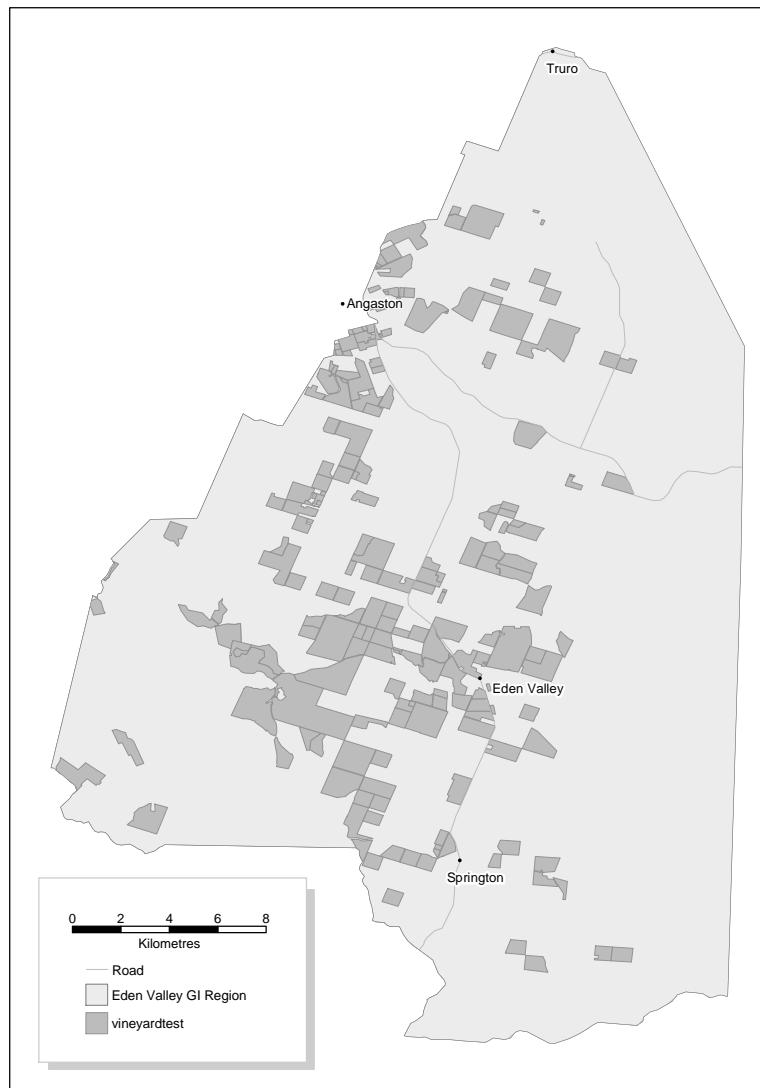


EDEN VALLEY VINTAGE OVERVIEW



Vintage report

The average winter rainfall this season was a welcome relief after last year's fourth worst drought in history. The soil profile was filled, as were most dams. A relatively frost free, wet, warm and thundery spring followed, which created a natural green house effect for the vines. They grew vigorously, flowered and, in general, set a large crop. December was the hottest for 10 years; however in January the weather became mild and windy, tempered by the cool southerlies off the ocean. January was unusually cool with similarities to January 2002. The heatwave in February caused some sunburn and crop losses. Fortunately, March returned the region to glorious sunny days and cold, dewy nights, with a couple of minor rain events, allowing the fruit to ripen under near perfect conditions. The vintage was almost as late as in 2002, due to the extended, dry and warm autumn period. Riesling looks particularly fine because of the cool ripening period in March.

*Reproduced from the Wine Industry Journal, July-August 2004
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Overview of vintage statistics

Eden Valley produced 16,319 tonnes in 2004 – nearly double the 2003 harvest of 9,446. There were significant surpluses in all major varieties – even Riesling and Chardonnay.

There were big falls in the calculated average purchase value of the major red varieties, particularly Cabernet Sauvignon (down nearly \$600 per tonnes) and Shiraz (down \$400 per tonne). On the other hand, the average purchase value of Chardonnay actually increased slightly compared with 2003. Overall, income to growers increased substantially (up by more than 30%) because of the large tonnages.

The forecast is for a total intake of around 15,000 tonnes by 2009 (lower than this year's actual production) with estimated being higher than preferred intake in each year. This is a reverse of the forecasts given in 2003, which showed a shortfall in each year – made up particularly of Chardonnay and Riesling.

There was very little new planting in 2003 – 15 hectares of Riesling being the most significant. Based on the current vineyard area, and using yield estimates of 10 t/ha for reds and 11 t/ha for whites, the estimated production from Eden Valley in 2009 is approximately 23,000 tonnes. This means an approximate surplus of 6,000 tonnes of red varieties (more than 50%) and 2,000 tonnes of whites (25%) compared with the 2009 preferred intake figures. While demand forecasts do change from year to year, this discrepancy may foreshadow some difficulties for growers without contracts in the future.

EDEN VALLEY CURRENT PLANTINGS BY VARIETY AND YEAR PLANTED

Table 7.1

Variety	Current area in hectares by year planted						Total	% planted in 2003
	Pre-1999	1999	2000	2001	2002	2003		
RED WINEGRAPES								
CABERNET FRANC	6	0	0	0	1	0	7	0%
CABERNET SAUVIGNON	276	28	5	23	0	0	332	0%
GRENACHE	20	0	0	0	1	0	21	0%
MATARO (MOUVEDRE)	1	6	0	1	0	0	7	0%
MERLOT	58	19	1	4	1	0	83	0%
PETIT VERDOT	8	0	0	0	0	0	8	0%
PINOT NOIR	52	7	0	0	0	0	59	0%
SANGIOVESE	0	1	0	0	0	0	1	0%
SHIRAZ	491	99	7	12	20	1	628	0%
TEMPRANILLO	0	1	0	0	0	0	1	0%
OTHER RED	4	1	0	0	2	0	7	0%
TOTAL RED WINEGRAPES	915	161	13	39	24	1	1153	0%
WHITE WINEGRAPES								
CHARDONNAY	193	11	0	23	34	0	261	0%
CHENIN BLANC	1	0	0	0	0	0	1	0%
MUSCAT BLANC	5	0	0	0	0	0	5	0%
PINOT GRIS	5	3	1	2	5	3	18	14%
RIESLING	371	33	12	43	27	15	502	3%
SAUVIGNON BLANC	28	2	2	6	0	0	38	0%
SEMILLON	49	2	0	1	0	0	52	0%
TRAMINER	28	1	0	0	4	3	35	7%
VERDELHO	0	0	0	0	1	0	1	0%
VIIGNIER	12	2	8	6	0	1	30	3%
OTHER WHITE	4	0	0	0	0	0	4	0%
TOTAL WHITE WINEGRAPES	695	54	22	82	70	22	946	2%
TOTAL ALL VARIETIES	1610	215	35	122	94	23	2099	1%

Note: some increase in area in this region is a result of including previously unregistered growers with older plantings.



EDEN VALLEY TONNES CRUSHED BY VARIETY - VINTAGE 2004

Table 7.2

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									
Cabernet Franc	19	21	40	31	52%	128%	3	2	4
Cabernet Sauvignon	1079	1094	2174	1323	50%	164%	10	14	14
Grenache	91	68	159	97	43%	164%	4	5	6
Mataro (Mouvedre)	0	81	82	82	100%	99%	1	1	2
Merlot	507	215	722	588	30%	123%	9	8	10
Meunier	42	0	42	42	0%	99%	2	0	2
Other red	0	0	0	0	0%	100%	1	0	1
Petit Verdot	89	0	89	50	0%	178%	2	0	2
Pinot Noir	286	363	649	664	56%	98%	5	7	6
Sangiovese	0	13	13	13	100%	99%	0	1	1
Shiraz	1254	2906	4159	3361	70%	124%	9	17	19
Tempranillo	6	0	6	0	0%		1	0	0
Zinfandel	6	0	6	6	0%	100%	1	0	1
Total RED	3380	4760	8140	6257	58%	130%			
WHITE									
Chardonnay	1356	1156	2513	1998	46%	126%	11	12	17
Muscadelle (Tokay)	0	20	20	20	100%	100%	0	1	1
Muscat Blanc (Frontignac)	19	21	40	42	52%	94%	1	3	4
Other white	10	0	10	10	0%	100%	2	0	2
Pinot Gris	70	12	81	103	15%	79%	3	2	4
Riesling	2488	1674	4162	3625	40%	115%	10	14	19
Sauvignon Blanc	305	84	389	501	22%	78%	4	3	5
Semillon	78	449	527	466	85%	113%	2	8	6
Traminer	119	106	225	214	47%	106%	5	4	7
Viognier	44	167	211	245	79%	86%	2	2	4
Total WHITE	4490	3689	8179	7224	45%	113%			
Total for region	7870	8449	16319	13481					

EDEN VALLEY CROP VALUE DATA - VINTAGE 2004

Table 7.3

Variety	Grower grown	Total crushed (1)	estimated total value		lowest	highest	calc average purchase	
			purchased grapes	total grapes	price (2)	price (2)	value per tonne (3)	
RED								
Cabernet Franc	21	40	\$29,176	\$55,788			\$1,403	100%
Cabernet Sauvignon	1094	2174	\$1,162,174	\$2,308,446	\$200	\$4,578	\$1,062	100%
Grenache	68	159	\$62,344	\$146,512	\$700	\$1,500	\$922	100%
Mataro (Mouvedre)	81	82	\$93,587	\$93,748			\$1,150	100%
Merlot	215	722	\$232,843	\$782,833	\$300	\$1,450	\$1,085	100%
Pinot Noir	363	649	\$390,921	\$699,379	\$250	\$1,980	\$1,078	100%
Sangiovese	13	13	\$12,846	\$12,846			\$1,002	100%
Shiraz	2906	4159	\$4,173,001	\$5,973,242	\$200	\$7,475	\$1,436	99%
Total RED	4760	7996	\$6,156,892	\$10,072,793				
WHITE								
Chardonnay	1156	2513	\$1,721,233	\$3,740,140	\$943	\$1,800	\$1,488	100%
Muscadelle (Tokay)	20	20	\$7,168	\$7,168			\$350	100%
Muscat Blanc (Frontignac)	21	40	\$14,539	\$27,902	\$500	\$800	\$704	100%
Pinot Gris	12	81	\$15,788	\$108,270			\$1,329	100%
Riesling	1674	4162	\$2,637,934	\$6,559,898	\$450	\$2,300	\$1,576	100%
Sauvignon Blanc	84	389	\$116,152	\$537,799	\$1,100	\$1,600	\$1,382	100%
Semillon	449	527	\$405,141	\$476,040	\$650	\$1,400	\$903	100%
Traminer	106	225	\$115,620	\$245,055	\$600	\$1,350	\$1,087	100%
Viognier	167	211	\$325,501	\$411,374			\$1,947	100%
Total WHITE	3689	8169	\$5,359,076	\$12,113,646				

(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-receival.



EDEN VALLEY ESTIMATED AND PREFERRED FUTURE INTAKE OF GRAPES 2005 TO 2009

Table 7.4

Variety	2005		2006		2007		2008		2009	
	estimated	preferred	estimated	preferred	estimated	preferred	estimated	preferred	estimated	preferred
RED										
Barbera	0	0	1	0	1	0	1	0	1	1
Cabernet Franc	30	30	30	30	30	30	30	30	30	30
Cabernet Sauvignon	2178	1071	2211	1100	2231	1136	2182	1090	2182	1090
Grenache	133	83	116	73	118	73	114	71	116	71
Mataro (Mouvedre)	61	61	61	61	61	61	61	61	61	61
Merlot	592	517	693	563	703	583	682	562	713	583
Meunier	26	20	26	20	26	20	26	20	26	20
Muscat Rose	5	5	13	13	20	20	20	20	20	20
Nebbiolo	0	0	1	0	2	0	5	0	6	2
Other red	1	1	1	1	2	2	2	2	2	2
Petit Verdot	60	50	60	50	50	50	50	50	50	50
Pinot Noir	530	640	531	693	530	747	496	714	496	714
Sangiovese	8	8	8	8	8	8	8	8	8	8
Shiraz	3445	2858	3504	2924	3548	2998	3330	2779	3326	2780
Tempranillo	10	0	10	0	10	0	10	5	10	5
Zinfandel	6	6	6	6	6	6	6	6	6	6
Total for RED	7084	5349	7272	5542	7345	5733	7022	5417	7052	5442
WHITE										
Chardonnay	2048	1827	2510	2151	2732	2277	2889	2371	2940	2378
Muscadelle (Tokay)	25	25	25	25	25	25	25	25	25	25
Muscat Blanc	33	33	33	33	33	33	33	33	33	33
Other white	12	12	12	12	11	11	14	14	12	12
Pinot Gris	93	143	138	200	173	237	198	263	197	287
Riesling	3542	3653	3738	3859	3991	4183	3962	4022	3975	4034
Sauvignon Blanc	342	497	377	552	440	603	481	657	491	707
Semillon	403	408	403	408	409	408	381	388	377	388
Traminer	174	174	240	227	246	233	246	232	246	232
Viognier	226	241	259	270	272	285	273	285	273	285
Total for WHITE	6898	7013	7735	7737	8332	8295	8502	8290	8569	8381
Total for region	13982	12362	15007	13279	15677	14028	15524	13707	15621	13823

EDEN VALLEY PAST PRODUCTION AND PROJECTIONS FOR MAJOR VARIETIES 1997 - 2009

Figure 7.1

Past production and projections (major varieties)

