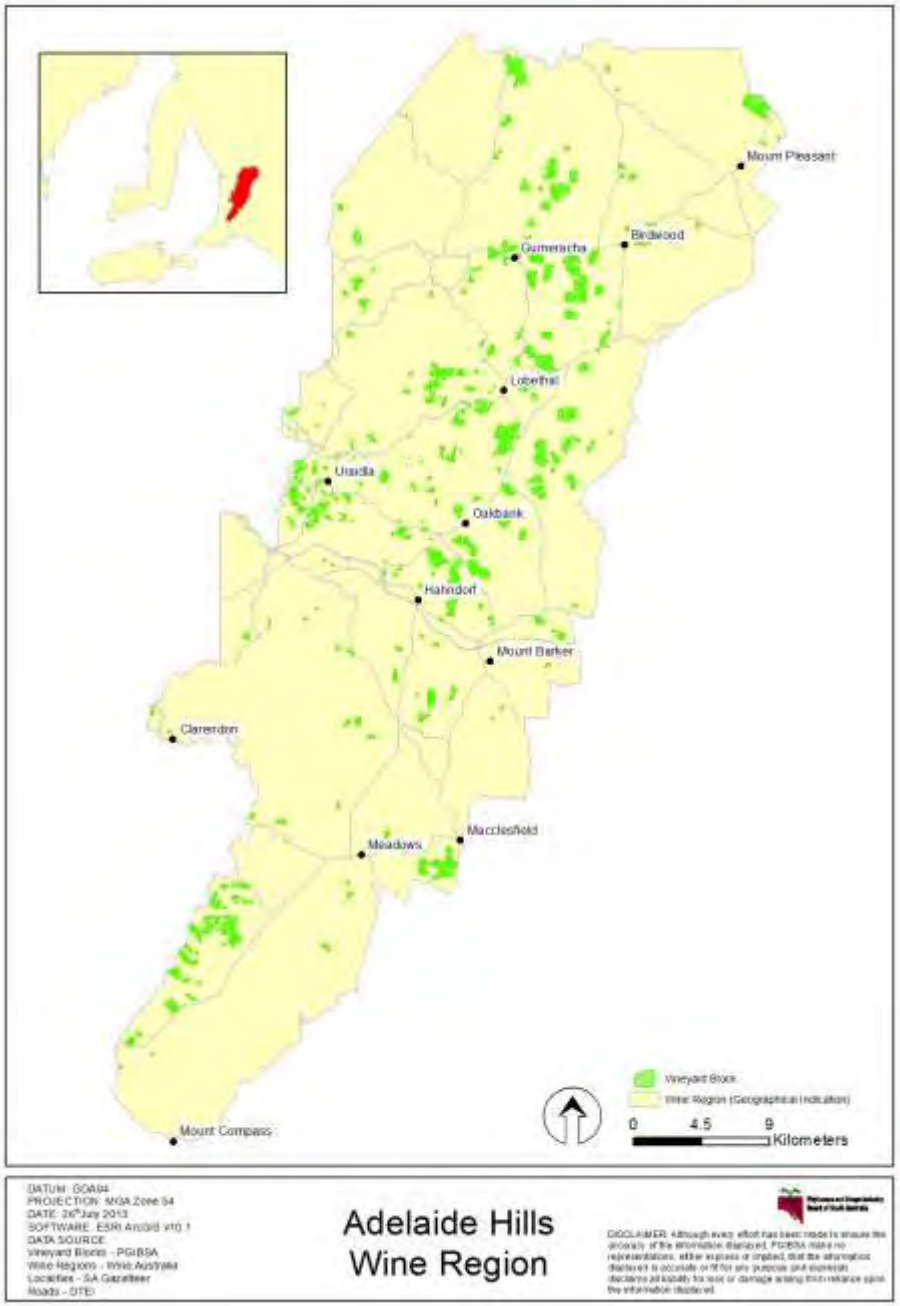


SA Winegrape Crush Survey

Regional Summary Report - 2014

Adelaide Hills 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 the Board's office.

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 that are known to source fruit from South Australian vineyards are included in the survey collection process. However, not all wineries submit a survey form - therefore the total tonnage reported may underestimate the true crush. An estimate of the non-response rate for each region is provided below each intake summary report. Reported fruit is separated into fruit produced from the winery's own or associated vineyards ("own grown") and from independent vineyards ("purchased").

Crop value data

On the survey forms, wineries are asked to record **total purchase value.** This is the total amount 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.

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. The **estimated total value of purchased grapes** is calculated by multiplying the average purchase value per tonne by the total tonnes purchased. The **estimated total value of total 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.

Note: in small varieties there may sometimes be only one winery contributing towards a calculated average purchase value per tonne.

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.

Highest and lowest price

Wineries are asked to report the highest and lowest prices paid for any parcel of fruit of a particular variety, of any size. The highest of all highest prices, and the lowest of all lowest prices are reported – provided that at least three wineries have provided this information for any particular variety. *Note: the highest or lowest price may be for a very small parcel of fruit - and/or reflect an unusual pricing arrangement - eg payment by the hectare rather than per tonne, "spot market" sales of excess fruit etc.*

FORECASTS

Estimated supply and committed intake

The estimated supply and committed intake report has been removed from the 2014 Winegrape Crush Survey. It has been identified that the methodology used to determine the estimated supply requires review.

To assist industry stakeholders gain an understanding of state and regional estimated supply, the last 5 years actual total tonnes crushed at the state level and each region has been averaged. A range is then provided using the highest and lowest figures from the actual tonnes crushed.

The estimated committed intake is the amount of fruit that wineries are already committed to take in, for 2015. It is made up of winery grown fruit and contract purchases. Only existing or ongoing contracts are included – not intended future signings or renewals.

Explanations and Definitions cont.

PLANTING DATA

Derivation of planting data tables

Planting data is **not** derived from the 2014 South Australian Crush Survey of wineries. The information is obtained from the vineyard register maintained by the Phylloxera and Grape Industry Board of South Australia.

The Board 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 the Board, and to complete an accurate vineyard return each year, giving details of their plantings. This information is kept strictly confidential. An accurate vineyard register enables the Board to produce complete, up-to-date statistical information on vineyard plantings by variety, year planted and location.

For more information on registration of vineyards, please contact the Phylloxera and Grape Industry Board office on 08 8362 0488.

Explanatory notes for planting data tables

1. Planting data tables are current as at April 2014 and include all plantings from the 2013 planting season. 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 2013 report compared with previous reports.

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

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.

Adelaide Hills

Vintage overview

Vintage report

Good winter rainfall ensured that soil moisture profiles were full for the start of the 2013/14 season in the Adelaide Hills Wine Region. A warm September (3°C above the Long Term Average) resulted in an early budburst for most varieties. However, the ensuing weather was highly variable with unseasonal cold and windy periods from October through to December.

Bunch primordia numbers were average to slightly above average for the start of the season. Canopies were dense but short as a result of the cold conditions, resulting in more lateral growth than usual. The competition between flower primordia development and primary and lateral shoots resulted in lower than usual flower numbers. Early varieties began flowering in late November, the earliest start on record. However, several cold snaps resulted in a prolonged flowering (4 weeks) with a disappointing set in the early varieties (20-50%). Many cold mornings resulted in failure in pollen tube growth and subsequently a higher incidence of hen and chicken in bunches. Later varieties (e.g. Sauvignon Blanc) had warmer conditions during their flowering and had a better set (60%+). Further, the Cabernet family (Cabernet Sauvignon, Cabernet Franc and Merlot) had significant yield reduction through early bunch necrosis. Overall yields looked to be 50%, however good sized canopies helped ensure good berry size for quality fruit.

The Hills region suffered the heatwave conditions that were widespread across Australia. Vines that had inadequate soil moisture, as well as young vines where canopy rolling exposed soft berries, suffered significant damage. However, the incidence of this was low as last year's growing season was the driest on record for viticulture in the Adelaide Hills and growers were well aware of the need to establish good canopies and to keep them functioning under the heatwave conditions. As a result, there was minimal damage to fruit and canopies from the heatwaves with the incidence of damaged fruit being around 1-2%.

Heavy rains began on the 13th of February with Northern vineyards in the region receiving over 100mm (139.8mm at Woodside) with Kuitpo and Macclesfield receiving less than 70mm. The rains caused extensive splitting across the region in all varieties other than Chardonnay. Fortunately the splitting dried out quickly and there was very little botrytis observed.

Vintage was later than previous seasons, with the northern regions of the Hills harvesting their final reds in early May. Generally yields were around half of normal, with the exception of Sauvignon Blanc. The late and slow ripening resulted in excellent flavour development and winemakers are excited at the quality of the wines for 2014 which goes a little way to make up for the shortfall in quantity.

Richard Hamilton, Murray Leake, Robin Shaw and John Harvey
Australian Vintage Ltd and Adelaide Hills Wine Region

Overview of vintage statistics

The harvest from the Adelaide Hills was 17,873 tonnes in 2014, down by 10,686 tonnes (37.4%) on the 2013 harvest of 28,559 tonnes. There was an estimated non-response rate of 7.7% across the region. The total value of grapes from the Adelaide Hills decreased from $35.7 million to $23 million (35.6%). The average purchase value for Sauvignon Blanc increased by $60 per tonne to $1,246 per tonne; Chardonnay up by $26 per tonne to $1,245 per tonne and Pinot Noir also rose by $39 per tonne to $1,505 per tonne.

There were 29 hectares of new plantings in the Adelaide Hills in spring 2013 (including top-working and replacements) compared with 37 hectares planted in 2012. Of the new plantings, Shiraz accounted for 27.6%, Pinot Noir 24.1% and Chardonnay 17.2%. The total planted area of vines in the region has been decreased by <1% (27 hectares) to 3,904 hectares.

Over the last 5 years, the average Adelaide Hills production was 24,153 tonnes, with a low of 17,276 tonnes in 2012 and a high of 28,559 tonnes in 2013. The 2014 crush is down by 35.1% against the last 5 year average. For 2015, the estimated committed intake is 21,679 tonnes.

Adelaide Hills — Winegrape intake summary - vintage 2014

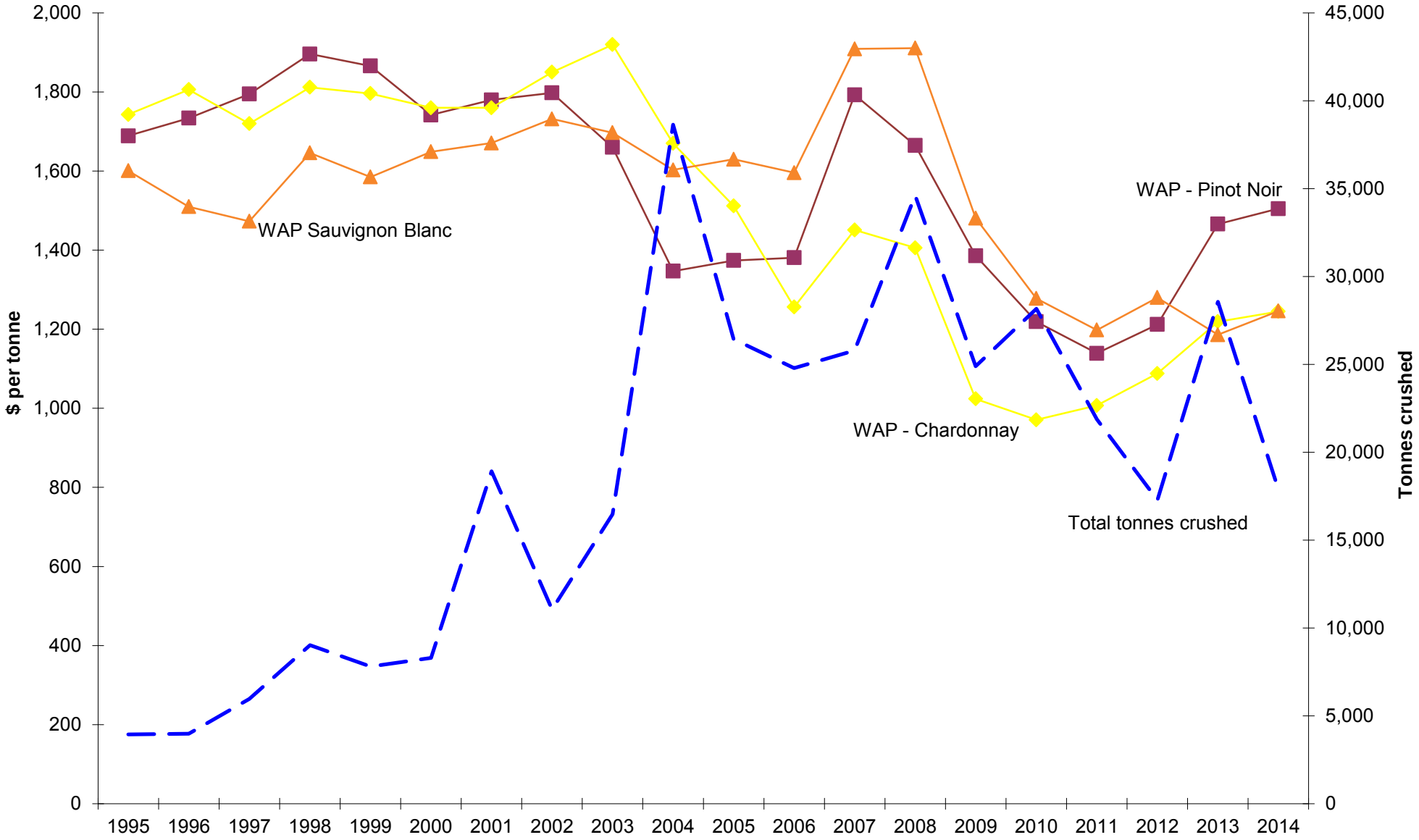
Variety	Tonnes purchased	Lowest price[1]	Highest price[1]	Total value purchased grapes	Calc avg. purch. value per tonne	Winery grown fruit	Total crushed[2]	Est total value ALL grapes
RED								
Cabernet Sauvignon	587	$750	$2,700	$699,629	$1,193	132	718	$856,656
Grenache	3			$2,000	$800	0	3	$2,000
Mataro	9			$9,253	$992	0	9	$9,253
Merlot	623	$400	$1,850	$534,091	$857	63	686	$587,683
Nebbiolo	18	$750	$3,000	$23,747	$1,338	16	34	$45,155
Other red	119	$1,200	$2,000	$175,197	$1,466	26	146	$212,175
Petit Verdot	12			$9,345	$750	1	14	$10,320
Pinot Noir	2,098	$1,000	$3,000	$3,157,007	$1,505	398	2,496	$3,756,183
Sangiovese	93	$750	$1,050	$87,083	$939	0	93	$87,083
Shiraz	1,294	$750	$3,300	$2,082,161	$1,609	314	1,608	$2,586,566
Tempranillo	13			$18,043	$1,369	18	31	$43,068
Total Red winegrapes	**4,869**			**$6,797,556**		**967**	**5,836**	**$8,196,142**
WHITE								
Chardonnay	2,936	$575	$4,300	$3,654,837	$1,245	520	3,457	$4,302,567
Chenin Blanc	7			$9,660	$1,400	0	7	$9,660
Muscat A Petit Grains Blanc	10			$8,152	$800	0	10	$8,152
Other white	67	$700	$2,300	$89,354	$1,335	47	114	$152,268
Pinot Gris	813	$1,000	$2,500	$1,096,406	$1,349	220	1,033	$1,393,224
Riesling	231	$800	$1,800	$225,516	$976	56	287	$280,018
Sauvignon Blanc	4,793	$300	$2,200	$5,972,968	$1,246	1,737	6,529	$8,137,233
Semillon	281	$390	$1,500	$225,251	$802	209	490	$393,167
Traminer	64	$700	$1,800	$54,020	$847	5	69	$58,166
Viognier	35	$600	$1,800	$36,714	$1,049	6	41	$43,176
Total White winegrapes	**9,237**			**$11,372,875**		**2,800**	**12,037**	**$14,777,631**
Grand Total All winegrapes	**14,106**			**$18,170,431**		**3,768**	**17,873**	**$22,973,773**

1 Lowest and highest prices are only reported when there are at least three purchasers. Very low or high prices may relate to extremely small parcels of fruit or fruit delivered that was over the contract amount or penalised for other reasons.

2 It is estimated that the non-response rate for Adelaide Hills is 7.7%.

Adelaide Hills

Historical Weighted Average Price vs tonnes crushed



Adelaide Hills

Current plantings by variety and year planted

Variety	Current area in hectares					
	Pre-2011	*2011*	*2012*	*2013*	*Total area*	*% planted in 2013*
Red winegrapes						
Cabernet Franc	7	0	0	1	8	7%
Cabernet Sauvignon	206	0	3	0	209	0%
Grenache	2	0	0	0	2	0%
Merlot	176	0	0	0	176	0%
Meunier (Pinot Meunier)	25	0	0	0	25	0%
Nebbiolo	9	0	1	0	10	0%
Other Red	23	1	2	3	29	10%
Petit Verdot	2	0	0	0	2	0%
Pinot Noir	647	5	6	7	664	1%
Sangiovese	9	3	0	0	12	0%
Shiraz	308	13	6	8	336	2%
Tempranillo	24	3	0	1	29	5%
Total red varieties	**1,438**	**26**	**19**	**19**	**1,501**	***1%***
White winegrapes						
Chardonnay	824	1	0	5	830	1%
Gruner Veltliner	5	6	4	0	15	1%
Other White	29	4	2	0	35	1%
Pinot Gris	254	3	0	1	258	0%
Riesling	79	0	0	1	79	1%
Sauvignon Blanc	1,017	3	11	2	1,033	0%
Semillon	70	0	0	0	70	0%
Traminer (Gewurztraminer)	24	0	0	0	24	0%
Verdelho	3	0	0	0	3	0%
Viognier	33	0	0	0	33	0%
Total white varieties	**2,338**	**16**	**17**	**10**	**2,381**	***0%***
Rootstock Block	2	0	0	0	2	0%
Unknown variety	20	0	0	0	20	0%
Total all varieties	**3,797**	**42**	**36**	**29**	**3,904**	***1%***