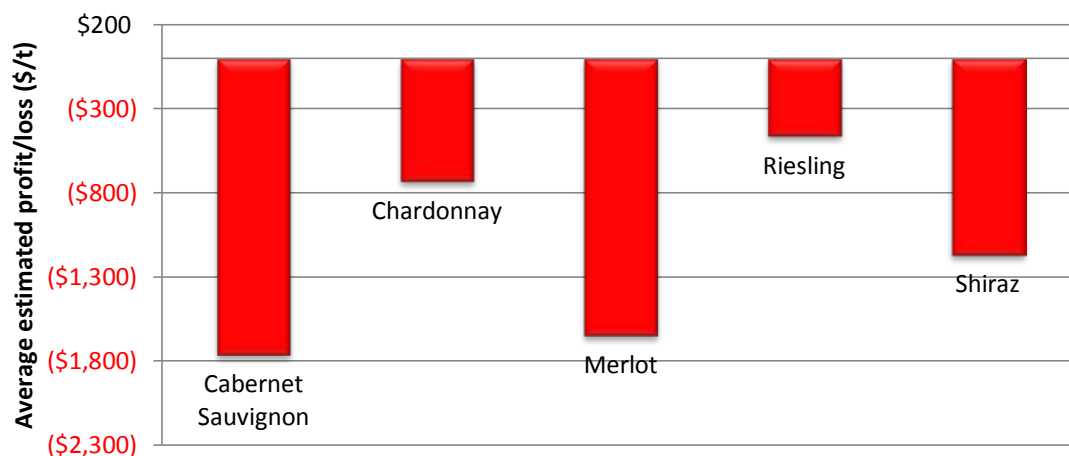




## Profitability analysis by variety

	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) (E)	Profit/Loss \$/t in 2015 B - (D ÷ A) (F)	% tonnes sold below COP*** (G)	5 year ave yield t/ha* (H)	Break even \$/t (D ÷ H) (I)	Difference: 2015 district average & break-even price (B - I) (J)
<b>Cab Sauvignon</b>	2.3	\$1,155	\$2,657	\$6,750	-\$4,076	-\$1,761	100%	2.6	\$2,580	-\$1,425
<b>Chardonnay</b>	4.6	\$740	\$3,404	\$6,750	-\$3,356	-\$732	100%	5.2	\$1,302	-\$562
<b>Merlot</b>	2.7	\$813	\$2,195	\$6,750	-\$4,519	-\$1,647	100%	3.1	\$2,177	-\$1,364
<b>Riesling</b>	4.5	\$1,024	\$4,608	\$6,750	-\$2,096	-\$461	92%	5.1	\$1,314	-\$290
<b>Shiraz</b>	2.8	\$1,266	\$3,545	\$6,750	-\$3,238	-\$1,167	96%	3.1	\$2,154	-\$888

## Profitability in 2015 - Clare Valley



## Summary of key points - 2015

- ★ Yields were 13% down on five year average
- ★ The average price paid per tonne for all major varieties was well below estimated cash cost of production
- ★ Losses for most varieties were between \$2,000 and \$4,500 p/ha on average
- ★ Almost 100% of the tonnes of these major varieties was sold below the average cost of production.
- ★ The average price paid for Riesling and Merlot increased slightly compared with 2014, but prices for the other major varieties decreased slightly.

## Looking ahead to 2016

- ★ Based on average yields for the past five years, none of the major varieties would be expected to cover cash costs if the 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

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.