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MEDIA RELEASE

Report of bumper vintage brings mixed news for grape and wine businesses.

The National Vintage Report, released by Wine Australia today, brings mixed news for grape growers and winemakers across Australia. Clocking in at an estimated 2.03 million tonnes, the 2021 vintage is the largest on record, with near perfect growing conditions across much of the country allowing growers to harvest fruit of an exceptional quality.

"2021 was a high-quality bumper vintage, but it will mean different things to different businesses," said Lee McLean, General Manager of Government Relations & External Affairs at Australian Grape & Wine.

"It's good news for those businesses running low on inventory to sell, particularly in regions that were not able to harvest grapes in 2020 due to impacts of fires and smoke," said Mr McLean. "It's great to see those businesses being able to make some really excellent wines from the high-quality fruit available."

However, with many grape growers and winemakers already trying to manage the fallout from losing their largest export market in China, the news of such a large vintage this year may not be cause for celebration.

"The reality is we lost a \$1.17 billion market¹ almost overnight, and this is likely to have ongoing impacts on demand right along the supply chain. In volume terms, our exports to China equated to around 10 per cent of production annually, or 123 million litres of wine. Businesses who were exporting wine to China are now working to find a home for this volume, along with the wine made from the above average harvest this year. For many, this is likely to make for challenging conditions in the months and years ahead.

The 2021 vintage of 2.03 million tonnes is 31 per cent higher than the 2020 vintage of 1.54 million tonnes, and 17 per cent above the ten-year average harvest of 1.74 million tonnes.

"Australian Grape & Wine is working with the Australian Government, Wine Australia, and a range of other stakeholders to develop more opportunities in export markets for grape and wine businesses," said Mr McLean. "North American, Japan and Korea, South-East Asia and the UK all present opportunities for Australian wine exporters to grow, with markets like India showing real potential in the medium-long term, but this will take time to come to fruition."

"We're a resilient industry and we will overcome the current set of challenges we're facing. I encourage every wine-loving Australian to choose Australian wine this year to help our grape growers and winemakers to do just that. So please, buy local, enjoy a glass of wine in moderation, and support your local grape growers and winemakers."

– Ends –

Available for Interview:

Lee McLean, General Manager, Government Relations & External Affairs 0418 998 749 / lee@agw.org.au

¹ Value and volume statistics for the Mainland China market are taken from the Wine Australia Export report for the year ending 30 September 2020, representing market conditions prior to the imposition of interim duties.



About Australian Grape and Wine Inc

Australian Grape and Wine Inc is the national association of grape and wine producers. We address issues across the supply-chain that impact on the profitability and sustainability of the sector. We lead and advocate public policy that enhances the ability to responsibly produce, promote and enjoy Australian wine in moderation.

Australian Grape & Wine is recognised as a representative organisation for winegrape and wine producers under the Wine Australia Act 2013, and is incorporated under the SA Associations Incorporation Act 1985. We work in partnership with the Australian Government to develop and implement policy that is in the best interests of winegrape growers and winemakers across Australia.