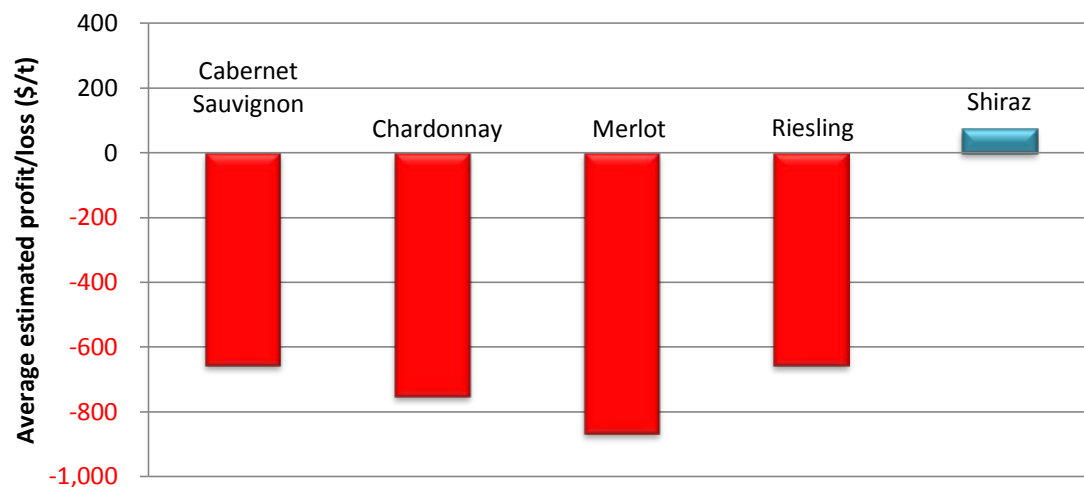




## Profitability analysis by variety

	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) (J)
<b>Cab Sauvignon</b>	3.7	\$1,594	\$5,898	\$8,250	-\$2,400	-\$654	69%	4.8	\$1,701	-\$107
<b>Chardonnay</b>	5.6	\$719	\$4,026	\$8,250	-\$4,210	-\$750	100%	7.4	\$1,112	-\$393
<b>Merlot</b>	4.1	\$1,165	\$4,777	\$8,250	-\$3,513	-\$864	100%	5.4	\$1,536	-\$371
<b>Riesling</b>	5.0	\$990	\$4,950	\$8,250	-\$3,282	-\$655	N/A	6.6	\$1,246	-\$256
<b>Shiraz</b>	6.2	\$1,409	\$8,736	\$8,250	\$458	\$74	57%	8.2	\$1,011	\$398

## Profitability in 2014 - Coonawarra



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 - 2014

- ★ Yields were 32% down on five year average
- ★ The average price per tonne for all major varieties except Shiraz was well below cost of production
- ★ Losses for most varieties were between \$2,400 and over \$4,000 p/ha on average
- ★ More than half the Shiraz was sold at below estimated cost of production – for all other varieties over two-thirds was sold below the cost of production.

## Looking ahead to 2015

- ★ Based on average yields for the past five years, only Shiraz of the major varieties would be expected to cover cash costs if the price paid was equal to the 2014 average price. The price required to cover average cash costs for Cabernet Sauvignon is estimated to be \$1700.

## Notes

\* 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