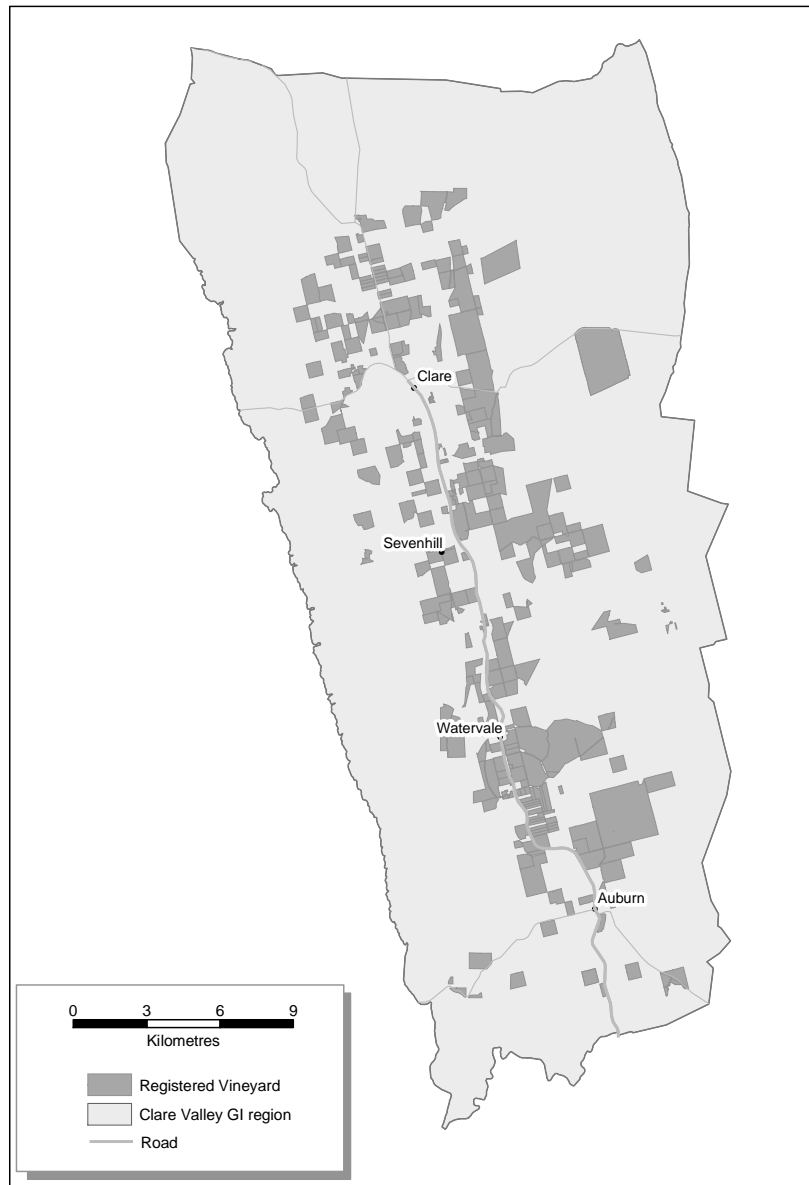


CLARE VALLEY VINTAGE OVERVIEW



Vintage Report

Overall, vintage 2003 has been good – considering the drought conditions, widespread frost in late September and untimely late February rain. Riesling has been one of the bright stars, showing just how well suited the Clare Valley is to the production of high quality Riesling. In a year that has seen some extremely low yields, Riesling has been the exception for many growers.

Vintage started early with a lot of activity already under way by late February when 75-80mm rain fell and put a stop to things. There was widespread splitting of Shiraz and Semillon and all varieties suffered to some extent. Riesling seemed a lot less affected, which is unusual. There was very little disease pressure until the rain came, and preventive fungicide spraying soon after stopped any serious outbreak of botrytis. On balance, winemakers felt that the rain helped considerably, providing necessary juice and putting the juice-to-solids ratio more into balance without causing any dilution in the wines – extraction rates were still low. The reds, especially Shiraz, are showing intense colour and the quality is high. Very positive comments have been made about Merlot and there have been reports of some excellent parcels of Cabernet Sauvignon.

It was a very compact vintage – much shorter than usual – with many wineries finished by Easter. This was mainly a reflection of low tonnages, with yields on average being down about 25%.

Although low tonnages were the general story, many high quality wines will be produced, with Riesling and Shiraz being the most notable. There have been good crops of Riesling and winemakers report being very happy with the quality of the 2003 Riesling as well – some suggesting that they are on a par with those of 2002.

*Edited from report supplied by Peter Barry
Chairman, Clare Valley Winemakers Inc.*

Overview of vintage statistics

The Clare Valley crushed a total of 19,202 tonnes in 2003 – 8,000 tonnes or 25% down on the 2002 vintage. Cabernet Sauvignon and Shiraz were each down around 50%, but there was only a small shortage of Cabernet Sauvignon. The Chardonnay crush was down by nearly two thirds, and not surprisingly there was a 50% shortfall. Despite the Riesling crush being very similar to last year, there was still a 20% shortfall. This was reflected in the calculated average purchase value per tonne for Riesling, which was up by around \$200. The average purchase value for red varieties was very much the same as in 2002, while Chardonnay was up by \$140 per tonne.

The forecast for the region is for a slight decline in production of red varieties and a significant short-term oversupply - particularly in Shiraz. The forecast demand for this variety has been revised downward by 4,000 tonnes a year (30%) since the 2002 survey. There is expected to be approximately 10% growth in white varieties over the five years - almost entirely in Riesling. While Shiraz remains the major variety for the region, Riesling is the only one showing significant growth, and looks set to overtake Cabernet Sauvignon as the second largest variety by around 2010.

The only substantial new plantings in 2002 were in Riesling (72ha) and Shiraz (22ha).

CLARE VALLEY CURRENT PLANTINGS BY VARIETY AND YEAR PLANTED

Table 5.1

Area in hectares by year planted

Variety	Pre-99	1999	2000	2001	2002	Total	% planted 2002
RED WINEGRAPES							
BARBERA	0	2	0	1	0	3	0%
CABERNET FRANC	27	2	0	0	0	28	0%
CABERNET SAUVIGNON	982	123	69	20	7	1202	1%
GRENACHE	59	0	4	2	0	66	0%
MALBEC	44	24	7	0	1	77	2%
MATARO	4	1	4	3	2	14	13%
MERLOT	240	32	2	2	2	277	1%
NEBBIOLO	1	2	1	0	0	4	2%
PETIT VERDOT	20	1	0	0	0	21	2%
PINOT NOIR	18	0	0	0	0	18	0%
SANGIOVESE	14	13	9	1	1	37	1%
SHIRAZ	1155	250	128	44	22	1599	1%
TEMPRANILLO	0	4	1	2	3	10	26%
OTHER RED	5	2	2	0	1	10	16%
TOTAL RED WINEGRAPES	2569	456	227	76	38	3366	1%
WHITE WINEGRAPES							
CHARDONNAY	342	0	1	0	3	347	1%
CHENIN BLANC	3	0	0	0	0	3	0%
MUSCAT BLANC	4	0	0	0	0	4	0%
RIESLING	522	39	65	53	72	752	10%
SAUVIGNON BLANC	34	0	0	0	0	35	1%
SEMILLON	193	1	0	0	0	194	0%
TRAMINER	23	0	0	0	0	23	0%
VERDELHO	2	0	1	1	0	4	0%
VIOGNIER	2	1	6	0	3	12	21%
OTHER WHITE	15	0	1	0	3	19	14%
TOTAL WHITE WINEGRAPES	1141	41	75	55	81	1394	6%
OTHER VARIETIES	3	0	0	0	0	3	0%
TOTAL ALL VARIETIES	3713	497	302	131	120	4763	3%

CLARE VALLEY TONNES CRUSHED BY VARIETY - VINTAGE 2003

Table 5.2

Variety	Total winery grown	Total other growers	Total crushed	Total preferred	Tonnes from other growers as % of total	% of demand supplied	Number of wineries reporting tonnages (> 0)		
							Own	Other	Preferred
RED									
Cabernet Franc	55	42	97	48	43%	204%	8	6	7
Cabernet Sauvignon	2372	2451	4823	5634	51%	86%	15	20	27
Grenache	49	203	252	269	81%	94%	3	9	10
Malbec	172	71	242	197	29%	123%	10	9	12
Mataro (Mouvedre)	13	14	26	42	52%	63%	3	3	6
Merlot	563	644	1208	1264	53%	96%	12	13	19
Other red	41	0	41	23	0%	89%	1	0	1
Petit Verdot	46	53	99	85	54%	116%	4	2	5
Pinot Noir	62	36	98	106	37%	92%	2	4	2
Ruby Cabernet	13	0	13	10	0%	127%	1	0	1
Sangiovese	38	35	73	23	48%	317%	3	3	2
Shiraz	2388	3913	6301	6463	62%	97%	16	19	27
Tempranillo	12	0	12	7	0%	173%	4	0	3
Total RED	5823	7461	13284	14171	56%	94%			
WHITE									
Chardonnay	703	567	1270	2312	45%	55%	11	10	14
Chenin Blanc	5	2	7	7	24%	97%	1	1	1
Crouchen	31	0	31	35	0%	89%	1	0	1
Muscadelle	22	0	22	12	0%	187%	2	0	2
Muscat Blanc (Frontignac)	9	0	9	10	0%	92%	1	0	1
Muscat Gordo Blanco	4	4	8	1	45%	816%	2	1	1
Other white	19	6	25	0	5%		1	1	0
Pinot Gris	3	0	3	10	0%	30%	1	0	1
Riesling	1942	1472	3414	4181	43%	82%	16	19	27
Sauvignon Blanc	99	26	125	174	21%	72%	5	4	5
Semillon	345	584	929	957	63%	97%	11	12	14
Traminer	46	7	53	40	12%	131%	5	1	4
Verdelho	10	2	12	20	13%	59%	1	1	1
Viognier	2	8	10	13	79%	77%	1	2	3
Total WHITE	3241	2677	5918	7771	45%	76%			
Total for region	9064	10138	19202	21942					

CLARE VALLEY CROP VALUE DATA - VINTAGE 2003

Table 5.3

Variety (1)	Grower grown	Total crushed	estimated total value		lowest price (2)	highest price (2)	calc average purchase value per tonne (3)		
			purchased grapes	total grapes					
RED									
Cabernet Franc	42	97	\$46,293	\$107,527	\$750	\$1,400	\$1,104	100%	
Cabernet Sauvignon	2451	4823	\$3,700,977	\$7,282,640	\$750	\$2,625	\$1,510	100%	
Grenache	203	252	\$249,766	\$309,869	\$750	\$1,800	\$1,231	100%	
Malbec	71	242	\$105,949	\$363,964	\$1,394	\$2,100	\$1,503	100%	
Mataro (Mouvedre)	14	26	\$20,124	\$38,689	\$1,323	\$1,850	\$1,462	100%	
Merlot	644	1208	\$923,409	\$1,731,232	\$750	\$2,400	\$1,434	100%	
Petit Verdot	53	99	\$84,013	\$156,081			\$1,578	100%	
Pinot Noir	36	98	\$25,303	\$68,209	\$600	\$1,050	\$697	100%	
Sangiovese	35	73	\$39,955	\$83,335	\$700	\$1,450	\$1,142	100%	
Shiraz	3913	6301	\$6,511,568	\$10,485,882	\$750	\$3,369	\$1,664	100%	
Total RED	7461	13218	\$11,707,357	\$20,627,429					
WHITE									
Chardonnay	567	1270	\$804,873	\$1,801,868	\$1,100	\$2,100	\$1,419	100%	
Chenin Blanc	2	7	\$990	\$4,074			\$600	100%	
Muscat Gordo Blanco	4	8	\$3,700	\$8,160			\$1,000	100%	
Other white	1	20	\$864	\$17,202			\$864	100%	
Pedro Ximenes	5	5	\$1,702	\$1,702			\$370	100%	
Riesling	1472	3414	\$2,316,200	\$5,371,003	\$930	\$2,250	\$1,573	100%	
Sauvignon Blanc	26	125	\$27,738	\$131,634	\$927	\$1,150	\$1,055	100%	
Semillon	584	929	\$594,877	\$946,236	\$500	\$1,300	\$1,018	100%	
Traminer	7	53	\$4,690	\$37,595			\$715	100%	
Verdelho	2	12	\$1,540	\$11,800			\$1,000	100%	
Viognier	8	10	\$14,203	\$17,941			\$1,869	100%	
Total WHITE	2677	5852	\$3,771,377	\$8,349,215					

(1) Only includes varieties where some fruit was purchased. Varieties where all fruit is winery grown are not shown in this table.

(2) The absence of lowest and highest prices means that fewer than three wineries supplied pricing data for each variety.

(3) This does not include end use bonuses or other adjustments determined post-receival.

CLARE VALLEY ESTIMATED AND PREFERRED FUTURE INTAKE OF GRAPES 2004 TO 2008

Table 5.4

Variety	2004		2005		2006		2007		2008	
	estimated	preferred	estimated	preferred	estimated	preferred	estimated	preferred	estimated	preferred
RED										
Barbera	20	0	20	0	20	0	20	0	20	0
Cabernet Franc	193	56	195	56	197	56	183	56	131	56
Cabernet Sauvignon	8632	6680	8821	7121	8794	7536	8689	7727	7981	7799
Grenache	401	262	386	263	330	264	298	262	276	265
Malbec	375	273	392	292	415	307	433	324	331	220
Merlot	2323	1914	2373	2012	2441	2118	2514	2229	2486	2248
Nebbiolo	24	0	24	0	24	0	24	0	24	0
Other red	52	30	52	30	52	30	52	30	52	30
Petit Verdot	166	72	168	72	168	72	168	72	168	72
Pinot Noir	140	95	140	95	128	95	129	95	133	95
Ruby Cabernet	10	10	10	10	10	10	10	10	10	10
Sangiovese	109	20	110	20	113	20	113	20	97	20
Shiraz	12189	8116	12708	8566	12773	9474	12804	10241	11860	10397
Tempranillo	26	6	27	7	28	8	29	9	29	9
Total for RED	24660	17534	25426	18544	25493	19990	25465	21075	23598	21221
WHITE										
Chardonnay	3279	3290	3245	3376	3241	3455	3187	3540	2990	3617
Chenin Blanc	7	7	10	10	10	10	10	10	10	10
Crouchen	35	35	35	35	35	35	35	35	35	35
Other white	57	20	47	20	47	20	45	20	45	20
Pinot Gris	8	10	9	10	10	10	10	10	10	10
Riesling	4785	5301	5539	6093	6216	6924	6625	7695	6734	8073
Sauvignon Blanc	258	210	260	210	263	210	268	210	275	210
Semillon	1821	1168	1799	1254	1750	1393	1638	1449	1231	1469
Traminer	169	53	194	53	194	53	194	53	194	53
Verdelho	15	20	20	20	20	20	20	20	20	20
Viognier	4	5	4	5	4	5	4	5	4	5
Total for WHITE	10438	10119	11162	11086	11790	12135	12036	13046	11549	13521
Total for region	35098	27653	36588	29630	37283	32125	37501	34121	35147	34742

CLARE VALLEY PAST PRODUCTION AND PROJECTIONS FOR MAJOR VARIETIES 1991 - 2008

Figure 5.1

Past production and projections (major varieties)

