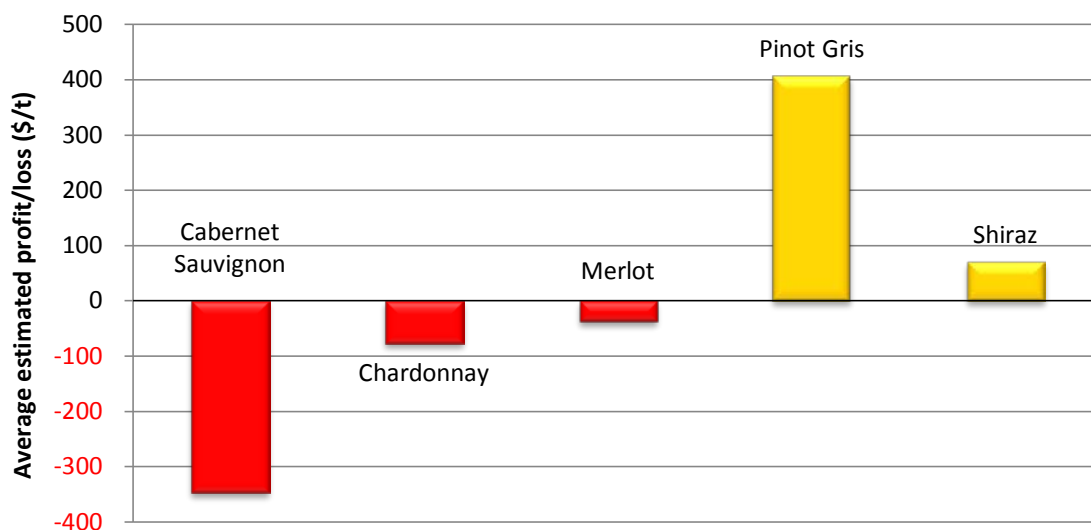




## Profitability analysis by variety

	2014 Regional Harvest Outcomes						Planning for 2015			
	(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 2014 B- (D ÷ A)	(G) % tonnes sold below COP***	(H) 5 year ave yield t/ha*	(I) Break even \$/t (D ÷ H)	(J) Difference: 2014 District average & break-even price (B - I)
<b>Cab Sauvignon</b>	4.9	\$876	\$4,292	\$6,000	-\$1,701	-\$347	66%	5.8	\$1,026	-\$150
<b>Chardonnay</b>	9.6	\$546	\$5,242	\$6,000	-\$741	-\$77	43%	11.5	\$523	\$23
<b>Merlot</b>	10.2	\$553	\$5,641	\$6,000	-\$378	-\$37	51%	12.1	\$496	\$57
<b>Pinot Gris</b>	10.4	\$982	\$10,213	\$6,000	\$4,239	\$406	N/A	12.4	\$482	\$500
<b>Shiraz</b>	7.4	\$887	\$6,564	\$6,000	\$521	\$71	39%	8.8	\$685	\$202

## Profitability in 2014 - Padthaway



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 down 19% on five year average
- ★ Shiraz and Pinot Gris covered their estimated cash costs of production but the other major varieties did not.
- ★ Losses for Cabernet Sauvignon were the highest on average, while Pinot Gris was the most profitable.
- ★ 43% of the Chardonnay from this region was sold at below cost of production – making it the best region in SA apart from Wrattenbully for growing this variety in 2014.

## Looking ahead to 2015

- ★ Based on average yields for the past five years, all the major varieties except Cabernet Sauvignon would be expected to cover cash costs if the price paid was equal to the 2014 average price. Apart from Wrattenbully, this is the only region found to be able to cover cash costs with Chardonnay based on average yields and 2014 prices.

## 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