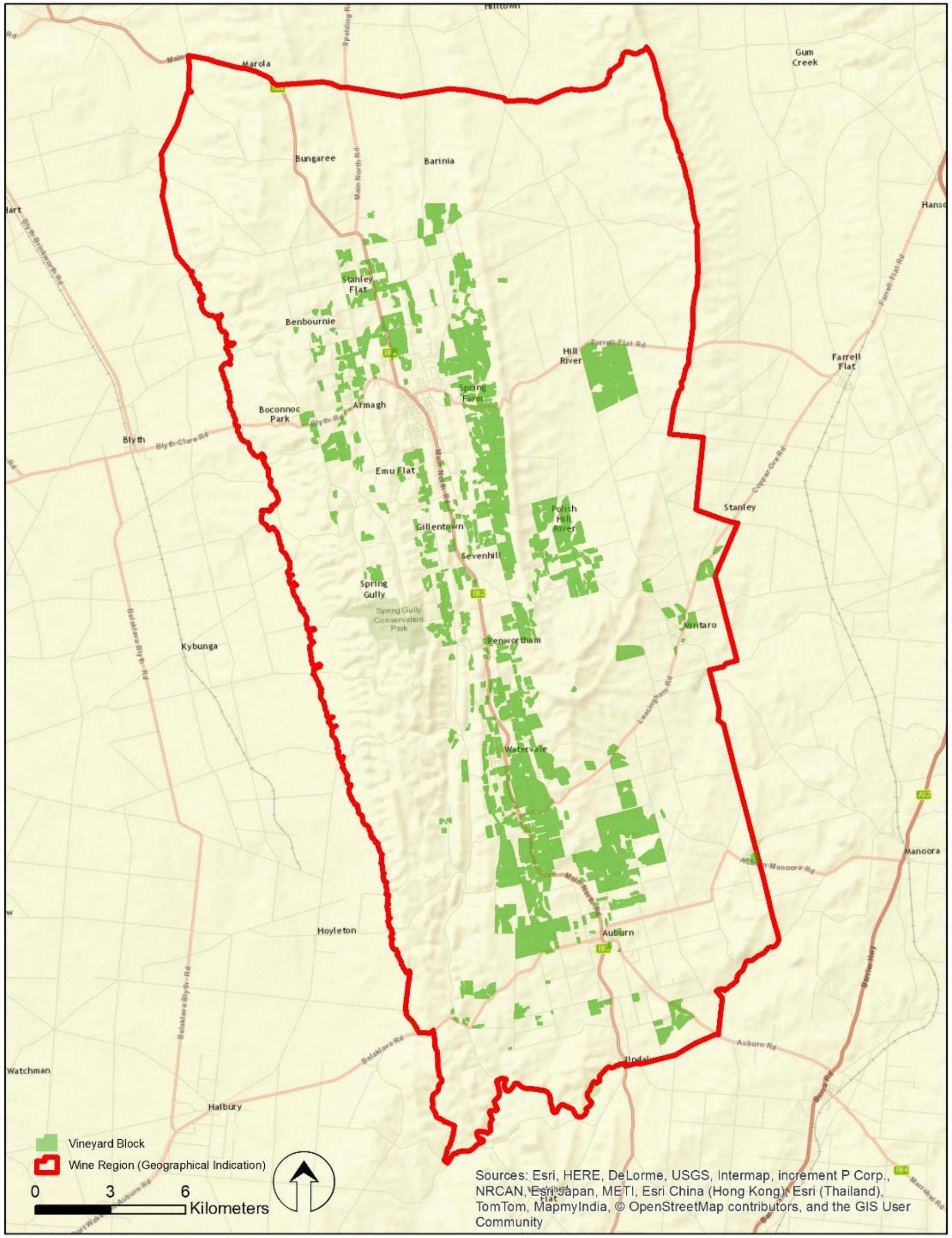

DATUM: GDA94
PROJECTION: MGA Zone 54
DATE: 8thMarch 2017
SOFTWARE: ESRI ArcGIS v10.4
DATA SOURCE:
Vineyard Block - Vinehealth Australia
Wine Region - Wine Australia

Clare Valley
Wine Region

Vinehealth AUSTRALIA

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SA Winegrape Crush Survey

Regional Summary Report 2017

Clare Valley Wine Region

Wine Australia July 2017

Clare Valley

Vintage overview

VINTAGE REPORT

The vintage kicked off in the last week in February in the early sub-regions and in earnest in early to mid March for the majority of the region, approximately one month later than last year and the latest start to vintage since the forgettable 2011 vintage.

The growing season was late starting with budburst up to a month later than recent years due to the wet and cold winter. Severe storms at the end of September dumped over 120mm of rain across the region. Soil temperatures remained very low due to the waterlogged conditions and the below average ambient temperatures recorded through the spring. Some spring frost damage was reported in the south-eastern and lower-lying parts of the region. Bud burst was quite variable generally and early shoot growth and flowering not surprisingly was three weeks later than average. Weather conditions during flowering were however generally favourable and hence fruit set was good across all varieties. Over the full year 2016 rainfall totals between 800mm and 1000mm were recorded across the region, making it the wettest calendar year since 2000.

Damp and humid conditions prevailed pretty much right through the early to mid part of the growing season, and the calendar year ended with another significant storm and rain event between Christmas and New Year.

Vintage eventually ground to a slow completion early in May although some late harvest/botrytis style white parcels weren't harvested until mid-May. Overall 2017 would appear to be an above average vintage in terms of production. Across the board fruit quality was again good to very good and there should be some terrific wines coming through from 2017. Riesling was again the standout white variety and the Cabernets and the later alternative red varieties also stood out.

Andrew Pike, Chairperson, Clare Valley Winemakers

OVERVIEW OF VINTAGE STATISTICS

A total of 27,752 tonnes of Clare Valley winegrapes were crushed in 2017, up from 20,795 tonnes in 2016 and 16,093 tonnes in 2015. Over the past five years (including 2017), the average crush for Clare has been 20,476 tonnes, making this year's crush 36% above the average and the highest since 2006, while the 2015 crush of 16,039 tonnes was the lowest since 2000.

The total value of winegrapes increased to $32 million from $24 million mainly due to increased yields.

The average price of the two major red varieties declined compared with 2016. The average for Shiraz declined by 1% to $1,417 and Cabernet Sauvignon fell by 7% to $1,095 per tonne. The results for white varieties were mixed; Riesling increased by 2% to $1,035 per tonne while Chardonnay declined by 13% to $717 per tonne.

The price dispersion data shows that 20% of red varieties were sold at above $1500 per tonne, the same proportion as 2016. 92% of white varieties were purchased at between $600 and $1500 – a relatively narrow dispersion range.

There were 53 hectares of new vines planted in 2016. Over 90% of these new plantings were Riesling.

Clare Valley

Winegrape intake summary table – red

Variety	Tonnes purchased	E (less than $300)	D ($300-$600)	C ($600-$1,500)	B ($1,500-$2,000)	A (above $2000)	Total value purchased	Calc avg. purch value per tonnes	Change in price YoY	Winery grown fruit	Share of own grown	Total crushed	Est total value ALL grapes
Red													
Barbera										13	100%	13	$16,154
Cabernet Franc										77	100%	77	$98,493
Cabernet Sauvignon	2176	0%		94%	6%	1%	$2,382,886	$1,095	-7%	3029	58%	5204	$5,700,287
Grenache	147			56%	32%	11%	$216,950	$1,471	-3%	177	55%	324	$477,417
Malbec	183			75%	25%		$226,970	$1,239	3%	116	39%	300	$371,231
Mataro/Mourvedre	111			24%	67%	9%	$162,780	$1,463	-7%	59	35%	170	$249,025
Merlot	858	2%		100%			$724,001	$843	2%	650	43%	1522	$1,283,377
Montepulciano	6					100%	$11,740	$2,000	0%	9	61%	15	$30,406
Muscat a Petit Grains Rouge/Rose										3	100%	3	$3,768
Nero d'Avola	2									4	73%	6	$10,440
Petit Verdot										34	100%	34	$42,848
Pinot Noir										60	100%	60	$76,581
Ruby Cabernet										12	100%	12	$15,683
Sangiovese	144			100%			$142,758	$990	-1%	42	23%	186	$184,470
Shiraz	5296			74%	19%	7%	$7,504,397	$1,417	-1%	4428	46%	9724	$13,779,262
Tempranillo	88			100%			$95,011	$1,084	-1%	77	47%	165	$178,560
Other red										45	100%	45	$57,603
Total red	**9011**	**0%**		**81%**	**15%**	**5%**	**$11,470,356**	**$1,273**	**0%**	**8836**	**49%**	**17860**	**$22,575,604**

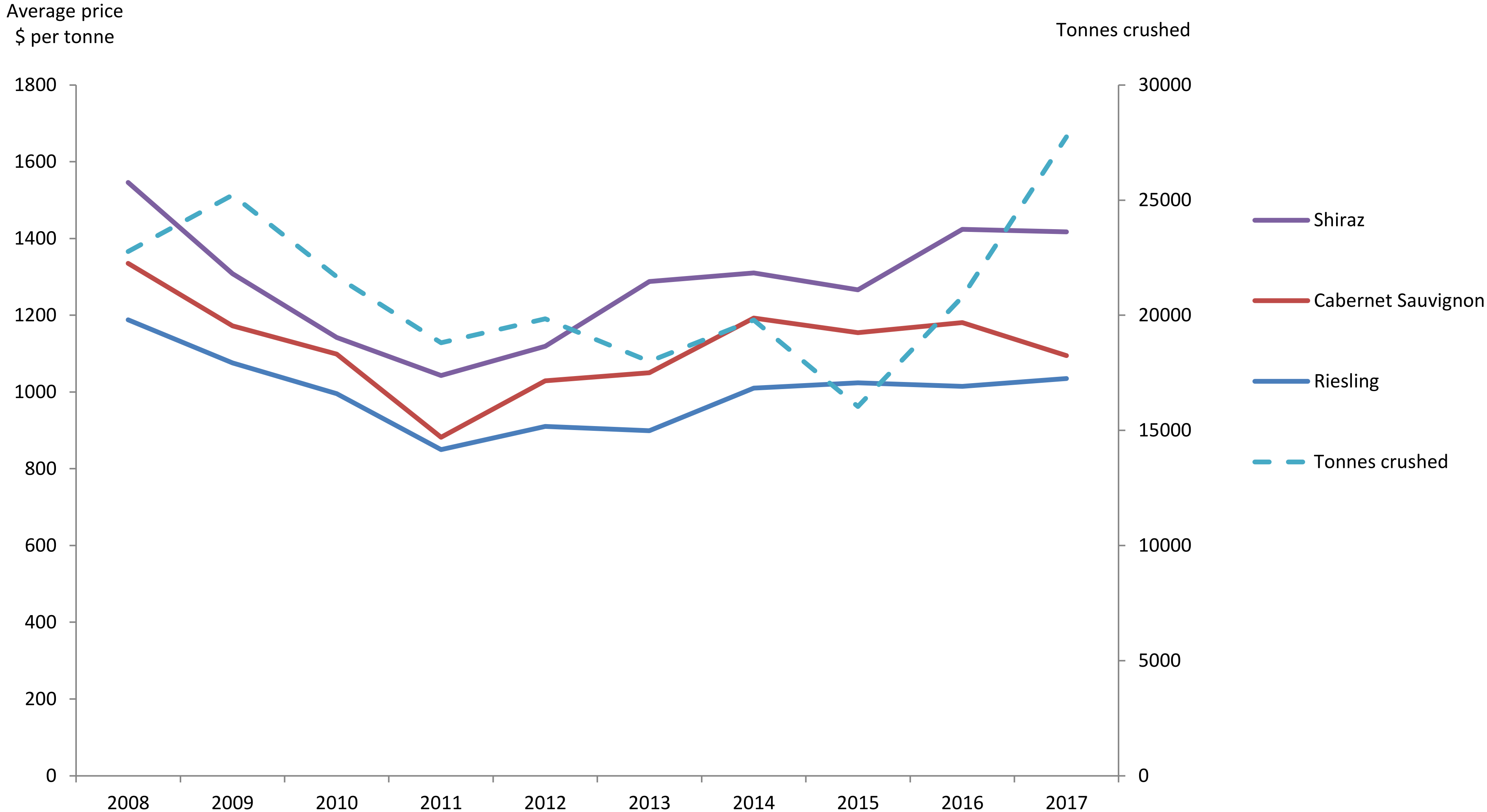
Clare Valley

Winegrape intake summary table – white

Variety	Tonnes purchased	E (less than $300)	D ($300-$600)	C ($600-$1,500)	B ($1,500-$2,000)	A (above $2000)	Total value purchased	Calc avg. purch value per tonnes	Change in price YoY	Winery grown fruit	Share of own grown	Total crushed	Est total value ALL grapes
White													
Chardonnay	781		19%	81%			$559,890	$717	-13%	487	38%	1268	$908,686
Fiano	23			100%			$32,398	$1,406	0%	37	61%	60	$84,118
Gewurztraminer	164	1%		99%			$117,797	$720	2%	45	22%	209	$150,276
Muscadelle (Tokay)										13	100%	13	$13,064
Pinot Gris/Grigio	175			100%			$206,119	$1,178	-1%	314	64%	489	$575,997
Riesling	4000	1%		93%	5%	2%	$4,139,336	$1,035	2%	2925	42%	6972	$7,214,592
Sauvignon Blanc	3			100%			$4,466	$1,400		78	96%	81	$113,982
Semillon	335	0%	10%	90%			$252,602	$755	-4%	285	46%	619	$467,441
Verdelho										19	100%	19	$18,000
Vermentino	13									2	15%	16	$17,784
Viognier	6			100%			$5,985	$1,050	-15%	62	92%	68	$70,898
Other white										79	100%	79	$77,044
Total white	**5500**	**1%**	**3%**	**92%**	**4%**	**1%**	**$5,333,672**	**$970**	**-1%**	**4346**	**44%**	**9892**	**$9,711,883**
Total all varieties	**14510**	**0%**	**1%**	**85%**	**10%**	**3%**	**$16,804,027**	**$1,158**	**1%**	**13183**	**48%**	**27752**	**$32,287,487**

Clare Valley

Historical weighted average price vs tonnes crushed



Clare Valley

Current plantings by variety and year planted

Current area in hectares

Variety	Pre-2014	2014	2015	2016	Total area	% planted in 2016
Red winegrapes						
Cabernet Franc	15	0	0	0	15	0%
Cabernet Sauvignon	1,171	14	3	0	1,188	0%
Grenache	60	0	0	0	60	0%
Malbec	73	1	0	0	75	0%
Mataro (Mourvedre)	33	0	2	1	36	2%
Merlot	277	0	0	0	277	0%
Nebbiolo	4	0	0	0	4	0%
Other Red	34	0	1	0	35	0%
Sangiovese	27	0	0	0	27	0%
Shiraz	1,834	12	21	5	1,873	0%
Tempranillo	31	1	2	0	33	0%
Total red varieties	**3,561**	**28**	**29**	**6**	**3,624**	**0%**
White winegrapes						
Chardonnay	191	0	0	0	191	0%
Other White	25	1	1	0	27	0%
Pinot Gris	46	2	2	0	50	0%
Riesling	1,024	0	5	48	1,077	4%
Sauvignon Blanc	20	0	0	0	20	0%
Semillon	132	0	0	0	132	0%
Traminer (Gewurztraminer)	27	0	0	0	27	0%
Verdelho	4	0	0	0	4	0%
Viognier	13	0	0	0	13	0%
Total white varieties	**1,482**	**3**	**8**	**48**	**1,541**	**3%**
Unknown variety	11	0	0	0	11	0%
Rootstock Block	1	0	0	0	1	0%
Total all varieties	**5,056**	**32**	**37**	**53**	**5,178**	**1%**

Source: Vinehealth Australia

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 Wine Australia.

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 are included in the survey collection process. However, not all wineries respond to the survey - therefore the total tonnage reported may underestimate the true crush. It is estimated that the overall response rate for the survey is 88%; however, individual regions may vary. Generally, regions will have a higher response rate when there is a high proportion of purchased winegrapes within the region

Reported fruit is separated into fruit produced from the winery's own or associated vineyards ("own grown") and from independent vineyards ("purchased").

Calculated average purchase value

The survey requests wineries to provide the total amount paid for each parcel of fruit purchased (or the price per tonne). This is the price 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 (May 2017).

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.

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. It should also be noted that in minor varieties there may sometimes be very few purchases contributing towards a calculated average purchase value.

Price dispersion data (shaded columns in Intake Summary tables)

All purchases for each variety are grouped into categories according to the price paid for that fruit. The tonnes in each category are converted into a percentage of the total tonnes purchased, giving an indication of what share of fruit was purchased in each price range category. The categories are given nominal titles of A to E for convenience but these do not correspond with grades used by any particular winery.

Estimated total value of all grapes

The estimated total value of all 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.

Explanations and definitions cont.d

PLANTING DATA

Source of planting data tables

Planting data is not collected by the 2017 Australian Wine Sector Survey. The information is obtained from the vineyard register maintained by Vinehealth Australia.

Vinehealth Australia is required under the *Phylloxera and Grape Industry Act 1995* to maintain a complete and accurate register of vineyard owners in the state. Vineyard owners with plantings of 0.5 hectares or more are required to register with Vinehealth Australia, and provide details of any changes made to these vineyard plantings within three months of any such change. This information is kept strictly confidential.

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

For more information on registration of vineyards, please contact the Vinehealth Australia office on (08) 8273 0550.

Explanatory notes for planting data tables

1. Planting data tables are current as at April 2017 and include all plantings from the 2016 planting season.
2. Vines planted in a particular year may include top-worked 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 2017 report compared with previous reports.
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 slight variations between tables.

AUSTRALIAN WINE SECTOR SURVEY

The information for this report has been collected and analysed by Wine Australia as part of the Australian Wine Sector Survey. The SA Winegrape Crush Survey Report has been prepared by Wine Australia on behalf of the South Australian Wine Industry Association, Wine Grape Growers South Australia and Primary Industries and Regions SA.

Maps and planting data tables provided by Brendan Tully, Vinehealth Australia.

The survey publication is available on Wine Australia's website wineaustralia.com, the Vinehealth Australia website vinehealth.com.au and via links from the Wine Grape Council SA website wgcsa.com.au and the South Australian Wine Industry Association website winesa.com.au

Any questions about the report should be directed to:

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