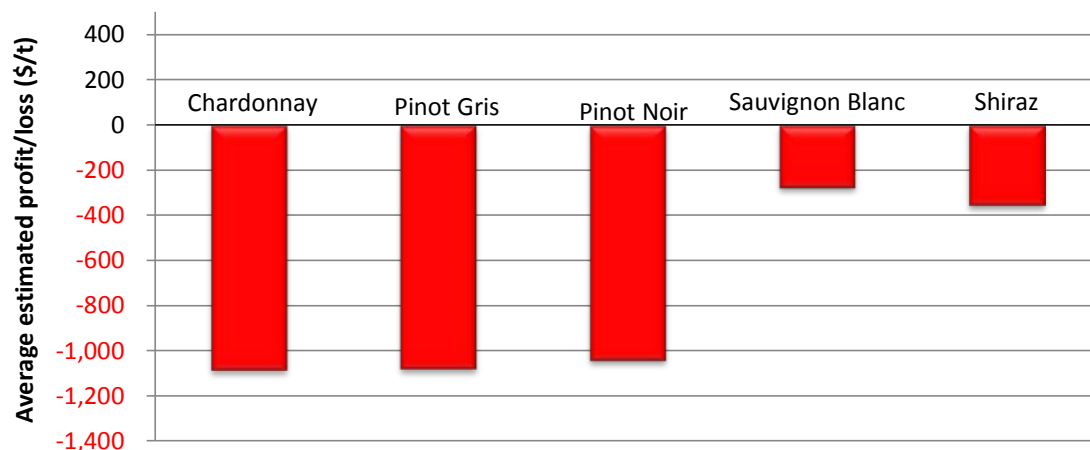




## Profitability analysis by variety

	2014 Regional Harvest Outcomes						Planning for 2015			
	Average yield t/ha* (A)	District average price \$/t (B)	Gross \$/Ha (A x B) (C)	Est cost of production (COP) \$/Ha** (D)	Profit \$/Ha (C-D) (E)	Profit/Loss \$/t in 2014 B - (D ÷ A) (F)	% tonnes sold below COP*** (G)	5 year ave yield t/Ha* (H)	Break even \$/t (D ÷ H) (I)	Difference: 2014 district average & break-even price (B - I)
Chardonnay	4.5	\$1,245	\$5,603	\$10,500	-\$4,883	-\$1,082	92%	6.1	\$1,723	-\$478
Pinot Gris	4.3	\$1,349	\$5,801	\$10,500	-\$4,661	-\$1,077	100%	5.8	\$1,797	-\$448
Pinot Noir	4.1	\$1,505	\$6,171	\$10,500	-\$4,286	-\$1,038	100%	5.6	\$1,884	-\$379
Sauvignon Blanc	6.9	\$1,246	\$8,597	\$10,500	-\$1,908	-\$277	97%	9.3	\$1,128	\$118
Shiraz	5.3	\$1,609	\$8,528	\$10,500	-\$1,902	-\$356	56%	7.2	\$1,455	\$154

## Profitability in 2014 - Adelaide Hills



## Summary of key points - 2014

- ★ Yields were 35% down on five year average
- ★ The average price per tonne for all major varieties was below the estimated cash costs of production
- ★ Losses for all major varieties were \$2,000 - \$5,000 per hectare on average
- ★ Just under half of all Shiraz tonnes were sold at above cost of production
- ★ For other varieties, less than 10% was sold at above cost of production

## Looking ahead to vintage 2015

- ★ Based on average yields for the past five years, Shiraz and Sauvignon Blanc would be expected to cover cash costs if price paid was equal to the 2014 average price but the other major varieties would not.

## Notes

This information should be used as a guide only. Production costs and returns can vary considerably. The purpose is to give vineyard owners and managers a simple financial illustration that can be adapted to their own situation to assist with planning.

\* Figures derived from the SA Winegrape Crush Survey

\*\*Cash costs only – excluding water, depreciation, finance costs and return on investment

\*\*\*Price dispersion information from the AGWA Price Dispersion Report 2014