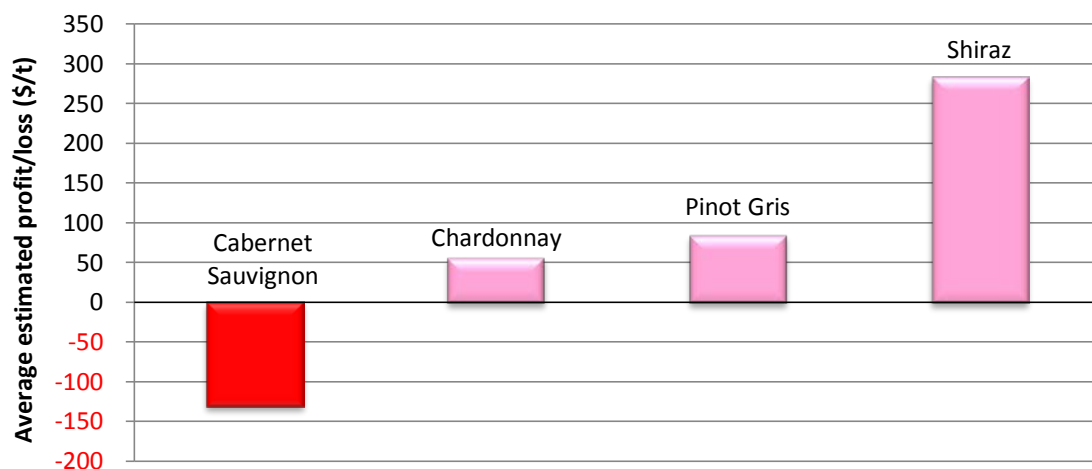




Profitability analysis by variety

	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	4.7	\$1,142	\$5,367	\$6,000	-\$613	-\$130	50%	5.2	\$1,165	-\$23
Chardonnay	8.6	\$757	\$6,510	\$6,000	\$493	\$57	42%	9.4	\$640	\$117
Pinot Gris	7.1	\$927	\$6,582	\$6,000	\$611	\$86	0%	7.8	\$770	\$157
Shiraz	8.5	\$992	\$8,432	\$6,000	\$2,410	\$284	22%	9.3	\$648	\$344

Profitability in 2014 - Wrattobully



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 9% on five year average
- ★ All major varieties except Cabernet Sauvignon covered their estimated cash costs of production.
- ★ On a per hectare basis, Shiraz was the most profitable variety in this region.
- ★ Wrattobully was the only region in SA to cover cash costs with Chardonnay in 2014 based on average yields and price.

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 Padthaway, 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