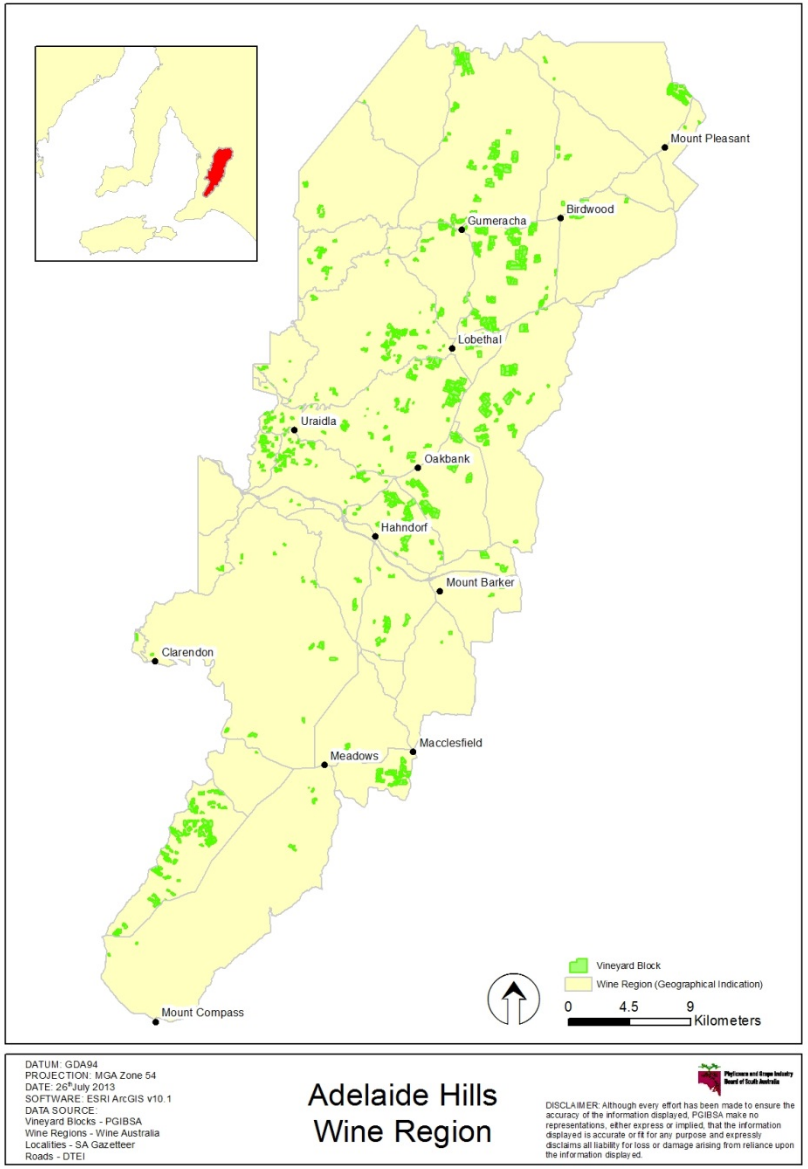

SA Winegrape Crush Survey

Regional Summary Report – 2015

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 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 90%; however, individual regions may vary. 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 2015).

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. Therefore the average price should not be compared directly with an individual grower's arrangement. 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.

PLANTING DATA

Source of planting data tables

Planting data is not collected by the 2015 Australian Wine Sector Survey. 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 report details of their plantings on an annual basis. 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 the Board.

For more information on registration of vineyards, please contact the Phylloxera and Grape Industry Board office on (08) 8273 0550.

Explanatory notes for planting data tables

1. Planting data tables are current as at April 2015 and include all plantings from the 2014 planting season.
2. 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 2015 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 a slight error in totals or percentages.

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Vintage overview

Vintage report

The 2014/15 growing season had some unusual features as a result of unseasonal weather patterns. Fortunately, despite one of the driest growing seasons on record, the majority of the region has produced average to above average crops with high natural acid and excellent flavour profiles.

Rain over winter was generally above average for the district although unseasonable dry conditions prevailed from August onwards. Despite fruit potential being below average, in terms of development of flower primordia last season, well developed canopies and warm weather resulted in good flowering and set across the region. Flowering was extremely early with Chardonnay flowering in late October (last year was the first time this was recorded); with the earliest Cabernet Sauvignon flowering at the same time!

The season did not have as many major heatwaves as last year. However extreme heat in early January resulted in a devastating bushfire in the Sampson Flat Area, which burnt through 12,500 hectares with a perimeter of 240km. 35 ha of vineyard were damaged. Fortunately the fire occurred before vines had entered veraison, as once in veraison smoke taint becomes a major issue.

There was a large rainfall event on January 13 and 14 (ranging from 35.6mm at Kuitpo to 68mm at Balhannah) which helped reduce the fire risk for the region. This rainfall was at an early stage in grape development and did not to cause significant splitting and there were few reports of Botrytis.

Predictions for an exceptionally early start to harvest were tempered by an unseasonably mild January. Harvest began one week earlier than last year for the earliest varieties with the later varieties ripening considerably earlier than last season. Vintage for the majority of the district was completed by the end of March. This is up to a month earlier than past vintages.

Grape yields were average to above average for most vineyards as growers recognised the dry conditions early and applied irrigation to aid canopy and fruit development.

The signs are that wines from the 2015 vintage will be among the best in this region for some time, with excellent acid balance and strongly developed flavours and wine colour.

Adelaide Hills Wine

Overview of vintage statistics

A total of 22,943 tonnes of Adelaide Hills winegrapes were crushed in 2015, up from 17,873 in 2014. The total value of winegrapes increased substantially from $23 million to $30 million mainly due to increased yields but also due to firming prices – particularly the white varieties.

The average price of the major white varieties increased slightly compared with 2014, while the results for red varieties were mixed. The average for Pinot Noir decreased by $128 to $1,377 per tonne while the average for Shiraz increased by $292 to $1,901 per tonne.

The price dispersion data shows that 52% of red varieties were purchased at between $600 and $1500, while 42% were purchased at over $1500. For the whites, 61% were purchased between $600 and $1500 and 35% at above $1500.

Over the past five years, the average crush was 21,704 tonnes implying that 2015 yields were higher than average. The minimum crush over the period was 17,276 tonnes in 2012 with the maximum crush of 28,559 recorded in 2013.

There were 13 hectares of new vines planted in 2014. Over half of these new plantings were Pinot Noir (7ha), while smaller plantings of Chardonnay (2ha) and Sauvignon Blanc (2ha) were recorded.

Winegrape intake summary – vintage 2015

Variety	Tonnes purchased	E (less than $300)	D ($300-$600)	C ($600-$1,500)	B ($1,500-$2,000)	A (above $2,000)	Total value purchased	Calc avg. purch. Value per tonne	Winery grown fruit	Total crushed[2]	Est total value ALL grapes
Barbera	12	0%	0%	7%	93%	0%	$19,102	$1,532	-	12	$19,102
Cabernet Franc	27	na	na	na	na	na	$32,400	$1,200	-	27	$32,400
Cabernet Sauvignon	291	0%	4%	86%	10%	0%	$369,983	$1,273	117	408	$518,844
Durif	-	na	na	na	na	na	$0		5	5	$6,633
Lagrein	-	na	na	na	na	na	$0		5	5	$6,042
Mataro	9	na	na	na	na	na	$5,424	$600	-	9	$5,424
Merlot	767	0%	25%	75%	0%	0%	$508,389	$663	29	796	$527,531
Pinot Noir	3,821	0%	5%	48%	38%	9%	$5,259,446	$1,377	798	4,619	$6,358,393
Sangiovese	45	0%	0%	94%	6%	0%	$48,177	$1,079	-	45	$48,177
Shiraz	723	0%	0%	28%	28%	44%	$1,373,386	$1,901	482	1,205	$2,290,011
Tempranillo	92	0%	0%	53%	47%	0%	$137,624	$1,499	26	117	$175,879
Other red	171	0%	0%	69%	14%	17%	$244,484	$1,429	52	223	$318,320
Red Total	5,957	0%	7%	52%	30%	12%	$7,998,416	$1,343	1,513	7,470	$10,306,755

1 Pricing grade's share of purchases for each variety

2 It is estimated that the non-response rate (NRR) nationally is 10%, however the NRR will vary for each region. Generally, regions will have a lower NRR when there is a high proportion of purchased winegrapes within the region

ADELAIDE HILLS **Winegrape intake summary – vintage 2015**

Variety	Tonnes purchased	E (less than $300)	D ($300-$600)	C ($600-$1,500)	B ($1,500-$2,000)	A (above $2,000)	Total value purchased	Calc avg. purch. Value per tonne	Winery grown gruit	Total crushed[2]	Est total value ALL grapes
Arneis	9	0%	0%	49%	0%	51%	$16,032	$1,716	22	31	$53,105
Chardonnay	4,566	0%	6%	71%	12%	11%	$5,795,885	$1,269	635	5,200	$6,601,332
Chenin Blanc	8	na	na	na	na	na	$10,699	$1,300	-	8	$10,699
Muscat a Petit Grains Blanc	12	na	na	na	na	na	$9,800	$800	-	12	$9,800
Pinot Gris and Pinot Grigio	1,757	0%	0%	50%	42%	7%	$2,518,561	$1,433	198	1,955	$2,802,288
Riesling	410	0%	0%	82%	18%	0%	$379,595	$927	111	521	$482,912
Sauvignon Blanc	5,360	1%	1%	63%	33%	3%	$6,840,626	$1,276	1,756	7,116	$9,081,867
Semillon	104	0%	45%	19%	36%	0%	$94,606	$906	180	284	$257,592
Traminer	135	0%	0%	92%	8%	0%	$99,505	$738	15	150	$110,367
Verdelho	4	na	na	na	na	na	$3,910	$1,000	-	4	$3,910
Viognier	16	0%	0%	18%	82%	0%	$23,661	$1,448	12	29	$41,729
Other white	86	0%	11%	31%	45%	13%	$122,369	$1,416	76	162	$229,320
White Total	12,468	0%	3%	65%	26%	6%	$15,915,250	$1,276	3,004	15,473	$19,684,921
Grand Total	18,425	0%	4%	61%	27%	8%	$23,913,665	$1,298	4,517	22,943	$29,991,676

1 Pricing grade's share of purchases for each variety

2 It is estimated that the non-response rate (NRR) nationally is 10%, however the NRR will vary for each region. Generally, regions will have a lower NRR when there is a high proportion of purchased winegrapes within the region

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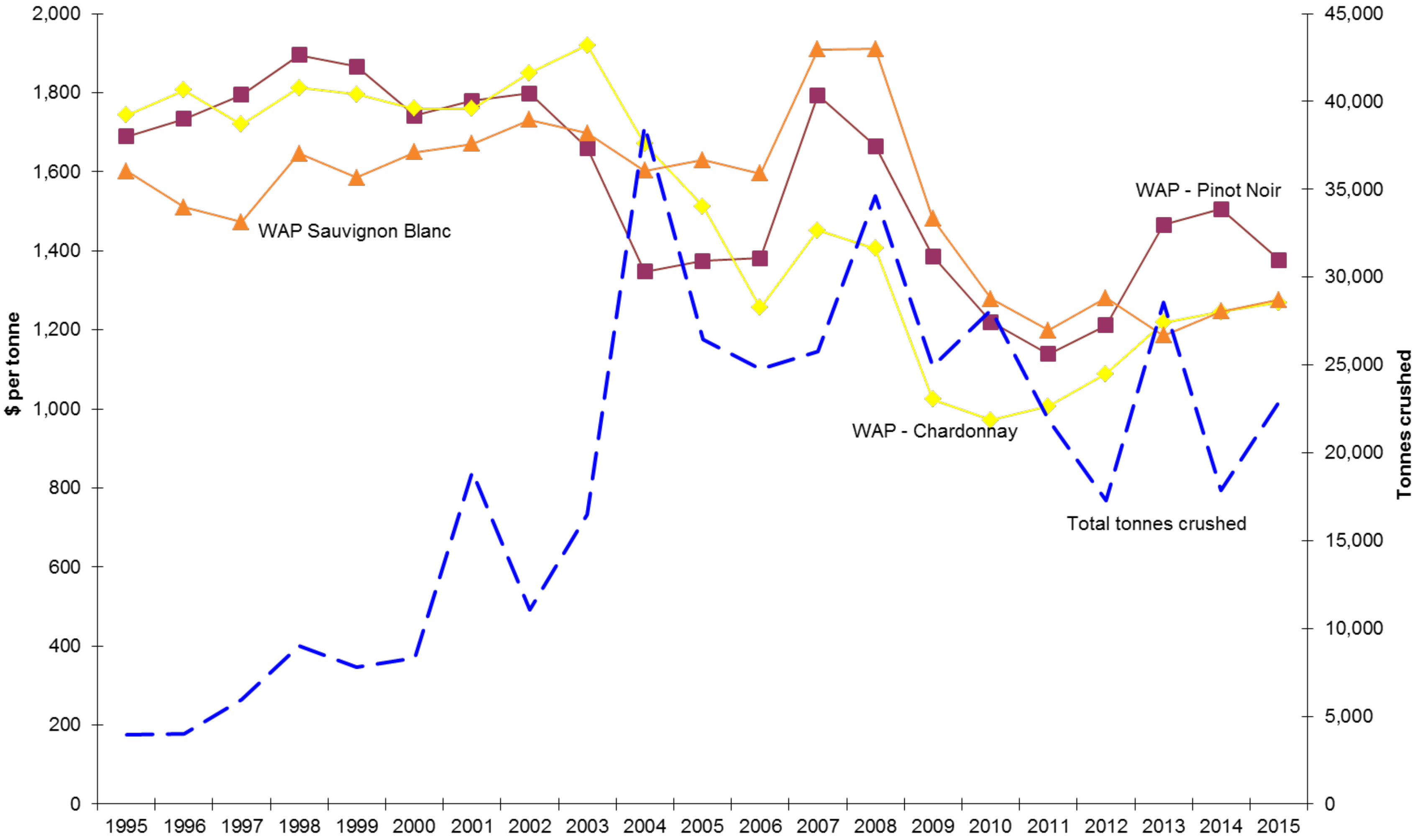
Historical Weighted Average Price vs tonnes crushed



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Current plantings by variety and year planted

Current area in hectares

Variety	Pre-2012	2012	2013	2014	Total area	% planted in 2014
Red winegrapes						
Cabernet Franc	7	0	1	1	9	8%
Cabernet Sauvignon	209	3	0	0	212	0%
Grenache	2	0	0	0	2	0%
Merlot	163	0	0	0	163	0%
Meunier (Pinot Meunier)	25	0	0	0	25	0%
Nebbiolo	9	1	0	0	10	0%
Other Red	26	2	3	1	33	3%
Petit Verdot	2	0	0	0	2	0%
Pinot Noir	650	7	5	7	669	1%
Sangiovese	12	0	0	0	12	0%
Shiraz	321	6	8	0	335	0%
Tempranillo	26	0	3	0	29	0%
Total red varieties	1,452	20	20	9	1,500	1%
White winegrapes						
Chardonnay	826	0	11	2	840	0%
Gruner Veltliner	11	4	1	1	17	4%
Muscat A Petit Grains Blanc (White Frontignac)	0	0	0	0	0	0%
Other White	27	2	0	0	30	1%
Pinot Gris	253	0	1	0	255	0%
Riesling	79	0	1	0	80	0%
Sauvignon Blanc	992	11	2	2	1,007	0%
Semillon	62	0	0	0	62	0%
Traminer (Gewurztraminer)	24	0	0	0	24	0%
Verdelho	3	0	0	0	3	0%
Viognier	29	0	0	0	29	0%
Total white varieties	2,307	18	16	5	2,346	0%
Rootstock Block	2	0	0	0	2	0%
Unknown variety	17	0	0	0	17	0%
Total all varieties	3,778	38	36	13	3,865	0%

Source: Phylloxera and Grape Industry Board of South Australia