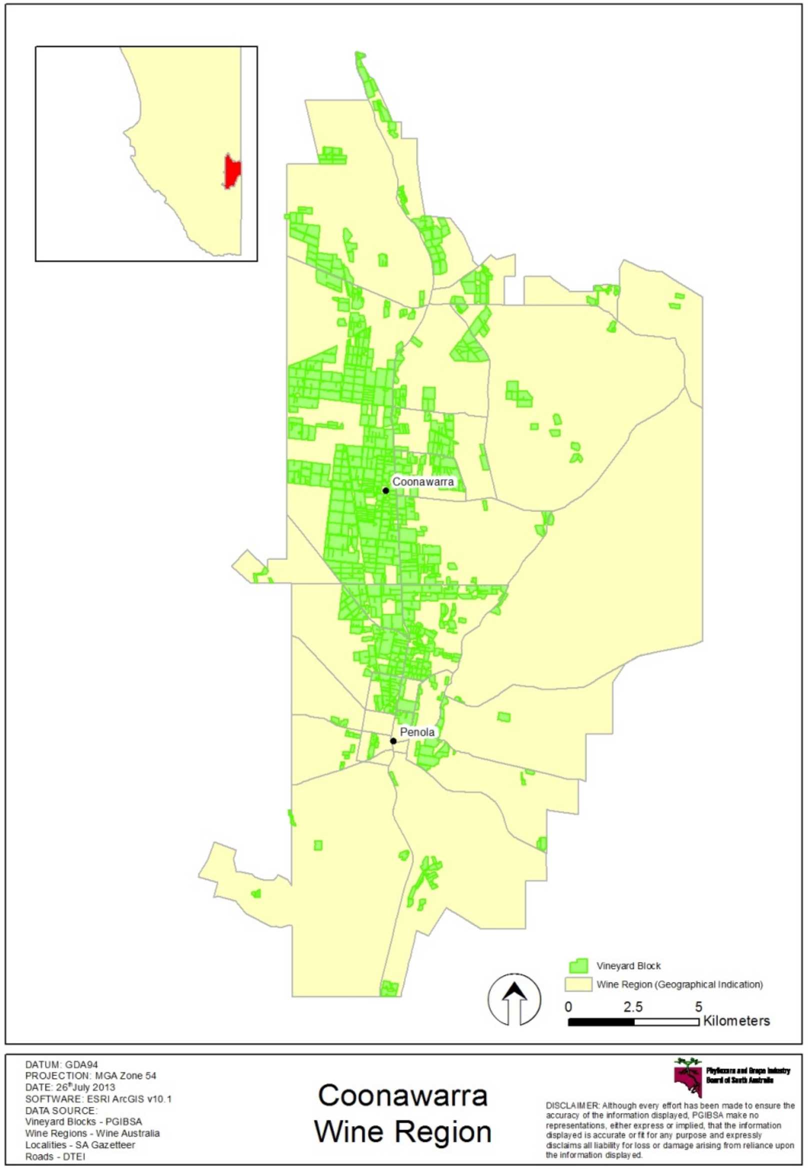


SA Winegrape Crush Survey

Regional Summary Report – 2015

Coonawarra 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.

COONAWARRA

Vintage Overview

Vintage report

April to July 2014 provided an excellent start to the season, with average winter rainfall which set us up for an even budburst with good soil moisture.

Spring however was not typical, being very dry and one of Coonawarra's warmest, with temperatures well above average, advancing flowering in November by about 2 weeks. Fortunately the warm and dry flowering promoted a fast and even berry set, similar to other excellent seasons, such as 2001, 2004 and 2010. This warm flowering provided even maturity at harvest with no green berries.

Yields overall were on the moderate side due to lower bunch numbers, and as a result little bunch thinning was required at veraison, and many of the vineyards were naturally well balanced in terms of their fruit to leaf growth.

Very dry conditions continued through December, so berries remained small with thick skins. Ripening was set up perfectly with the vines receiving a refreshing drink of 90 mm of rain in mid-January.

Coonawarra's summer, in contrast to the spring, was a classic, with warm days and cool nights, strongly influenced by the January upwelling of the deep, cold coastal waters….around 5 degrees colder than those off Adelaide. This provided a long and cool ripening, ideal for Cabernet Sauvignon, which was harvested at normal time - ie late March to early April. This is surprising to many who have seen the very early vintage in the rest of the state.

Based on the mild summer, and consequently long ripening period, we are seeing bright fruit, varietal definition and intense colour at moderate sugar. 2015 is a strong tannin vintage which at this early stage, will translate into wines that have excellent cellaring potential.

Coonawarra Grape and Wine Inc.

Overview of vintage statistics

A total of 27,137 tonnes of Coonawarra winegrapes were crushed in 2015, up from 23,480 in 2014. The total value of winegrapes increased from $33.1 million to $35.5 million due to higher yields.

The average price of the major varieties declined for the 2015 vintage. Cabernet Sauvignon decreased by $74 to $1,520 per tonne, Shiraz declined by $128 to $1,281 per tonne, Merlot declined by $341 to $824 per tonne and Chardonnay declined by $87 to $636 per tonne.

The price dispersion data shows that 56% of Cabernet Sauvignon tonnes were purchased at between $600 and $1500, while 40% were purchased at over $1500. For Shiraz, 80% was purchased between $600 and $1500 and 16% at above $1500.

Over the past five years, the average crush was 26,989 tonnes implying that 2015 yields was up on average. The 2014 crush was the lowest in the 5 year period which came in at 23,480 tonnes. The largest crush of 34,300 was recorded in 2013.

There were 135 hectares of new vines planted in 2014. Over two-thirds of these new plantings were Cabernet Sauvignon (95ha), while Shiraz (40ha) was the only other variety planted. The total area in the region increased by around 2%.

COONAWARRA

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	-	na	na	na	na	na	$0		5	5	$7,405
Cabernet Franc	5	na	na	na	na	na	$4,434	$920	85	90	$82,818
Cabernet Sauvignon	5,520	0%	4%	56%	23%	17%	$8,391,757	$1,520	8,866	14,386	$21,871,086
Malbec	-	na	na	na	na	na	$0		61	61	$86,196
Merlot	404	8%	15%	75%	3%	0%	$332,908	$824	1,689	2,093	$1,725,299
Petit Verdot	11	na	na	na	na	na	$11,704	$1,100	277	288	$316,642
Pinot Noir	95	0%	36%	64%	0%	0%	$81,509	$856	174	269	$230,220
Ruby Cabernet	-	na	na	na	na	na	$0		3	3	$3,930
Shiraz	1,600	0%	3%	80%	11%	5%	$2,049,644	$1,281	5,461	7,061	$9,047,449
Tempranillo	-	na	na	na	na	na	$0		3	3	$4,884
Other red	4	na	na	na	na	na	$4,554	$1,100	20	25	$27,016
Red Total	7,638	1%	5%	62%	19%	14%	$10,876,510	$1,424	16,645	24,282	$33,402,945

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

COONAWARRA

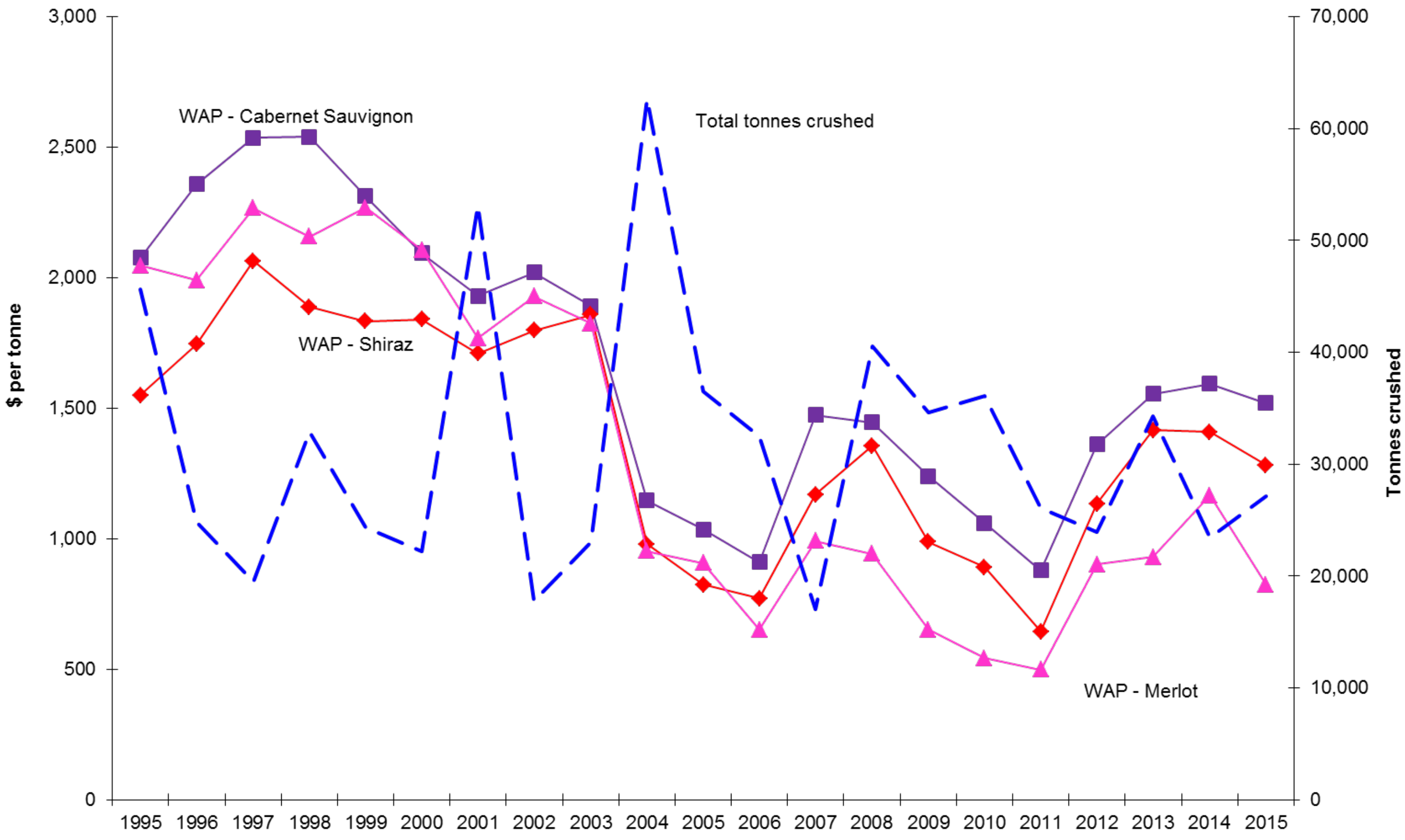
Winegrape intake summary – vintage 2015

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
Chardonnay	314	0%	68%	32%	0%	0%	$199,823	$636	1,165	1,479	$940,865
Palomino & Pedro Ximenes	-	na	na	na	na	na	$0		10	10	$6,480
Pinot Gris and Pinot Grigio	-	na	na	na	na	na	$0		24	24	$15,774
Riesling	13	na	na	na	na	na	$10,863	$850	557	570	$484,258
Sauvignon Blanc	14	na	na	na	na	na	$11,492	$850	591	604	$513,579
Semillon	-	na	na	na	na	na	$0		125	125	$81,801
Traminer	-	na	na	na	na	na	$0		18	18	$11,834
Viognier	1	na	na	na	na	na	$1,117	$1,450	3	3	$5,032
Other white	-	na	na	na	na	na	$0		21	21	$13,614
White Total	341	0%	63%	37%	0%	0%	$223,295	$655	2,513	2,854	$2,073,235
Grand Total	7,979	1%	7%	61%	18%	13%	$11,099,804	$1,391	19,158	27,137	$35,476,180

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

COONAWARRA **Historical Weighted Average Price vs tonnes crushed**



COONAWARRA **Current plantings by variety and year planted**

Current plantings in hectares

Variety	Pre-2012	2012	2013	2014	Total area	% planted in 2014
Red winegrapes						
Cabernet Franc	28	0	0	0	28	0%
Cabernet Sauvignon	3,363	44	107	95	3,610	3%
Malbec	17	0	1	0	18	0%
Merlot	370	0	3	0	372	0%
Other Red	6	1	0	0	7	0%
Petit Verdot	18	0	0	0	18	0%
Pinot Noir	42	0	0	0	42	0%
Shiraz	1,138	5	13	40	1,195	3%
Total red varieties	**4982**	**50**	**124**	**135**	**5291**	**3%**
White winegrapes						
Chardonnay	273	0	0	0	273	0%
Other White	7	0	0	0	7	0%
Riesling	72	0	0	0	72	0%
Sauvignon Blanc	99	5	0	0	103	0%
Semillon	10	2	0	0	12	0%
Traminer (Gewurztraminer)	2	0	0	0	2	0%
Viognier	2	0	0	0	2	0%
Total white varieties	**465**	**7**	**0**	**0**	**471**	**0%**
Unknown variety	9	0	0	0	9	0%
Total all varieties	**5455**	**57**	**124**	**135**	**5771**	**2%**

Source: Phylloxera and Grape Industry Board of South Australia