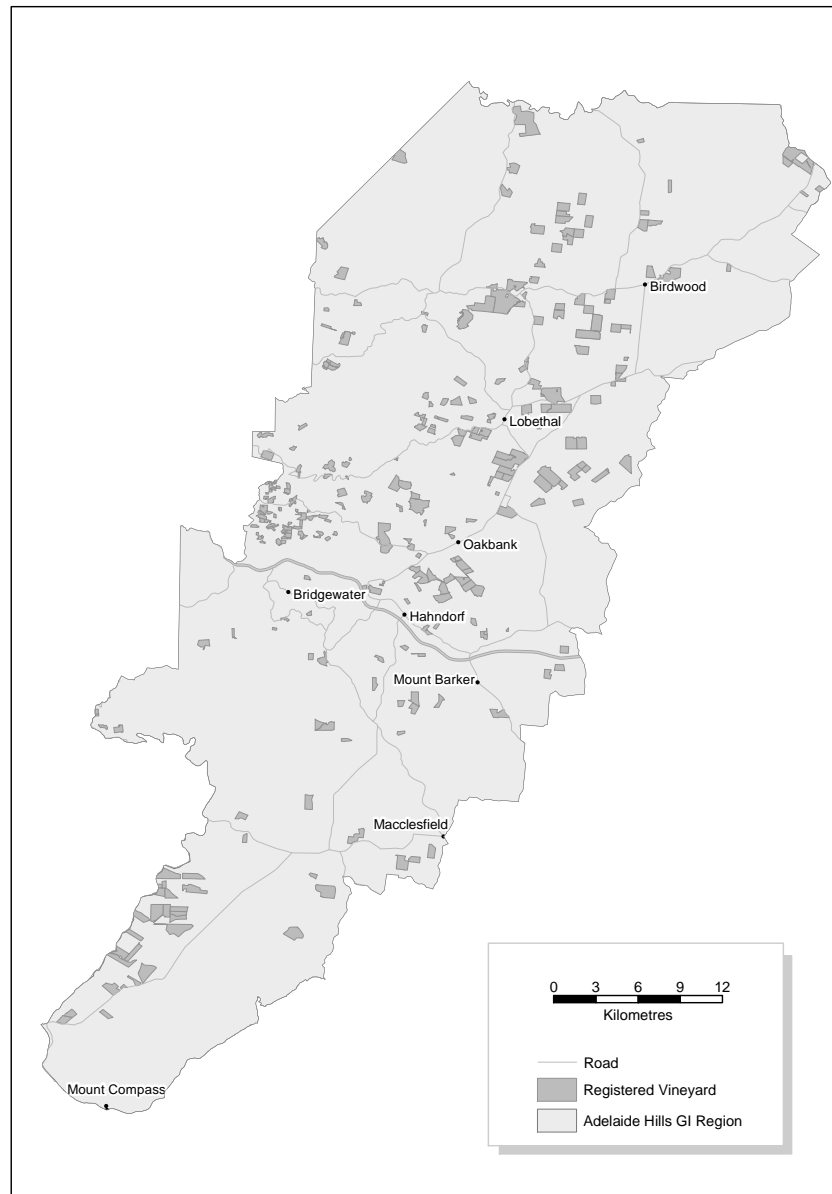


ADELAIDE HILLS VINTAGE OVERVIEW



Vintage report

Adelaide Hills Wine Region experienced a good growing season with generally higher yields and a late and long vintage.

High bud fruitfulness from spring 2002 resulted in higher than average yield potential. This was realised by near perfect weather conditions during flowering in all varieties. Sauvignon Blanc and Merlot in particular set beautiful crops. This was a welcome change from the two previous lower-cropping vintages in most varieties.

The growing season was characterised by ample winter rain and a very cool start in October. Summer was generally mild, warm and dry with an uncharacteristically cool January. The February heat wave had limited impact on well-watered and balanced canopies and the region was generally far less affected than other grape growing regions.

Crop estimates had to be revised upward late in the season as bunch weights steadily increased after veraison. Bunch thinning was common to bring the canopy and crop more into balance.

With larger crops hanging on the vine, the long dry autumn was a blessing and resulted in very low disease pressure.

Tom Ayers, Adelaide Hills Wine Region

Overview of vintage statistics

The Adelaide Hills produced 38,645 tonnes in 2004 – more than double the 2003 vintage. There was a moderate surplus reported of reds (18%) and less in whites (9%).

The average purchase value per tonne for Cabernet Sauvignon, Merlot and Pinot Noir fell significantly (up to \$500 per tonne), and Chardonnay fell by \$250 per tonne. However, the total income to the region increased substantially, with the income to growers almost double, and the total value of grapes from the region up from \$27.5 million to \$56 million.

The forecast intake for the region declines from around 30,000 tonnes (20% less than the 2004 production) in 2006 to 25,000 in 2009. Sauvignon Blanc is expected to overtake Pinot Noir as the second most important variety for the region, and is the only major variety not showing a decline in intake between 2005 and 2009.

There were 126 hectares of white varieties (Chardonnay, Pinot Gris and Sauvignon Blanc) planted in 2003, and only 7 hectares of red varieties. This is in line with the change in demand back towards white varieties.

Based on the current vineyard area in the region, and using estimated yield figures of nine tonnes per hectare (t/ha) for reds and 10 t/ha for whites, the estimated production for the region in 2009 is around 32,000 tonnes. This is nearly 6,000 tonnes higher than the preferred intake from the region for that year. Most of the estimated surplus is in red varieties. While demand forecasts change from year to year, this discrepancy between potential production and intake may foreshadow some problems for growers without contracts.

ADELAIDE HILLS CURRENT PLANTINGS BY VARIETY AND YEAR PLANTED

Table 2.1

Variety	Current area in hectares by year planted						Total area	% planted in 2003
	Pre-1999	1999	2000	2001	2002	2003		
RED WINEGRAPES								
BARBERA	0	0	0	0	1	0	1	0%
CABERNET FRANC	10	1	2	0	0	0	13	0%
CABERNET SAUVIGNON	272	20	23	16	3	1	334	0%
GRENACHE	2	2	0	0	0	0	3	0%
MALBEC	1	1	2	0	0	0	4	0%
MATARO (MOUVEDRE)	0	0	0	1	0	0	1	0%
MERLOT	235	45	42	15	0	1	338	0%
NEBBIOLO	3	0	2	1	0	0	6	0%
PETIT VERDOT	0	2	0	1	1	1	5	17%
PINOT NOIR	345	82	49	38	16	1	532	0%
RUBY CABERNET	0	0	0	0	0	0	0	0%
SANGIOVESE	5	1	4	0	0	0	10	1%
SHIRAZ	199	39	37	21	2	2	301	1%
TEMPRANILLO	2	2	5	5	0	0	13	0%
OTHER RED	33	0	0	0	1	0	35	1%
TOTAL RED WINEGRAPES	1107	194	166	98	24	7	1596	0%
WHITE WINEGRAPES								
CHARDONNAY	431	35	83	131	77	57	815	7%
CHENIN BLANC	0	0	0	0	0	0	0	0%
PINOT GRIS	15	11	18	2	0	40	85	47%
RIESLING	24	5	17	27	32	0	106	0%
SAUVIGNON BLANC	277	28	72	84	34	26	520	5%
SEMILLON	80	7	8	1	0	0	97	0%
TRAMINER	1	0	0	5	15	0	21	0%
VERDELHO	25	3	0	0	0	0	28	0%
VIOGNIER	19	9	20	12	3	2	65	3%
OTHER WHITE	2	0	1	0	0	0	3	0%
TOTAL WHITE WINEGRAPES	875	97	219	262	161	126	1740	7%
ROOTSTOCK BLOCK	1	1	0	1	0	0	3	0%
TOTAL ALL VARIETIES	1982	292	386	361	185	132	3338	4%



ADELAIDE HILLS TONNES CRUSHED BY VARIETY - VINTAGE 2004

Table 2.2

Variety	Total winery grown	Total other growers	Total crushed	Total preferred	Tonnes from other growers as % of total	% of demand supplied	Number of wineries reporting tonnages (> 0) for		
							Own	Other	Preferred
RED									
Barbera	0	1	1	5	100%	21%	0	1	1
Cabernet Franc	24	94	119	62	80%	191%	3	5	6
Cabernet Sauvignon	231	3137	3369	2304	93%	146%	7	19	21
Gamay	0	9	9	9	100%	100%	0	1	1
Grenache	0	74	74	75	100%	98%	0	2	2
Malbec	9	12	21	5	58%	426%	1	1	1
Mataro (Mouvedre)	0	25	25	20	100%	126%	0	2	2
Merlot	126	3757	3884	3152	97%	123%	8	16	21
Meunier	5	562	568	568	99%	100%	1	4	4
Nebbiolo	0	12	12	13	100%	92%	0	2	2
Petit Verdot	0	35	35	5	100%	705%	0	3	1
Pinot Noir	382	7079	7461	7279	95%	103%	11	21	26
Sangiovese	0	125	125	94	100%	133%	0	6	5
Shiraz	219	2796	3015	2337	93%	129%	5	21	24
Tempranillo	26	55	81	68	68%	119%	1	5	3
Unsound / distillation red	0	13	13	0	100%		0	1	0
Zinfandel	19	0	19	20	0%	93%	1	0	1
Total RED	1042	17788	18830	16017	94%	118%			
WHITE									
Chardonnay	1202	8201	9403	8628	87%	109%	12	30	37
Marsanne	0	3	3	0	100%		0	1	0
Other white (group together)	0	51	51	5	100%	1015%	0	3	1
Pinot Gris	17	678	695	690	98%	101%	3	11	12
Riesling	192	430	622	499	69%	125%	8	11	13
Sauvignon Blanc	1402	5317	6719	6256	79%	107%	12	26	34
Semillon	52	1425	1477	1274	96%	116%	3	15	16
Traminer	27	14	41	47	34%	87%	1	2	2
Verdelho	0	319	319	345	100%	93%	0	4	3
Viognier	26	459	485	466	95%	104%	1	16	14
Total WHITE	2917	16897	19815	18210	85%	109%			
Total for region	3959	34685	38645	34227					

ADELAIDE HILLS CROP VALUE DATA - VINTAGE 2004

Table 2.3

Variety	Grower grown	Total crushed (1)	estimated total value		lowest price (2)	highest price (2)	calc average purchase value per tonne (3)	
			purchased grapes	total grapes				
RED								
Barbera	1	1	\$1,272	\$1,272			\$1,200	100%
Cabernet Franc	94	119	\$94,915	\$119,275	\$300	\$1,800	\$1,006	100%
Cabernet Sauvignon	3137	3369	\$4,032,196	\$4,329,418	\$200	\$3,900	\$1,285	100%
Gamay	9	9	\$5,604	\$5,604			\$600	100%
Grenache	74	74	\$119,080	\$119,080			\$1,612	100%
Malbec	12	21	\$12,310	\$21,337			\$1,001	100%
Mataro (Mouvedre)	25	25	\$28,120	\$28,120			\$1,118	100%
Merlot	3757	3884	\$4,103,162	\$4,241,256	\$200	\$2,070	\$1,092	100%
Meunier	562	568	\$879,821	\$888,398	\$550	\$2,196	\$1,565	100%
Nebbiolo	12	12	\$9,660	\$9,660			\$808	100%
Petit Verdot	35	35	\$41,034	\$41,034	\$1,100	\$1,500	\$1,165	100%
Pinot Noir	7079	7461	\$9,532,451	\$10,047,065	\$200	\$2,475	\$1,347	100%
Sangiovese	125	125	\$146,500	\$146,500	\$300	\$1,700	\$1,174	100%
Shiraz	2796	3015	\$4,676,878	\$5,043,249	\$250	\$3,900	\$1,673	99%
Tempranillo	55	81	\$91,767	\$135,274	\$1,000	\$2,071	\$1,680	100%
Total RED	17775	18798	\$23,774,770	\$25,176,543				
WHITE								
Chardonnay	8201	9403	\$13,696,594	\$15,704,167	\$500	\$3,325	\$1,670	99%
Marsanne	3	3	\$5,652	\$5,652			\$1,823	100%
Other white (group)	51	51	\$60,754	\$60,754			\$1,197	100%
Pinot Gris	678	695	\$1,153,267	\$1,181,978	\$1,000	\$2,070	\$1,702	100%
Riesling	430	622	\$521,975	\$754,554	\$500	\$1,900	\$1,213	100%
Sauvignon Blanc	5317	6719	\$8,525,413	\$10,773,205	\$600	\$2,200	\$1,603	100%
Semillon	1425	1477	\$1,497,782	\$1,552,441	\$300	\$1,800	\$1,051	100%
Traminer	14	41	\$12,776	\$37,034			\$898	100%
Verdelho	319	319	\$464,880	\$464,880	\$500	\$1,615	\$1,456	100%
Viognier	459	485	\$632,484	\$668,081	\$200	\$2,071	\$1,378	100%
Total WHITE	16897	19815	\$26,571,577	\$31,202,746				

(1) Only includes varieties where some fruit was purchased. Varieties where all fruit is winery grown are not shown in this table.

(2) The absence of lowest and highest prices means that fewer than three wineries supplied pricing data for each variety.

(3) This does not include end use bonuses or other adjustments determined post-receiveal.



ADELAIDE HILLS ESTIMATED AND PREFERRED FUTURE INTAKE OF GRAPES 2005 TO 2009

Table 2.4

Variety	2005		2006		2007		2008		2009	
	estimated	preferred	estimated	preferred	estimated	preferred	estimated	preferred	estimated	preferred
RED										
Barbera	5	5	5	5	5	5	5	5	5	5
Cabernet Franc	80	44	80	45	77	41	56	25	124	25
Cabernet Sauvignon	2494	1779	2399	1724	2194	1649	1627	1275	1616	1320
Grenache	70	70	70	70	70	70	70	70	70	70
Malbec	30	5	30	5	30	5	25	5	5	5
Mataro (Mouvedre)	25	20	25	20	25	20	27	20	29	20
Merlot	2407	1797	2376	1763	2135	1675	1658	1240	1632	1243
Meunier	302	302	291	291	263	263	242	242	242	242
Nebbiolo	10	10	10	10	12	12	14	14	16	16
Petit Verdot	29	0	30	0	31	0	31	5	32	5
Pinot Noir	4748	5172	4722	5185	4527	5060	3952	4554	3950	4554
Sangiovese	119	86	110	77	111	82	111	82	111	87
Shiraz	2880	2014	2793	1959	2564	1897	2091	1722	1956	1737
Other red	13	13	13	13	13	13	6	6	6	6
Tempranillo	79	74	81	74	81	74	82	79	82	79
Zinfandel	20	20	20	20	20	20	20	20	20	20
Total for RED	13311	11411	13055	11260	12158	10886	10016	9363	9896	9434
WHITE										
Chardonnay	7213	7156	7868	7830	7403	7552	6878	7188	6735	7213
Other white	9	0	9	0	9	0	9	0	9	0
Pinot Gris	691	703	836	911	977	1047	1019	1141	989	1186
Riesling	975	809	1042	863	1053	886	789	625	791	665
Sauvignon Blanc	5431	5493	5749	5801	5727	6001	5382	5689	5442	5839
Semillon	1044	1007	1009	968	890	859	723	682	700	664
Traminer	259	259	276	276	276	276	276	276	276	276
Verdelho	338	319	230	211	195	176	65	65	65	65
Viognier	340	361	377	440	378	492	348	493	283	494
Total for WHITE	16300	16107	17397	17299	16908	17288	15488	16159	15290	16402
Total for region	29611	27518	30452	28559	29066	28174	25504	25522	25186	25836

ADELAIDE HILLS PAST PRODUCTION AND PROJECTIONS FOR MAJOR VARIETIES 1992 - 2009

Past production and projections (major varieties)

Figure 2.1

