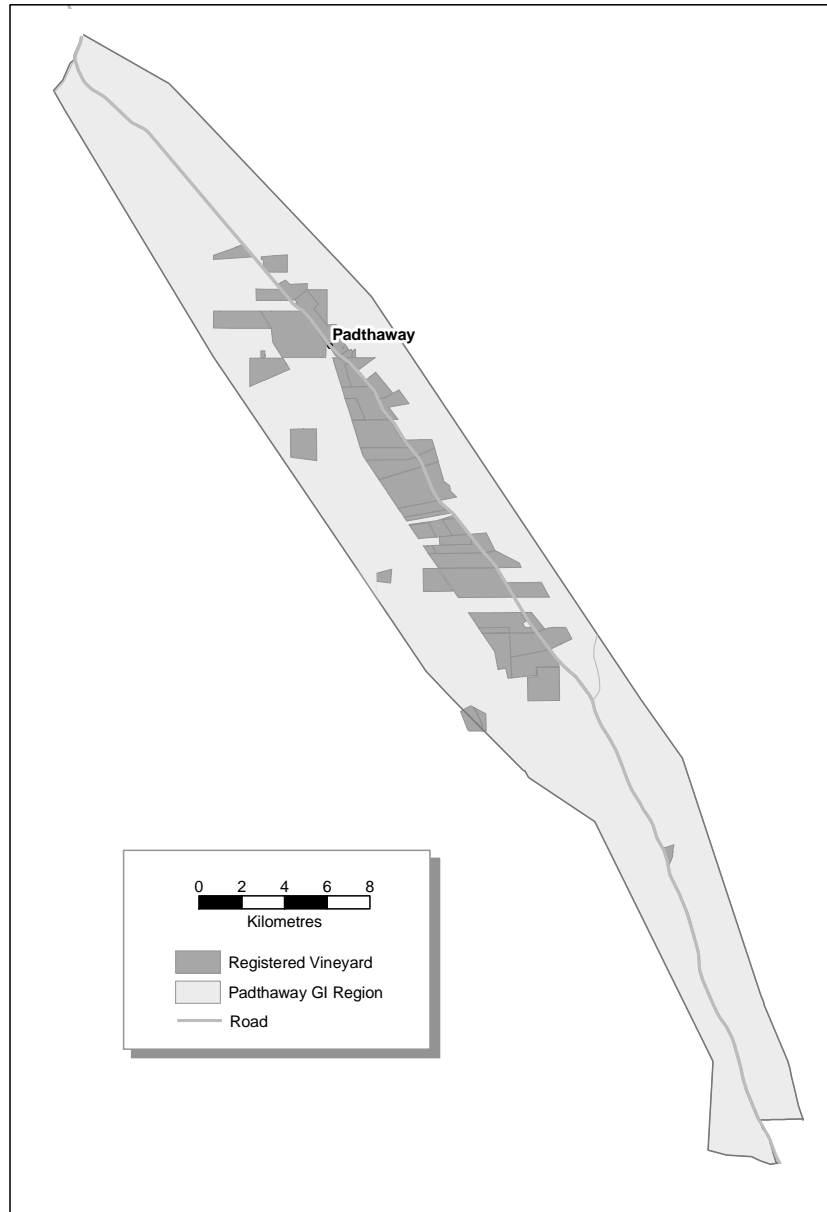


PADTHAWAY VINTAGE OVERVIEW



Vintage Report

2003 was another trouble-free year, with the exception of some splitting, reinforcing that Padthaway is an ideal climate for premium grape production.

The season began with a wet July followed by a cold dry August with 10-12 frosts. Budburst was a little later than 2001 but was quite even.

September was reasonably cool, giving good steady early growth. Bunch numbers particularly in red varieties were again down in number.

Good weather during flowering saw a good set in all varieties. No frosts of any significance were experienced during the spring.

A hot summer with little rain meant there were virtually no disease problems. Rain in late February caused splitting in some varieties, particularly Shiraz, which led to yield reductions later. Most growers applied sprays immediately to prevent botrytis developing. More rain in March caused few problems, as grapes were softer.

Harvest was conducted in ideal weather with few hold-ups. Although yields were probably down 20% in reds, the quality was very good. The white varieties yielded well and were of outstanding quality.

Ian Ward

President, Padthaway Grape Growers' Association

Overview of vintage statistics

Padthaway produced 27,583 tonnes this year. Production was up 6,500 tonnes on last year's very low vintage, but the preferred figure stayed at around 22,000 tonnes - giving an overall surplus of 25% - chiefly in the minor white varieties. The Riesling crush was more than double wineries' stated demand.

The calculated average purchase value for Cabernet Sauvignon dropped another \$100 per tonne, after last year's drop of around \$200, while Shiraz dropped by \$300 per tonne. The average value per tonne of Chardonnay stayed about the same.

The forecast is for a stabilisation in production at around 35,000 tonnes, with reds and whites both being generally in balance, apart from Pinot Noir, which shows a progressive decline in production despite an increasing demand each year, and Riesling, which shows a surplus of 1,000 to 1,500 tonnes each year. There are also short-term surpluses of Shiraz, Cabernet Sauvignon and Chardonnay.

Chardonnay remains the major variety for the region. It is set to increase its share of total production over the forecast period, and the differential between it and its nearest rival - Shiraz. There were 104 hectares of Chardonnay planted in Padthaway in 2002 - a 12% increase - and 79 hectares of Shiraz.

PADTHAWAY CURRENT PLANTINGS BY VARIETY AND YEAR PLANTED

Table 12.1

Area in hectares by year planted

Variety	Pre-99	1999	2000	2001	2002	Total	% planted 2002
RED WINEGRAPES							
CABERNET FRANC	24	0	0	0	0	24	0%
CABERNET SAUVIGNON	635	133	72	9	6	855	1%
MALBEC	37	0	0	0	0	37	0%
MERLOT	163	6	0	0	0	169	0%
NEBBIOLO	0	0	1	0	0	1	0%
PETIT VERDOT	7	0	0	0	0	7	0%
PINOT NOIR	110	0	0	0	0	110	0%
RUBY CABERNET	0	0	0	0	0	0	0%
SANGIOVESE	0	1	4	0	0	5	0%
SHIRAZ	681	75	68	59	79	962	8%
OTHER RED	1	0	0	0	0	1	0%
TOTAL RED WINEGRAPES	1658	215	146	68	85	2171	4%
WHITE WINEGRAPES							
CHARDONNAY	727	0	18	29	104	879	12%
MUSCAT BLANC	12	0	8	0	0	20	0%
RIESLING	284	0	0	0	0	284	0%
SAUVIGNON BLANC	49	2	0	0	0	51	0%
SEMILLON	89	0	0	0	0	89	0%
TRAMINER	53	0	0	0	0	53	0%
VERDELHO	32	2	0	0	0	34	0%
VIOGNIER	4	0	4	5	0	13	0%
OTHER WHITE	18	0	0	0	6	24	25%
TOTAL WHITE WINEGRAPES	1269	4	30	34	110	1447	8%
TOTAL ALL VARIETIES	2927	219	176	102	195	3618	5%

PADTHAWAY TONNES CRUSHED BY VARIETY - VINTAGE 2003

Table 12.2

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) for		
							Own	Other	Preferred
RED									
Cabernet Franc	239	0	239	85	0%	280%	3	0	1
Cabernet Sauvignon	2438	3422	5860	4891	58%	120%	7	12	14
Malbec	175	104	278	87	37%	319%	3	2	2
Merlot	1140	269	1409	1306	19%	108%	5	5	5
Other red	2	0	2	3	0%	67%	1	0	1
Petit Verdot	45	0	45	1	0%	4508%	3	0	1
Pinot Noir	1475	178	1653	1151	11%	144%	4	2	5
Ruby Cabernet	2	0	2	2	0%	106%	1	0	1
Sangiovese	0	18	18	18	100%	102%	0	1	1
Shiraz	2781	3339	6120	5553	55%	110%	6	14	16
Total RED	8297	7330	15626	13098	47%	119%			
WHITE									
Arneis	2	0	2	0	0%		1	0	0
Chardonnay	5784	1941	7724	6949	25%	111%	6	12	13
Muscat Blanc (Frontignac)	109	0	109	0	0%		1	0	0
Other white	9	0	9	0	0%		1	0	0
Riesling	2441	151	2592	1255	6%	207%	3	1	2
Sauvignon Blanc	194	63	257	300	25%	86%	4	4	7
Semillon	672	91	763	158	12%	484%	2	1	2
Traminer	165	0	165	104	0%	159%	2	0	1
Verdelho	244	59	303	141	19%	215%	2	3	4
Viognier	17	15	32	32	46%	100%	1	1	1
Total WHITE	9638	2319	11956	8938	19%	134%			
Total for region	17934	9648	27583	22036					

PADTHAWAY CROP VALUE DATA - VINTAGE 2003

Table 12.3

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 Sauvignon	3422	5860	\$4,967,637	\$8,506,453	\$900	\$2,400	\$1,452	100%
Malbec	104	278	\$145,082	\$389,436			\$1,399	100%
Merlot	269	1409	\$379,009	\$1,985,634	\$787	\$1,725	\$1,409	100%
Pinot Noir	178	1653	\$231,660	\$2,149,729			\$1,301	100%
Sangiovese	18	18	\$31,783	\$31,783			\$1,725	100%
Shiraz	3339	6120	\$5,152,153	\$9,444,621	\$800	\$2,000	\$1,543	100%
Total RED	7330	15338	\$10,907,324	\$22,507,656				
WHITE								
Chardonnay	1941	7724	\$2,907,789	\$11,574,577	\$918	\$1,850	\$1,498	100%
Riesling	151	2592	\$181,704	\$3,119,545			\$1,203	100%
Sauvignon Blanc	63	257	\$66,321	\$270,513	\$650	\$1,500	\$1,054	100%
Semillon	91	763	\$36,288	\$305,180			\$400	100%
Verdelho	59	303	\$55,380	\$284,609	\$840	\$1,100	\$939	100%
Viognier	15	32	\$25,140	\$55,181			\$1,725	100%
Total WHITE	2319	11671	\$3,272,622	\$15,609,605				

(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.

PADTHAWAY ESTIMATED AND PREFERRED FUTURE INTAKE OF GRAPES 2004 TO 2008

Table 12.4

Variety	2004		2005		2006		2007		2008	
	estimated	preferred	estimated	preferred	estimated	preferred	estimated	preferred	estimated	preferred
RED										
Cabernet Franc	233	124	202	124	202	124	202	124	202	124
Cabernet Sauvignon	7246	6157	7496	6791	7541	6981	7549	7279	7317	7405
Malbec	300	165	297	162	297	162	297	162	297	162
Merlot	1581	1664	1646	1793	1647	1862	1661	1903	1661	1965
Other red	3	3	3	3	3	3	3	3	3	3
Petit Verdot	35	0	27	0	27	0	27	0	27	0
Pinot Noir	1649	1518	1530	1621	1365	1677	1365	1713	1365	1747
Ruby Cabernet	0	0	0	0	0	0	0	0	0	0
Sangiovese	25	25	49	49	49	49	49	49	49	49
Shiraz	8660	6847	8809	7403	8974	7834	8968	8192	8548	8509
Total for RED	19731	16503	20060	17946	20106	18692	20122	19425	19469	19964
WHITE										
Arneis	1	0	1	0	1	0	1	0	1	0
Chardonnay	9499	8134	10013	8985	10476	10021	10668	10392	10630	11098
Muscat Blanc (Frontignac)	124	0	0	0	0	0	0	0	0	0
Riesling	2950	1543	2853	1512	2813	1532	2853	1552	2676	1572
Sauvignon Blanc	548	412	571	444	571	450	571	458	571	464
Semillon	750	196	547	146	333	146	146	146	146	146
Traminer	347	232	374	259	414	299	474	339	556	421
Verdelho	363	187	337	164	319	150	319	153	319	156
Viognier	78	78	110	109	141	141	141	141	141	150
Total for WHITE	14660	10782	14806	11619	15069	12739	15174	13181	15041	14007
Total for region	34391	27285	34866	29565	35175	31431	35296	32606	34510	33971

PADTHAWAY PAST PRODUCTION AND PROJECTIONS FOR MAJOR VARIETIES 2000 - 2008

Figure 12.1

Past production and projections (major varieties)

