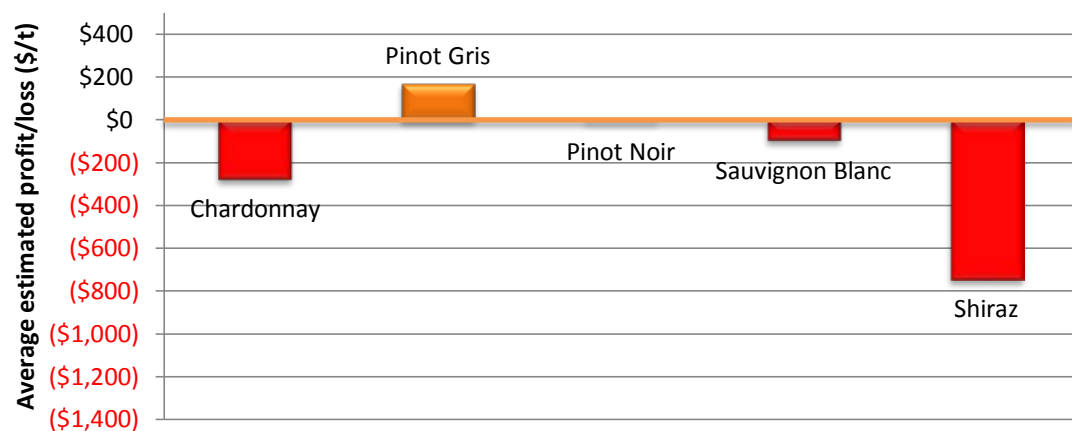




Profitability analysis by variety

	2015 Regional Harvest Outcomes							Planning for 2016		
	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)	Profit/Loss \$/t in 2015 B - (D ÷ A)	% tonnes sold below COP***	5 year ave yield t/ha* (H)	Break even \$/t (D ÷ H) (I)	Difference: 2015 district average & break-even price (B - I)
Chardonnay	6.8	\$1,269	\$8,629	\$10,500	-\$1,896	-\$280	84%	6.4	\$1,647	-\$378
Pinot Gris	8.3	\$1,433	\$11,894	\$10,500	\$1,426	\$171	26%	7.8	\$1,342	\$91
Pinot Noir	7.6	\$1,377	\$10,465	\$10,500	-\$74	-\$10	50%	7.1	\$1,475	-\$98
Sauvignon Blanc	7.6	\$1,276	\$9,698	\$10,500	-\$750	-\$98	61%	7.2	\$1,462	-\$186
Shiraz	4.0	\$1,901	\$7,604	\$10,500	-\$2,955	-\$745	78%	3.7	\$2,815	-\$914

Profitability in 2015 - Adelaide Hills



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.

Summary of key points - 2015

- ★ Yields were up 6% on five year average
- ★ The average price per tonne for all major varieties except Pinot Gris was below the estimated cash costs of production
- ★ Losses for all major varieties except Shiraz were less than in 2014.
- ★ The average price of Shiraz increased by \$300 per tonne.
- ★ For all varieties except Pinot Gris, at least 50% of tonnes were sold below the average cost of production.

Looking ahead to vintage 2016

- ★ Based on average yields for the past five years, only Pinot Gris would be expected to cover cash costs if price paid was equal to the 2015 average price.

Notes

* Figures derived from the SA Winegrape Crush Survey

**Cash costs only – excl. GST, water, depreciation, finance costs and return on investment

***Price dispersion information from the AGWA Price Dispersion Report 2015