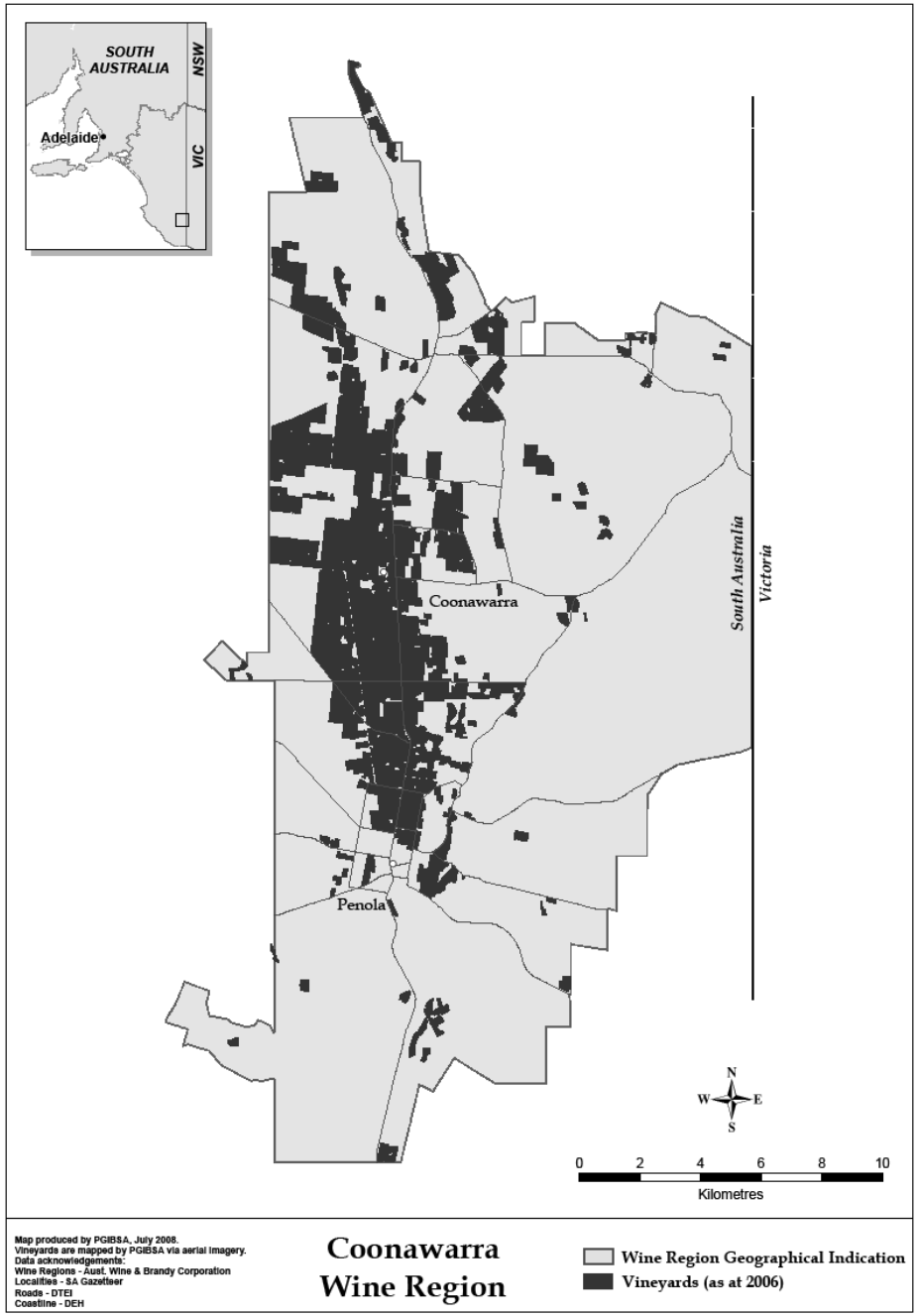


Coonawarra Wine Region

Regional summary report

2010

ACKNOWLEDGEMENTS

This survey has been produced by the Phylloxera and Grape Industry Board of South Australia on behalf of the **South Australian Wine Industry Association,** the **Wine Grape Council of SA Inc** and **Primary Industries and Resources SA,** who jointly fund the survey.

The publication of this survey is made possible through the support of the South Australian and interstate wineries that processed fruit from South Australian vineyards in 2010. The information is provided voluntarily by wineries on the understanding and assurance that information from individual wineries will be kept strictly confidential. Only aggregate responses are reported. Draft results and supply forecasts are checked by regional industry representatives. Vintage reports have been provided by the regional representatives, local growers or industry associations. Particular thanks for their assistance go to: Jim Caddy, David Edwards, James Freckleton, Juliet Henderson, Elise Heyes, Lian Jaensch, Murray Leake, Frank Nicholls, Louise Rose, Stuart Sharman, Nigel Squire, Michelle Stehbans, David Watkins, and Daniel Zuzolo.

The survey publication is available on the Board's website www.phylloxera.com.au. The state summary and regional reports can be downloaded as PDF files. Previous reports (since 2000) are also available on the website, and hard copies of reports from previous years back to 1998 are available from the Board's office.

COVER IMAGE

Photograph by Catherine Cox, Phylloxera and Grape Industry Board of SA.

REPORT PREPARATION

Peter Carmalt, the Australian Wine and Brandy Corporation, Sandy Hathaway and Rachel Inness - Phylloxera and Grape Industry Board of SA.

ISSN 1442-6048

Date of publication: September 2010.

DISCLAIMER

While every effort is made to ensure the accuracy and integrity of the information reported in this document, no responsibility is taken for any errors or omissions. The Phylloxera and Grape Industry Board of South Australia expressly disclaims any liability for the accuracy and sufficiency of the information, and in no circumstances shall it be held liable for the consequences of decisions, actions, assumptions and interpretations made by those who use the information contained within the report.

DOCUMENT STRUCTURE AND LAYOUT

The full survey report incorporates 15 stand-alone regional reports, covering the major declared GI regions in South Australia, and a state summary section with aggregate data, forecasts by variety and historical comparisons. The report may be downloaded as one document or in sections as a series of PDF files from the PGIBSA website www.phylloxera.com.au.

INTERPRETATION OF REPORT INFORMATION

Please refer to the **EXPLANATIONS AND DEFINITIONS** for definitions, limitations and interpretations of different statistics reported.

Any questions about the report should be directed to:

Phylloxera and Grape Industry Board
+618 8362 0488
admin@phylloxera.com.au

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

Supply forecasts have been calculated independently using the planting information obtained from the PGIBSA vineyard register (see below). They are calculated by multiplying the area of vines by an estimated yield figure determined separately for each variety in each region, which takes into account industry practices and objectives as well as historical averages. However, the supply forecasts do not make any allowance for future vine removals or mothballing, yield capping or the effects of ongoing water restrictions or unusual seasonal conditions.

Committed intake

Committed intake is the amount of fruit that wineries are *already* committed to take in, for a given future year. 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

Available supply

Available supply (uncommitted fruit) is the difference between estimated supply and committed intake. It is the amount of fruit estimated to be available on the open (spot) market. NB If the committed intake is higher than the estimated supply, this indicates a discrepancy between the independent supply forecasts and the wineries' estimates of future production. In this case, available supply is recorded as zero – rather than as a negative number.

Comparing supply and committed intake

In order to compare supply with committed intake, the latter figures are "raised" to compensate for non-respondents. There is no raising of supply figures because it is assumed that the PGIBSA vineyard planting information is close to 100% complete. The non-response rate is calculated separately for each region and is indicated below the relevant tables.

Demand (required intake)

Following consultation with industry during 2009, it was decided to omit demand figures from the 2010 survey. These figures were considered by the majority of respondents to be unreliable and/or unhelpful. They also add considerably to the survey load for the wineries. Readers of this report are encouraged to provide feedback on this decision either directly to SAWIA or the WGCSA, or to the PGIBSA.

PLANTING DATA

Derivation of planting data tables

Planting data is **not** derived from the 2010 South Australian Utilisation and Pricing 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 2010 and include all plantings from the 2009 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 2010 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 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.

Vintage report

The 2010 vintage shows great promise, largely due to above average soil moisture levels, ideal growing conditions, minimal disease issues and above average summer temperatures prior to vintage. Due to this increase in temperature, ripening was accelerated and most wineries began picking earlier than usual – many of them in early to mid February.

Winter rainfall in 2009 was above average giving good soil moisture levels for budburst in early spring. Favourable conditions continued during spring with minimal frost and settled flowering conditions allowing for excellent vine canopy development and fruit set.

During November, much of South Australia experienced a protracted 'hot spell'; however most vineyards in Coonawarra were spared from damage as bunch development was still at an early stage.

Strategic crop manipulation and reduction was widespread across the district to ensure fruit development was optimum, especially in Shiraz and Merlot varieties.

Harvest began approximately 10 days earlier than usual, commencing with white varieties.
Flavours have been of a high standard showing vibrant varietal distinction, particularly Riesling and Sauvignon Blanc; however yields have been generally below average.

With a return to more stable weather patterns during January and February, our key varieties - Cabernet Sauvignon and Shiraz – are exhibiting the benefit of slow maturity, ripe seeds, and rich tannins. The early 'break' to the season provided a freshening of the fruit and ensured all parcels were harvested by the first week in May.

Michelle Stehbens, President, Coonawarra Vignerons Association
Stuart Sharman, President, Coonawarra Grapegrowers Association

Overview of vintage statistics

The harvest from Coonawarra was 36,094 tonnes in 2010, up 4% compared with 2009. However, the total value of grapes from the region fell to $33 million, compared with $36.6 million in 2009. The average purchase value for the three major varieties decreased, with Shiraz falling a further 10% to below $900 per tonne – the third lowest value in this series since 1993. The CAPV for Cabernet Sauvignon in 2010 was less than half what it was in 1998 and also registering its third lowest value for the published series. The fall in the Merlot CAPV is even more dramatic with a 2010 value of $543 being less than a quarter of the 1999 CAPV of $2268.

New plantings in Coonawarra in spring 2009 (including top-working and replacements) were negligible for the fifth year in a row. The total vineyard area decreased overall by 98 hectares, from 5,734 hectares to 5,636 hectares.

The estimated production from the Coonawarra region for 2011 is 41,000 tonnes – assuming average yields. The wineries' committed intake is around 34,000 tonnes, leaving 7,000 tonnes of uncommitted fruit. In 2015 the estimated production increases slightly with 23,700 tonnes under contract or winery grown fruit leaving 17,500 tonnes (42%) available on the open market.

However, it is very difficult to estimate production in Coonawarra, where the 2004 harvest was over 60,000 tonnes and the 2007 harvest was less than 20,000 tonnes.

Across the state, assuming "normal" growing conditions, there is expected to be a 278,000 tonne surplus compared with demand in 2015 (see State Summary section).

Winegrape intake summary - vintage 2010

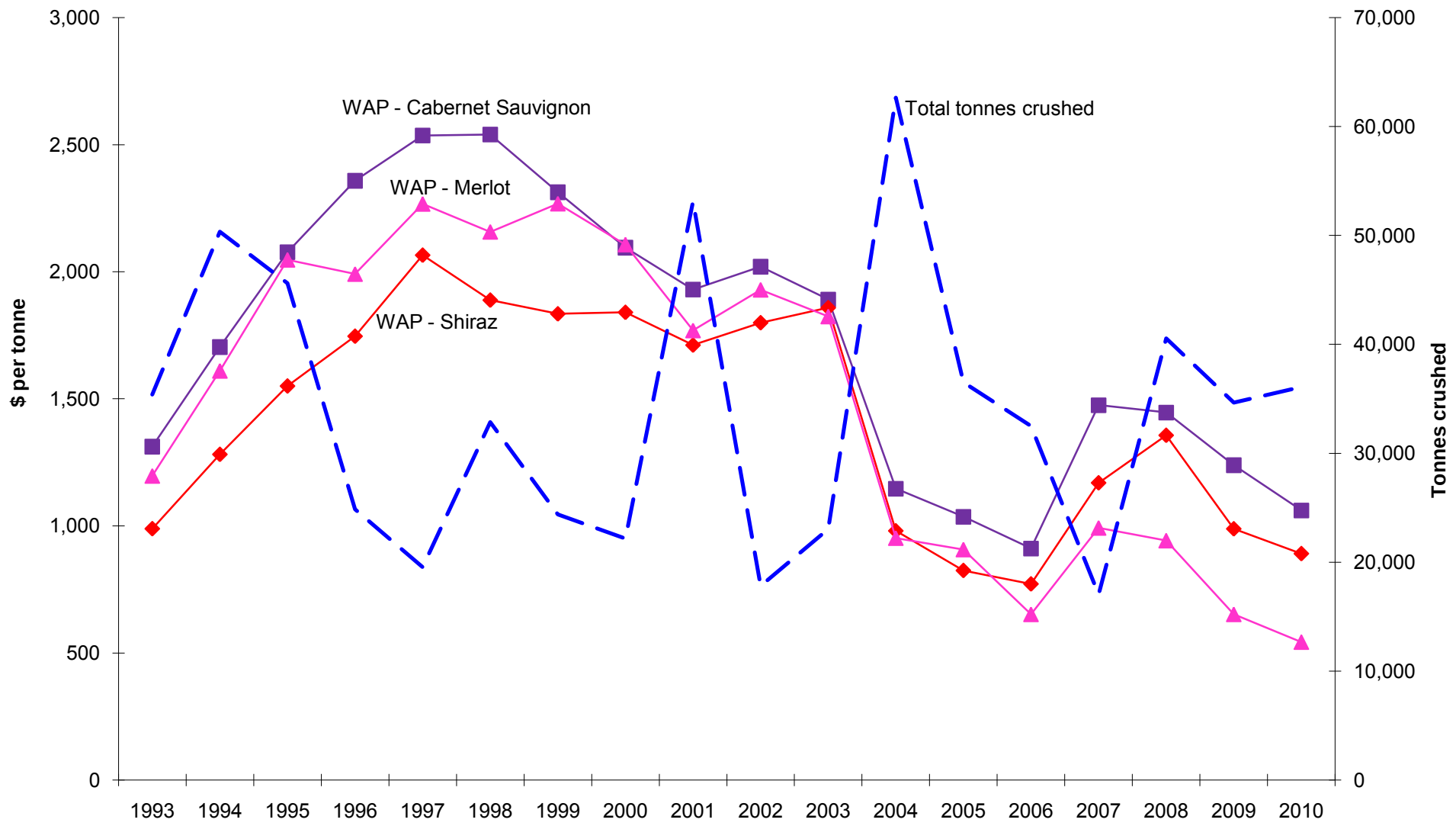
Variety	Tonnes purchased	Lowest price[1]	Highest price[1]	Total value purchased grapes	Calc avg. purch. value per tonne	Winery grown fruit	Total crushed[2]	Est total value ALL grapes
RED								
Barbera	0					1	1	$980
Cabernet Franc	38			$21,974	$583	195	232	$135,495
Cabernet Sauvignon	9,905	$400	$4,442	$10,504,267	$1,060	9,826	19,731	$20,924,543
Malbec	0					133	133	$130,064
Merlot	1,211	$300	$1,500	$657,656	$543	2,065	3,276	$1,778,553
Meunier	4			$3,460	$989	27	31	$30,151
Other Red	9			$6,480	$753	2	11	$8,296
Petit Verdot	9			$6,555	$753	46	55	$41,161
Pinot Noir	189	$400	$1,200	$134,500	$712	309	498	$354,179
Shiraz	2,211	$273	$2,700	$1,968,858	$890	5,038	7,249	$6,454,732
Tempranillo	0					3	3	$2,950
Total Red winegrapes	**13,575**			**$13,303,749**		**17,644**	**31,220**	**$29,861,105**
WHITE								
Chardonnay	1,252	$150	$1,450	$713,095	$569	2,019	3,271	$1,862,489
Other White	0					10	10	$6,203
Pedro Ximenes	0					7	7	$4,342
Riesling	120	$250	$990	$96,753	$807	777	897	$724,348
Sauvignon Blanc	316	$250	$1,200	$236,002	$748	308	623	$466,177
Semillon	4			$2,211	$553	38	42	$23,105
Traminer	0					21	21	$13,026
Viognier	3			$2,943	$1,110	0	3	$3,475
Total White winegrapes	**1,694**			**$1,051,003**		**3,180**	**4,874**	**$3,103,165**
Grand Total All winegrapes	**15,270**			**$14,354,752**		**20,824**	**36,094**	**$32,964,271**

1 Lowest and highest prices are only reported when there are at least three purchasers. Very low 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 Coonawarra is 2%.

Coonawarra

Historical Weighted Average Price vs tonnes crushed



Current plantings by variety and year planted

Variety	Current area in hectares					
	Pre-2007	*2007*	*2008*	*2009*	*Total area*	*% planted in 2009*
Red winegrapes						
Cabernet Franc	30	1	0	0	31	*0%*
Cabernet Sauvignon	3362	10	4	7	3383	*0%*
Malbec	15	0	0	0	15	*0%*
Merlot	392	0	0	0	392	*0%*
Other red	6	0	0	1	7	*8%*
Petit Verdot	23	0	0	0	23	*0%*
Pinot Noir	47	0	0	0	47	*0%*
Shiraz	1136	3	2	0	1140	*0%*
Total red varieties	**5012**	**14**	**6**	**7**	**5038**	***0%***
White winegrapes						
Chardonnay	384	0	3	0	386	*0%*
Other white	2	2	0	0	4	*0%*
Riesling	82	0	0	0	82	*0%*
Sauvignon Blanc	90	14	1	0	106	*0%*
Semillon	4	6	0	0	10	*0%*
Traminer (Gewurtztraminer)	2	0	0	0	2	*0%*
Viognier	8	0	0	0	8	*0%*
Total white varieties	**572**	**22**	**4**	**0**	**598**	***0%***
Total all varieties	**5583**	**36**	**10**	**7**	**5636**	***0%***

Coonawarra

Estimated supply and committed intake 2011 - 2015

Variety	2011 Est Supply [1]	2011 Committed intake[2] Winery grapes	2011 Committed intake[2] Contract purchases	2011 Committed intake[2] Total committed intake	2013 Est Supply [1]	2013 Committed intake[2] Winery grapes	2013 Committed intake[2] Contract purchases	2013 Committed intake[2] Total committed intake	2015 Est Supply [1]	2015 Committed intake[2] Winery grapes	2015 Committed intake[2] Contract purchases	2015 Committed intake[2] Total committed intake
Red winegrapes												
Barbera	0	2	0	2	0	12	0	12	0	12	0	12
Cabernet Franc	244	253	40	293	246	253	0	253	246	253	0	253
Cabernet Sauvignon	23,601	11,751	7,595	19,346	23,652	11,450	4,465	15,915	23,652	11,500	608	12,108
Malbec	121	88	0	88	121	88	0	88	121	88	0	88
Merlot	2,747	1,819	339	2,158	2,747	1,813	68	1,881	2,747	1,813	68	1,881
Meunier	0	35	3	38	0	35	0	35	0	35	0	35
Other Red	49	5	13	18	51	5	0	5	51	5	0	5
Petit Verdot	182	74	130	205	182	74	13	88	182	74	13	88
Pinot Noir	379	316	126	442	379	316	0	316	379	316	0	316
Shiraz	7,968	5,225	1,733	6,958	7,976	5,210	927	6,137	7,976	5,169	123	5,292
Tempranillo	0	3	0	3	0	3	0	3	0	3	0	3
Total red winegrapes	**35,292**	**19,571**	**9,980**	**29,551**	**35,354**	**19,260**	**5,473**	**24,733**	**35,354**	**19,268**	**812**	**20,081**
White winegrapes												
Chardonnay	3,849	2,245	940	3,185	3,854	2,205	237	2,441	3,854	2,205	60	2,265
Other White	26	10	0	10	30	10	0	10	30	10	0	10
Pedro Ximenes	0	10	0	10	0	10	0	10	0	10	0	10
Riesling	906	543	107	650	906	543	0	543	906	543	0	543
Sauvignon Blanc	907	561	230	792	948	700	76	777	948	700	25	726
Semillon	73	34	4	38	90	65	0	65	90	73	0	73
Traminer	20	20	0	20	20	20	0	20	20	20	0	20
Viognier	63	1	1	2	63	1	1	2	63	1	1	2
Total white winegrapes	**5,843**	**3,425**	**1,282**	**4,708**	**5,911**	**3,554**	**314**	**3,868**	**5,911**	**3,563**	**87**	**3,649**
Total all winegrapes	**41,135**	**22,996**	**11,263**	**34,259**	**41,265**	**22,814**	**5,787**	**28,601**	**41,265**	**22,831**	**899**	**23,730**

[1] *Supply forecast produced by PGIBSA based on the South Australian vineyard register*

[2] *A raising factor of 1.02 has been applied to committed intake to allow for non-respondents*