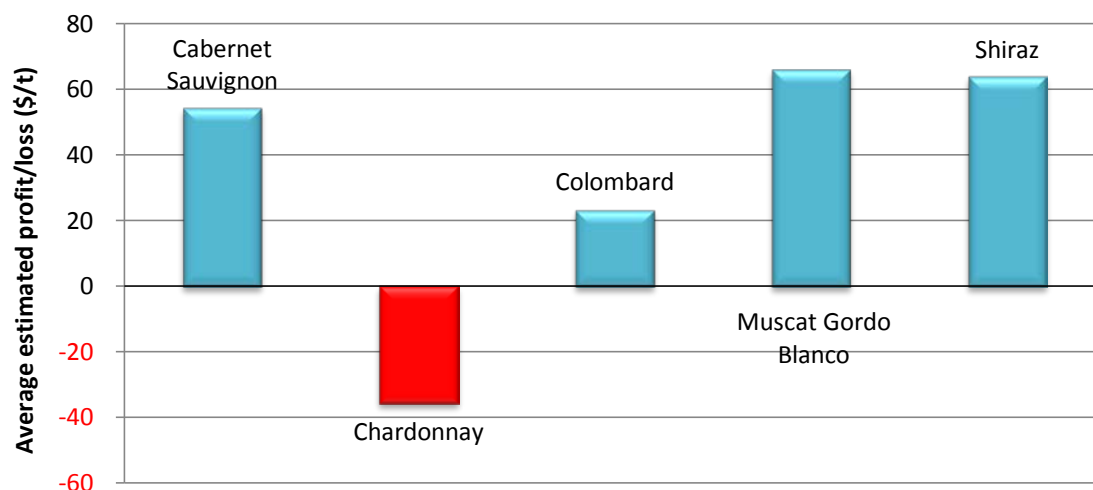




Profitability analysis by variety

	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)
Cabernet Sauvignon	19.8	\$345	\$6,831	\$5,750	\$1,074	\$54	17%	17.4	\$330	\$15
Chardonnay	22.6	\$218	\$4,927	\$5,750	-\$805	-\$36	83%	20.0	\$288	-\$70
Colombard	33.2	\$196	\$6,507	\$5,750	\$778	\$23	0%	29.3	\$196	-\$0
Muscat Gordo Blanco	26.8	\$281	\$7,531	\$5,750	\$1,769	\$66	19%	23.6	\$244	\$37
Shiraz	20.8	\$341	\$7,093	\$5,750	\$1,328	\$64	1%	18.3	\$314	\$27

Profitability in 2014 - Riverland



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 up 12% on five year average
- ★ All major varieties except Chardonnay covered their estimated cash costs of production.
- ★ Muscat Gordo Blanco was the most profitable, returning an average of \$1,769 per hectare above cash costs.
- ★ 83% of Chardonnay was sold at below cost of production – whereas for the other major varieties less than 20% was sold at below COP.

Looking ahead to vintage 2015

- ★ Based on average yields for the past five years, all the major varieties except Chardonnay would be expected to cover cash costs if the price paid was equal to the 2014 average price. Muscat Gordo Blanco would be the most profitable variety based on these average figures.

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

