41
Traminer	36	36	36	36	36	36	36	36	36	36
Total for WHITE	5091	4503	5027	4649	5091	4925	5374	5188	5334	5224
Total for region	39033	32906	39735	35967	40576	38166	41114	40527	41328	41193

COONAWARRA PAST PRODUCTION AND PROJECTIONS FOR MAJOR VARIETIES 1996 - 2008

Figure 6.1

Past production and projections (major varieties)

