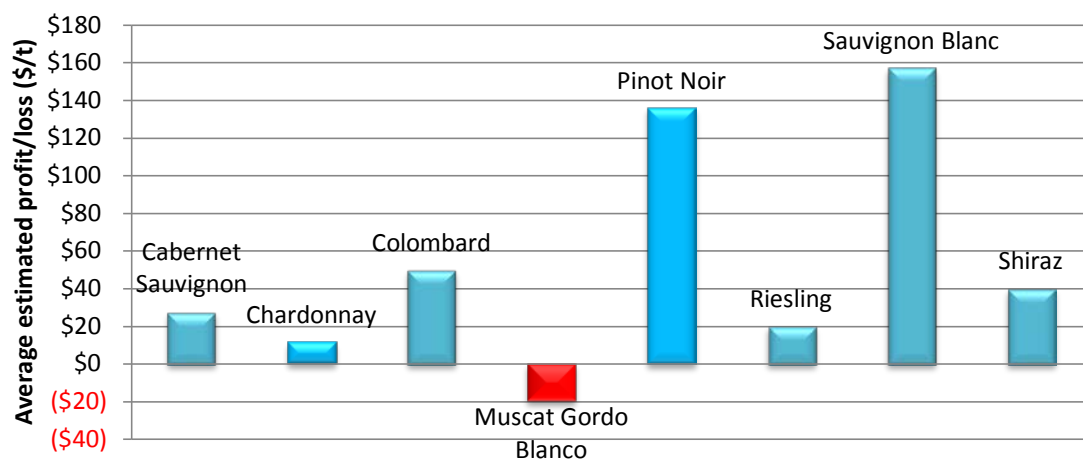




Profitability analysis by variety

	2015 Regional Harvest Outcomes							Planning for 2016		
	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)	Profit/Loss \$/t in 2015 B - (D ÷ A)	% tonnes sold below COP***	5 year ave yield t/ha* (H)	Break even \$/t (D ÷ H) (I)	Difference: 2015 district average & break-even price (B - I)
Cabernet Sauvignon	19.0	\$331	\$6,289	\$5,750	\$527	\$28	8%	17.2	\$334	-\$3
Chardonnay	25.6	\$236	\$6,042	\$5,750	\$291	\$11	50%	23.2	\$247	-\$11
Colombard	38.8	\$198	\$7,682	\$5,750	\$1,941	\$50	50%	35.3	\$163	\$35
Muscat Gordo Blanco	24.1	\$219	\$5,278	\$5,750	-\$472	-\$20	50%	21.9	\$263	-\$44
Pinot Noir	25.1	\$365	9161.5	\$5,750	\$3,407	\$136	0%	22.8	\$252	\$113
Riesling	17.8	\$344	\$6,123	\$5,750	\$359	\$20	17%	16.1	\$357	-\$13
Shiraz	21.0	\$314	\$6,594	\$5,750	\$840	\$40	12%	19.1	\$302	\$12

Profitability in 2015 - 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 - 2015

- ★ Yields were up 9% on five year average
- ★ All major varieties except Gordo covered their estimated cash costs of production.
- ★ Muscat Gordo Blanco was the least profitable, reversing the result in 2014 when it was the most profitable variety.
- ★ The average price for all major white varieties except Gordo increased while for reds the average prices decreased slightly.

Looking ahead to vintage 2016

- ★ Based on average yields for the past five years, only Colombard and Shiraz would be expected to cover cash costs if the price paid was equal to the 2015 average price. Muscat Gordo Blanco would be the least profitable variety based on these average figures.

Notes

* Figures derived from the SA Winegrape Crush Survey

**Cash costs only – exc GST, water, depreciation, finance costs and return on investment

***Price dispersion information from the AGWA Price Dispersion Report 2015

