



**Wine
Australia**



Media release

Wednesday 2 August 2017

Upward trend in crush and prices continues in Vintage 2017

The Australian wine sector recorded its third consecutive increase in crush and the average purchase price of winegrapes this year, according to the *National Vintage Report 2017* released today by Australian Vignerons, Wine Australia and the Winemakers' Federation of Australia.

In a continuing trend of positive increases for the Australian grape and wine sector, the national crush is estimated to be 1.93 million tonnes – an increase of 5 per cent from the 2016 vintage – and the national average purchase price increased by 7 per cent \$565 per tonne – the highest since 2008.

Wine Australia Chief Executive Officer Andreas Clark said, 'the increases reflect excellent seasonal conditions in many regions as well as the growing demand for Australian wine, both in export and domestic markets.'

'Pleasingly, the figures from the National Vintage Report indicate that the supply and demand for Australian wine is in balance. An additional 93,000 tonnes were crushed this year, which produces approximately an additional 65 million litres of wine. This is in line with increased demand for Australian wine: in 2016–17, exports increased by 50 million litres, and domestic sales increased by 12 million litres in 2015–16, a total of 62 million litres.'

Australian Vignerons Chief Executive Officer Andrew Weeks said, 'the third consecutive rise in the average purchase price of winegrapes is a positive development for Australia's winegrape growers.'

Winemakers' Federation of Australia Chief Executive Officer Tony Battaglione said, 'There is a cautious optimism being echoed across the Australian wine sector. Export value overall has been on the rise and it is great to see the consecutive increases in exports matched by the increases in key vintage figures.'

The crush

In the 2017 vintage, most regions recorded an increase in tonnes crushed, with the growth in the national crush coming relatively equally from the cool/temperate and warmer inland wine regions of Australia.

The crush from cool/temperate regions increased by 9 per cent to 0.61 million tonnes and accounted for 31 per cent of the national tonnes. In warmer inland regions (Riverina, Murray Darling–Swan Hill and Riverland) the crush increased by 3 per cent to 1.32 million tonnes, making up 69 per cent share of the national crush.

Red winegrape varieties increased their share of the crush to 55 per cent, compared with 52 per cent in 2016. Overall, red winegrape varieties increased by 12 per cent and offset a slight decline of 2 per cent in the white variety crush.

The top ten winegrape varieties produced did not change in 2017, but Muscat Gordo Blanco has replaced Semillon in seventh spot. The top ten are: Shiraz, Chardonnay, Cabernet Sauvignon, Merlot, Sauvignon Blanc, Pinot Gris/Grigio, Muscat Gordo Blanco, Semillon, Colombard, and Pinot Noir.

Of the alternative varieties, production increased significantly for Dolcetto, Pinot Meunier, Montepulciano, Tarrango and Fiano.



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Winegrape purchase value

More than 35,000 transactions were collected for vintage analysis. They revealed that the average purchase price increased 7 per cent from last year's vintage to \$565 per tonne – above the average price across the previous five years of \$477 per tonne.

The average purchase price of red winegrapes increased by 6 per cent from \$651 per tonne to \$691 per tonne, and the average price of white winegrapes also increased by 6 per cent from \$398 to \$420 per tonne.

Average purchase price increased for all but two of the top ten winegrape varieties and there was an increase in the proportion of premium A and B grades purchased (e.g. \$1500 and above per tonne) from 6.4 per cent to 7.4 per cent this vintage.

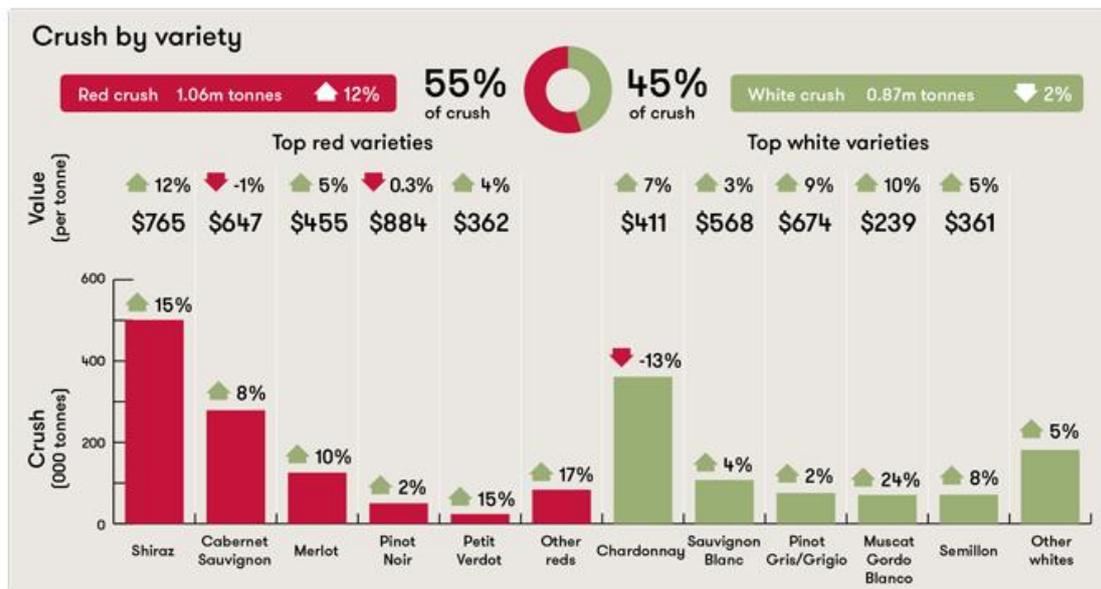
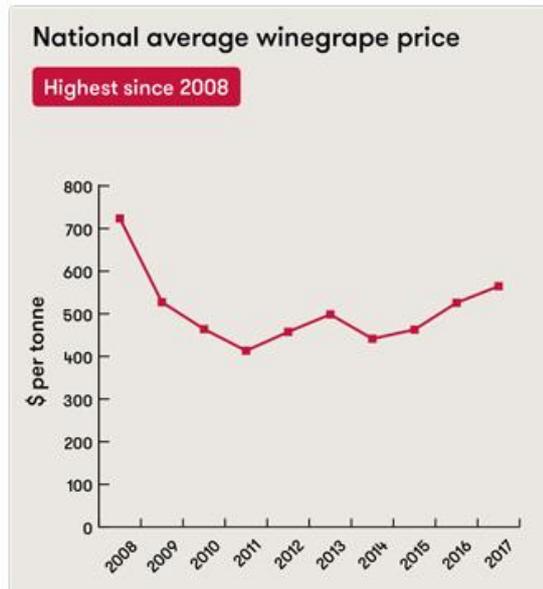
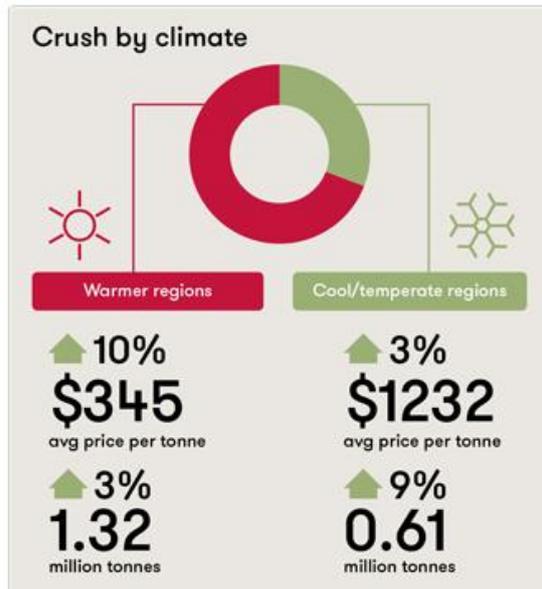
An analysis of the dispersion of prices by variety indicates that 12 per cent of reds were purchased at \$1500 per tonne or above in 2017, while 71 per cent were purchased at below \$600 per tonne.

Shiraz was the biggest driver in the overall increase in the average purchase price as the share of Shiraz purchased at A and B grades increased from 13.3 per cent in 2016 to 15.5 per cent in 2017, which is double the proportion from five years ago.

The total estimated value of the Australian winegrape crush from the 2017 vintage is \$1.22 billion, an increase of 13 per cent from \$1.08 billion in 2016.

The National Vintage Report 2017 can be downloaded at www.wineaustralia.com/market-insights/national-vintage-report.

National Vintage Report 2017





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About Wine Australia

Wine Australia supports a competitive wine sector by investing in research, development and extension (RD&E), growing domestic and international markets and protecting the reputation of Australian wine.

Wine Australia is funded by grapegrowers and winemakers through levies and user-pays charges and the Australian Government, which provides matching funding for RD&E investments.

Wine Australia is the trading name of the Australian Grape and Wine Authority, a Commonwealth statutory authority established under the *Australian Grape and Wine Authority Act 2013*.