

SA Winegrape Crush Survey

Regional Summary Report – 2016

Langhorne Creek Wine Region

DATUM: GDA84
 PROJECTION: MGA Zone 54
 DATE: 26th July 2013
 SOFTWARE: ESRI ArcGIS v10.4
 DATA SOURCE:
 Vineyard Block - Vinehealth Australia
 Wine Region - Wine Australia
 Localities - SA Gazetteer
 Road - DPTI

Langhorne Creek Wine Region



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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 receipt – 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.

LANGHORNE CREEK

Vintage overview

Vintage report

The Langhorne Creek wine region has enjoyed a lively 2016 vintage, with the crush showing magnificent fresh fruit flavours, intense colour and Cabernet Sauvignon an exciting stand out for the region.

Consistent with the past few years, the grape harvest for 2016 kicked off at the very end of January with fruit for sparkling base. Fruit for whites followed through to late February with reds hitting their stride at the start of March. With the bulk of vintage over by Easter in late March, the beautiful mild end to the season saw fruit still coming in post-Easter during the first weeks of April.

It was a challenging irrigation season with regular, but only light winter rainfall pre-empting a dry late-winter, spring and early summer period. However, the warm dry spring provided superb conditions for flowering and fruit set which was reflected in the good yields across the district, especially welcome in Cabernet Sauvignon vineyards after the low yield in this variety the previous year.

Summer brought cooler weather and some welcome rain at an ideal time. The reliable cooling 'lake breezes' provided a long cool ripening period and controlled the disease risk from the late season rainfall. The region celebrated significantly cooler nights than other central regions, and unusually, parts of the Adelaide Hills wine region harvested red grapes before Langhorne Creek looked like starting.

The mild conditions were ideal for early flavour and phenolic ripeness at lower Baumés, leading to a generally steady harvest pattern. Early flavour-ripeness, coupled with the ideal weather, provided the opportunity to pick to style without the risk of over-ripe characters.

A season typified by even fruit set and berry development led to excellent vine balance, and fruit qualities certainly worth celebrating. The star variety this

season is Cabernet Sauvignon with early wine quality putting smiles on the faces of growers and winemakers alike.

Lian Jaensch - Langhorne Creek Grape and Wine Inc.

Overview of vintage statistics

The harvest from the Langhorne Creek region in 2016 was 60,119 tonnes, a 50% increase on the 2015 harvest and 24% above the long-term average, making the region the second largest in SA by volume in 2016 after the Riverland.

Over the past five years, the average crush for Langhorne Creek has been 48,652 tonnes implying that 2016 yields were well above average. This year's vintage was the highest since 2008 and the fourth highest on record.

The value of fruit from the region was estimated to be nearly \$46 million compared with \$30 million in 2015, reflecting the substantial increase in tonnage.

The weighted average purchase price for the major red varieties dropped slightly; Cabernet Sauvignon decreased from \$833 per tonne in 2015 to \$780 in 2016 and Shiraz decreased from \$898 per tonne last year to \$858. On the other hand, the average price for the major white varieties increased: Chardonnay was up from \$462 to \$512 per tonne.

The price dispersion data shows that 89% of red tonnages were purchased at between \$600 and \$1500, while for the whites, 43% were purchased between \$600 and \$1500 and 51% between \$300 and \$600.

There were 21 hectares of new plantings in Langhorne Creek in the 2015-16 season, compared with 57 hectares the previous year. The total area of vineyards in the region decreased from 5,816 hectares to 5,798 hectares.

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Winegrape intake summary – vintage 2016

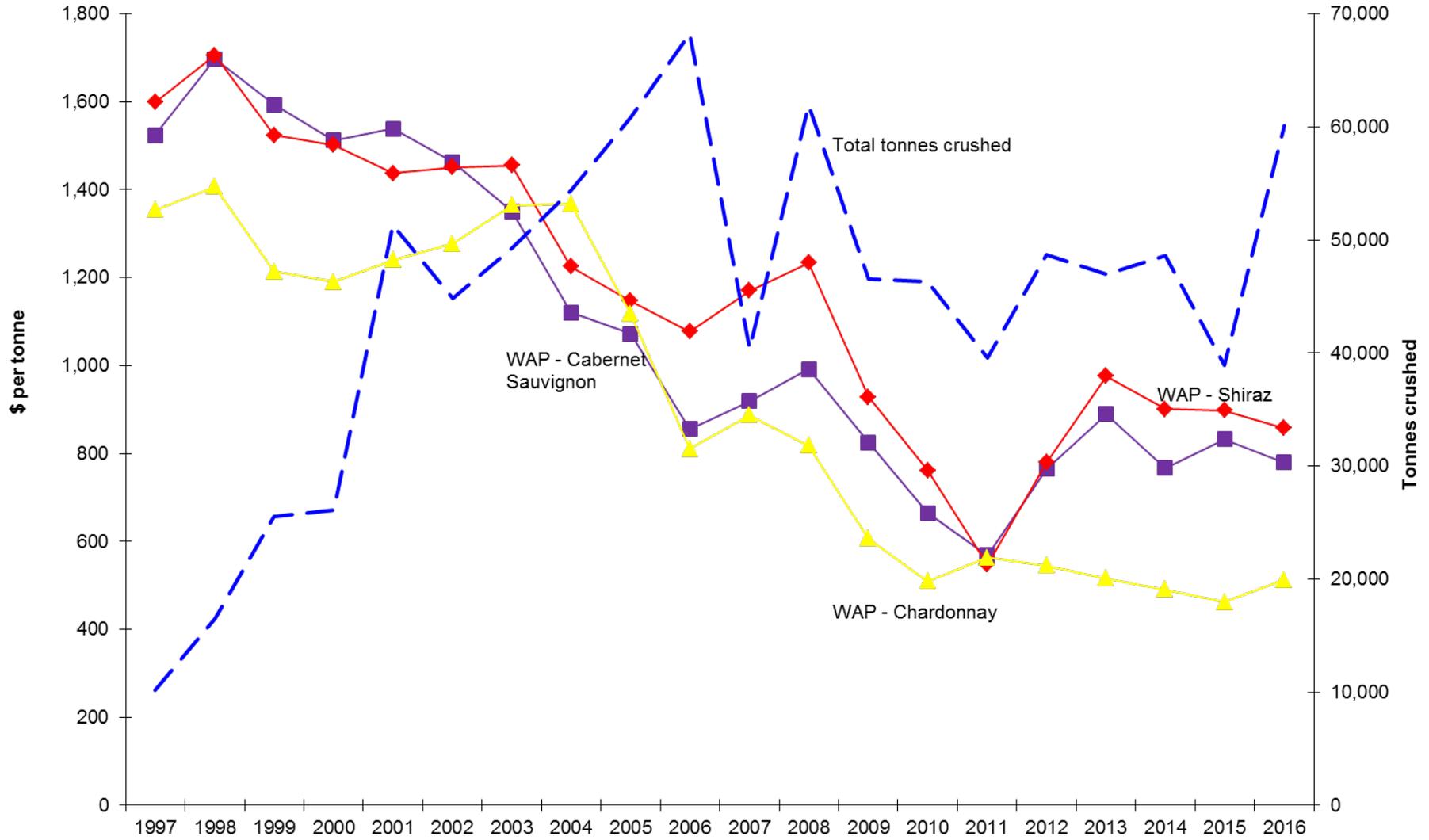
Variety	Tonnes purchased	E ¹ (less than \$300)	D ((\$300-\$600)	C ((\$600-\$1,500)	B ((\$1,500-\$2,000)	A (above \$2,000)	Total value purchased	Calc avg. purch. value per tonne	Winery grown fruit	Total crushed ²	Est total value ALL grapes
Cabernet Sauvignon	11,214	0%	11%	87%	1%	1%	\$8,744,867	\$780	7,065	18,279	\$14,253,915
Dolcetto	73	0%	31%	69%	0%	0%	\$53,318	\$728	-	73	\$53,318
Durif	-	na	na	na	na	na	\$0		165	165	\$133,221
Grenache	153	0%	16%	84%	0%	0%	\$96,888	\$634	1,112	1,265	\$801,732
Malbec	732	0%	0%	92%	0%	8%	\$699,099	\$955	66	798	\$762,206
Merlot	2,165	0%	13%	87%	0%	0%	\$1,430,445	\$661	2,297	4,461	\$2,948,123
Pinot Noir	781	0%	0%	100%	0%	0%	\$552,225	\$707	885	1,666	\$1,178,305
Shiraz	12,121	0%	6%	91%	1%	2%	\$10,401,194	\$858	10,178	22,299	\$19,135,491
Tempranillo	-	na	na	na	na	na	\$0		3	3	\$2,580
Other red	178	0%	13%	85%	0%	2%	\$128,740	\$724	85	262	\$189,990
Red Total	27,417	0%	8%	89%	1%	2%	\$22,106,776	\$806	21,856	49,272	\$39,458,882
Chardonnay	4,543	7%	69%	24%	0%	0%	\$2,326,230	\$512	1,834	6,376	\$3,265,126
Muscat a Petit Grains Blanc	-	na	na	na	na	na	\$0		19	19	\$11,383
Pinot Gris and Pinot Grigio	583	0%	0%	100%	0%	0%	\$547,714	\$939	200	784	\$735,624
Sauvignon Blanc	834	0%	0%	100%	0%	0%	\$608,593	\$729	441	1,275	\$930,022
Traminer	-	na	na	na	na	na	\$0		382	382	\$223,606
Viognier	-	na	na	na	na	na	\$0		25	25	\$14,714
Other white	163	na	na	na	na	na	\$101,172	\$622	1,823	1,985	\$1,234,504
White Total	6,123	5%	51%	43%	0%	0%	\$3,583,708	\$585	4,724	10,847	\$6,414,979
Grand Total	33,540	1%	16%	81%	1%	1%	\$25,690,484	\$766	26,579	60,119	\$45,873,861

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

LANGHORNE CREEK

Historical Weighted Average Price vs tonnes crushed



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Current plantings by variety and year planted

Source: Vinehealth Australia

Variety	Current area in hectares				Total area	% planted in 2015
	Pre-2013	2013	2014	2015		
Red winegrapes						
Cabernet Franc	8	0	0	0	8	0%
Cabernet Sauvignon	1,846	14	17	2	1,879	0%
Dolcetto	11	0	0	0	11	0%
Grenache	78	0	0	0	78	0%
Lagrein	10	0	0	0	10	0%
Malbec	58	2	19	3	81	4%
Merlot	371	0	0	0	371	0%
Nebbiolo	8	0	0	0	8	0%
Other Red	130	2	9	5	147	4%
Petit Verdot	13	0	0	0	13	0%
Sangiovese	30	0	0	0	30	0%
Shiraz	2,153	11	12	5	2,181	0%
Total red varieties	4,717	30	57	16	4,818	0%
White winegrapes						
Chardonnay	560	0	0	0	560	0%
Other White	18	0	0	0	18	0%
Pinot Gris	39	0	0	5	44	11%
Riesling	162	0	0	0	162	0%
Sauvignon Blanc	64	0	0	0	64	0%
Semillon	4	0	0	0	4	0%
Traminer (Gewurztraminer)	15	0	0	0	15	0%
Verdelho	41	0	0	0	41	0%
Viognier	16	0	0	0	16	0%
Total white varieties	919	0	0	5	924	1%
Rootstock Block	6	0	0	0	6	0%
Unknown variety	50	0	0	0	50	0%
Total all varieties	5,691	30	57	21	5,798	0%