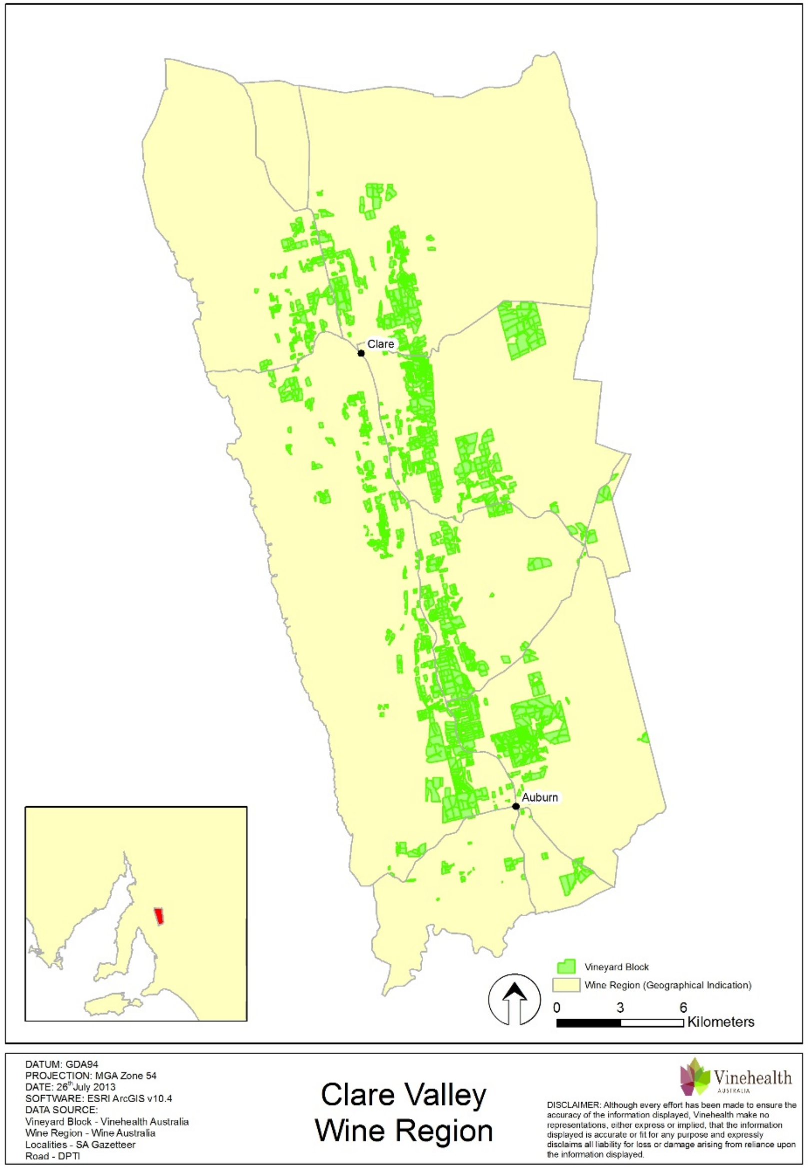

SA Winegrape Crush Survey

Regional Summary Report – 2016

Clare Valley Wine Region

Explanations and Definitions

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 90%; however, individual regions may vary. 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 2016).

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.

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. Therefore the average price should not be compared directly with an individual grower's arrangement. It should also be noted that in minor varieties there may sometimes be very few purchases contributing towards a calculated average purchase value.

Price dispersion data (shaded columns in Intake Summary tables)

All purchases for each variety are grouped into categories according to the price paid for that fruit. The tonnes in each category are converted into a percentage of the total tonnes purchased, giving an indication of what share of fruit was purchased in each price range category. The categories are given nominal titles of A to E for convenience but these do not correspond with grades used by any particular winery.

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 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 cont.

PLANTING DATA

Source of planting data tables

Planting data is not collected by the 2016 Australian Wine Sector Survey. The information is obtained from the vineyard register maintained by Vinehealth Australia (formerly the Phylloxera and Grape Industry Board of South Australia).

Vinehealth Australia is required under the Phylloxera and Grape Industry Act 1995 to maintain a complete and accurate register of grapegrowers in the state. All vineyard owners with more than 0.5 hectares are required by law to register with Vinehealth Australia, and to report details of their plantings on an annual basis. This information is kept strictly confidential.

Vineyard plantings are recorded by Geographical Indication. Planting details for smaller regions not included in the survey report are available on request from Vinehealth Australia.

For more information on registration of vineyards, please contact the Vinehealth Australia office on (08) 8273 0550.

Explanatory notes for planting data tables

1. Planting data tables are current as at April 2016 and include all plantings from the 2015 planting season.
2. Vines planted in a particular year may include topworked 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 2016 report compared with previous reports.
3. 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 a slight error in totals or percentages.

CLARE VALLEY

Vintage overview

Vintage report

Following a good growing season in 2014/15 and a short early vintage along with a relatively wet autumn, vines were 'stress free' going into winter 2015 allowing them to store extra nutrients creating the potential for a better 2016 crop.

Winter 2015 was fairly cold early and rainfall was slightly below average until August where good late rains were accompanied by much milder conditions. Early spring was very mild and dry giving rise to early bud burst and very fast vine growth. By mid-October vines were well advanced and tracking 2-3 weeks ahead of a normal season with most flowering complete by the start of November. Good rains fell just after flowering and with the absence of any spring frost, everything was well advanced and it looked as though we were going to be in for another early compact vintage.

As there was little rain between the first week of November and the last week of January, water consumption was well up and the new cheaper night-time water product proved useful to most growers. The minimal rainfall meant disease pressure was also down, but dry grown and vineyards on the thinner soils were really starting to struggle.

Much welcomed rain (40mm) fell in the last week of January and then another 11mm on the 3rd of February. The timing of these rain events was the making of 2016 vintage. There was just enough to delay ripening and allow the vines to 'de-stress', and not enough to cause any real disease pressure. Very mild conditions flowed on through the rest of February (1.2degrees cooler than average). This along with a couple more well-timed small rain events meant that ripening slowed right down and allowed time to harvest vineyard parcels at their best.

Things did get a little tight in the last week of February through until the middle of March when most wineries were starting to struggle for capacity due to the extra tonnes coming, but once again the weather gods smiled and a forecast heatwave didn't occur, once again taking the pressure off a little.

The quality of Shiraz and Riesling in general is outstanding, while the crush is up 25% on last year, with solid fruit quantities across all varieties.

Matthew Lawson – Chair, Clare Valley Winemakers Inc.
Troy Van Dulken – Chair, Clare Region Winegrape Growers Assoc.

Overview of vintage statistics

A total of 20,795 tonnes of Clare Valley winegrapes were crushed in 2016, up by 25% from 16,039 tonnes in 2015, and slightly up from 19,796 tonnes in 2014. Over the past five years, the average crush for Clare has been 18,895 tonnes. The 2016 crush was the highest in the five year period, and the 2015 crush was the lowest.

The total value of winegrapes increased substantially to $24 million from $17.6 million mainly due to increased yields.

The average price of the major red varieties increased compared with 2015 despite the increased tonnage. The average for Shiraz increased by $158 to $1,424 and Cabernet Sauvignon increased by $26 to $1,181 per tonne while the average for Merlot increased by $14 to $827 per tonne. The results for white varieties were mixed; Riesling decreased by $9 to $1,015 per tonne while Chardonnay increased by $84 to $824 per tonne.

The price dispersion data shows that 20% of red varieties were sold at above $1500 per tonne compared with 13% in 2015. 95% of white varieties were purchased at between $600 and $1500 – a relatively narrow dispersion range.

There were 23 hectares of new vines planted in 2015. Over one-third of these new plantings were Shiraz (9ha), while smaller plantings of Riesling (5ha) and Cabernet Sauvignon (3ha) were recorded. Overall the total area planted decreased by 59 ha (1%).

CLARE VALLEY **Winegrape intake summary – vintage 2016**

Variety	Tonnes purchased	E[1] (less than $300)	D ($300-$600)	C ($600-$1,500)	B ($1,500-$2,000)	A (above $2,000)	Total value purchased	Calc avg. purch. value per tonne	Winery grown fruit	Total crushed2	Est total value ALL grapes
Barbera	-	na	na	na	na	na	$0		8	8	$10,071
Cabernet Sauvignon	1,563	0%	0%	89%	9%	2%	$1,844,613	$1,181	2,672	4,235	$4,999,616
Grenache	135	0%	0%	41%	56%	3%	$205,086	$1,514	112	247	$374,174
Malbec	152	0%	0%	67%	33%	0%	$183,443	$1,207	200	352	$424,863
Mataro	59	0%	0%	0%	88%	12%	$92,099	$1,566	22	81	$126,343
Merlot	676	0%	0%	99%	1%	0%	$559,256	$827	653	1,329	$1,099,513
Muscat a Petit Grains Rouge/Rose	-	na	na	na	na	na	$0		2	2	$2,633
Pinot Noir	-	na	na	na	na	na	$0		72	72	$91,612
Ruby Cabernet	-	na	na	na	na	na	$0		7	7	$9,279
Shiraz	3,072	0%	0%	74%	18%	8%	$4,374,226	$1,424	3,019	6,091	$8,673,033
Tempranillo	85	0%	0%	100%	0%	0%	$93,142	$1,091	65	151	$164,480
Other red	64	0%	0%	91%	0%	9%	$69,150	$1,073	139	203	$218,249
Red Total	5,806	0%	0%	80%	15%	5%	$7,421,016	$1,278	6,971	12,778	$16,193,866
Chardonnay	642	0%	0%	100%	0%	0%	$529,121	$824	605	1,247	$1,027,736
Muscadelle	-	na	na	na	na	na	$0		11	11	$10,592
Palomino and Pedro Ximenes	-	na	na	na	na	na	$0		6	6	$6,176
Pinot Gris and Pinot Grigio	187	0%	0%	100%	0%	0%	$221,172	$1,186	169	355	$421,232
Riesling	3,075	0%	0%	93%	5%	2%	$3,120,208	$1,015	2,535	5,610	$5,692,090
Sauvignon blanc	-	na	na	na	na	na	$0		30	30	$29,051
Semillon	152	0%	0%	100%	0%	0%	$119,742	$786	231	383	$300,959
Traminer	150	0%	0%	100%	0%	0%	$106,135	$707	47	197	$139,156
Verdelho	-	na	na	na	na	na	$0		12	12	$11,491
Other white	47	0%	0%	85%	15%	0%	$59,523	$1,270	119	166	$211,219
White Total	4,253	0%	0%	95%	4%	1%	$4,155,900	$977	3,764	8,017	$7,849,702
Grand Total	10,059	0%	0%	86%	10%	4%	$11,576,916	$1,151	10,735	20,795	$24,043,568

1 Percentages reflect pricing grade's share of purchases for each variety

2 It is estimated that the non-response rate (NRR) nationally is 10%, however the NRR will vary for each region. Generally, regions will have a lower NRR when there is a high proportion of purchased winegrapes within the region

CLARE VALLEY

Historical Weighted Average Price vs tonnes crushed

CLARE VALLEY

Current plantings by variety and year planted

Source: Vinehealth Australia

Variety	Current area in hectares Pre-2013	2013	2014	2015	Total area	% planted in 2015
Red winegrapes						
Cabernet Franc	15	0	0	0	15	0%
Cabernet Sauvignon	1,142	35	14	3	1,194	0%
Grenache	63	0	0	0	63	0%
Malbec	70	4	1	0	75	0%
Mataro (Mourvedre)	33	1	0	2	35	6%
Merlot	286	0	0	0	286	0%
Nebbiolo	4	0	0	0	4	0%
Other Red	34	1	0	1	36	3%
Sangiovese	28	0	0	0	28	0%
Shiraz	1,829	16	12	9	1,866	0%
Tempranillo	31	0	1	0	32	0%
Total red varieties	**3,535**	**57**	**28**	**15**	**3,635**	**0%**
White winegrapes						
Chardonnay	192	0	0	0	192	0%
Other White	20	4	0	1	26	5%
Pinot Gris	46	0	2	2	50	4%
Riesling	1,088	1	0	5	1,094	0%
Sauvignon Blanc	21	0	0	0	21	0%
Semillon	134	0	0	0	134	0%
Traminer (Gewurztraminer)	27	0	0	0	27	0%
Verdelho	4	0	0	0	4	0%
Viognier	14	0	0	0	14	0%
Total white varieties	**1,545**	**5**	**2**	**8**	**1,560**	**1%**
Unknown variety	20	0	0	0	20	0%
Rootstock Block	1	0	0	0	1	0%
Total all varieties	**5,100**	**62**	**31**	**23**	**5,216**	**0%**