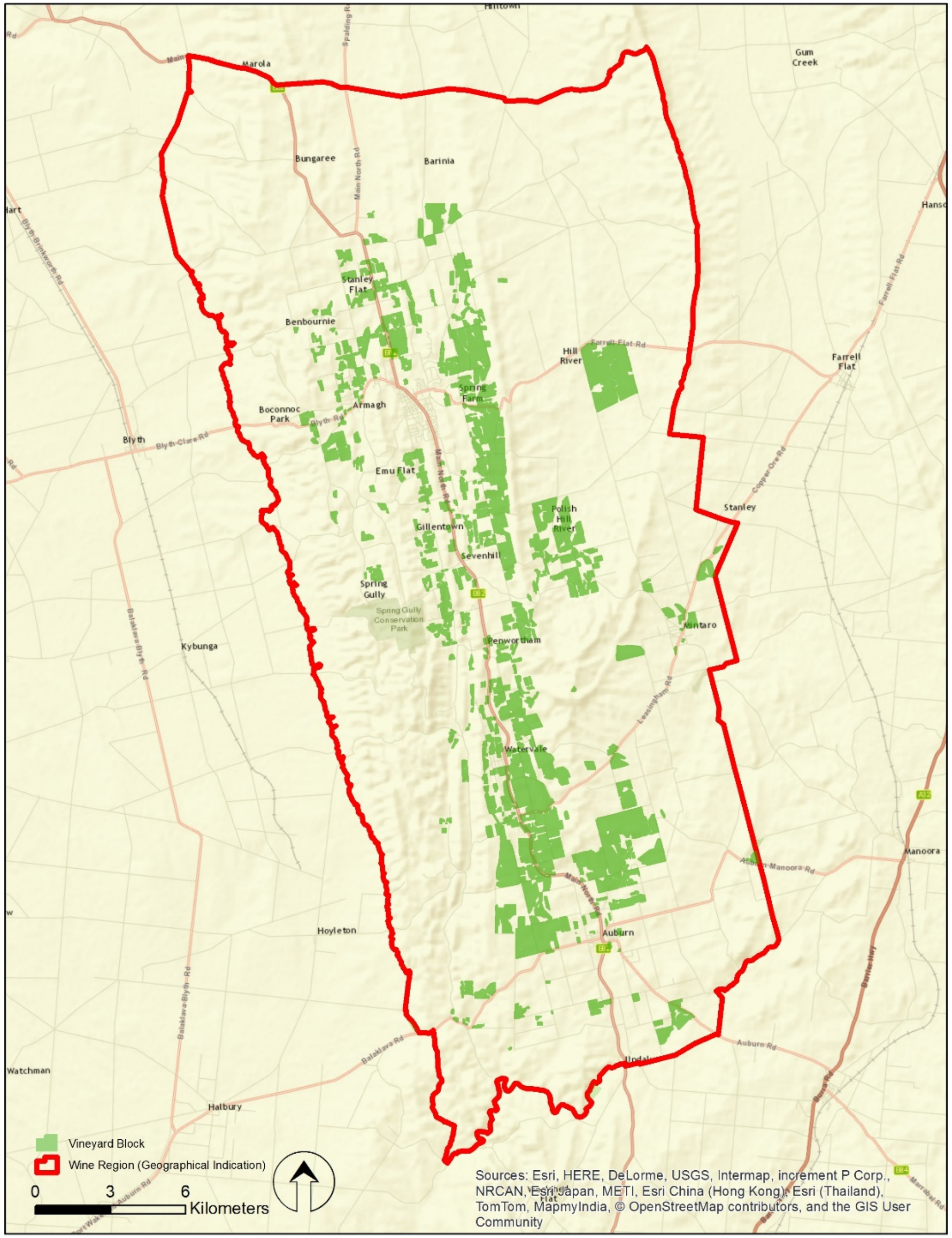

DATUM: GDA94
PROJECTION: MGA Zone 54
DATE: 8th March 2017
SOFTWARE: ESRI ArcGIS v10.4
DATA SOURCE:
Vineyard Block - Vinehealth Australia
Wine Region - Wine Australia

Clare Valley Wine Region

Vinehealth Australia

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SA Winegrape Crush Survey 2019

Regional Summary Report

Clare Valley Wine Region

Wine Australia July 2019

Clare Valley

Vintage overview

VINTAGE REPORT

Clare Valley vineyards have shown resilience through drought conditions with Vintage 2019 producing lower yields of high quality fruit.

Lower winter and spring rainfall produced smaller canopies and berries in many vineyards which have enhanced quality across Shiraz, Riesling and the later-ripening Cabernet Sauvignon. These three varieties account for more than 80 per cent of the Clare Valley's winegrape production.

The season kicked off with some localised frost events in September and October, which led to yield losses in several vineyards across the region. Localised hail also caused some losses in Stanley Flat and Hill River and further south in a narrow band through Watervale and Leasingham.

Local estimates are that yield reductions in the region were limited to 30-40 per cent in healthy vineyards with well-managed irrigation systems. However, some dry-grown vineyard blocks had greater yield reductions.

There were some extreme weather conditions during the growing season, including the lowest temperature recorded in spring and the highest ever temperature in summer, but the grapes showed great resilience. Whites have retained good acidity while the reds were sun-blessed and are showing great colour and varietal intensity.

Riesling has been the star performer in terms of yield, with crops coming in at only 10-15 per cent down on expectations, demonstrating what an incredibly resilient variety Riesling is under our conditions.

Low yields prompted a brief harvest. Good yields and quality have been reported in red varieties such as Sangiovese, Grenache, Merlot and Mourvedre, with some outstanding colours showing early. Shiraz and Cabernet yields were more affected, but quality is looking strong.

Tania Matz, Clare Valley Wine & Grape Association

OVERVIEW OF VINTAGE STATISTICS

A total of 15,573 tonnes of Clare Valley winegrapes was crushed in 2019, down 33 per cent on the 2018 crush of 23,198. Over the past five years (up to 2018), the average crush for Clare has been 21,509 tonnes, making this year's crush 28 per cent below the five-year average and the lowest since 2000.

There were 40 respondents to the survey who reported crushing grapes from Clare Valley in 2019, compared with 36 in 2018.

The total value of winegrapes in 2018 decreased by $5 million to $22 million as a result of the lower production, although this was partly offset by an overall increase of 19 per cent in the average purchase value of grapes.

There were increases in average prices for all the major varieties. The average for Shiraz increased by 27 per cent to a record $1832 per tonne and Cabernet Sauvignon increased by 39 per cent to $1510 per tonne (the highest since 2003). The region's largest variety, Riesling, increased by 9 per cent to $1151 per tonne while Chardonnay increased by 30 per cent to $918 per tonne (both the highest since 2008) .

The price dispersion data shows that 51 per cent of red grapes were sold at above $1500 per tonne, compared with 13 per cent in 2018. For whites, 94 per cent of the purchased fruit was purchased at between $600 and $1500 per tonne – a relatively narrow dispersion range.

There were 32 hectares of new vines planted in the region in the 2018 season. Almost all the new plantings were red varieties with Shiraz the largest (18 hectares).

The total vineyard area in Clare as at 30 April 2019 is 5,016 hectares – a small net reduction since 2018 (5,060 hectares) and 350 hectares below the total area five years ago.

Clare Valley

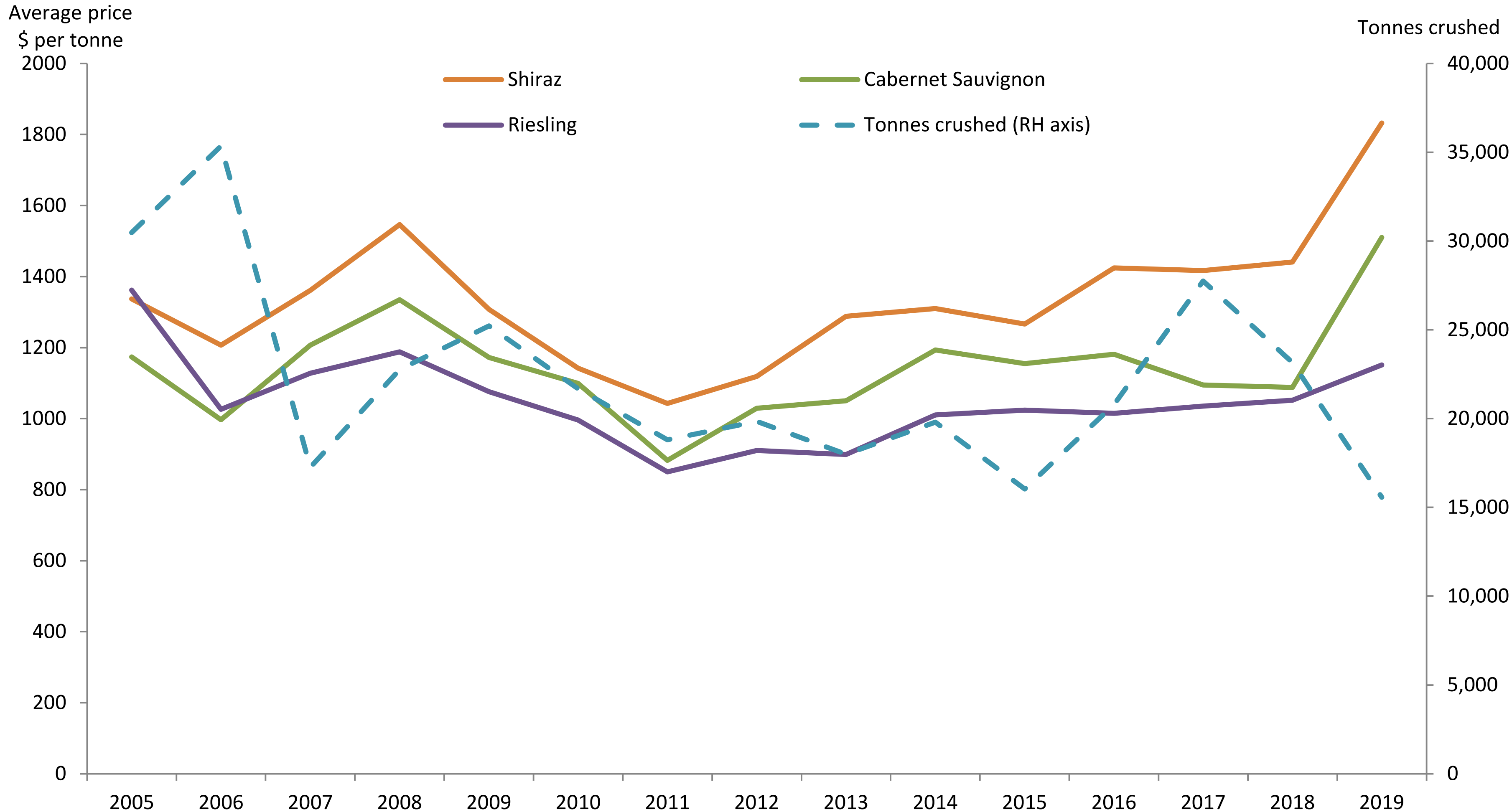
Winegrape intake summary table

	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													
Barbera										6	100%	6	$8,908
Cabernet Franc										28	100%	28	$40,333
Cabernet Sauvignon	996			481	430	84	$1,504,377	$1,510	39%	1,400	58%	2,396	$3,618,364
Grenache	40			22	13	4	$59,999	$1,505	12%	107	73%	147	$221,255
Malbec	121		3	42	76		$176,840	$1,465	14%	126	51%	247	$361,493
Mataro/Mourvedre	97			51	43	4	$154,812	$1,596	20%	26	21%	123	$197,070
Merlot	408			408			$407,583	$999	15%	596	59%	1,004	$1,003,098
Montepulciano	5					5				3	39%	8	$17,991
Muscat Rouge a Petits Grain:										1	100%	1	$1,202
Petit Verdot	23				23					8	26%	31	$46,560
Pinot Noir										30	100%	30	$51,523
Ruby Cabernet										4	100%	4	$2,225
Sangiovese	46			46			$48,545	$1,050	1%	45	49%	91	$95,635
Shiraz	2,149			817	621	711	$3,936,750	$1,832	27%	2,254	51%	4,404	$8,065,953
Tempranillo	75			66	9		$88,341	$1,181	2%	75	50%	149	$176,376
Shiraz	1				1					33	96%	34	$55,968
Red Total	**3,962**		**3**	**1,934**	**1,217**	**809**	**$6,424,970**	**$1,622**	**28%**	**4,743**	**54%**	**8,704**	**$13,963,952**
White													
Chardonnay	230			230			$211,031	$918	30%	244	52%	474	$435,333
Fiano	3			3						23	90%	25	$20,392
Gewurztraminer	29			29						26	47%	55	$38,626
Muscadelle (Tokay)										3	100%	3	$3,273
Pinot Gris/Grigio	116			116			$140,299	$1,209	-2%	256	69%	372	$449,575
Riesling	3,268			3,109	139	19	$3,762,059	$1,151	9%	2,322	42%	5,589	$6,435,184
Sauvignon Blanc										32	100%	32	$33,403
Semillon	157		56	101			$100,290	$640	5%	36	19%	193	$123,400
Verdelho										5	100%	5	$4,843
Viognier	1				1					50	98%	50	$75,539
Other white										70	100%	70	$103,463
White Total	**3,803**		**56**	**3,588**	**140**	**19**	**$4,237,518**	**$1,114**	**13%**	**3,066**	**45%**	**6,869**	**$7,723,029**
Grand Total	**7,765**		**58**	**5,522**	**1,356**	**828**	**$10,662,488**	**$1,373**	**19%**	**7,809**	**50%**	**15,573**	**$21,686,981**

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-2016*	*2016*	*2017*	*2018*	*Total area (ha)*	*% planted in 2018*
Red winegrapes						
Cabernet Franc	15	0	0	0	15	*0%*
Cabernet Sauvignon	1,096	1	9	9	1115	*1%*
Grenache	62	4	0	0	66	*0%*
Malbec	79	2	3	1	85	*1%*
Mataro (Mourvedre)	32	1	1	0	34	*0%*
Merlot	264	0	0	0	264	*0%*
Sangiovese	25	0	0	0	25	*0%*
Shiraz	1,829	13	17	18	1877	*1%*
Tempranillo	33	4	0	0	37	*0%*
Other Red	36	1	2	3	42	*7%*
RED WINEGRAPES	**3,471**	**26**	**32**	**31**	**3,560**	**1%**
White winegrapes						
Chardonnay	147	0	0	0	147	*0%*
Pinot Gris	53	2	0	0	55	*0%*
Riesling	991	48	12	0	1051	*0%*
Sauvignon Blanc	14	0	0	0	14	*0%*
Semillon	106	0	0	0	106	*0%*
Traminer (Gewurztraminer)	15	0	0	0	15	*0%*
Viognier	11	0	0	0	11	*0%*
Other White	37	1	2	1	41	*3%*
WHITE WINEGRAPES	**1,374**	**51**	**14**	**1**	**1,440**	***0%***
Unknown variety	15	0	0	0	15	*0%*
Rootstock Block	1	0	0	0	1	*0%*
TOTAL ALL VARIETIES	**4,861**	**77**	**46**	**32**	**5,016**	**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).

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

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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 88 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 2019).

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. However the values are included in the calculation of totals for each 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 Australian National Vintage 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.

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- Planting data tables are current as at 30 April 2019 and include all plantings from the 2018-19 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 current 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.