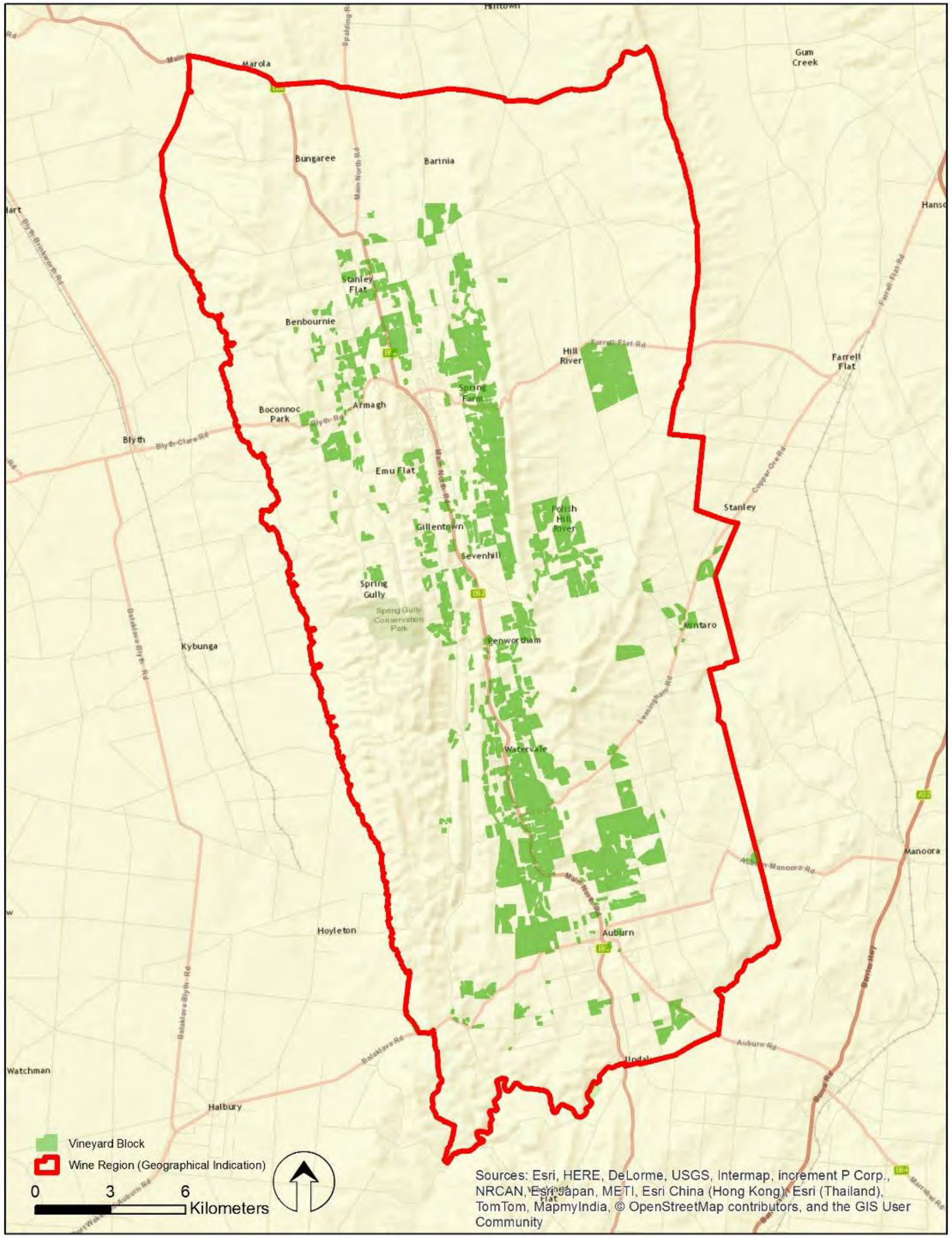


DATUM: GDA94
PROJECTION: MGA Zone 54
DATE: 8th March 2017
SOFTWARE: ESRI ArcGIS v10.4
DATA SOURCE:
Vineyard Block - Vinehealth Australia
Wine Region - Wine Australia

Clare Valley Wine Region

Vinehealth Australia

DISCLAIMER: Although every effort has been made to ensure the accuracy of the information displayed, Vinehealth make no representations, either express or implied, that the information displayed is accurate or fit for any purpose and expressly disclaims all liability for loss or damage arising from reliance upon the information displayed.

SA Winegrape Crush Survey

Regional Summary Report 2018

Clare Valley Wine Region

Wine Australia August 2018

Clare Valley

Vintage overview

VINTAGE REPORT

The vintage started in earnest in the first week in February, about 2 or 3 weeks earlier than 2017 due to the long dry growing season. Whilst we escaped any significant spring frost this season, the rainfall for the growing season was well below average. We entered the growing season with less than ideal soil moisture levels after a dry finish to the winter last year and a very dry spring. This dry pattern continued right through the growing season with only one significant rain event (30mm) in early December and in total less than 150mm for the whole growing season (Oct-March). Total annual rainfall for 2017 was well below average as well, with only about 500mm being recorded across most of the region.

Average ambient temperatures were above average as well, with night time temperatures being warmer than average, rather than any extended heat wave conditions during the growing season. A couple of short bursts of extreme temperatures in January and February did cause some concern in terms of basal leaf loss, causing some sunburn and scorch in those vineyards without adequate soil moisture reserves and or appropriate canopy management or weed control.

Disease pressure was not surprisingly very low over this last season; on the other hand, water usage this last season would be one of the highest in the last decade and those vineyards without adequate water resources certainly felt the impact from mid-January onwards.

Overall, yields across the region are expected to be down about 10-15% on last year. In terms of quality, Riesling was the standout white variety, proving once again what a resilient variety it is in this region. Yields held up well and the quality overall was very good to excellent. Other varieties such as Malbec, Tempranillo, Sangiovese and Mourvedre are also showing great promise.

Andrew Pike, Chairperson, Clare Valley Winemakers

OVERVIEW OF VINTAGE STATISTICS

A total of 23,161 tonnes of Clare Valley winegrapes was crushed in 2018, down from 27,752 tonnes in 2017 but up from 20,795 tonnes in 2016. Over the past five years (up to 2017), the average crush for Clare has been 20,512 tonnes, making this year's crush 13% above the five-year average. It is also the second highest since 2009.

The total value of winegrapes in 2018 decreased by $5 million to $27 million as a result of the lower production.

The average price overall was unchanged, with increases in Riesling, Shiraz and Merlot offset by decreases in Cabernet Sauvignon and Chardonnay. The average for Shiraz increased by 2% to $1441 per tonne and Cabernet Sauvignon fell by 1% to $1088 per tonne. The region's largest variety, Riesling, increased by 2% to $1052 per tonne while Chardonnay decreased by 1% to $707 per tonne.

The price dispersion data shows that 13% of red varieties were sold at above $1500 per tonne, down from 20% in 2017. Overall 88% of fruit was purchased at between $600 and $1500 per tonne – a relatively narrow dispersion range.

There were 40 hectares of new vines planted in the region in the 2017 season. Unlike last year, when almost all the new plantings were Riesling, this year 85% were red varieties with Shiraz the largest (17 hectares).

The total vineyard area in Clare as at 30 April 2018 is 5,060 hectares – a small net reduction since 2017 (5,178 hectares) and 300 hectares below the total area five years ago.

Clare Valley

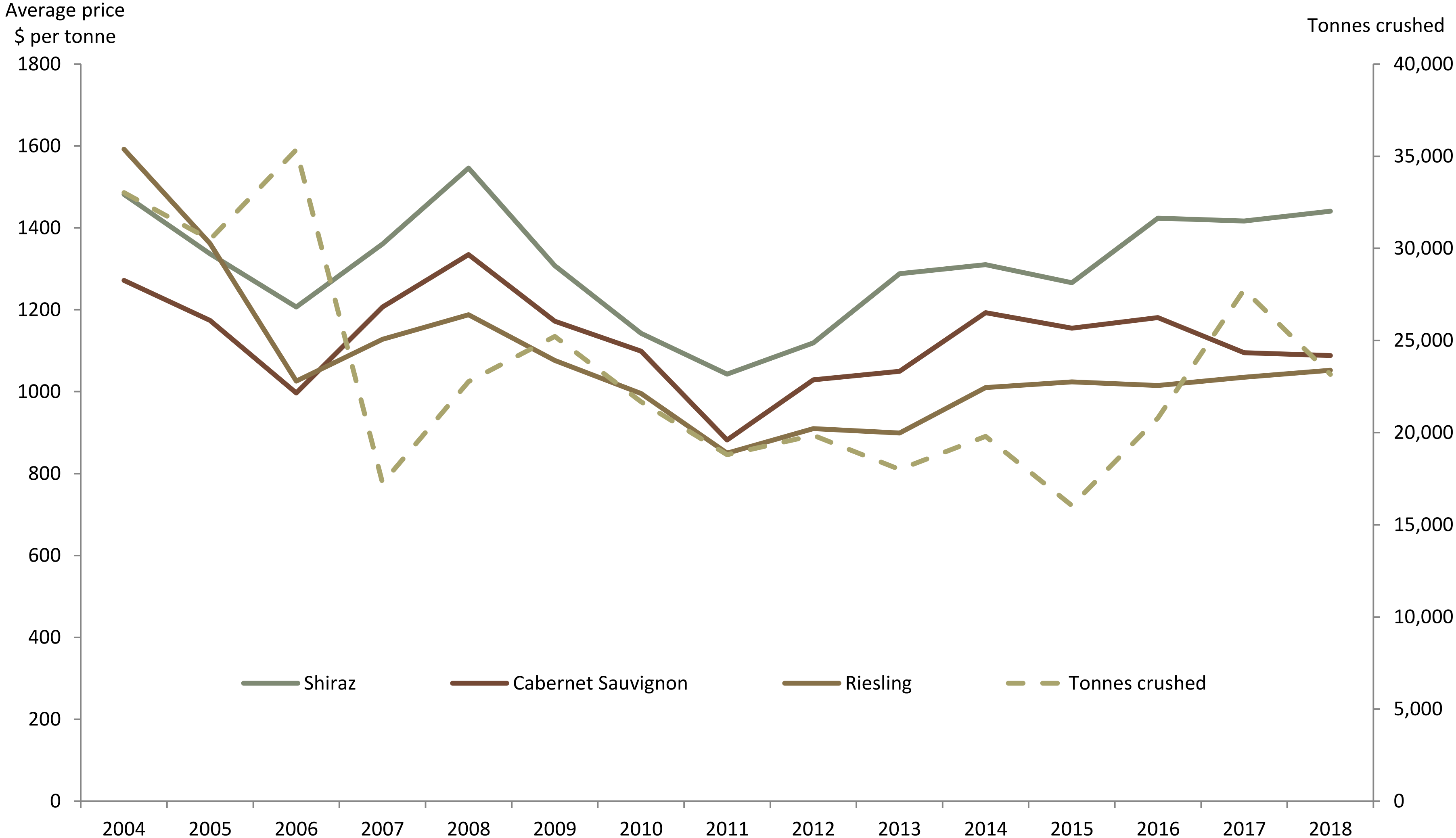
Winegrape intake summary table

	Total tonnes purchased	Price dispersion - number of tonnes in each price range: < $300	$300 to <$600	$600 to <$1500	$1500 to <$2000	$2000+	total value purchased grapes	Average purch. value per tonne	Change in price YoY	Winery grown fruit	Share of winery grown	Total crushed	Est total value ALL grapes
Red													
Cabernet Franc										16	100%	16	$20,239
Cabernet Sauvignon	2,010			1,895	83	32	$2,187,313	$1,088	-1%	1,865	48%	3,875	$4,216,537
Grenache	101			73	29		$136,397	$1,345	-9%	153	60%	255	$342,433
Malbec	263			216	47		$337,255	$1,284	4%	125	32%	387	$497,376
Mataro/Mourvedre	161			124	30	7	$214,785	$1,332	-9%	57	26%	218	$290,339
Merlot	966			966			$838,670	$868	3%	545	36%	1,511	$1,312,076
Montepulciano	5					5				4	47%	9	$20,356
Muscat Rouge a Petits Grains										3	100%	3	$3,765
Petit Verdot										31	100%	31	$30,883
Pinot Noir										32	100%	32	$54,790
Sangiovese	117			117			$121,936	$1,043	5%	30	20%	146	$152,758
Shiraz	4,414			3,614	578	222	$6,359,951	$1,441	2%	3,228	42%	7,642	$11,010,363
Tempranillo	137			126	11		$158,640	$1,156		97	41%	234	$270,815
Other red										29	100%	29	$43,789
Red total	**8,174**			**7,130**	**778**	**266**	**$10,365,774**	**$1,268**	**0%**	**6,214**	**43%**	**14,389**	**$18,266,519**
White													
Chardonnay	658		161	497			$465,340	$707	-1%	355	35%	1,013	$716,273
Fiano	24			17	7					35	59%	59	$84,325
Gewurztraminer	98			98						30	23%	127	$89,758
Pinot Gris/Grigio	163			163			$200,193	$1,228	4%	304	65%	467	$573,509
Riesling	4,049		23	3,787	206	33	$4,260,229	$1,052	2%	2,324		6,373	$6,705,875
Sauvignon Blanc										53	100%	53	$56,322
Semillon	371		152	220			$226,691	$611	-19%	138	27%	510	$311,192
Vermentino	15			15							0%	15	$17,358
Viognier	7			7						88	93%	95	$99,519
Other white										61	100%	61	$90,446
White total	**5,384**		**336**	**4,802**	**213**	**33**	**$5,279,793**	**$981**	**1%**	**3,389**	**39%**	**8,773**	**$8,744,578**
Grand total	**13,558**		**336**	**11,933**	**991**	**299**	**$15,645,567**	**$1,154**	**0%**	**9,603**	**41%**	**23,161**	**$27,011,097**

Note: Where there are fewer than three purchasers of a variety, the average price and total value are not reported to protect confidentiality.

Clare Valley

Historical weighted average price vs tonnes crushed



Clare Valley

Current plantings by variety and year planted

	Year planted					
Variety	Pre-2015	2015	2016	2017	Total area	% planted in 2017
Red winegrapes						
Cabernet Franc	15	0	0	0	15	0%
Cabernet Sauvignon	1,121	3	1	9	1,135	1%
Grenache	59	0	0	0	59	0%
Malbec	76	0	0	3	79	3%
Mataro (Mourvedre)	33	2	1	1	37	2%
Merlot	266	0	0	0	266	0%
Sangiovese	25	0	0	0	25	0%
Shiraz	1,832	25	12	17	1,886	1%
Tempranillo	32	2	0	0	33	0%
Other red	35	1	1	4	42	10%
Total red varieties	**3,493**	**33**	**14**	**34**	**3,575**	**1%**
White winegrapes						
Chardonnay	172	0	0	0	172	0%
Pinot Gris	46	2	0	0	48	0%
Riesling	1,000	5	48	4	1,056	0%
Sauvignon Blanc	20	0	0	0	20	0%
Semillon	116	0	0	0	116	0%
Traminer (Gewurztraminer)	15	0	0	0	15	0%
Viognier	13	0	0	0	13	0%
Other white	30	1	0	2	33	6%
Total white varieties	**1,411**	**8**	**48**	**6**	**1,472**	**0%**
Unknown variety	11	0	0	0	11	0%
Rootstock Block	1	0	0	0	1	0%
Total all varieties	**4,917**	**41**	**62**	**40**	**5,060**	**1%**

Source: Vinehealth Australia

Explanations and definitions

AUSTRALIAN NATIONAL VINTAGE SURVEY

The information for this report has been collected and analysed by Wine Australia as part of the Australian National Vintage Survey. The SA Winegrape Crush Survey Report has been prepared by Wine Australia on behalf of the South Australian Wine Industry Association, Wine Grape Growers South Australia and Primary Industries and Regions SA.

Maps and planting data tables are provided by Vinehealth Australia (see notes on planting data tables pg 20).

The survey publication is available on Wine Australia's website wineaustralia.com, the Vinehealth Australia website vinehealth.com.au and via links from the Wine Grape Council SA website wgcsa.com.au and the South Australian Wine Industry Association website winesa.com.au

Photo credits

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Image pg 6: Ian Routledge / Wine Australia

Disclaimer

Note: data published in this report supercedes that in earlier reports. Minor variations in reported figures can occur due to data revisions.

Any questions about the report should be directed to:

Wine Australia Market Insights
+618 8228 2000
market/insights@wineaustralia.com

Explanations and definitions - continued

INTAKE (CURRENT VINTAGE) DATA

Definition of regions

Regions have been defined in accordance with Geographical Indication (GI) boundaries. If a GI region has not been declared, or produces less than 5,000 tonnes, then the data is aggregated into the relevant GI zone. Disaggregation of data into smaller regions such as Southern Fleurieu and Mount Benson is available on request from Wine Australia.

Total crush

The total crushed is the total tonnes of grapes crushed from a particular source region, whether processed in that region, another region in SA or interstate. All wineries in Australia are included in the survey collection process. However, not all wineries respond to the survey - therefore the total tonnage reported may underestimate the true crush. It is estimated that the overall response rate for the survey is 85 per cent; however, individual regions may vary. Generally, regions will have a higher response rate when there is a high proportion of purchased winegrapes within the region.

Reported fruit is separated into fruit produced from the winery's own or associated vineyards ("own grown") and from independent vineyards ("purchased").

Calculated average purchase value

The survey requests wineries to provide the total amount paid for each parcel of fruit purchased (or the price per tonne). This is the price paid for fruit of a particular variety at the point of receival – NOT including freight. It includes any penalties or bonuses (eg Baumé) applied at the weighbridge, but DOES NOT INCLUDE other bonuses or adjustments such as end use quality bonuses, which are not available at the time the survey is conducted (May-June 2018).

The calculated average purchase value per tonne is the average amount paid per tonne of fruit across all wineries.

Winery grown grapes are not included in the calculation of average purchase value; nor are grapes grown by companies connected with the winery or under lease arrangements.

Average and total purchase values are not reported where there are fewer than three purchasers of a variety in a particular region.

Important note on average purchase value

There is considerable variation in the pricing arrangements made by different wineries. For example, some wineries make adjustment payments based on the average value per tonne reported in this survey and some pay quality bonuses based on the end use of the product. These additional payments are not included in the reported figures. The average price also does not give any indication of the distribution of prices, or variables that go into individual contracts.

Price dispersion data (shaded columns in Intake Summary tables)

All purchases for each variety are grouped into price segments according to the price paid for that batch of fruit. The sum of tonnes in all the price segments may not match the total tonnes purchased where there are tonnes reported without an associated price.

Estimated total value of all grapes

The estimated total value of all grapes is calculated by multiplying the average purchase value per tonne by all tonnes crushed. If there is a variety where there are no purchases, then the average purchase value for the same variety across similar regions, or across all other varieties of the same colour in the same region is used to determine an estimated value for the own grown grapes.

Explanations and definitions continued

PLANTING DATA

Source of planting data tables

Planting data is not collected by the 2018 Australian Wine Sector Survey. The information is obtained from the vineyard register maintained by Vinehealth Australia.

Vinehealth Australia is required under the *Phylloxera and Grape Industry Act 1995* to maintain a complete and accurate register of vineyard owners in the state. Vineyard owners with plantings of 0.5 hectares or more are required to register with Vinehealth Australia, and provide details of any changes made to these vineyard plantings within three months of any such change. This information is kept strictly confidential and provided for this survey in a deidentified and aggregated manner.

Explanatory notes for planting data tables

Regions are defined according to the Register of Australian Geographical Indications.

To protect confidentiality, the following rules are applied to reporting varieties:

- where there are fewer than 10 registered owners with plantings of a particular variety across the state, that variety is not separately identified in either the state or the regional reports but is grouped with “other red/white”, AND
- where there are fewer than three registered owners with a particular grape variety in a given region, that variety is not separately identified in the regional report but is grouped with “other red/white” unless it is a white variety listed in the top six, or red variety in the top five by planted area for the state for the current year.

- Planting data tables are current as at 30 April 2018 and include all plantings from the 2017 planting season.
- Reference to “other varieties” includes rootstock, multi-purpose and table-grape plantings.
- Vines planted in a particular year may include top-worked or replaced vines, as well as new plantings in virgin ground. Where vines have been replaced or topworked, the old variety record is removed. This explains why the area planted for earlier years may be different in the 2018 report compared with previous reports.
- Where a zero (0) appears in a table, this may indicate the presence of a planting of less than 0.5 hectares, or it may indicate zero plantings. Rounding may produce slight discrepancies in totals.

For more information on the planting data in this report or about registration of vineyards, please contact the Vinehealth Australia office on (08) 8273 0550.

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