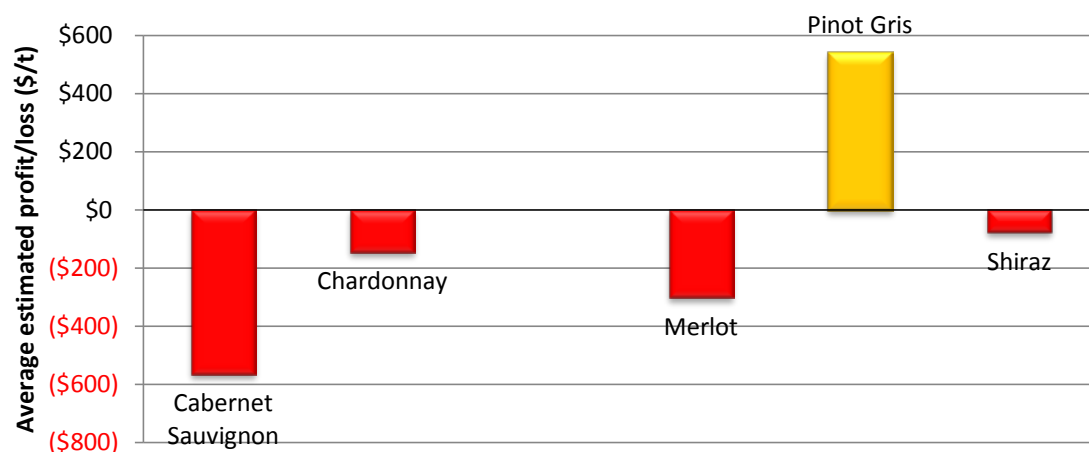




Profitability analysis by variety

	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	4.2	\$987	\$4,145	\$6,500	-\$2,362	-\$563	99%	4.6	\$1,422	-\$435
Chardonnay	8.6	\$615	\$5,289	\$6,500	-\$1,240	-\$145	81%	9.3	\$697	-\$82
Merlot	7.6	\$557	\$4,233	\$6,500	-\$2,275	-\$300	97%	8.3	\$786	-\$229
Pinot Gris	14.4	\$993	\$14,299	\$6,500	\$7,827	\$542	0%	15.7	\$413	\$580
Shiraz	5.9	\$1,017	\$6,000	\$6,500	-\$458	-\$77	70%	6.5	\$1,004	\$13

Profitability in 2015 - Padthaway



Summary of key points - 2015

- ★ Yields were down 9% on five year average
- ★ Pinot Gris was the only variety that covered estimated cash costs of production despite price rises for all of the major varieties.
- ★ Gross return per hectare ranged from \$4,145 for Cab Sauvignon to \$14,299 for Pinot Gris.
- ★ The majority of fruit from this region was sold at below cost of production – for all varieties except Pinot Gris.

Looking ahead to 2016

- ★ Based on average yields for the past five years, only Pinot Gris and Shiraz 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.