

2001 WFA VINTAGE REPORT

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Reds overtake Whites!

For the first time in the history of the Australian wine industry, red winegrape production surpassed white winegrape production. The 2001 Australian winegrape production estimated at 1,426,000 tonnes, an increase of over 280,000 tonnes (or 25%) on the 2000 vintage was largely due to the 44% increase in red winegrape production in vintage 2001. (See table on page 4)

In 2001, specialist red winegrape production was 16% larger as a percentage of total production than white winegrape production, which includes the multipurpose white winegrape production.

Specialist red winegrape production increased by 250,000 tonnes to 822,000 tonnes, an increase of 44% on the 2000 vintage.

Specialist white winegrapes (ie excluding the multipurpose varieties of Sultana, Muscat Gordo Blanco and Waltham Cross) increased by 61,000 tonnes to 495,000 tonnes, a 14% increase on the 2000 vintage.

Production of multipurpose grapes was down by 30,000 tonnes (-21%) on the 2000 vintage. Overall, multipurpose grapes declined from 12% of the total production in 2000 to 8% in 2001.

Shiraz and Cabernet Sauvignon the major growth grape varieties

Production of the top two specialist red grape varieties – Shiraz and Cabernet Sauvignon increased by 39% and 58% respectively on the 2000 vintage.

As was predicted last year, Shiraz has now surpassed Chardonnay as Australia's highest tonnage grape variety. Shiraz hit an all time high of 342,000 tonnes in vintage 2001.

Cabernet Sauvignon production increased by over 99,000 tonnes to 272,000 tonnes or 19% of total production in 2001.

Merlot continued its record growth, increasing by 50% to 74,000 tonnes, holding its position as the fifth largest of the specialist grape varieties.

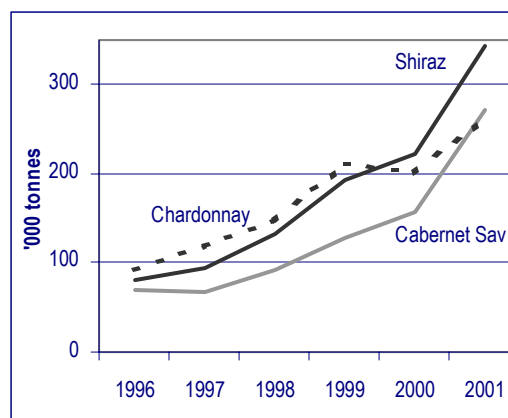
Pinot Noir reversed the yield affected declining trend over the last two vintages to record a 74% increase in production, which equates to a production level of 32,000 tonnes for vintage 2001.

The lower than expected production of specialist white grapes was largely due to the difficult seasonal conditions at the beginning of 2001, which negatively effected white winegrape production.

Chardonnay posted an increase of 44,000 tonnes compared to 2000. As a percentage of the total production in 2001, Chardonnay held at 20%, equating to a production level of 263,000 tonnes in vintage 2001.

The production of Sauvignon Blanc, increased by 29% to 26,000 tonnes and Verdelho increased by 47% to 10,000 tonnes.

TOP THREE GRAPE VARIETALS 1996-2001



*Source: ABS Catalogue 1329.0

Multipurpose grapes declining

Total production of multipurpose winegrape varieties declined by 21% to 109,000 tonnes in 2001. In addition, their overall share of the production declined from 12% in 2000 to 8% in 2001, in keeping with a medium term trend.

Multipurpose winegrape production consists of three white winegrape varieties; Muscat Gordo Blanco, Sultana and Waltham Cross. Over the last decade, there has been a significant decline in the production of multipurpose winegrapes. For example:

- Muscat Gordo Blanco has declined from 13% of total production in 1991 to 3% of production in 2001.
- Sultana has significantly declined from 8% of the 1991 vintage to 4% of the 2001 vintage.
- Waltham Cross has declined slightly from 0.4% of total production in 1991 to 0.02% in 2001.

Changes in the % Share of Winegrape Production

The following figures highlight the decline in multipurpose grapes, and the increase in specialist grape varieties, as a proportion of total production since 1991.

SHARE OF WINEGRAPE PRODUCTION (%)

	1991	2001
Cabernet Sauvignon	7%	19%
Shiraz	11%	24%
Other Red	13%	15%
Chardonnay	8%	20%
Other White	39%	16%
Multipurpose	22%	8%
Total	100%	100%

*Source: WFA Vintage Report 2001 and WFA Statistical Report 1992.

Cabernet Sauvignon, Shiraz and Chardonnay have more than doubled their overall share – with Cabernet Sauvignon increasing from 7% in the 1991 vintage to 19% in 2001, and Shiraz increasing its contribution from 11% to 24%. In the last decade, Chardonnay has increased significantly from 8% of the total production in 1991 to 20% in 2001.

Over the same time period multipurpose winegrape production has more than halved since the 1991 vintage. As a percentage of total production, multipurpose winegrape production has decreased from 22% in 2000 to 8% in 2001.

Yields Above Expectations

The favourable seasonal conditions in all but a few areas contributed to the higher than projected production. Under normal seasonal conditions, the industry would have anticipated a vintage of 1,305,000* tonnes, comprising of:

- 687,000 tonnes of specialist red grapes
- 472,000 tonnes of specialist white grapes
- 138,000 tonnes of multipurpose white grapes

*Source: National Winegrape Outlook Conference, Mildura, 14 November 2000.

For most varieties, yields were above early season expectations. For the key varieties, the results were:

- Cabernet Sauvignon was 42,000 tonnes above projected
- Shiraz was 73,000 tonnes above projected
- Merlot was 11,000 above projected
- Chardonnay was 38,000 above projected
- Semillon was 3,000 tonnes below projected
- Riesling was 5,000 tonnes below projected

Projections of Addition Bearing Area for the 2002 vintage

Projections undertaken for The Marketing Decade by the Australian Wine and Brandy Corporation indicate that the additional bearing areas expected for 2002 is 9,850 hectares.

These additional hectares with an average yield of 12.3 tonnes per hectare will equate to an additional 121,000 tonnes of winegrape production in vintage 2002.

An increase of this magnitude in winegrape production is unlikely next year, due to the higher than average yields experienced this year in several wine producing regions.

Seasonal Comparison 2000-2001

The 2000 vintage was significantly effected by prevailing weather. The hot, dry weather in the final stages of harvest effected many wine producing regions and constrained production in 2000.

The poor fruit set that occurred in many of the premium producing regions in South Australia widely characterised the 2000 season.

In addition, the difficult seasonal conditions throughout 2000 had a detrimental impact on the quality and quantity of red winegrape production.

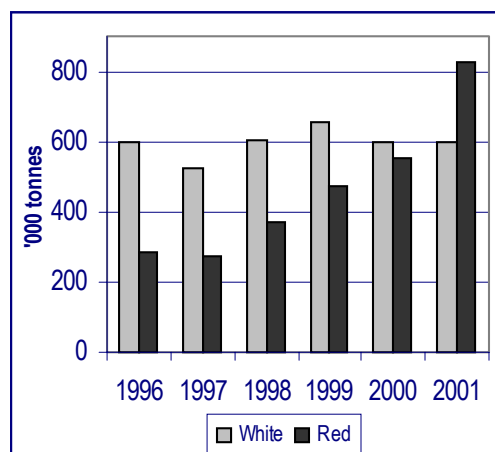
In stark contrast, strong production growth occurred in vintage 2001. A major reason for this growth was the winter and spring rains experienced across the major wine producing regions which resulted in healthy vines and good canopies.

The heat and drier conditions in early 2001 impacted negatively on the white winegrape varieties, which mature earlier to some extent. However, the later maturing red winegrape varieties were unaffected and benefited greatly from the reviving rain that came in February March and April 2001.

Australian Winegrape Production 1996 - 2001

In the past five years winegrape production in Australia increased by 61%, from 883,000 tonnes in 1996 to an estimated 1,426,000 tonnes in 2001. Over the past five years, all but one vintage, the 1997 vintage, surpassed the previous years' vintage.

WINEGRAPE PRODUCTION IN AUSTRALIA: 1996-2001



*Source: ABS Catalogue 1329.0 and WFA Vintage Report 2001

Survey Methodology

In May 2000, wineries were sent a mail survey to determine the industry intake for 2001.

Wineries were asked to provide details of their 2000 and 2001 winegrape intake from any source for processing into wine, brandy, spirit or juice. Any winery that only reported their 2001 intake was not entered, as the lack of 2000 intake data would have skewed the results.

An independent consultant, KPMG, conducted the survey. Approximately 390 wineries completed the survey, which covered an estimated 73% of industry production.

The data was checked for accuracy and aggregated. The collected aggregated data was then multiplied to estimate 100% of industry production.

Australian Winegrape Production

<i>Variety</i>	2000 tonnes	2001 tonnes	% Change	% Total Production	Hypothetical Additional Cases 12x75cl ('000)
Red Grapes					
Barbera	150	103	-31%	0.01%	-3
Cabernet Franc	4,489	5,512	23%	0.39%	77
Cabernet Sauvignon	172,735	272,311	58%	19.09%	7523
Currant	1,126	1,446	28%	0.10%	24
Grenache	23,022	23,603	3%	1.65%	44
Malbec	2,867	3,749	31%	0.26%	67
Mataro	9,932	12,852	29%	0.90%	221
Merlot	49,414	74,332	50%	5.21%	1883
Muscat a Petit Grains	1,094	664	-39%	0.05%	-32
Petit Verdot	2,222	6,248	181%	0.44%	304
Pinot Noir	18,543	32,255	74%	2.26%	1036
Ruby Cabernet	24,676	31,177	26%	2.19%	491
Sangiovese	2,058	3,333	62%	0.23%	96
Shiraz	245,483	342,441	39%	24.01%	7325
Tarrango	1,721	1,472	-14%	0.10%	-19
Other Red	12,222	10,086	-17%	0.71%	-161
Total Red Grapes	571,753	821,585	44%	57.61%	18875
White Grapes					
Chardonnay	218,852	262,634	20%	18.41%	3308
Chenin Blanc	15,786	14,903	-6%	1.04%	-67
Colombard	40,118	41,425	3%	2.90%	99
Crouchen	990	1,614	63%	0.11%	47
Doradillo	4,310	4,076	-5%	0.29%	-18
Marsanne	1,552	2,447	58%	0.17%	68
Muscadelle	1,403	1,767	26%	0.12%	27
Muscat a Petit Grains Blanc	1,385	1,139	-18%	0.08%	-19
Palomino and Pedro Ximenes	3,228	2,633	-18%	0.18%	-45
Riesling	23,842	27,031	13%	1.90%	241
Sauvignon Blanc	19,999	25,774	29%	1.81%	436
Semillon	74,342	82,440	11%	5.78%	612
Taminga	489	475	-3%	0.03%	-1
Traminer	3,852	4,405	14%	0.31%	42
Trebbiano	8,523	5,784	-32%	0.41%	-207
Verdelho	7,098	10,409	47%	0.73%	250
Viognier	396	735	86%	0.05%	26
Other Whites	8,129	5,656	-30%	0.40%	-187
Subtotal White Grapes	434,294	495,347	14%	34.73%	4613
Multipurpose White Grapes					
Muscat Gordo Blanco	54,144	46,556	-14%	3.26%	-573
Sultana	84,545	62,504	-26%	4.38%	-1665
Waltham Cross	502	241	-52%	0.02%	-20
Subtotal Multipurpose White Grapes	139,191	109,300	-21%	7.66%	-2258
Total White Grapes	573,485	604,647	5%	42.39%	2354
Total Grapes	1,145,238	1,426,232	25%	100.00%	21230

Source: ABS, KPMG

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