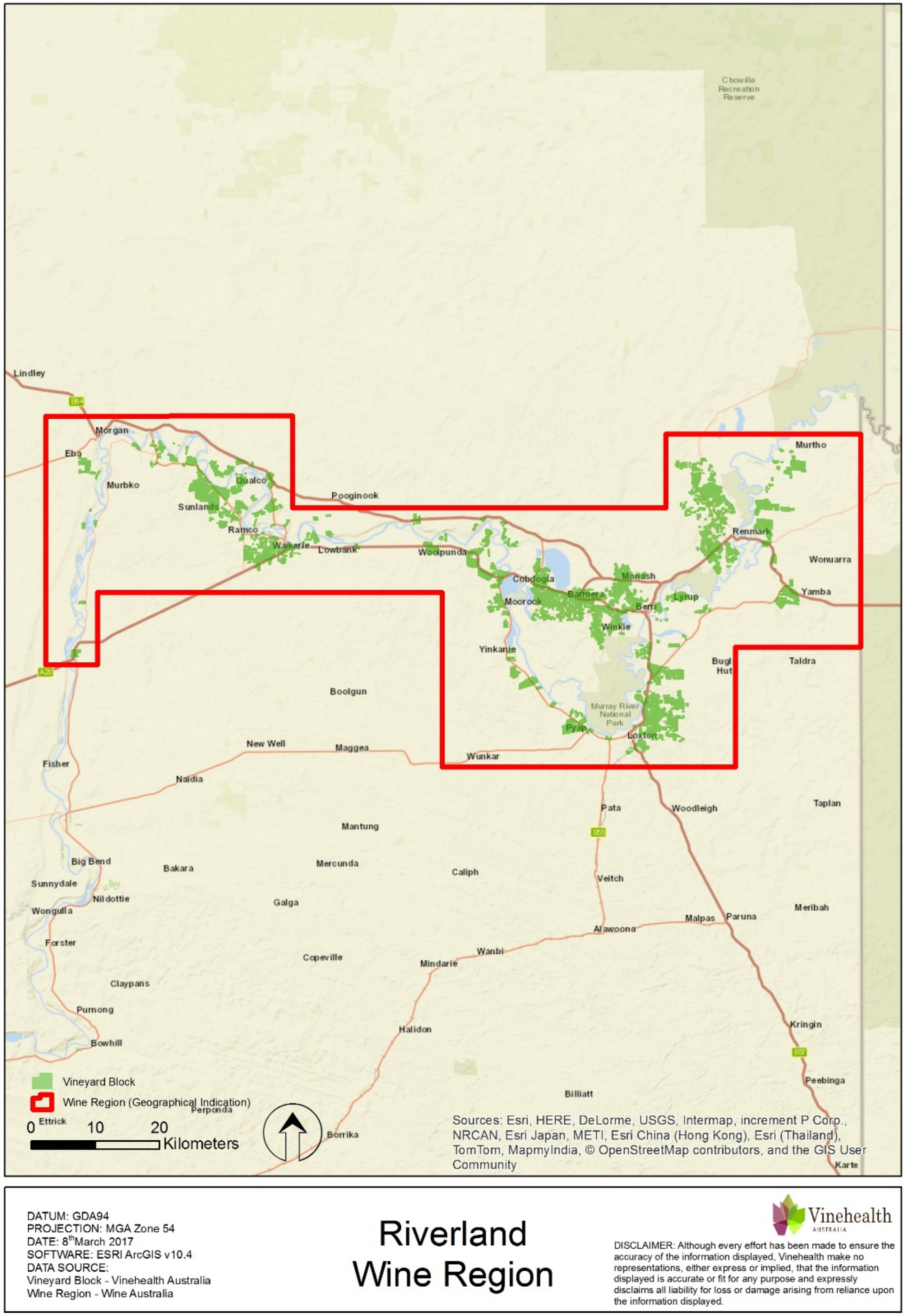


SA Winegrape Crush Survey 2019

Regional Summary Report

Riverland Wine Region

Wine Australia July 2019

Riverland

Vintage overview

VINTAGE REPORT

The 2018/19 season will be remembered as hot and dry. The heat summation for the growing season was the second highest on record. There were 48 days above 35°C and 16 days above 40°C. The rainfall for the growing season was 78mm, but only 11mm fell from January to April.

The season started with budburst occurring at around the normal time. Early indications were for at least average crop potential, based on the observed budburst and shoot fruitfulness. The spring months were generally mild and relatively dry, but sufficient rain fell to cause a potentially serious outbreak of downy mildew. Fortunately, grape growers reacted quickly and controlled the outbreak before losses became significant. Warm and sunny weather during the early part of the flowering period resulted in a rapid transition to fruit set, but rain and cooler weather later in flowering slowed the pollination process and affected fruit set.

December saw the arrival of the extreme heat wave events. These events continued through the vintage, until late March, and required exceptional irrigation management to avoid leaf and crop damage. The months of December and January were amongst the hottest on record.

The vintage started in late January, which in recent years has become the normal starting time but is about three weeks earlier than 30 years ago. Soon after vintage started, the rate of ripening was slowed by a series of heatwave events followed by a cool period. As has been the case in most of the recent vintages, the vintage was again highly compressed, with early and late varieties ripening over a short period of time. All parts of the supply chain, including harvest operators, carriers and wineries, were stretched to the limits to bring in the crop at optimal ripeness. Vintage finished in early April for the late ripening varieties.

Despite the difficulties posed by the climatic conditions, most winemakers have reported good to excellent wine quality.

Ian Macrae, CCW

OVERVIEW OF VINTAGE STATISTICS

The reported harvest from the Riverland in 2019 was 474,090 tonnes, 6 per cent above the 2018 harvest of 447,410 tonnes and 5 per cent above the five-year (2014-2018) average crush for the Riverland of 453,017 tonnes.

There were 51 respondents to the survey who reported crushing grapes from the Riverland in 2019, compared with 40 in 2018. The difference in crush could be partly attributable to an improved overall response rate.

The total estimated value of all grapes increased by 28 per cent, from $176 million to $227 million, as a result of the increased crush combined with a 21 per cent increase in the overall average price paid.

The average prices for all major red varieties increased. Shiraz was up by 27 per cent to $617 per tonne, and Cabernet Sauvignon by 30 per cent to $607 per tonne. For whites, Chardonnay increased by 10 per cent to $359 per tonne, despite having an increased tonnage against the general trend. Sauvignon Blanc increased by 8 per cent to $425 per tonne. These increases follow similar increases in 2018 and 2017, and the average prices for all the top three varieties are the highest since 2008.

The price dispersion data for reds shows a significant upward shift in prices, with 72 per cent of red tonnages purchased at $600 or above compared with almost none in 2018. This shift was not observed in the whites.

There were 220 hectares of new plantings in the 2018 planting season. Cabernet Sauvignon (61 hectares), Pinot Gris/Grigio (53 hectares) and Shiraz (41 hectares) were the main contributors to the new plantings. The non-bearing area of Pinot Gris is currently over one-third of its total area.

There was very little change in the total planted area since last year. The total planted area is 20,366 hectares, 400 hectares less than it was in 2013.

Riverland

Winegrape intake summary table – red winegrapes

	Total tonnes purchased	Price dispersion - number of tonnes in each price range: < $300	$300 to <$600	$600 to <$1500	$1500 to <$2000	$2000+	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
Red													
Barbera	8		8								0%	8	$3,600
Cabernet Franc	6		6							0	8%	6	$2,679
Cabernet Sauvignon	54,529		8,114	46,415			$33,079,358	$607	30%	17,097	24%	71,626	$43,450,943
Dolcetto	5		5								0%	5	$1,800
Durif	780		45	736			$533,871	$684	17%	384	33%	1,164	$796,281
Grenache	4,614		4,167	447			$2,381,612	$516	30%	169	4%	4,783	$2,469,079
Lagrein	10		4	5			$7,802	$794	-14%		0%	10	$7,802
Malbec	261		261							273	51%	533	$240,066
Mataro/Mourvedre	2,481		1,849	631			$1,260,147	$508	14%	52	2%	2,532	$1,286,381
Merlot	17,871		14,637	3,234			$10,644,137	$596	33%	9,519	35%	27,390	$16,313,786
Montepulciano	130		90	40			$74,819	$575	-15%	45	26%	175	$100,609
Muscat Rouge a Petits Grains	244		244				$117,882	$483		1	0%	245	$118,172
Nero d'Avola	24			24			$25,785	$1,057			0%	24	$25,785
Petit Verdot	7,233		6,915	318			$3,642,342	$504	20%	5,121	41%	12,354	$6,221,313
Pinot Noir	7,036		6,836	200			$3,488,030	$496	14%	1,021	13%	8,058	$3,994,247
Ruby Cabernet	1,123		1,112	11			$576,356	$513	22%	1,174	51%	2,297	$1,178,446
Sangiovese	94		39	55					-100%	406	81%	500	$269,158
Shiraz	91,611		6,382	85,229			$56,539,010	$617	27%	27,255	23%	118,866	$73,359,752
Tarrango	192	192									0%	192	$55,488
Tempranillo	1,118		1,002	116			$604,439	$541	18%	195	15%	1,313	$710,020
Other red	1,329		1,189	140			$761,857	$573	21%	1,316	50%	2,645	$1,516,706
Red Total	**190,699**	**192**	**52,904**	**137,603**			**$113,968,905**	**$598**	**27%**	**64,028**	**25%**	**254,727**	**$152,122,110**

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

Riverland

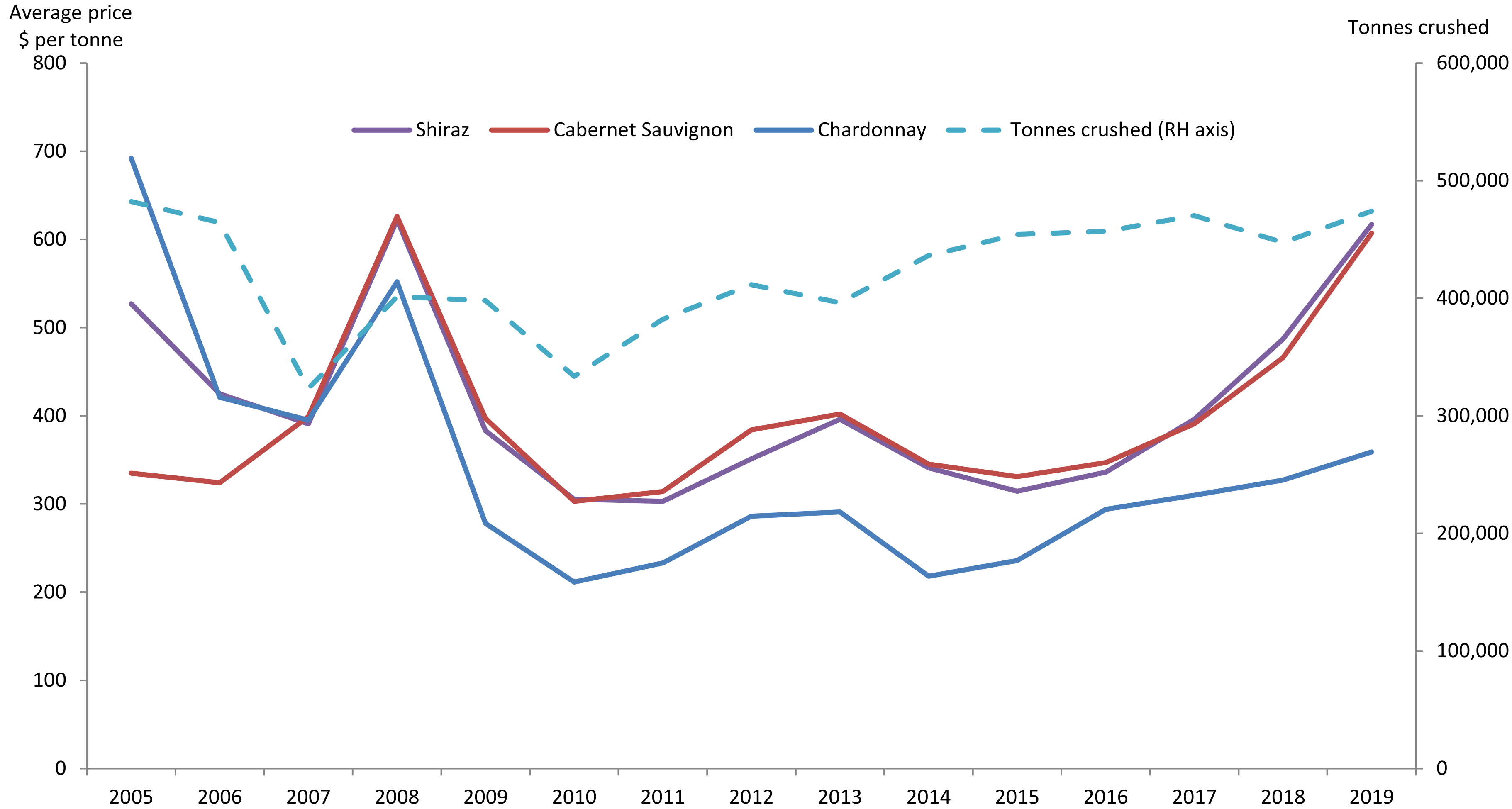
Winegrape intake summary table – white winegrapes

	Total tonnes purchased	Price dispersion - number of tonnes in each price range: < $300	$300 to <$600	$600 to <$1500	$1500 to <$2000	$2000+	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
White													
Canada Muscat	27		27							55	67%	82	$40,890
Chardonnay	97,102		96,283	820			$34,897,324	$359	10%	19,521	17%	116,623	$41,912,795
Chenin blanc	1,561	1,375	186				$410,381	$263	6%	6	0%	1,567	$412,032
Colombard	22,684	21,532	1,152				$5,924,933	$261	9%	3,515	13%	26,199	$6,843,118
Doradillo	114	54	60							25	18%	139	$33,443
Fiano	141		131	10			$68,901	$489			0%	141	$68,901
Gewurztraminer	927	8	919				$340,495	$367	7%	1,352	59%	2,279	$836,732
Gruner Veltliner	2		2							113	98%	115	$34,515
Moscato Giallo	83		83								0%	83	$25,005
Muscadelle (Tokay)										40	100%	40	$0
Muscat Blanc a Petits Grains	3,750	2,726	1,023				$1,148,193	$306	-6%	470	11%	4,220	$1,292,213
Muscat Gordo Blanco	23,927	23,194	733				$6,174,554	$258	9%	3,573	13%	27,500	$7,096,618
Pinot Gris/Grigio	3,970		3,970				$2,012,486	$507	-1%	874	18%	4,844	$2,455,649
Prosecco	41			41							0%	41	$31,385
Riesling	1,567	30	1,537				$531,353	$339	0%	425	21%	1,992	$675,383
Roussanne	7		7								0%	7	$2,142
Sauvignon Blanc	15,408		15,408				$6,555,588	$425	4%	4,106	21%	19,514	$8,302,379
Semillon	4,790	2,432	2,358				$1,414,790	$295	3%	3,298	41%	8,088	$2,388,769
Sultana	434	434					$113,653	$262	9%		0%	434	$113,653
Verdelho	1,088	434	654				$324,784	$299	-21%	837	43%	1,925	$574,791
Vermentino	588	172	267	149			$248,547	$423	-9%	173	23%	761	$321,636
Viognier	1,778	551	991	236			$717,024	$403	-7%	391	18%	2,168	$874,714
Other white	501	99	382	21			$158,801	$317	31%	100	17%	601	$190,531
White Total	**180,490**	**53,039**	**126,174**	**1,277**			**$61,141,900**	**$339**	**8%**	**38,873**	**18%**	**219,363**	**$74,527,296**
Grand Total	**371,189**	**53,231**	**179,078**	**138,880**			**$175,110,805**	**$472**	**21%**	**102,901**	**22%**	**474,090**	**$226,649,406**

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

Riverland

Historical weighted average price vs tonnes crushed



Riverland

Current plantings by variety and year planted – white winegrapes

	Year planted					
Variety	*Pre-2016*	*2016*	*2017*	*2018*	*Total area (ha)*	*% planted in 2018*
White winegrapes						
Chardonnay	4,360	3	0	19	4,383	*0%*
Chenin Blanc	74	0	0	0	74	*0%*
Colombard	762	0	0	0	762	*0%*
Doradillo	35	0	0	0	35	*0%*
Muscadelle (Tokay)	8	0	0	0	8	*0%*
Muscat A Petit Grains Blanc (White Frontignac)	114	0	0	0	114	*0%*
Muscat Gordo Blanco	891	2	2	0	895	*0%*
Palomino	8	0	0	0	8	*0%*
Pinot Gris	113	41	34	53	241	*22%*
Riesling	110	0	0	0	110	*0%*
Sauvignon Blanc	499	16	16	8	538	*1%*
Semillon	321	0	0	0	321	*0%*
Sultana	125	0	0	0	125	*0%*
Traminer (Gewurztraminer)	110	0	0	0	110	*0%*
Trebbiano	14	0	0	0	14	*0%*
Verdelho	88	0	0	0	88	*0%*
Vermentino	17	0	0	0	17	*0%*
Viognier	103	0	0	0	104	*0%*
Other White	60	1	0	0	61	*0%*
TOTAL WHITE WINEGRAPES	**7,812**	**63**	**52**	**80**	**8,008**	**1%**

Source: Vinehealth Australia

Riverland

Current plantings by variety and year planted – red winegrapes

	Year planted					
Variety	*Pre-2016*	*2016*	*2017*	*2018*	*Total area (ha)*	*% planted in 2018*
Red winegrapes						
Cabernet Sauvignon	3,210	31	44	61	3,346	*2%*
Grenache	290	0	6	0	296	*0%*
Malbec	23	3	3	1	29	*3%*
Mataro (Mourvedre)	232	0	0	2	234	*1%*
Merlot	1,167	0	4	21	1,192	*2%*
Petit Verdot	495	0	2	0	497	*0%*
Pinot Noir	290	0	0	0	290	*0%*
Ruby Cabernet	119	0	0	0	119	*0%*
Sangiovese	14	0	4	0	18	*0%*
Shiraz	5,375	111	76	41	5,603	*1%*
Tempranillo	54	0	0	1	55	*2%*
Other Red	128	1	13	6	149	*5%*
TOTAL RED WINEGRAPES	**11,397**	**146**	**152**	**133**	**11,828**	**1%**
Unknown variety	228	20	81	0	329	*0%*
Rootstock Block	25	0	0	2	27	*6%*
Table grapes - red	18	0	0	0	18	*0%*
Table grapes - white	26	0	4	0	30	*0%*
Multi-purpose red	60	0	0	0	60	*0%*
Multi-purpose white	25	0	0	5	30	*16%*
TOTAL ALL VARIETIES	**19,627**	**229**	**289**	**220**	**20,366**	**1%**

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 pg 10).

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

Photo credits

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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:
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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 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 (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 2019 Australian Wine Sector 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.

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- 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 2018 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.