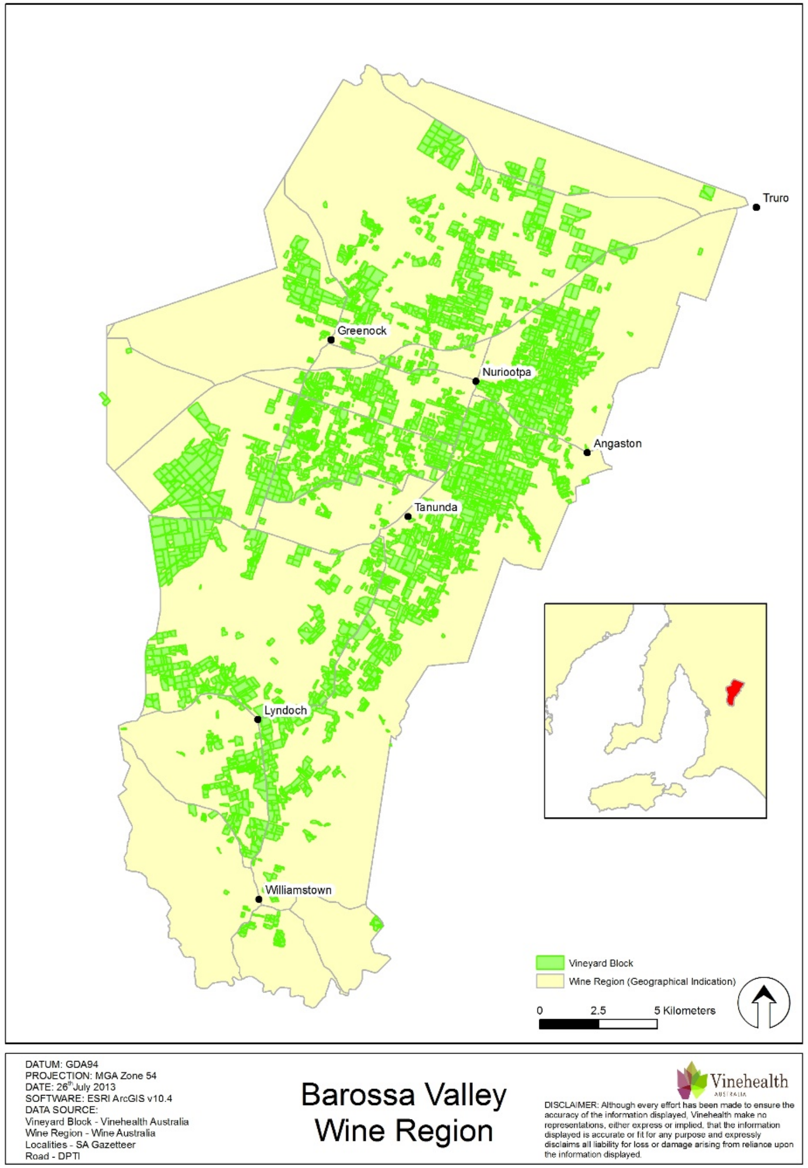


SA Winegrape Crush Survey

Regional Summary Report – 2016

Barossa Valley Wine Region

(including Barossa Zone - other)

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 2016).

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 2016 Australian Wine Sector Survey. The information is obtained from the vineyard register maintained by Vinehealth Australia (formerly the Phylloxera and Grape Industry Board of South Australia).

Vinehealth Australia 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 Vinehealth Australia, 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 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 2016 and include all plantings from the 2015 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 2016 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.

BAROSSA VALLEY

Vintage overview

Vintage report

The 2015/16 growing season started in the middle of a dry year in the Barossa Valley. Annual (2015) rainfall was 338mm, 72% of the long term average. The resulting drier soils, combined with a warmer than average spring and early summer (Oct – Dec maximum temps were 2-5C warmer than average), meant the vines got away at a cracking pace, growing well and setting a good number of bunches.

In late November on a horrifically windy day a fire started at Pinery on the Adelaide Plains. It raced through cropping land to the western edge of the Barossa in a few hours, when a very timely wind change took the fire away to the north before there was any damage to vineyards.

January was less extreme, with average temperatures and few heat spikes. With no rain for most of the month the grapes kept ripening quickly, and it looked like vintage was going to arrive in a rush. Up to 30mm of rain fell in the last days of the month, providing welcome refreshment for vines and people alike.

February continued to be even and dry, so when harvest started in early February it continued quickly and evenly. March, while expectedly cooler than February, was above average in temperature and rainfall, so ripening didn't slow down. By the end of March and Easter many wineries had finished picking; those that had not had only a few later ripening blocks or varieties to go.

Despite the challenges of the dry season and in many vineyards limited water, most vineyards ripened evenly and completely, once again proving the tenacity of the grape vine, and the value of old vines.

It was a difficult year for estimating crops. Higher than average bunch numbers in a very dry year meant berries were mostly smaller than average. The result overall was good but not bumper yields, with great flavours and colours (in reds) and surprisingly good natural acids. Standout varieties this year include Shiraz and Grenache, but disappointments are few.

Louisa Rose – Head of Winemaking, Yalumba

Overview of vintage statistics

Barossa Valley's crush came in at 54,371 tonnes in 2016 – up nearly 10,000 tonnes compared with 2015.

Over the last 5 years, the average Barossa Valley production is 47,827 tonnes, with a low of 43,824 tonnes in 2013. The 2016 crush is the highest in the five year period, although the 2011 crush was significantly higher at 63,367 tonnes.

The total value of grapes from the region is estimated to have been $102.2 million, up from $79.4 million in 2015. Most of the major varieties recorded an increase in average price paid. The average price of Shiraz was $2,212 per tonne – up from $2,137 the year prior and once again the highest average price ever recorded. The average price of Cabernet Sauvignon also increased – up $92 to $1,900 (another record average price). Chardonnay (up $21 to $601 per tonne) and Semillon (up $75 to $678 per tonne) also both recorded an increase.

The price dispersion data shows that 60% of red grapes were purchased at over $2000 per tonne (compared with 40% in 2015), while 88% were purchased at $1500 or more.

There were 124 hectares of new plantings in the Barossa Valley in spring 2015 (including top-working and replacements) compared with 242 hectares planted in 2014 and 211 ha in 2013. Of the new plantings, Shiraz accounted for nearly two-thirds (76 hectares) and Cabernet Sauvignon one third (42 hectares). However, the net area only increased by 4 hectares, indicating that most of the new plantings were replacements of existing vines or were offset by removals.

BAROSSA VALLEY

Winegrape intake summary – vintage 2016

Red varieties

Variety	Tonnes purchased	E [1] (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
Cabernet Franc	94	0%	0%	97%	3%	0%	$103,552	$1,106	27	120	$132,968
Cabernet Sauvignon	4,076	0%	0%	13%	41%	46%	$7,743,374	$1,900	3,196	7,273	$13,814,678
Durif	64	0%	0%	0%	100%	0%	$100,277	$1,568	4	68	$107,127
Grenache	2,045	0%	0%	39%	41%	20%	$3,314,672	$1,621	932	2,976	$4,824,645
Malbec	46	0%	0%	0%	79%	21%	$74,303	$1,624	103	149	$241,456
Mataro	582	0%	0%	11%	51%	38%	$1,097,274	$1,886	414	995	$1,877,114
Merlot	1,232	0%	0%	79%	21%	0%	$1,333,737	$1,083	232	1,463	$1,584,499
Muscat a Petit Grains Rouge/Rose	16	0%	0%	89%	11%	0%	$15,804	$984	-	16	$15,804
Nero D'Avola	17	0%	0%	22%	78%	0%	$25,059	$1,454	29	46	$67,093
Petit Verdot	41	0%	0%	57%	27%	16%	$55,988	$1,352	47	88	$119,252
Pinot Noir	266	0%	0%	97%	3%	0%	$208,873	$784	-	266	$208,873
Sangiovese	273	0%	0%	94%	0%	6%	$372,343	$1,365	88	361	$493,045
Shiraz	18,130	0%	0%	0%	22%	77%	$40,109,263	$2,212	14,404	32,533	$71,975,434
Tempranillo	430	0%	0%	19%	81%	1%	$676,609	$1,573	119	549	$863,541
Other red	229	18%	0%	46%	17%	19%	$304,203	$1,328	173	402	$533,570
Red Total	27,541	0%	0%	12%	28%	60%	$55,535,331	$2,016	19,766	47,307	$96,859,100

1 Percentages reflect 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

BAROSSA VALLEY

Winegrape intake summary – vintage 2016

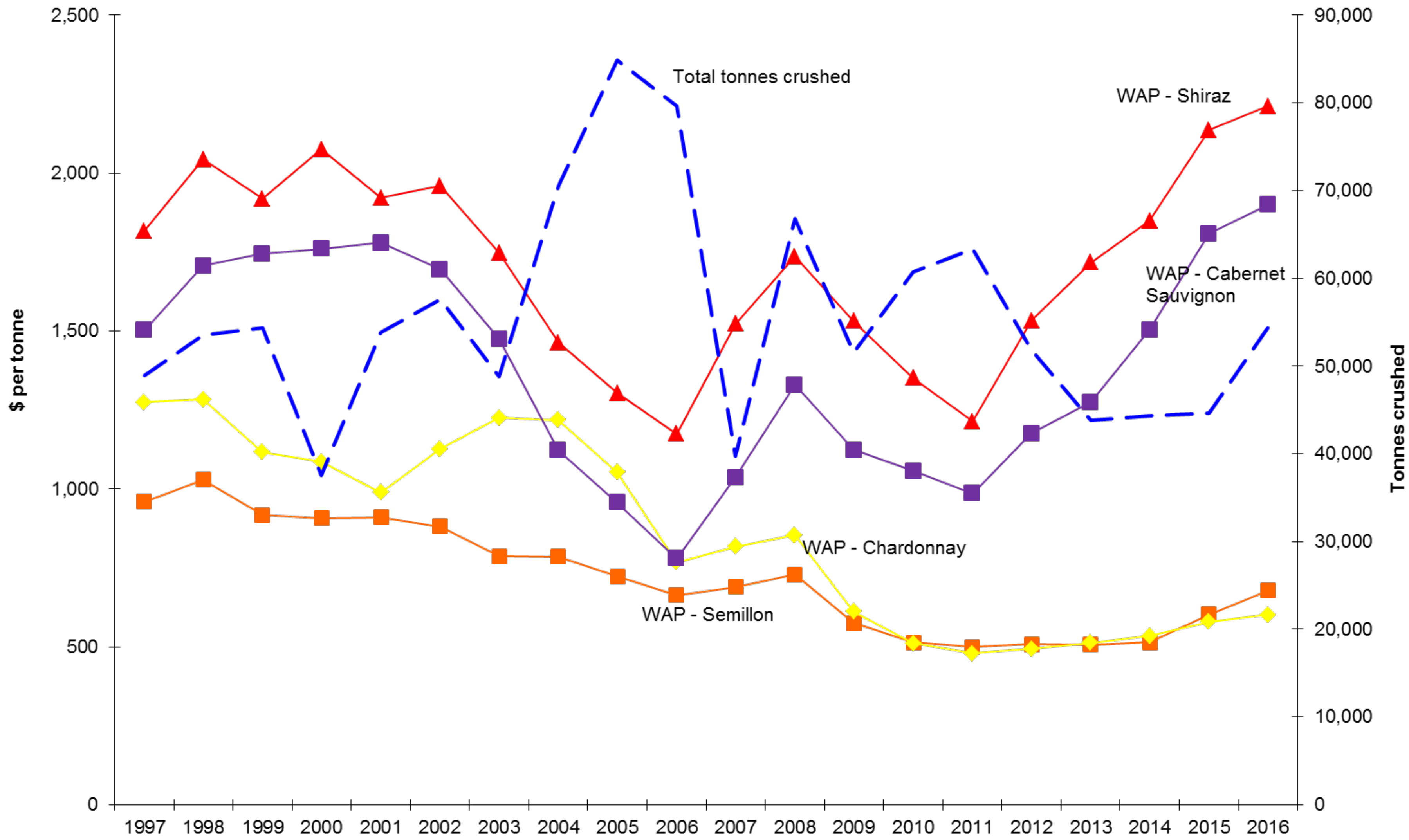
White varieties

Variety	Tonnes purchased	E[1] (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
Chardonnay	1,525	0%	37%	63%	0%	0%	$915,839	$601	891	2,416	$1,451,034
Chenin blanc	35	0%	0%	55%	45%	0%	$40,166	$1,136	-	35	$40,166
Marsanne	17	0%	0%	61%	6%	33%	$26,743	$1,603	32	49	$77,775
Muscadelle	23	0%	0%	100%	0%	0%	$18,192	$800	4	26	$21,008
Muscat a Petit Grains blanc	277	0%	0%	94%	6%	0%	$221,235	$800	59	336	$268,451
Muscat Gordo blanco	-	na	na	na	na	na	$0		16	16	$11,868
Palomino and Pedro Ximenes	14	0%	6%	18%	76%	0%	$18,178	$1,313	123	137	$179,506
Pinot Gris and Pinot Grigio	58	0%	0%	100%	0%	0%	$51,284	$879	72	131	$114,769
Riesling	720	0%	0%	100%	0%	0%	$576,255	$800	119	840	$671,632
Sauvignon blanc	473	0%	3%	97%	0%	0%	$391,992	$828	29	502	$416,055
Semillon	1,572	0%	33%	66%	0%	0%	$1,065,496	$678	261	1,833	$1,242,455
Traminer	111	0%	0%	100%	0%	0%	$80,483	$723	-	111	$80,483
Viognier	363	0%	3%	73%	19%	5%	$472,594	$1,302	109	472	$614,026
Other white	121	0%	0%	96%	4%	0%	$114,943	$948	40	162	$153,213
White Total	5,310	0%	21%	76%	2%	0%	$3,993,400	$752	1,755	7,064	$5,342,442
Grand Total	32,851	0%	3%	22%	24%	50%	$59,528,730	$1,812	21,521	54,371	$102,201,542

1 Percentages reflect 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

BAROSSA VALLEY **Historical Weighted Average Price vs tonnes crushed**



BAROSSA VALLEY

Current plantings by variety and year planted*

Current area in hectares

Variety	Pre-2013	2013	2014	2015	Total area	% planted in 2015
Red winegrapes						
Cabernet Franc	30	0	0	0	30	0%
Cabernet Sauvignon	1,460	24	16	42	1,542	3%
Durif (Petite Sirah)	18	1	0	1	21	4%
Grenache	663	4	2	0	669	0%
Malbec	24	2	0	0	26	0%
Mataro (Mourvedre)	242	8	4	1	256	0%
Merlot	349	0	0	0	349	0%
Other Red	98	1	3	0	103	0%
Petit Verdot	22	0	0	0	22	0%
Pinot Noir	38	0	0	0	38	0%
Sangiovese	27	0	0	0	27	0%
Shiraz	6,419	161	214	76	6,869	1%
Tempranillo	97	2	0	2	102	2%
Zinfandel	13	0	0	0	13	0%
Total red varieties	**9,501**	**203**	**239**	**122**	**10,065**	**1%**
White winegrapes						
Chardonnay	363	0	1	0	364	0%
Chenin Blanc	15	0	0	0	15	0%
Marsanne	10	1	0	0	11	0%
Muscadelle (Tokay)	13	0	0	0	13	0%
Muscat A Petit Grains Blanc (White Frontignac)	52	3	1	0	56	0%
Other White	48	2	0	0	50	0%
Pedro Ximenez	5	0	0	0	5	0%
Pinot Gris	14	2	0	1	16	3%
Riesling	170	1	0	1	172	1%
Sauvignon Blanc	65	0	0	0	65	0%
Savagnin	5	0	0	0	5	0%
Semillon	379	0	0	0	379	0%
Vermentino	9	0	0	0	9	0%
Viognier	63	0	0	0	63	0%
Total white varieties	**1,211**	**8**	**3**	**2**	**1,223**	**0%**
Unknown variety	84	0	0	0	84	0%
Total all varieties	**10,795**	**211**	**242**	**124**	**11,372**	**1%**

** Includes plantings in Barossa zone - other (235 hectares)*

Source: Vinehealth Australia