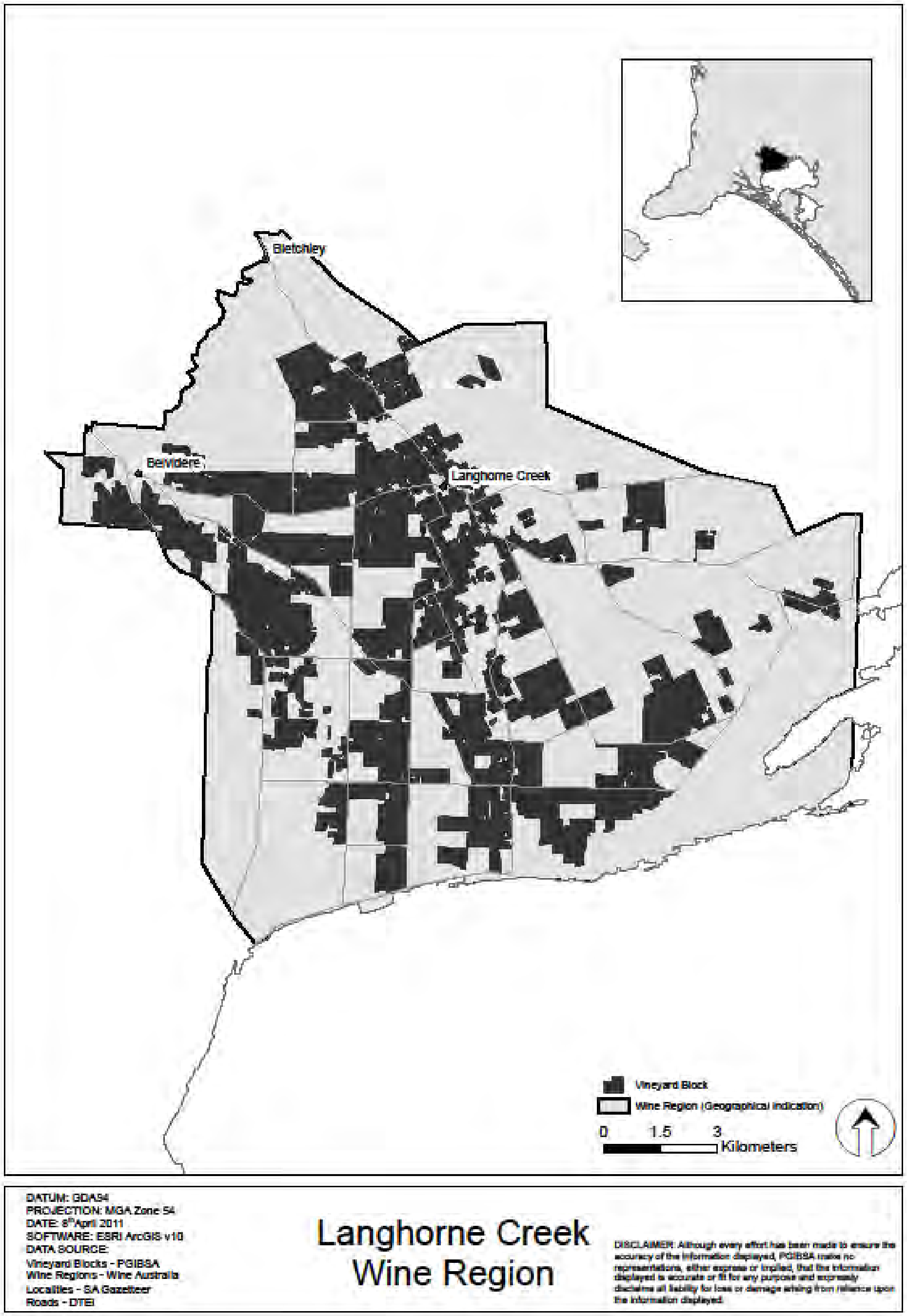


Langhorne Creek Wine Region

Regional summary report

2011

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.

PLANTING DATA

Derivation of planting data tables

Planting data is **not** derived from the 2011 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 2011 and include all plantings from the 2010 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 2011 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 2011 vintage, a roller coaster of highs and lows, will be remembered as one of the most climatically challenging ever experienced in Langhorne Creek. Harvest began about 3-4 weeks later than the previous vintage. The first sparkling base and white varieties were taken at the end of February and the first week of March. Out of the chaos, there are fruit and wine highlights for Langhorne Creek to once again hang its hat on.

The welcome 'highs' for the season emerged from the above average rainfall in winter and spring leading to high vigour and a return to average or above average crop levels in the majority of vineyards. Fruitset was excellent and yield looking high. A cool summer and autumn led to high natural acidity especially in whites, good perfume, low baume and low alcohol in wines. Dense canopy growth provided sun protection for fruit when the region was hit by two 44+ degree days in January. High rainfall replenished soils, flushed salts and reduced irrigation costs for growers. It has been a great year for young vine establishment with cooler weather and high soil moisture in the top soil.

The untimely 'lows' did take their toll - it rained…and rained…and rained.

Humidity was high and the fungal disease pressure escalated across the district. This compounded with a late start to harvest resulted in a high stress compressed vintage period and end to the season. Cooler temperatures resulted in low sugar levels in reds which posed some winemaking challenges. There was a high level of selective picking for most red varieties in the region this year due to the high disease pressure from Downy and Powdery Mildew, Botrytis and other bunch rots. The overall district yield was severely impacted with an expectation of approximately 20% lower total tonnage from Langhorne Creek compared to 2010. Vintage concluded for most by the Easter break in late April.

The 'silver lining' from the Langhorne Creek 2011 vintage will certainly be the anticipated excellent white wines. Verdelho, Sauvignon Blanc and early picked Chardonnay will be sure to please consumers and showcase Langhorne Creek whites. For those liking reds, some stand out parcels of Cabernet Sauvignon and early picked Shiraz will produce gems this year but total yield was down so consumers would be advised to buy early when these wines are released. It has also been a fantastic year for alternative varieties with good parcels of Petit Verdot, Malbec, Merlot and Tempranillo reported.

The 2011 Langhorne Creek wine grape harvest has been one of low production (particularly for red grape varieties) with excellent whites and some highlights in the reds to look out for. A look at the 'alternative' side of Langhorne Creek is also recommended from this vintage.

Lian Jaensch
Langhorne Creek Wine Industry Council

Overview of vintage statistics

The harvest from Langhorne Creek was 39,546 tonnes in 2011, down 6,788 tonnes (15%) on the 2010 harvest. The total value of grapes from the region decreased significantly from $32.7 million in 2010 to $22.7 million. There was a general decline in the average purchase value for all varieties across the region. Shiraz decreased by a further $215 per tonne to $547 per tonne, as did Cabernet Sauvignon by $96 per tonne to $568 per tonne. However, Chardonnay increased slightly by $54 to a price of $563 per tonne.

There was 25 hectares of new plantings (including top-working and replacements) in Langhorne Creek in spring 2010 - 32% of which was Shiraz and 28% was Malbec. There was a decrease in the total planted area by 33 hectares to 6,073 hectares for the region.

The estimated production from Langhorne Creek for 2012 is 56,100 tonnes. The wineries' committed intake is 11,400 tonnes below that amount and therefore available on the open market.

In 2016, assuming normal growing conditions, the estimated production is little changed at 56,400 tonnes, of which 24,900 tonnes (44%) is already under contract or winery grown fruit. This leaves an estimated 31,500 tonnes as yet uncommitted.

Langhorne Creek

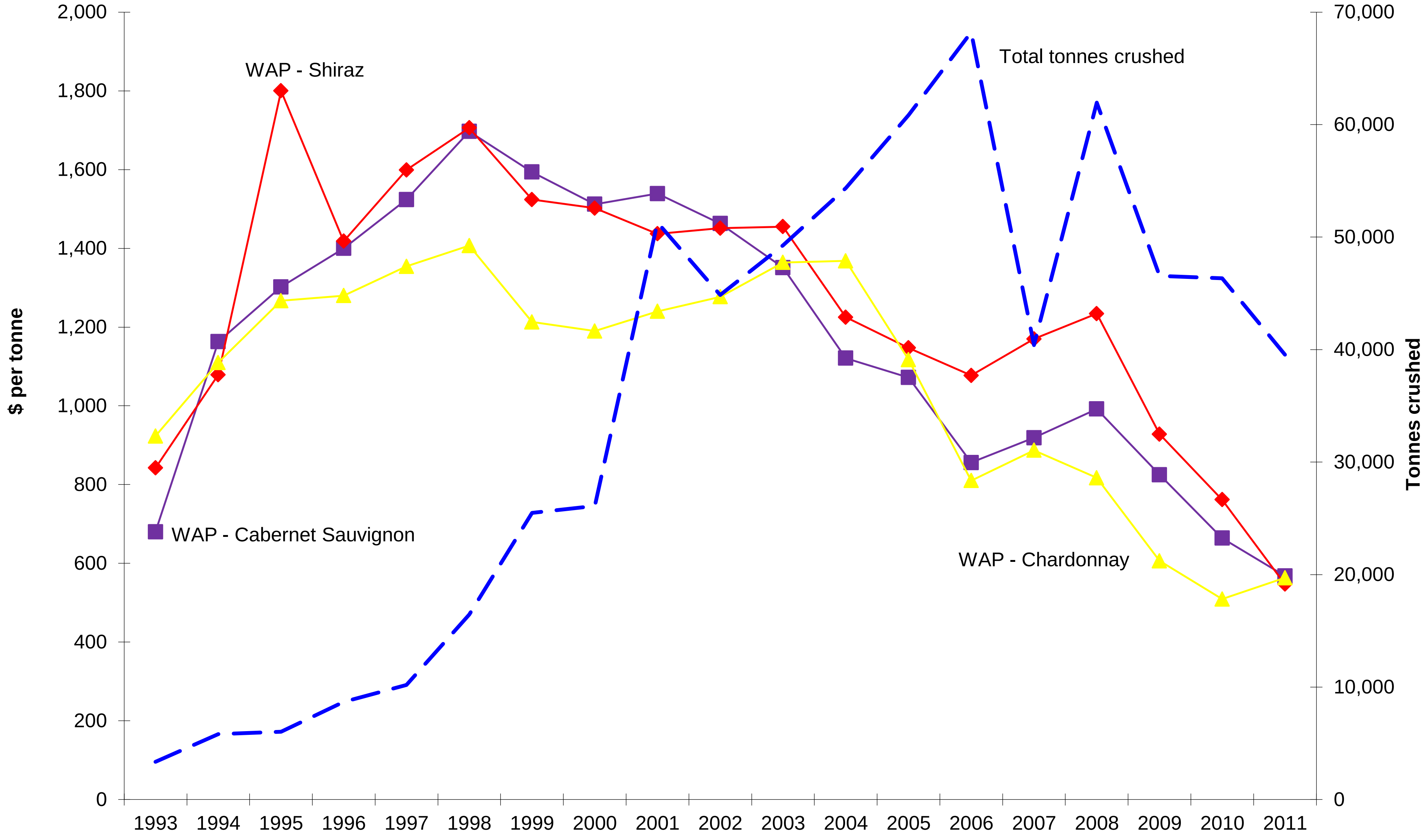
Winegrape intake summary - vintage 2011

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	8			$8,000	$1,000	0	8	$8,000
Cabernet Franc	0			$0	$0	5	5	$2,706
Cabernet Sauvignon	10,710	$300	$2,500	$6,087,668	$568	4,847	15,557	$8,842,839
Grenache	343	$300	$400	$133,050	$388	753	1,096	$425,396
Malbec	143	$600	$1,200	$132,756	$928	46	189	$175,133
Mataro	27	$400	$1,400	$27,704	$1,045	0	27	$27,704
Merlot	1,826	$300	$1,000	$1,042,734	$571	1,630	3,456	$1,973,612
Nebbiolo	0			$0	$0	6	6	$3,389
Other Red	46			$65,436	$1,423	7	53	$75,394
Petit Verdot	0			$0	$0	13	13	$7,315
Pinot Noir	772			$473,812	$614	386	1,158	$710,644
Sangiovese	189			$80,142	$425	0	189	$80,142
Shiraz	5,974	$300	$2,100	$3,266,469	$547	2,247	8,221	$4,494,975
Tempranillo	7			$7,856	$1,122	0	7	$7,856
Total Red winegrapes	**20,045**			**$11,325,626**		**9,940**	**29,985**	**$16,835,105**
WHITE								
Chardonnay	2,973	$200	$1,100	$1,672,601	$563	1,571	4,544	$2,556,318
Chenin Blanc	0			$0	$0	13	13	$7,748
Marsanne	6			$3,725	$0	0	6	$3,725
Muscat a Petit Grains Blanc	0			$0	$0	20	20	$12,154
Other White	37			$62,929	$1,718	24	61	$104,395
Pinot Gris	455	$800	$1,500	$420,046	$924	64	518	$478,751
Riesling	572			$338,372	$591	1,972	2,544	$1,504,632
Roussanne	12			$6,040	$500	0	12	$6,040
Sauvignon Blanc	461	$425	$900	$332,698	$721	380	842	$607,005
Semillon	190			$66,406	$350	0	190	$66,406
Traminer	337			$151,533	$450	0	337	$151,533
Verdelho	357	$400	$1,400	$241,716	$678	99	455	$308,562
Viognier	13			$14,828	$1,141	7	20	$22,926
Total White winegrapes	**5,412**			**$3,310,894**		**4,149**	**9,561**	**$5,830,196**
Total All winegrapes	**25,457**			**$14,636,520**		**14,089**	**39,546**	**$22,665,301**

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 Langhorne Creek is 0.9%.

Langhorne Creek **Historical Weighted Average Price vs tonnes crushed**



Current plantings by variety and year planted

	Current area in hectares					
Variety	*Pre-2008*	*2008*	*2009*	*2010*	*Total area*	*% planted in 2010*
Red winegrapes						
Cabernet Franc	14	0	0	0	14	*0%*
Cabernet Sauvignon	1,873	0	4	5	1,882	*0%*
Dolcetto	13	0	0	0	13	*0%*
Grenache	125	0	0	0	125	*0%*
Lagrein	10	0	0	0	10	*0%*
Malbec	44	0	0	7	52	*13%*
Merlot	393	0	0	1	394	*0%*
Nebbiolo	12	0	0	0	13	*0%*
Other red	31	3	1	2	37	*5%*
Petit Verdot	33	0	0	0	33	*0%*
Pinot Noir	55	0	46	0	101	*0%*
Sangiovese	52	0	0	0	52	*0%*
Shiraz	2,127	19	15	8	2,169	*0%*
Total red varieties	**4,782**	**21**	**67**	**24**	**4,895**	***0%***
White winegrapes						
Chardonnay	697	0	0	0	697	*0%*
Other white	14	5	0	1	20	*5%*
Pinot Gris	45	0	0	0	45	*0%*
Riesling	174	0	0	0	174	*0%*
Sauvignon Blanc	71	0	0	0	71	*0%*
Semillon	4	0	0	0	4	*0%*
Traminer (Gewurztraminer)	15	0	0	0	15	*0%*
Verdelho	63	0	0	0	63	*0%*
Viognier	45	0	0	0	45	*0%*
Total white varieties	**1,128**	**5**	**0**	**1**	**1,134**	***0%***
Rootstock block	6	0	0	0	6	*0%*
Unknown variety	38	0	0	0	38	*0%*
Total all varieties	**5,829**	**26**	**67**	**25**	**6,073**	***0%***

Langhorne Creek — Estimated supply and committed intake 2012 - 2016

Variety	2012 Est Supply [1]	2012 Committed intake[2] Winery grapes	2012 Committed intake[2] Contract purchases	2012 Total committed intake	2014 Est Supply [1]	2014 Committed intake[2] Winery grapes	2014 Committed intake[2] Contract purchases	2014 Total committed intake	2016 Est Supply [1]	2016 Committed intake[2] Winery grapes	2016 Committed intake[2] Contract purchases	2016 Total committed intake
Red winegrapes												
Barbera	0	0	2	2	0	0	2	2	0	0	2	2
Cabernet Franc	115	4	0	4	115	4	0	4	115	4	0	4
Cabernet Sauvignon	14,999	5,950	7,134	13,084	15,026	5,987	3,275	9,262	15,026	6,007	1,176	7,183
Grenache	1,248	806	758	1,564	1,248	801	25	826	1,248	801	0	801
Malbec	329	49	251	300	356	69	235	304	356	100	187	286
Mataro	0	0	61	61	0	0	61	61	0	0	61	61
Merlot	3,928	1,983	1,680	3,662	3,934	1,983	1,036	3,019	3,934	1,983	913	2,896
Nebbiolo	124	7	20	27	125	7	0	7	125	7	0	7
Other Red	942	7	49	56	963	7	46	53	963	7	46	53
Petit Verdot	264	24	0	24	264	24	0	24	264	24	0	24
Pinot Noir	780	370	1,083	1,453	872	370	853	1,223	872	370	632	1,002
Sangiovese	522	0	432	432	522	0	52	52	522	0	0	0
Shiraz	21,478	4,974	8,660	13,633	21,606	5,034	3,983	9,018	21,606	5,034	2,124	7,158
Tempranillo	0	0	2	2	0	5	2	7	0	10	2	12
Total red winegrapes	**44,728**	**14,175**	**20,131**	**34,305**	**45,031**	**14,292**	**9,571**	**23,863**	**45,031**	**14,347**	**5,142**	**19,490**
White winegrapes												
Chardonnay	6,970	1,558	4,117	5,674	6,970	1,517	2,193	3,711	6,970	1,517	890	2,407
Chenin Blanc	0	12	0	12	0	12	0	12	0	12	0	12
Muscat a Petit Grains Blanc	0	18	0	18	0	18	0	18	0	18	0	18
Other White	177	10	40	50	198	12	40	52	198	12	40	52
Pinot Gris	446	55	408	463	446	55	287	342	446	55	103	158
Riesling	1,737	1,509	768	2,277	1,737	1,509	712	2,222	1,737	1,509	150	1,660
Sauvignon Blanc	856	388	751	1,140	856	388	550	938	856	388	276	665
Semillon	36	0	230	230	36	0	230	230	36	0	230	230
Traminer	150	0	0	0	150	0	0	0	150	0	0	0
Verdelho	507	99	282	381	507	99	161	259	507	99	18	117
Viognier	452	7	193	200	452	7	193	200	452	7	59	66
Total white winegrapes	**11,331**	**3,657**	**6,788**	**10,446**	**11,352**	**3,619**	**4,366**	**7,985**	**11,352**	**3,619**	**1,767**	**5,386**
All winegrapes	**56,059**	**17,832**	**26,919**	**44,751**	**56,383**	**17,911**	**13,937**	**31,848**	**56,383**	**17,966**	**6,909**	**24,875**

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

[2] *A raising factor of 1.0 has been applied to committed intake to allow for non-respondents*