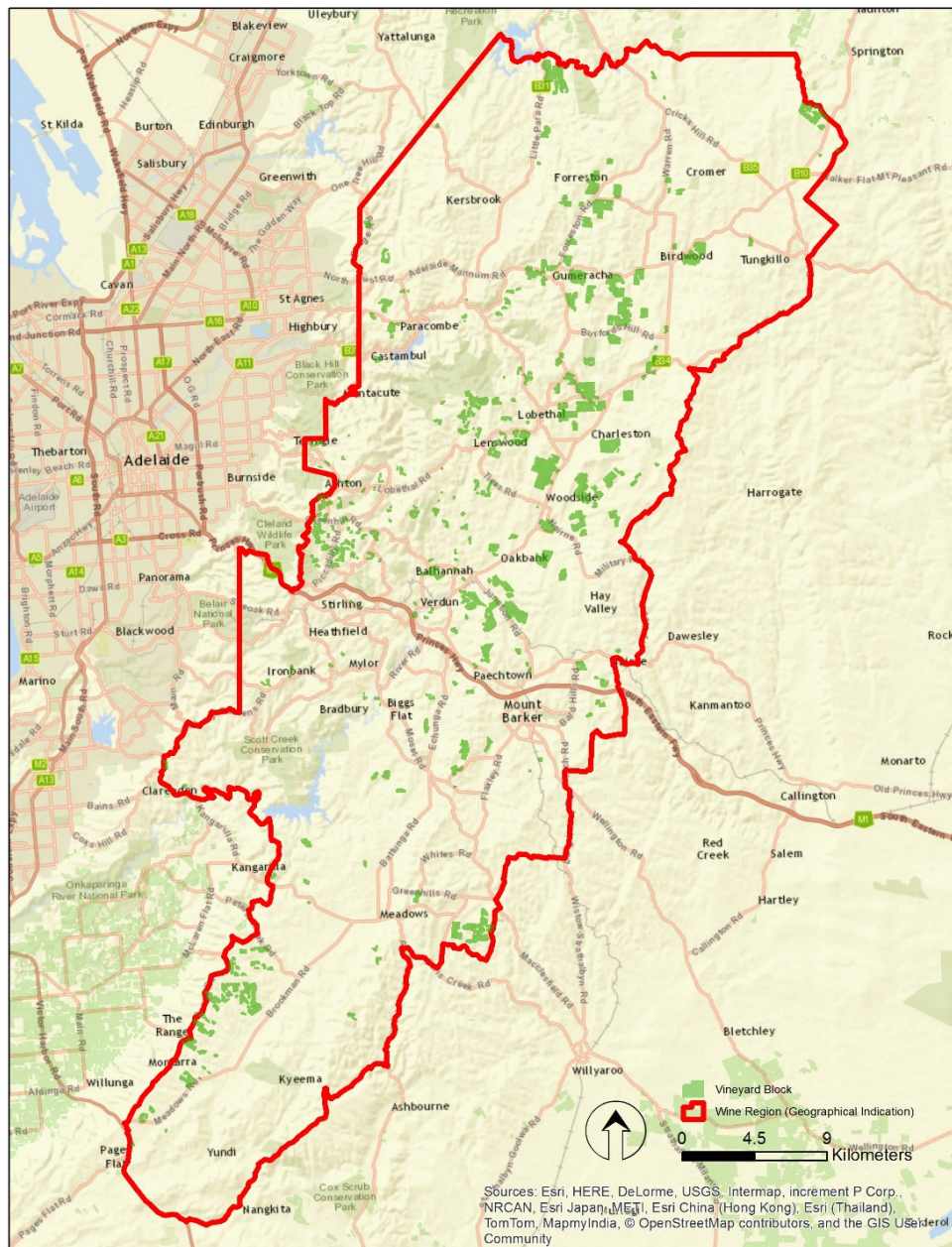


SA Winegrape Crush Survey 2019

Regional Summary Report

Adelaide Hills Wine Region

Wine Australia July 2019



DATUM: GDA94
PROJECTION: MGA Zone 54
DATE: 8th March 2017
SOFTWARE: ESRI ArcGIS v10.4
DATA SOURCE:
Vineyard Block - Vinehealth Australia
Wine Region - Wine Australia

Adelaide Hills Wine Region



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Adelaide Hills

Vintage overview

VINTAGE REPORT

Vintage 2019 in the Adelaide Hills was disappointing for grape growers as it returned the lowest grape yield for many seasons, being only around 50 per cent of the total harvested in the previous season. However, winemakers were pleased with the wine, apart from the low volume, as the region escaped the influence of the extreme January heat, seen across Australia, and had a long slow ripening in autumn.

The previous winter began with unseasonably dry conditions but fortunately above average rainfall in June and August ensured close to optimal soil moisture at budburst. Growing season rainfall was low, being 43 per cent of the Long-Term Average. This meant that disease and pest issues were minimal for the 2018/19 season. Despite conditions being cold early in the season, soil temperatures rose steadily ensuring an even budburst and good development of flowers, leaving grape growers hopeful of at least an average crop potential. However, unseasonably cold conditions over 3 days at the beginning of flowering resulted in poor set in varieties that were in full flower, as well as causing cold damage to flowers that had not yet fully developed.

Although the Adelaide Hills region joined the rest of Australia with record temperatures on January 24, the region only experienced two short heatwaves of 4 days with cooler conditions between heat spikes, which allowed vines to fully recover. In contrast to many regions there was very little sunburn on either fruit or leaves as grape berries had not yet reached veraison, when berries are particularly heat-susceptible. This, combined with a mild autumn, resulted in good flavour and colour development, albeit with a small crop.

Richard Hamilton, Adelaide Hills Wine

OVERVIEW OF VINTAGE STATISTICS

A total of 16,002 tonnes of Adelaide Hills winegrapes was crushed in 2019, a reduction of 41 per cent compared with the 2018 crush of 27,318 tonnes.

There were 75 respondents to the survey who reported crushing grapes from the Adelaide Hills in 2019, compared with 80 in 2018.

The 2019 crush is 35 per cent below the five-year average crush from the region (24,628 tonnes). The maximum over that timeframe was 27,670 tonnes in 2016 and the minimum was 17,873 tonnes in 2014.

The total value of winegrapes decreased by \$13 million to \$24.6 million as a result of the lower crop, while the average value of grapes increased overall by 11 per cent.

The average price paid for Adelaide Hills' largest variety, Sauvignon Blanc, increased by 14 per cent to \$1356 per tonne, while Chardonnay increased by 15 per cent to \$1635 per tonne and overtook Pinot Noir for the first time since 2005. Pinot Noir increased by 6 per cent to \$1607 per tonne, Merlot increased by 21 per cent to \$1035 per tonne and Shiraz increased by 17 per cent to \$2121 per tonne.

The price dispersion data shows that 50 per cent of red varieties were purchased at \$1500 and above compared with 43 per cent in 2018. For the whites, the proportion sold at \$1500 and above increased from 30 per cent to 47 per cent.

There were 58 hectares of new vines planted in the 2018 planting season compared with 62 hectares the previous year. Half of these plantings were red varieties, with Shiraz and Pinot Noir being the most planted. The total area planted in the region as at 30 April 2019 is 3,830 hectares, very similar to the area 5 years ago of 3,931 hectares.

Adelaide Hills

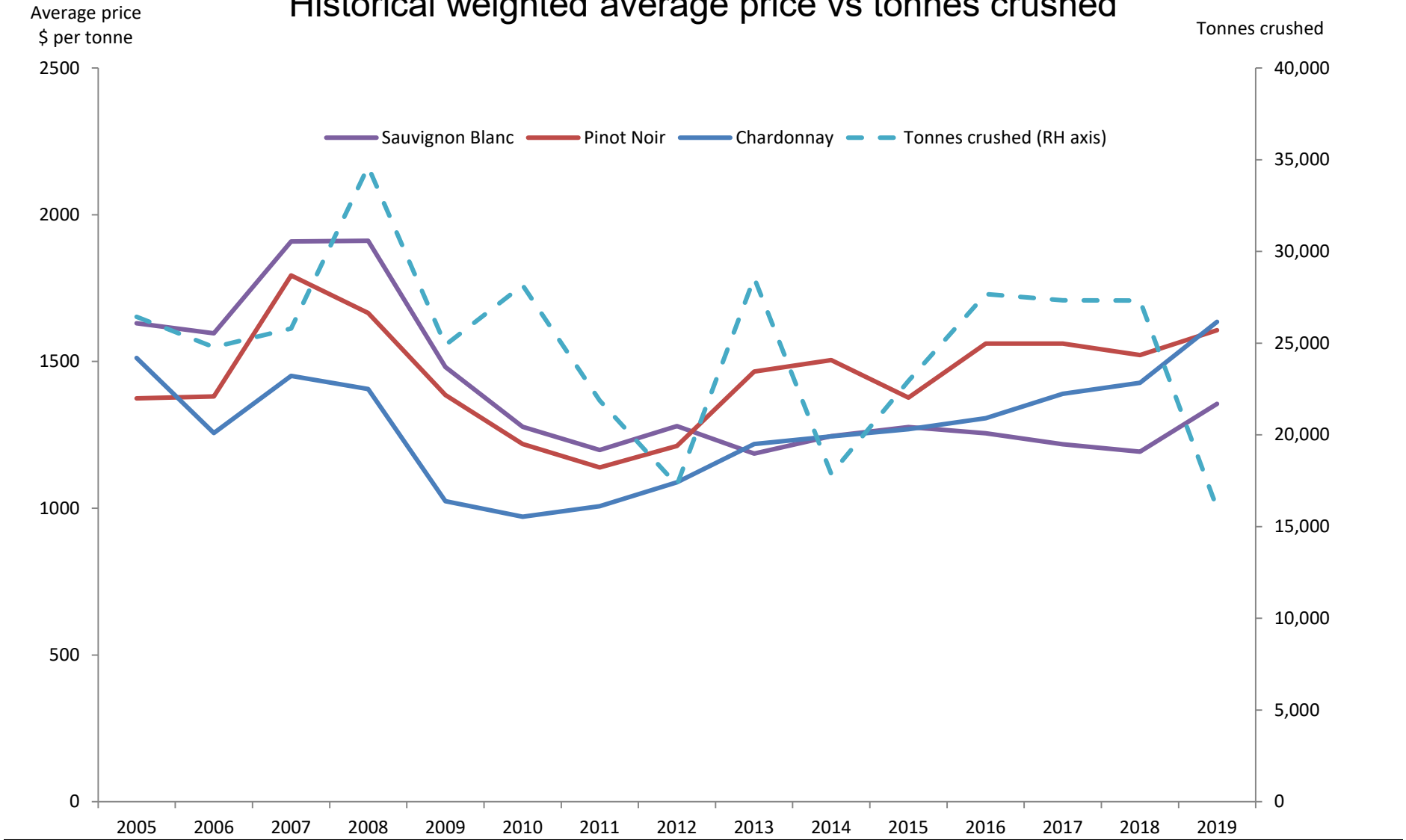
Winegrape intake summary table

	Total tonnes purchased	Price dispersion - number of tonnes in each price range					total value purchased grapes	Average purch. value per tonne	Change in price YoY	Winery grown fruit	Share of winery grown	Total crushed	Est total value ALL grapes
		< \$300	\$300 to <\$600	\$600 to <\$1500	\$1500 to <\$2000	\$2000+							
Red													
Barbera	3					3			-100%	13	83%	15	\$33,290
Cabernet Franc	2				2					17	89%	20	\$31,250
Cabernet Sauvignon	198			47	104	47	\$350,883	\$1,775	11%	178	47%	376	\$667,271
Dolcetto										4	100%	4	\$2,633
Malbec	3				3						0%	3	\$4,640
Mataro/Mourvedre										7	100%	7	\$10,406
Merlot	611			562	48		\$631,848	\$1,035	21%	26	4%	637	\$659,037
Montepulciano	15				7	8	\$32,207	\$2,113	4%		0%	15	\$32,207
Nero d'Avola	7					7					0%	7	\$14,260
Pinot Meunier	137			61	66	10	\$212,056	\$1,551	2%		0%	137	\$212,056
Pinot Noir	3,062			1,530	1,082	450	\$4,921,309	\$1,607	6%	494	14%	3,556	\$5,714,360
Sangiovese	14			7	3	4	\$21,326	\$1,498	10%	1	6%	15	\$22,734
Shiraz	451			71	120	260	\$956,242	\$2,121	17%	431	49%	882	\$1,871,259
Tempranillo	32				25	7	\$62,743	\$1,979	17%	19	37%	51	\$100,324
Other red	31				9	22	\$64,120	\$2,067	1%	49	61%	80	\$165,352
Red Total	4,566			2,279	1,470	817	\$7,280,981	\$1,595	6%	1,239	21%	5,804	\$9,541,078
White													
Chardonnay	3,240			1,365	1,331	545	\$5,297,232	\$1,635	15%	526	14%	3,766	\$6,156,754
Chenin blanc	4			4							0%	4	\$5,600
Fiano	12				10	2					0%	12	\$22,268
Gewurztraminer	49			40	7	3	\$47,717	\$973	15%	5	9%	54	\$52,626
Gruner Veltliner	60				21	39	\$117,865	\$1,973	9%	39	40%	99	\$195,175
Muscat Blanc a Petits Grains	10			10							0%	10	\$7,680
Pinot Gris/Grigio	770			386	296	88	\$1,182,420	\$1,536	6%	317	29%	1,087	\$1,669,274
Prosecco	61			55	6		\$60,498	\$984		16	21%	77	\$76,209
Riesling	248		4	141	70	33	\$320,960	\$1,293	14%	46	16%	294	\$380,679
Sauvignon Blanc	3,585			2,233	1,232	120	\$4,859,852	\$1,356	14%	1,008	22%	4,592	\$6,225,878
Semillon	86		20	51	16		\$85,801	\$994	66%	55	39%	142	\$140,600
Vermentino	6			6							0%	6	\$6,589
Viognier	7			5	2		\$8,402	\$1,211	14%	7	52%	14	\$17,386
Other white	14				14		\$21,900	\$1,595	35%	26	66%	40	\$63,929
White Total	8,152		24	4,295	3,003	830	\$12,044,785	\$1,478	13%	2,046	20%	10,198	\$15,020,648
Grand Total	12,718		24	6,573	4,473	1,647	\$19,325,766	\$1,520	11%	3,284	21%	16,002	\$24,561,726

Note: Where there are fewer than three purchasers of a variety, the average price and total value are not reported to protect confidentiality.

Adelaide Hills

Historical weighted average price vs tonnes crushed



Adelaide Hills

Current plantings by variety and year planted

Variety	Year planted				Total area	% planted in 2018
	Pre-2016	2016	2017	2018		
Red winegrapes						
Cabernet Franc	8	0	0	0	8	0%
Cabernet Sauvignon	196	3	18	0	217	0%
Grenache	2	0	0	0	2	0%
Merlot	144	0	0	0	144	0%
Meunier (Pinot Meunier)	25	0	0	0	25	0%
Nebbiolo	10	0	0	2	12	17%
Pinot Noir	646	10	7	9	672	1%
Sangiovese	13	0	0	1	14	7%
Shiraz	365	9	4	14	392	4%
Tempranillo	30	1	2	0	33	0%
Other Red	34	1	0	4	39	10%
TOTAL RED WINEGRAPES	1473	24	31	30	1558	2%
White winegrapes						
Chardonnay	804	8	10	4	826	0%
Gruner Veltliner	18	0	1	0	19	0%
Pinot Gris/Grigio	249	0	5	5	259	2%
Riesling	55	0	1	1	57	2%
Sauvignon Blanc	921	2	11	0	934	0%
Semillon	40	0	0	0	40	0%
Traminer (Gewurztraminer)	20	0	0	0	20	0%
Viognier	21	0	0	0	21	0%
Other White	38	1	3	3	45	7%
TOTAL WHITE WINEGRAPES	2166	11	31	13	2221	1%
Rootstock Block	2	0	0	0	2	0%
Unknown variety	33	1	0	15	49	31%
TOTAL ALL VARIETIES	3674	36	62	58	3830	2%

Source: Vinehealth Australia

Explanations and definitions

AUSTRALIAN NATIONAL VINTAGE SURVEY

The information for this report has been collected and analysed by Wine Australia as part of the Australian National Vintage Survey. The SA Winegrape Crush Survey Report has been prepared by Wine Australia on behalf of the South Australian Wine Industry Association, Wine Grape Growers South Australia and Primary Industries and Regions SA.

Maps and planting data tables are provided by Vinehealth Australia (see notes on planting data tables).

The survey publication is available on Wine Australia's website wineaustralia.com, the Vinehealth Australia website vinehealth.com.au and via links from the Wine Grape Council SA website wgcsa.com.au and the South Australian Wine Industry Association website winesa.com.au

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Disclaimer

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Note: data published in this report supercedes that in earlier reports. Minor variations in reported figures can occur due to data revisions.

Any questions about the report should be directed to:

Wine Australia Market Insights
+618 8228 2000
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Explanations and definitions - continued

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 88 per cent; however, individual regions may vary. Generally, regions will have a higher response rate when there is a high proportion of purchased winegrapes within the region.

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 receipt – 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-June 2019).

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.

Average and total purchase values are not reported where there are fewer than three purchasers of a variety in a particular region. However the values are included in the calculation of totals for each region.

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.

Price dispersion data (shaded columns in Intake Summary tables)

All purchases for each variety are grouped into price segments according to the price paid for that batch of fruit. The sum of tonnes in all the price segments may not match the total tonnes purchased where there are tonnes reported without an associated price.

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 for the same variety across similar regions, or 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 - continued

PLANTING DATA

Source of planting data tables

Planting data is not collected by the Australian National Vintage Survey. The information is obtained from the vineyard register maintained by Vinehealth Australia.

Vinehealth Australia is required under the *Phylloxera and Grape Industry Act 1995* to maintain a complete and accurate register of vineyard owners in the state. Vineyard owners with plantings of 0.5 hectares or more are required to register with Vinehealth Australia, and provide details of any changes made to these vineyard plantings within three months of any such change. This information is kept strictly confidential and provided for this survey in a deidentified and aggregated manner.

Explanatory notes for planting data tables

Regions are defined according to the Register of Australian Geographical Indications.

To protect confidentiality, the following rules are applied to reporting varieties:

- where there are fewer than 10 registered owners with plantings of a particular variety across the state, that variety is not separately identified in either the state or the regional reports but is grouped with “other red/white”, AND
- where there are fewer than three registered owners with a particular grape variety in a given region, that variety is not separately identified in the regional report but is grouped with “other red/white” unless it is a white variety listed in the top six, or red variety in the top five by planted area for the state for the current year.

- Planting data tables are current as at 30 April 2019 and include all plantings from the 2018-19 planting season.
- Reference to “other varieties” includes rootstock, multi-purpose and table-grape plantings.
- Vines planted in a particular year may include top-worked 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 current report compared with previous reports.
- 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 slight discrepancies in totals.

For more information on the planting data in this report or about registration of vineyards, please contact the Vinehealth Australia office on (08) 8273 0550.