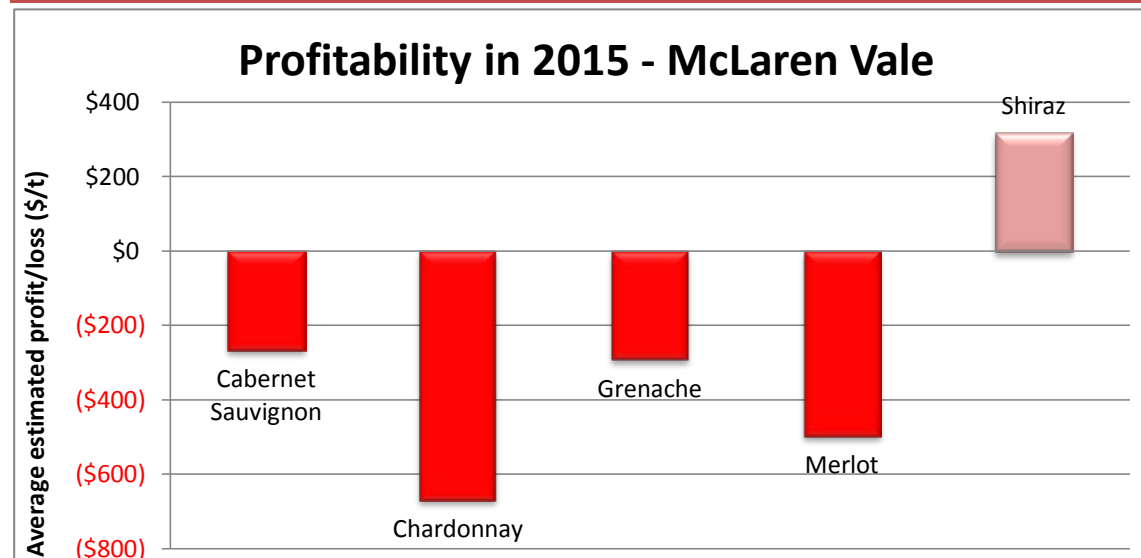




Profitability analysis by variety

	2015 Regional Harvest Outcomes						Planning for 2016			
	(A) Ave Yield t/ha*	(B) District Average price \$/t	(C) Gross \$/Ha (A x B)	(D) Est cost of production (COP) \$/Ha**	(E) Profit \$/Ha (C-D)	(F) Profit/Loss \$/t in 2015 B- (D ÷ A)	(G) % tonnes sold below COP***	(H) 5 year ave yield t/ha*	(I) Break even \$/t (D ÷ H)	(J) Difference: 2015 District average & break-even price (B - I)
Cab Sauvignon	4.1	\$1,371	\$5,621	\$6,750	-\$1,093	-\$265	79%	4.9	\$1,386	-\$15
Chardonnay	5.0	\$685	\$3,425	\$6,750	-\$3,334	-\$668	96%	5.9	\$1,147	-\$462
Grenache	4.1	\$1,352	\$5,543	\$6,750	-\$1,199	-\$292	81%	4.8	\$1,393	-\$41
Merlot	5.1	\$830	\$4,233	\$6,750	-\$2,527	-\$497	89%	6.0	\$1,124	-\$294
Shiraz	4.6	\$1,782	\$8,197	\$6,750	\$1,472	\$319	36%	5.4	\$1,240	\$542



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 down 18% on five year average
- ★ Of the major varieties, only Shiraz covered its cash costs of production.
- ★ Gross return per hectare ranged from \$3,425 for Chardonnay to \$8,197 for Shiraz.
- ★ The majority of tonnes were sold at below cost of production for all major varieties except Shiraz (36% sold below cost of production).

Looking ahead to vintage 2016

- ★ Based on average yields for the past five years, only Shiraz would be expected to cover cash costs if the price paid was equal to the 2015 average price, while Cabernet Sauvignon and Grenache would be close to breakeven.

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