

2000 WFA VINTAGE REPORT

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Vintage reaches 1.1M again

For the second consecutive year, Australian winegrape production surpassed 1 million tonnes. Total production from the 2000 vintage is estimated at 1,147,000 tonnes, an increase of over 20,000 tonnes (or 1.9%) on the 1999 vintage. (See table on page 4)

Specialist red winegrape production increased by 72,000 tonnes to 542,000 tonnes, representing 47% of the total production.

Specialist white wine grapes (ie excluding the multipurpose varieties of Sultana, Muscat Gordo Blanco and Waltham Cross) decreased by 31,000 tonnes to 445,000 tonnes (or 39% of the total production).

Production of multipurpose grapes was down by 20,000 tonnes (-11%) on the 1999 vintage. Overall, multipurpose grapes declined from 16% of the total production to 14%.

Cabernet Sauvignon up by 30,000 tonnes

Production of the top two specialist red grape varieties - Shiraz and Cabernet Sauvignon increased by 8% and 23% respectively from the 1999 vintage.

Cabernet Sauvignon production increased by over 30,000 tonnes to 170,000 tonnes or 15% of total production.

Shiraz surpassed 200,000 tonnes for the second consecutive year with an increase of 16,000 tonnes taking it to 19% of production.

Assuming normal seasonal conditions next year, Shiraz is set to surpass Chardonnay as Australia's highest tonnage grape variety.

Merlot continued its record growth, increasing by 66% to 55,000 tonnes, taking it to fifth largest of the specialist grape varieties.

Interestingly, Pinot Noir declined for the second successive year, recording a decline of 9% or 1,000 tonnes. Rain and/or frosts in Victoria and South Australia contributed to this decline, with Pinot Noir especially vulnerable as an early shooting variety.

The results of production of specialist white grapes reflect the trend away from white winegrape plantings, and the generally lower yields of the 2000 vintage

Chardonnay posted a decrease of 18,000 tonnes compared to 1999. It now represents 20% of the total grape production, as opposed to 22% of total production in 1999.

Semillon was down 8% or 6,000 tonnes compared to 1999.

Riesling also declined, from 31,000 tonnes to 24,000 tonnes, decreasing its percentage of total production to 2%.

Another key variety, Sauvignon Blanc, recorded an 11% decline falling below 20,000 tonnes.

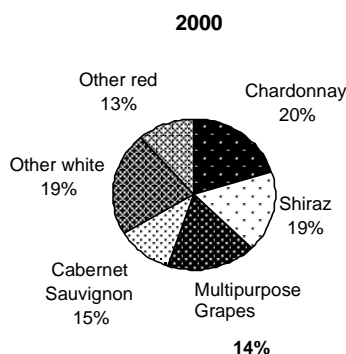
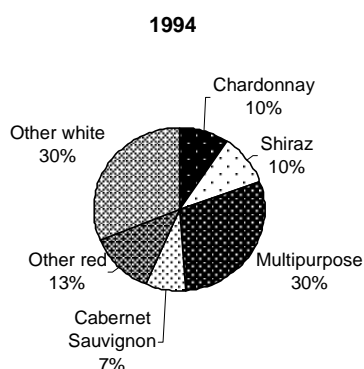
The production of Marsanne increased by 22% to 2,000 tonnes and Verdelho increased by 10% to 9,000 tonnes.

Multipurpose grapes declining

Total production of multipurpose grape varieties declined by 11% to 160,000 tonnes. In addition, their overall share of the production declined from 16% in 1999 to 14%, in keeping with a medium term trend.

The following figure highlights the decline in multipurpose grapes as a proportion of total production since 1994.

SHARE OF PRODUCTION (%)



Note: Some variations due to rounding
Source: WFA, ABS

Cabernet Sauvignon, Shiraz and Chardonnay have virtually doubled their overall share – with Cabernet Sauvignon increasing from 7% in the 1994 vintage to 15% this year, Shiraz increasing its contribution from 10% to 19% and Chardonnay increasing from 10% to 20%

Yields Below Expectations

The difficult seasonal conditions in all but a few areas contributed to the lower than projected production. Under normal seasonal conditions, the industry would have anticipated a vintage of 1,298,000* tonnes, comprising of:

- 610,000 tonnes of specialist red grapes
- 493,000 tonnes of specialist white grapes
- 195,000 tonnes of multipurpose grapes

*Source: National Winegrape Outlook Conference, Mildura, 18 November 1999.

Yields were therefore down approximately 11% for specialist red grapes and 10% for specialist white grapes. Multipurpose grape production for 2000 also declined, reflecting lower sultana yields.

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

- Cabernet Sauvignon was 20,000 tonnes below projected
- Shiraz was 40,000 tonnes below projected
- Merlot was 4,000 above projected
- Chardonnay was 4,000 above projected*
- Semillon was 12,000 tonnes below projected
- Riesling was 12,000 tonnes below projected

*Chardonnay projections have already been revised down due to specific regional and seasonal conditions

Projected Production to 2002

The projected production for 2001 and 2002 is 1,426,000 tonnes and 1,518,000 tonnes respectively. These results indicate that, assuming normal seasonal conditions, there will be a 24% increase in production in 2001 and a further 6% increase in production in 2002.

Specialist red wine grapes are estimated to increase by 35% in 2001, and a further 11% in 2002. By 2002, specialist red winegrapes are projected to reach 811,000 tonnes or 53% of the total production. To put this result into perspective, the industry will have more specialist red grapes produced in 2002 than total grapes produced in any year before 1996.

Production of specialist white grapes are estimated to increase by 14% to 506,000 tonnes in 2001, and increase by 3% to 523,000 tonnes in 2002. In 2002 specialist white grapes are projected to be 34% of total production, reflecting the much lower incidence of plantings of specialist white grapes over recent years.

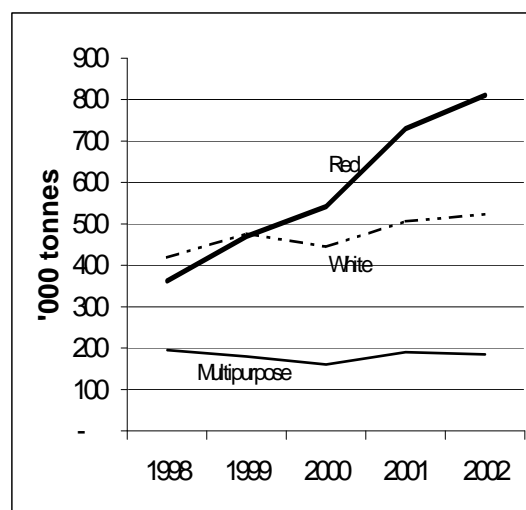
Multipurpose grapes are estimated to increase by 19% in 2001, and decrease by 3% in 2002. By 2002 the production of multipurpose grapes are projected to be 12% of total production.

From vintage 2000 to vintage 2002, the projected production changes for some of the specialist grape varieties are:

- Cabernet Sauvignon to increase by 47% to 250,000 tonnes
- Shiraz to increase by 56% to 345,000 tonnes
- Merlot to increase by 56% to 85,000 tonnes

- Chardonnay to increase by 2% to 230,000 tonnes
- Semillon to increase by 23% to 89,000 tonnes
- Riesling to increase by 9% to 36,000 tonnes

PROJECTED WINEGRAPE PRODUCTION



Source: The National Winegrape Outlook Conference 1999, WFA

Survey Methodology

In May 2000, wineries were sent a mail survey to determine the industry intake for 2000. Wineries were asked to provide details of their 2000 winegrape intake from any source for processing into wine, brandy, spirit or juice.

The survey was conducted by an independent consultant, KPMG, and covered an estimated 87% of industry production. This data was aggregated and the collected aggregated data was multiplied to estimate 100% of industry production.

Australian Winegrape Production

Variety	1999 tonnes	2000 tonnes	Change %	% Total Production	Hypothetical Additional Cases 12x75cl ('000)
Red Grapes					
Barbera	375	394	5%	0.03%	1
Cabernet Franc	4,413	3,577	-19%	0.31%	-63
Cabernet Sauvignon	137,800	169,669	23%	14.79%	2408
Currant	4,837	2,582	-47%	0.23%	-170
Grenache	22,998	20,392	-11%	1.78%	-197
Malbec	2,275	2,567	13%	0.22%	22
Mataro	8,413	8,484	1%	0.74%	5
Merlot	32,957	54,617	66%	4.76%	1636
Muscat a Petit Grains	435	529	22%	0.05%	7
Petit Verdot	1,020	2,305	126%	0.20%	97
Pinot Noir	17,643	16,152	-9%	1.41%	-113
Ruby Cabernet	21,175	28,390	34%	2.48%	545
Sangiovese	275	1,769	542%	0.15%	113
Shiraz	205,315	220,907	8%	19.26%	1178
Tarrango	1,320	3,012	128%	0.26%	128
Other Red	8,392	6,718	-20%	0.59%	-126
Total Red Grapes	469,643	542,064	15%	47.26%	5472
White Grapes					
Chardonnay	242,424	224,546	-7%	19.58%	-1351
Chenin Blanc	20,732	17,368	-16%	1.51%	-245
Colombard	35,206	40,449	15%	3.53%	396
Crouchen	2,276	2,441	7%	0.21%	12
Doradillo	6,030	5,655	-6%	0.49%	-28
Marsanne	1,666	2,023	22%	0.18%	27
Muscadelle	2,832	1,646	-42%	0.14%	-90
Muscat a Petit Grains Blanc	1,580	1,033	-35%	0.09%	-41
Palomino & Pedro Ximenes	3,707	2,843	-23%	0.25%	-65
Riesling	30,635	23,789	-22%	2.07%	-517
Sauvignon Blanc	21,950	19,559	-11%	1.71%	-181
Semillon	78,589	72,108	-8%	6.29%	-490
Taminga	283	393	39%	0.03%	8
Traminer	4,409	2,945	-33%	0.26%	-111
Trebbiano	7,910	7,613	-4%	0.66%	-22
Verdelho	8,161	8,985	10%	0.78%	62
Viognier	254	346	36%	0.03%	7
Other Whites	7,551	11,509	5%	1.00%	299
Subtotal White Grapes	476,194	445,251	-7%	38.82%	-2338
Multipurpose White Grapes					
Muscat Gordo Blanco	59,580	61,452	3%	5.36%	141
Sultana	118,927	97,656	-18%	8.51%	-1607
Waltham Cross	1,497	595	-60%	0.05%	-68
Subtotal Multipurpose White Grapes	180,003	159,703	-11%	13.92%	-1534
Total White Grapes	656,197	604,954	-7%	52.74%	-3872
Total Grapes	1,125,840	1,147,018	2%	100.00%	1600

Source: ABS, KPMG

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