Australian Government

AUSTRALIAN
WINE GRAPE PRODUCTION
projections to 2006-07



abare **eReport** 05.2

Prepared for the Grape and Wine Research and Development Corporation

Wayne Gordon

January 2005

abare

60 years of economic research

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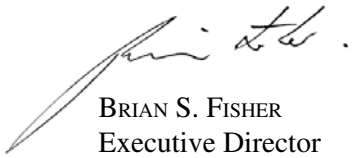
foreword

The Grape and Wine Research and Development Corporation has commissioned ABARE to produce wine grape production projections for the three years 2004-05 to 2006-07.

Intake estimates are based on the National Utilisation Project coordinated by the Australian Wine and Brandy Corporation. All wineries across the five major wine producing states were included in the study.

This report provides a tool for both wine grape producers and wine makers to assist them to plan production programs and anticipate grape supply availability, by variety. The actual production and winery intake in the projection years can be expected to differ from the production and intake estimates presented here because of variability in seasons and changes in world supply and demand factors.

Preliminary findings from the production and intake studies were used as a basis for estimation of the wine industry position, presented at the 2004 National Wine Grape Outlook Conference in Mildura in November 2004.



BRIAN S. FISHER
Executive Director

January 2005

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The assistance of the wineries that took part in the National Utilisation Project, in which wineries were surveyed about their planned and preferred intake of grapes, is gratefully acknowledged. The author would also like to acknowledge all the state coordinators of the project and ABARE colleagues Jo-Anne King and Walter Shafron for their assistance in compiling wine grape intake data. Alexandra McPhee of the KPMG Wine Industry Group and ABARE colleagues Vernon Topp, and Vince O'Donnell are also thanked for their helpful comments and suggestions.

This study was conducted under the supervision of Jammie Penm, Research Manager of the Commodity Forecasting Group. His help and suggestions are gratefully acknowledged.

This project is supported by Australia's grape growers and wine makers through their investment in the Grape and Wine Research and Development Corporation, with matching funds from the Australian Government.

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summary

In this report estimates of wine grape production in 2003-04 and projections of production for the years 2004-05 to 2006-07 are presented. Production estimates are made for the fifteen major wine grape producing regions in Australia and the twenty-two specialist wine grape varieties, as well as multipurpose grapes and minor varieties.

2003-04 wine grape production

Wine grape production in 2003-04 is estimated to have increased by 34 per cent from the drought affected harvest of 2002-03, to almost 1.90 million tonnes. Production of red varieties outstripped production of white varieties for the fourth consecutive year in the past decade. Premium red varieties accounted for over half of national production, with premium white varieties making up a third. Multipurpose grapes accounted for 6 per cent of 2003-04 production. Shiraz was the highest tonnage grape variety, followed by chardonnay, ahead of cabernet sauvignon.

Projected production of key varieties

	2004-05	2005-06	2006-07
	kt	kt	kt
Premium white			
Chardonnay	367	394	423
Riesling	35	36	37
Semillon	103	101	102
Total	659	690	724
Nonpremium white	14	14	14
Premium red			
Cabernet sauvignon	310	308	309
Merlot	110	111	112
Shiraz	439	449	461
Total	950	958	974
Nonpremium red	40	40	41
Total	1 834	1 879	1 933

Wine grape production: 2004-05 to 2006-07

Wine grape production is forecast to fall in 2004-05, down 3 per cent from the record 2003-04 harvest to 1.83 million tonnes. This forecast assumes an average wine grape yield of just over 12 tonnes per hectare, around 8 per cent down on 2003-04. Bearing areas are estimated to grow by 5 per cent to 153 400 hectares.

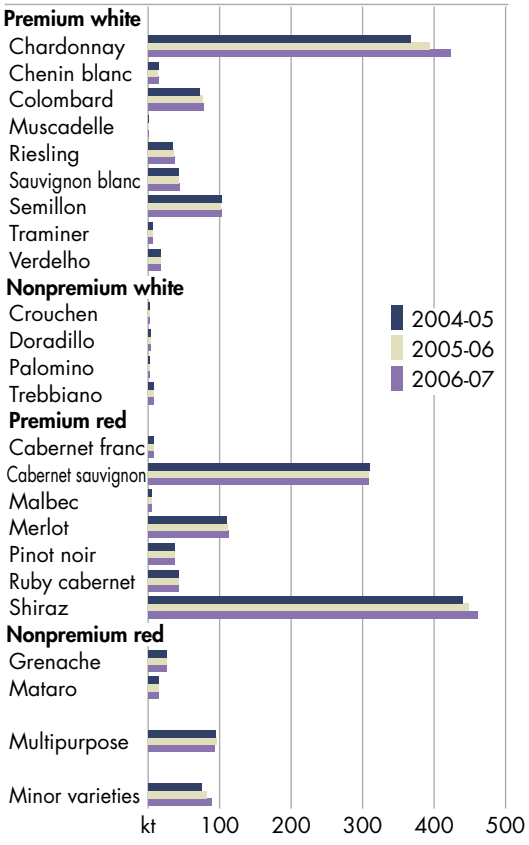
Production is projected to increase by over 5 per cent to 1.93 million tonnes over the two years to 2006-07.

Slow growth in premium red grape production is projected over the outlook period as new plantings of red varieties continued

to decline in 2002-03. Premium red grape production is projected to increase by 2.5 per cent between 2004-05 and 2006-07 to 974 000 tonnes. Production of shiraz is projected to increase by 5 per cent, while production of cabernet sauvignon is expected to remain relatively stable to 2006-07.

Premium white wine grape production is projected to increase by 10 per cent to 724 000 tonnes between 2004-05 and 2006-07. With chardonnay plantings remaining strong, production of that variety is projected to rise by 15 per cent to 423 000 tonnes by 2006-07. Growth of 5–8 per cent is also projected for colombard and riesling production over the outlook period.

Projections of wine grape production in Australia



High and low yield scenarios, based on historical variation, have been used to generate a range of production levels for the projection period. Based on this sensitivity study, total wine grape production in 2004-05 could range between 1.6 million tonnes and 2.0 million tonnes. Furthermore, production in 2006-07 could be between 1.7 million tonnes and 2.1 million tonnes.

Production, by region: 2004-05 to 2006-07

Over the period 2004-05 to 2005-06, production in South Australia (the dominant wine producing state) is projected to grow by around 6 per cent. Growth in production is expected to be strong in the regions of the Murray Valley, Victoria and the Murray Valley, New South Wales. Production in the cool climate regions of New South Wales is also projected to increase markedly. Specialist wine grape production in Western Australia is projected to fall over the outlook period.

Export performance, 2003-04

Over the past decade, market concentration of the five largest export markets (the United Kingdom, the United States, Canada, Germany and New Zealand) has increased from 77 per cent to around 84 per cent in volume terms.

Diversifying into new and emerging markets would help reduce the risks imposed by the current concentration of exports. In a number of emerging markets, such as Scandinavia and Asia, growth is from a low base and often volatile from year to year. While export growth in emerging markets has been generally significant in recent years, they constitute in total only 5 per cent of Australian wine exports. Over the short to medium term, concentration is expected to continue in the five major markets, particularly in the United States and United Kingdom.

In 2003-04, Australian exports of wine increased by 14 per cent to 581 million litres. The United Kingdom remained the largest destination, accounting for around 39 per cent of total Australian wine exports. The second largest destination was the United States, taking around 29 per cent of Australian exports. Export unit values fell for four of the five major export destinations for Australian wine (the United Kingdom, the United States, Canada and Germany), with New Zealand being the exception.

Exports to China and the Republic of Korea increased markedly in 2003-04. Growth prospects for Australian wine exports to Asian markets will depend on a number of factors, including the potential for increases in consumption per person from a large population base, rising incomes and the region's proximity to Australian suppliers.

introduction

Following a record harvest of 1.9 million tonnes in 2003-04 (figure A), wine grape prices are expected to come under further pressure in the coming harvest. As growers and wineries adjust to the changing environment, access to information on current and prospective production and the export situation will assist in their decision making on future investment.

ABARE has been producing projections of wine grape production since 1988 for the Grape and Wine Research and Development Corporation, formerly the Grape and Wine Research Council.

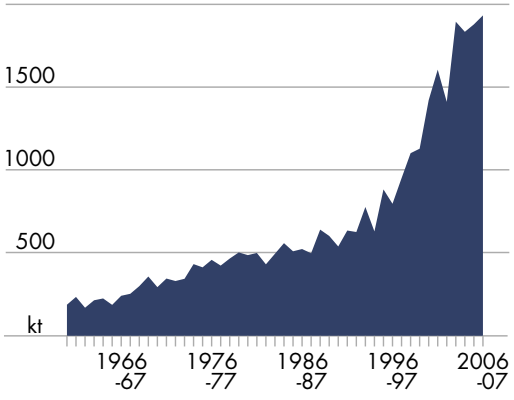
Projections to 2006-07

In this study, production estimates are presented for 2004-05, 2005-06 and 2006-07. Also included in this report are the results of a census of planned and preferred winery intake, by variety. Data are presented separately for twenty-two wine grape varieties. Multipurpose and minor varieties are reported as two separate groups. Information on imports and exports of Australian wine is also provided.

The production projections cover the four major wine grape growing states (maps 1–4). These states supplied around 99 per cent of the grapes used in wine making in Australia in 2003-04.

Advice from industry experts was sought for the yields used in this study. Additional analysis is provided using historically high and low yields to show the sensitivity of production estimates to seasonal changes. Separate estimates for production in warm climate and cool climate regions are also presented, along with analysis of trends in areas planted and nonbearing areas.

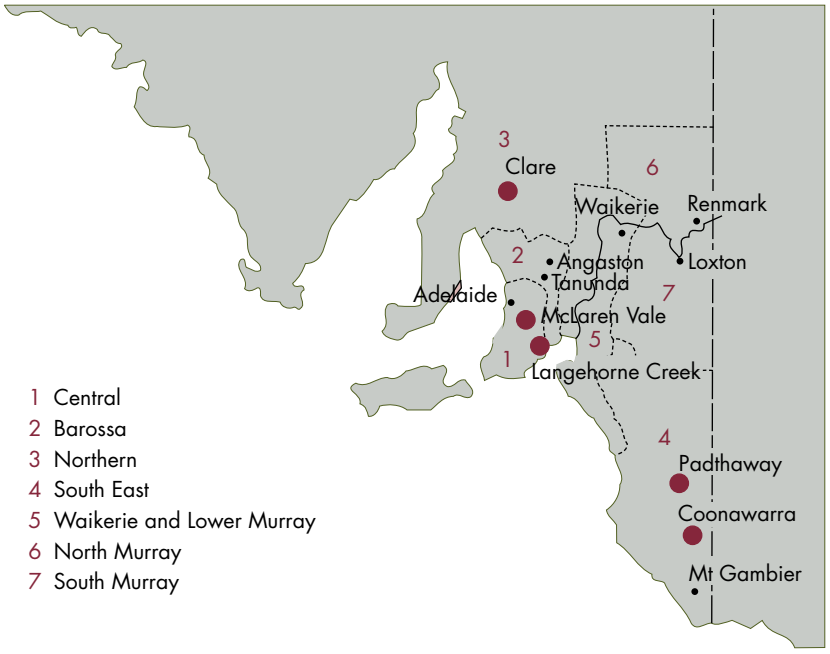
A Australian wine grape production



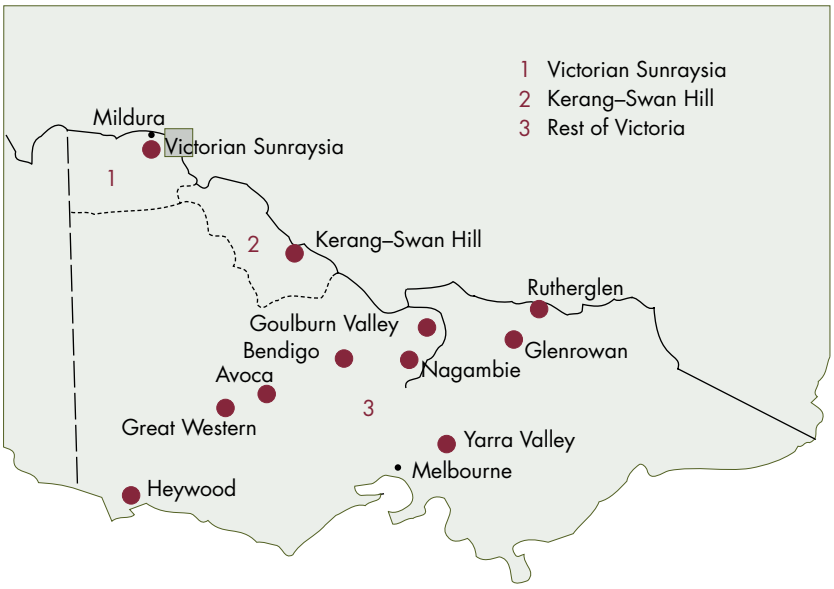
Industry growth and development, 2002-03

Despite lower returns to wine grapes, new vine plantings have continued in all states of Australia. For Australia as a whole, new vine plantings are estimated to have been around 6200 hectares in 2002-03, a decline of 8 per cent from the previous year (table 1).

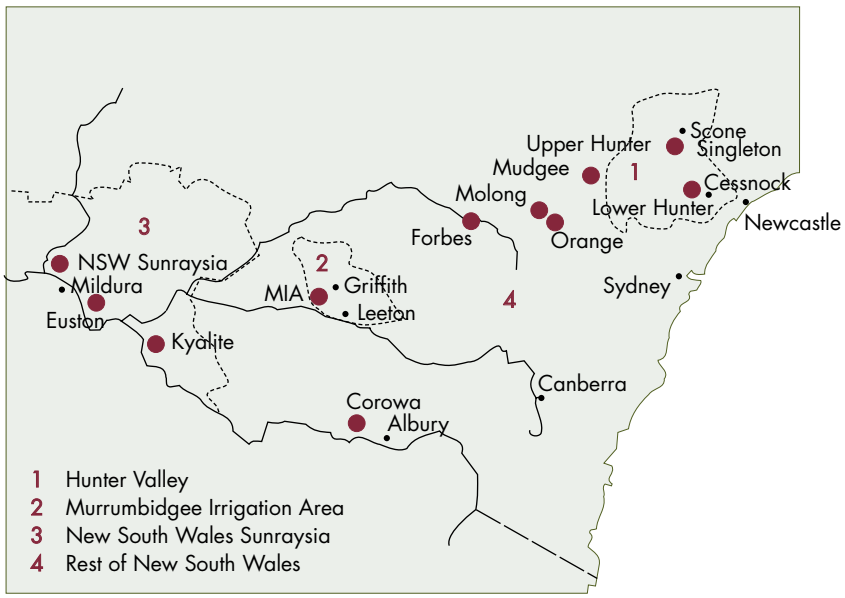
1 Grape producing regions of South Australia



2 Grape producing regions of Victoria



3 Grape producing regions of New South Wales

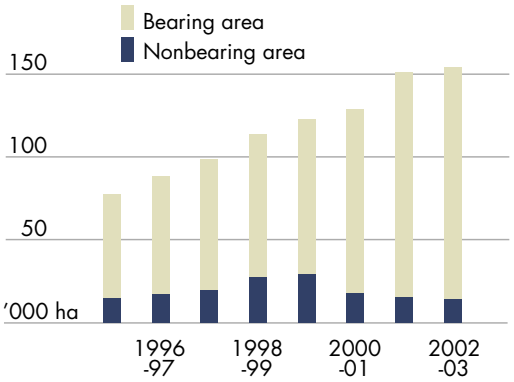


4 Grape producing regions of Western Australia



In total, there was an estimated 14 700 hectares of nonbearing vines in 2002-03, representing around 9 per cent of the total area of vines planted (figure B). The non-bearing area as a percentage of the total area planted varied considerably between states (map 5). Although, the more established wine grape producing states of South Australia, New South Wales and Victoria have smaller percentage shares of nonbearing area, they are expected to contribute significantly more to production growth in the coming years, reflecting their greater area of vines.

B Wine grape bearing and nonbearing areas in Australia



Tasmania had the greatest proportion of nonbearing vines at around 14 per cent. In contrast, New South Wales has the lowest proportion of nonbearing vines to total planted area, at 7 per cent. Although the total area of wine grapes has been increasing in line with new plantings, there have been significant differences in the mix of new plantings between red and white varieties in recent years (figure C).

Most of the growth in total wine grape bearing area in Australia in the late 1990s was the result of new plantings of red varieties. However, new plantings of white varieties have increased significantly since 2000-01, while new plantings of red varieties have continued to fall.

1 Annual plantings of key varieties in Australia

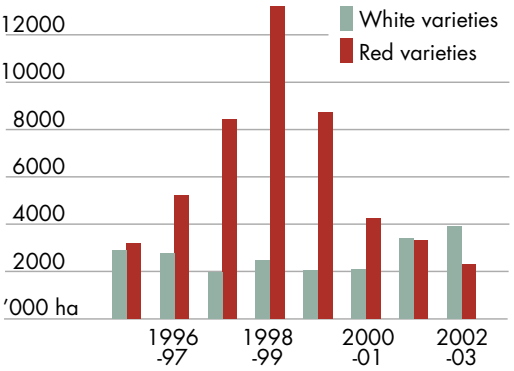
	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03
	ha	ha	ha	ha	ha	ha	ha
Premium white varieties							
Chardonnay	1 198	857	633	288	573	1 930	2 593
Semillon	432	439	375	128	73	97	111
Riesling	52	56	86	240	144	248	160
Total premium white	2 143	1 705	1 699	1 135	1 114	2 655	3 210
Total white	2 788	2 292	2 502	1 799	2 048	2 664	3 223
Premium red varieties							
Cabernet sauvignon	1 692	3 168	4 310	2 649	1 178	738	339
Merlot	821	1 330	1 653	1 243	537	454	287
Shiraz	1 968	3 113	5 532	3 205	1 507	1 375	1 102
Total premium red	4 947	8 176	12 599	7 965	3 611	2 822	1 842
Total red	5 037	7 905	13 546	9 309	3 837	2 927	1 941
Total wine grapes	7 825	10 989	16 048	11 108	6 339	6 719	6 200

Source: Australian Bureau of Statistics (2003).

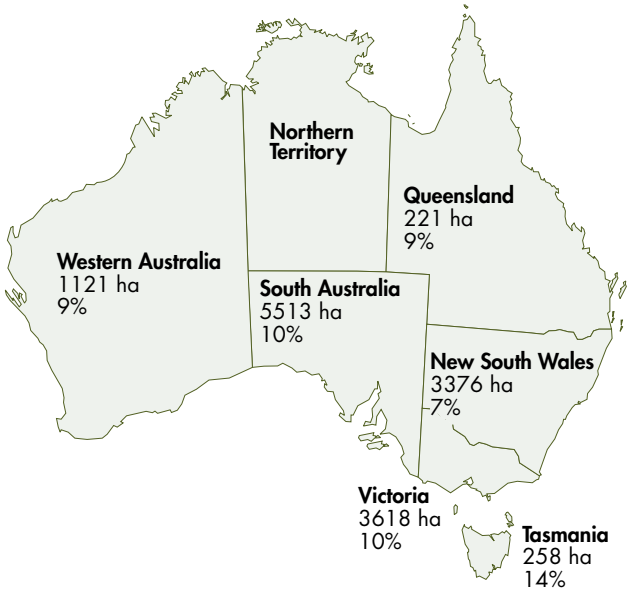
Since 2001-02, new plantings of white varieties have been greater than red varieties. New plantings of chardonnay grapes have increased significantly since 2000-01, and accounted for close to 80 per cent of new plantings of white varieties in both 2002-03.

The increase in red wine grape plantings in the five years to 2002-03 was largely made up of three key varieties — shiraz, cabernet sauvignon and merlot. These three varieties are estimated to have accounted for around 28 per cent of all new plantings in 2002-03. This compares with around 72 per cent in 1998-99 and 44 per cent a decade earlier.

C Annual plantings of wine grapes in Australia



5 Areas of young vines, by state, 2002-03
Area and share of nonbearing vines in total planted area



method

The methods used in this study to generate projections of wine grape production and winery intake of wine grapes are described in this chapter. In addition, the sources of data used in the study are discussed.

Wine grape production projections

The calculation of wine grape production projections are based mainly on data from the following sources:

- National Utilisation Project (Australian regional wine grape utilisation and pricing survey), coordinated by the Australian Wine and Brandy Corporation;
- Australian Bureau of Statistics (ABS) viticulture census; and
- estimates of yields, by region and variety, provided by industry experts.

The ABS viticulture census provides data, by region and variety, on production, bearing areas and new plantings. It also provides data on intended plantings and on areas of wine grapes lost, by variety, which have both been used in this study.

The total production recorded by the ABS has been less than the winery intake reported to ABARE subsequently by the National Utilisation Project in each year since 1994. In 2003 the difference at the national level was around 6 per cent. To facilitate comparison of the production estimates and winery intake in 2003-04, the ABS data on production and areas planted were adjusted to be consistent with winery intake figures reported in the National Utilisation Project (following methodology used in previous projections reports — see, for example, Shepherd 1998).

For most varieties, this resulted in an increase in production on that recorded by the ABS. However, for some varieties, the production recorded by the ABS exceeded the intake reported by the National Utilisation Project. In such instances, the latter intake figure was adjusted upwards, with a corresponding reduction in the intake figures for the other varieties so that total wine grape intake remained unchanged.

Production of multipurpose and minor variety grapes in 2003-04 has been estimated using planned winery intake, apportioned across the regions based on 2003 ABS production estimates and the results of the 2004 National Utilisation Project.

The projection procedure employed in this study is based on the following model:

$$G_{t+1} = (BA_t + PA_{t-x})\ \mathrm{E}(Y_{t+1})$$

Where G is projected grape production; BA is derived bearing area; PA is the derived area of planting coming into bearing; x is the number of years since PA was planted (three years in irrigated regions and four years in nonirrigated regions), and E(Y) is the expected wine grape yield per hectare.

According to the above identity, projected grape production for 2003-04 is based on the derived 2002-03 bearing area plus the derived area of new plantings that are expected to reach commercial bearing in 2003-04 multiplied by the expected yield. The total derived bearing area ($BA_t + PA_{t-x}$) used to estimate production is calculated on a variety by region basis.

Preliminary regional data were not available from the various vine improvement societies around Australia and complete data from the 2004 viticulture census were not available at the time this report was compiled. New plantings in 2004 were assumed to be represented by the intended plantings reported by the ABS in 2003 for 2004. However, preliminary ABS data on total plantings, by state, for 2004 were made available and used to make adjustments to the estimated 2004 regional plantings used in the calculations.

Industry experts provided the yields that were used in projecting production. Historical yield data and averages of the previous five years were provided as base information to the industry experts for each of the regions. These experts then provided their own estimates of yield for the 2005 harvest and expected variations for each of the forecast years. Generally, the agreed yield reflected the five year average yield in the projection years.

Historically high and low yields were also applied to the bearing areas and plantings to provide a range of projected production. High and low yields were determined from historical data. These yields were then applied to the national derived bearing area for each variety to generate production estimates for low and high yielding years.

Projections of wine grape intake

The projections of wine grape intake from 2004-05 to 2006-07 were based on surveys of Australian wine makers. To minimise respondent burden, ABARE collaborated with the National Utilisation Project of the Australian Wine and Brandy Corporation. This project was set up to coordinate the Australian Regional Winegrape Utilisation and Pricing Surveys (ARWUPS). The project was first undertaken in 1999 when the ARWUPS replaced the many regional utilisation and pricing surveys that were previously undertaken, and the annual ABARE winery intake survey.

Questionnaires were sent to all wineries that purchased grapes in New South Wales, Victoria, South Australia and Western Australia. According to the 2003 viticulture census, these states accounted for more than 99 per cent of total wine grape production. Levels of response were high in all states, although for a minor proportion of the intake in some states, estimates of grapes crushed by nonrespondents were made.

According to the Australian and New Zealand Wine Industry Directory (Winetitles 2004a), there were just under 1800 wineries in Australia in 2003, up 11 per cent from the previous year. The top 22 wine companies account for around 97 per cent of the national crush in 2003.

Wine makers were asked to provide estimates of their intake for the 2004 harvest, and their expected and preferred intakes to the year 2006-07. Their expected intake was described as their current expectations of what their wine grape intake would be in total, including intake from their own vineyards, and from other growers based on contract commitments, both verbal and written.

Expected intake will, to some extent, reflect wine makers' expectations about future constraints on the supplies of different grape varieties. Wine makers were also asked to state their preferred intake of the grape varieties that would best match their ideal production mix.

Both measures would take into account projected growth in demand and any restrictions in the area of capital equipment and inventory expansion, but preferred intake would not take into account any commitments or constraints on grape supply.

wine grape production in 2003-04 and projections to 2006-07

In this chapter, the estimated 2003-04 wine grape production is presented and compared with production in the previous year. The production projections for 2004-05 to 2006-07 are also presented, with some regional analysis. In addition, a sensitivity analysis has been undertaken using alternative yield assumptions, highlighting the potential variability in production caused by seasonal conditions.

The production of the major wine grape varieties reported in this chapter are classified as either specialist varieties or multipurpose varieties used for wine making. The specialist wine grape varieties are divided into premium white, premium red, nonpremium white, nonpremium red and minor varieties.

2003-04 wine grape production

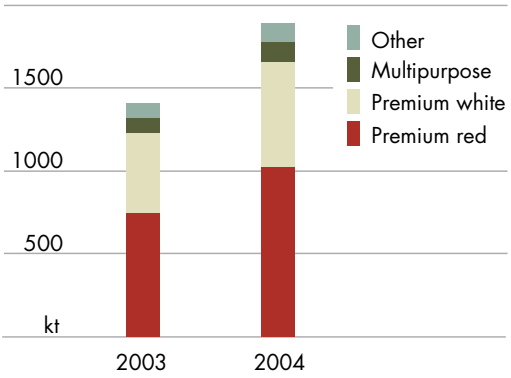
Overall, seasonal conditions leading up to the 2003-04 wine grape harvest were favorable. Good winter rainfall and generally mild and dry conditions during development resulted in above average crops in most regions, with a low incidence of disease. The mild spring and summer conditions were followed by high temperatures during early to mid February in most regions, causing concern about the finish of most mid to late varieties. Despite this, grapes were generally of above average to excellent quality — in particular, color scores for red grapes were well above average across the warm regions.

Across the cool climate regions of Australia, seasonal conditions in 2003-04 were variable. Most regions received good winter rainfall, with warmer conditions in late spring and early summer providing good flowering conditions. As a result, many regions reported heavy fruit set with bunch thinning undertaken in many regions. Despite high temperatures in mid February causing some sunburn and crop losses, ripening conditions in most regions were good to ideal. For example, Barossa semillon was reported as some of the best ever and cabernet sauvignon in most regions was well above average quality.

In 2003-04, the warmer inland regions returned to more average seasonal conditions from the unusually low yielding 2002-03 season. Steady winter and spring rainfall with only minor incidence of frost resulted in healthy and strong vines and good berry set. With recorded below average temperatures over January, the harvest was delayed by around two weeks. In the Murray Valley, for example, harvest commenced around mid February.

The Australian wine grape industry harvested an estimated record harvest of almost 1.90 million tonnes in 2003-04 (figure D) — 34 per cent higher than the drought affected 2002-03 crop and around 18 per cent higher than the previous record of 1.6 million tonnes in 2001-02. This estimated increase in production was largely a result of above average yields (around 13 tonnes per hectare) and a moderate expansion in bearing area (around 4 per cent). Shiraz dominated growth in bearing area, increasing by around 8 per cent to just over 40 000 hectares.

D Comparison of vintages



Premium red wine grape production increased by 37 per cent to around 1.02 million tonnes in 2003-04. Red wine grapes continued to account for over half of the national intake (figure E). This growth was driven by large increases in the three key varieties — shiraz (up 41 per cent), cabernet sauvignon (up 40 per cent), and merlot (up 30 per cent).

When combined with chardonnay, these four varieties accounted for two thirds of the total intake for the 2004 harvest (table 3).

Premium white wine grape production increased by 32 per cent to 636 000 tonnes in 2003-04, around a third of the total wine grape intake (table 3). Production of chardonnay increased by 32 per cent from the previous year.

2 Wine grape production, 1995-96 to 2002-03

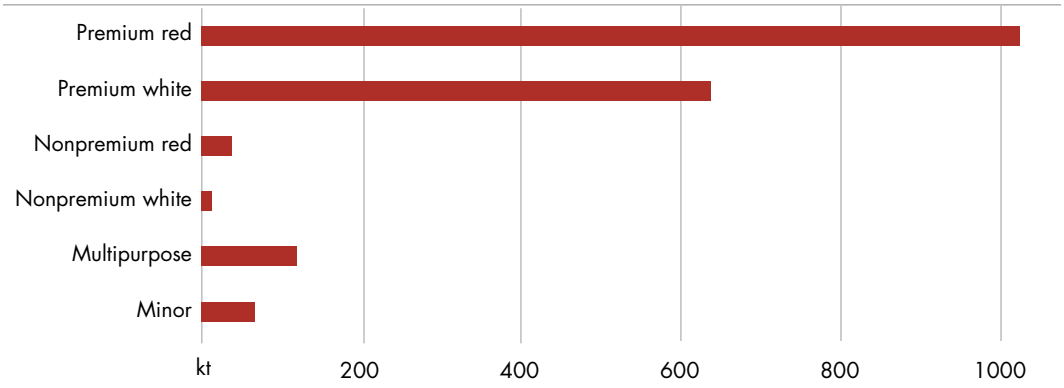
		1995 -96	1996 -97	1997 -98	1998 -99	1999 -2000	2000 -01	2001 -02	2002 -03	2003 -04
Total bearing area	'000 ha	63	71	79	86	94	111	136	140	146
Production of selected varieties										
Chardonnay	kt	98	131	165	214	205	251	266	256	339
Colombard	kt	29	30	33	38	41	40	62	58	73
Riesling	kt	40	34	33	33	23	25	28	30	36
Semillon	kt	51	54	65	82	80	89	107	81	104
Total white	kt	588	523	601	666	592	627	696	607	802
Cabernet sauvignon	kt	72	67	95	120	159	260	287	239	335
Grenache	kt	34	24	23	23	21	21	25	19	25
Merlot	kt	10	10	14	31	54	81	109	99	129
Pinot noir	kt	15	14	19	15	16	31	24	30	43
Shiraz	kt	93	109	145	195	228	329	364	336	473
Total red	kt	282	260	350	436	538	795	911	804	1 093
Multipurpose grapes	kt	248	188	204	218	154	129	120	88	119
Total production	kt	870	783	951	1 101	1 129	1 422	1 606	1 411	1 895

Intake of multipurpose grapes in 2003-04 recorded its first increase since 1998-99, up 35 per cent from the 2002-03 drought affected crop. This increase in production was mainly driven by higher yields. Bearing areas for multipurpose grapes fell 13 per cent year on year, mainly in warm climate regions. A reorientation toward plantings of premium white varieties (principally chardonnay) in response to more favorable prices has placed downward pressure on bearing area for multipurpose grapes. Intake of minor varieties also increased 31 per cent in 2003-04.

3 Wine grape production in Australia, 2002-03 to 2006-07, by variety

	Estimated intake		Projected production		
	2002-03	2003-04	2004-05	2005-06	2006-07
	kt	kt	kt	kt	kt
Premium white					
Chardonnay	256	339	367	394	423
Chenin blanc	11	14	14	14	14
Colombard	58	73	72	77	78
Muscadelle	1	1	1	1	1
Riesling	30	36	35	36	37
Sauvignon blanc	22	42	43	42	44
Semillon	81	104	103	101	102
Traminer	6	7	7	7	7
Verdelho	16	20	18	18	18
Total	482	636	659	690	724
Nonpremium white					
Crouchen	2	2	2	2	2
Doradillo	3	4	3	3	3
Palomino	1	1	1	1	1
Trebbiano	6	7	8	7	7
Total	11	13	14	13	13
Premium red					
Cabernet franc	4	6	8	8	8
Cabernet sauvignon	239	335	310	308	309
Malbec	4	3	5	5	5
Merlot	99	129	110	111	112
Pinot noir	30	43	37	37	37
Ruby cabernet	37	34	42	42	42
Shiraz	336	473	439	449	461
Total	748	1 022	950	958	974
Nonpremium red					
Grenache	19	25	26	26	26
Mataro	12	13	14	14	14
Total	31	38	40	40	41
Multipurpose	88	119	95	95	93
Minor varieties	51	67	75	82	88
Total	1 411	1 895	1 834	1 879	1 933

E Wineries' intake of wine grapes, by category, 2003-04



Comparison of projected production and intake in 2003-04

In the previous projections report (Gordon 2004), ABARE forecast that around 1.81 million tonnes of wine grapes would be harvested in 2003-04. The forecast was based on an assumption that above average yields would be achieved in 2003-04. The yields were assumed to be around 6 per cent higher than the average of 11.8 tonnes per hectare achieved over the five years ended 2002-03.

The intake in 2003-04 is currently estimated at 1.90 million tonnes (around 5 per cent higher than the previous forecast), mainly reflecting higher yields in South Australia and the Riverina of New South Wales — bringing a national average of 13 tonnes per hectare in 2003-04.

Most of the increase in production occurred in the key premium varieties of chardonnay, shiraz and merlot and, to a lesser extent, cabernet sauvignon, columbard and riesling. The intake of premium white varieties was 7 per cent higher than the forecast. This mainly reflected higher than expected production of premium whites (principally chardonnay) in many regions. Production of the key varieties of chardonnay, shiraz and merlot in total was 84 000 tonnes higher than the forecast.

Wineries were expecting a smaller harvest than that which eventuated in 2003-04. Actual intake was about 13 per cent higher than expectations of around 1.68 million tonnes for the 2004 crop. Expected intake of premium white varieties was 8 per cent lower than eventuated. Intake of chardonnay, semillon and sauvignon blanc comprised 97 per cent of the difference between expected and actual intake. Premium red wine grape intake was 14 per cent higher than expectations of wineries, with cabernet sauvignon, shiraz and merlot accounting for 87 per cent of this difference.

Production projections, 2004-05 to 2006-07

Short term projections

Wine grape production is projected to fall by around 3 per cent to 1.83 million tonnes in 2004-05. This forecast is based on an assumption that continued favorable seasonal condi-

tions deliver average to above average yields. Yields are forecast to average around 12 tonnes per hectare, around 8 per cent down on 2003-04. Bearing area is estimated to have increased by over 5 per cent to 153 400 hectares.

The bearing area of premium red varieties is estimated to have increased by around 3 per cent in 2004-05, to just under 92 400 hectares. Shiraz continues to be a major driver behind the expansion of premium red wine grape bearing area, with an estimated increase of 4 per cent to around 42 000 hectares. In 2004-05, premium red wine grape production is projected to decline by 7 per cent to 950 000 tonnes. Shiraz is expected to remain Australia's highest tonnage variety, at 439 000 tonnes. Production of cabernet sauvignon and merlot is projected to fall in 2004-05 — by 7 per cent and 15 per cent respectively.

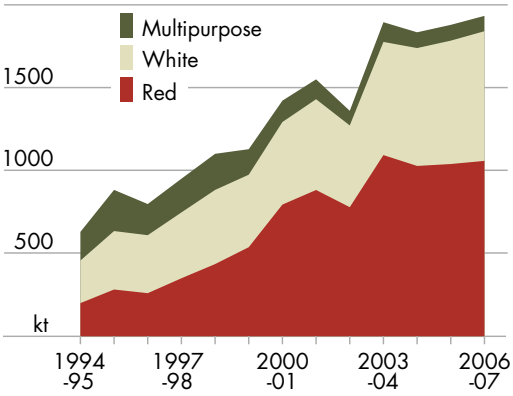
Production of premium white varieties is projected to increase by around 4 per cent to 659 000 tonnes in 2004-05. Bearing area is forecast to expand by 7 per cent on the previous year to around 44 400 hectares. Chardonnay production is forecast to rise, partly reflecting higher bearing area (principally in warm climate regions). Semillon and riesling production is forecast to fall in 2004-05 — by 1 per cent and 3 per cent respectively. Production of sauvignon blanc is forecast to increase by around 2 per cent.

Medium term projections

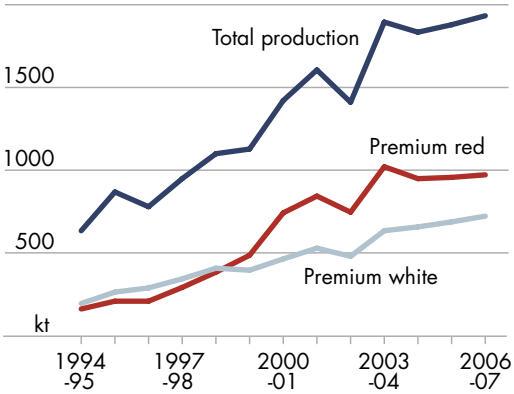
Assuming average yields in 2005-06 and 2006-07 (11.8 tonnes per hectare), total wine grape production is projected to increase to 1.93 million tonnes by 2006-07 (figure F). Bearing area is forecast to increase to 163 300 hectares in the same year.

The projected increase in production to 2006-07 is driven by expected higher production of white varieties, which is projected to increase by 10 per cent to almost 724 000 tonnes. This is consistent with the fact that around 60 per cent (or 16 900 hectares) of total plantings in the past three years was of white varieties and 13 per cent of area planted to white grapes was nonbearing in 2003-04 (figure G).

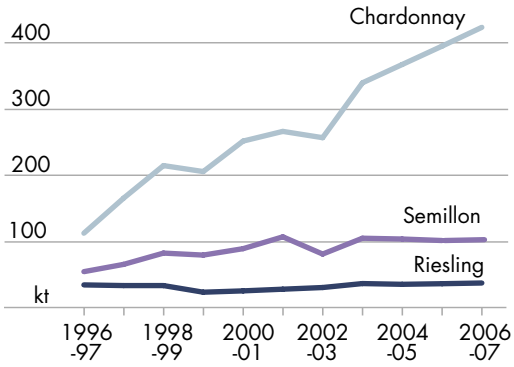
F Australian wine grape production, by category



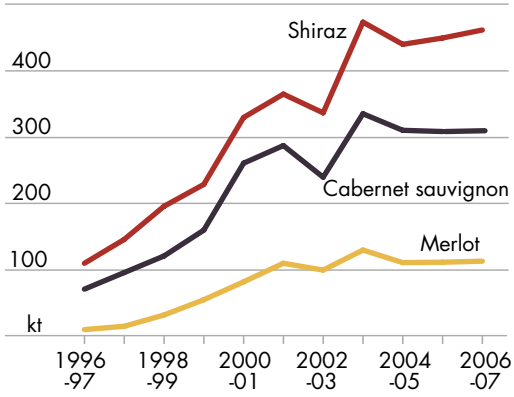
G Australian wine grape production



H **Production of selected white varieties**



I **Production of selected red varieties**



Higher prices for white wine grapes over the past few years have encouraged these plantings. Chardonnay production is projected to increase most significantly, rising to 423 000 tonnes in 2006-07 (figure H). The majority of this increase is expected to come from the warm climate inland regions.

In contrast, production of premium red varieties is projected to increase by 2.5 per cent to 974 000 tonnes in 2006-07. This lower production growth is in response to relatively lower prices paid for red wine grapes in the past few years and a consequential decline in new plantings. In 2002-03, for example, plantings of premium red varieties were around 1800 hectares, the lowest level since 1993-94. Shiraz is expected to dominate premium red wine grape production (figure I), reaching around 47 per cent of total premium red wine grape production and 24 per cent of total wine grape production in 2006-07. Production of cabernet sauvignon, merlot and pinot noir is forecast to remain relatively stable to 2006-07.

Projections, by state and region

Wine grapes are grown in all states of Australia. In this report the focus is on wine grape production in South Australia, Victoria, New South Wales and Western Australia. Together these states account for around 99 per cent of wine grape production in Australia. Appendix A provides a breakdown of production, by variety and region.

While wine grape production has been increasing in Tasmania, Queensland and the Australian Capital Territory, their combined production accounts for less than 1 per cent of total Australian production. Over the projection period, it is unlikely that their relative shares of production will change substantially.

Production in the warm climate regions in 2003-04 was well above the low yielding vintage of 2002-03 — up 23 per cent to just over 1 million tonnes. Yields across most of the warm climate inland regions were above average — the Riverina and Riverland are the most notable, increasing by 30 per cent and 7 per cent respectively. In 2003-04, the Murray Valley achieved slightly above average yields across most districts, at around 18 tonnes per hectare. Production in the cool climate regions was more variable, with South Australia

and Western Australia experiencing a well above average crop. In contrast, production in parts of Victoria and New South Wales remained below average, due mainly to less than favorable seasonal conditions.

In 2004-05, production across the cool climate regions of South Australia is forecast to decline, as yields return to more average levels. In contrast, wine grape production in the cool climate regions of Victoria and New South Wales is forecast to rise in response to an assumed improvement in seasonal conditions across both states. In the warm inland regions, yields in 2004-05 are assumed to be above average. Production in that year is projected to increase in most regions, with parts of the Murrumbidgee Irrigation Area being the only exception. Specialist wine grape production in the Murrumbidgee Irrigation Area is forecast to fall by 10 per cent to around 224 000 tonnes in 2004-05. Although seasonal conditions have been favorable, yields are likely to be down from the record achieved in 2003-04.

4 Projected specialist wine grape production in Australia, by region

	Estmated production		Change 2002-03	Projected production		
	2002-03	2003-04	to 2003-04	2004-05	2005-06	2006-07
	kt	kt	%	kt	kt	kt
South Australia						
Barossa *	58	87	50	84	89	91
Central *	123	182	48	159	165	168
Northern *	20	39	94	33	35	36
South East *	80	172	116	124	124	127
Riverland	350	406	16	412	430	442
– North Murray	175	212	21	209	218	224
– South Murray	94	98	4	105	109	111
– Waikerie–Lower Murray	81	96	19	98	103	107
Total	631	886	40	812	843	863
New South Wales						
Hunter *	33	36	8	35	35	35
Murrumbidgee Irrigation Area	191	249	31	224	218	226
Murray Valley	72	98	37	109	114	119
Rest of New South Wales*	67	81	21	105	107	109
Total	364	465	28	473	474	489
Victoria						
Murray Valley	191	226	44	258	281	297
– Kerang–Swan Hill	39	50	28	61	67	71
– Mildura	152	176	16	197	214	226
Rest of Victoria *	74	82	11	96	96	99
Total	264	309	17	354	376	396
Western Australia *	64	100	57	100	91	93
Total specialist wine grapes	1 323	1 759	33	1 739	1 784	1 841

* Cool climate regions.

Over the medium term, South Australia is projected to remain the dominant specialist wine grape producing state, accounting for around 47 per cent of total specialist production in 2006-07. Production is projected to increase across most regions of South Australia, albeit at rates slower than in 2003-04. Production in the warm climate regions of the North Murray, South Murray and Waikerie districts, on average, is projected to increase over the medium term.

In Victoria, production in the Murray Valley (Kerang–Swan Hill and Mildura) is projected to increase by around 15 per cent by 2006-07. This projected significant growth partly reflects the resurgence of white wine grape plantings in the warm climate regions over the past two years.

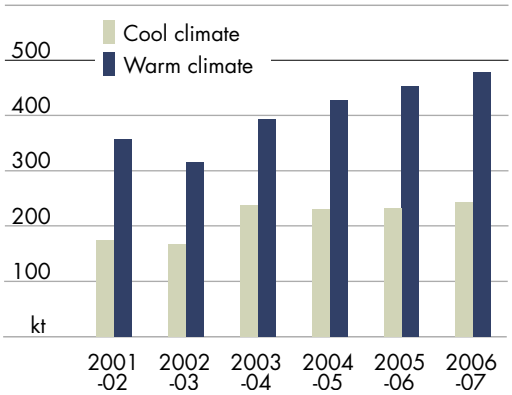
Projected production from cool and warm climate regions

By 2006-07, the proportion of wine grape production from the cool climate regions is projected to fall. This mainly reflects higher new plantings and subsequently higher growth in bearing areas in the inland warm climate regions.

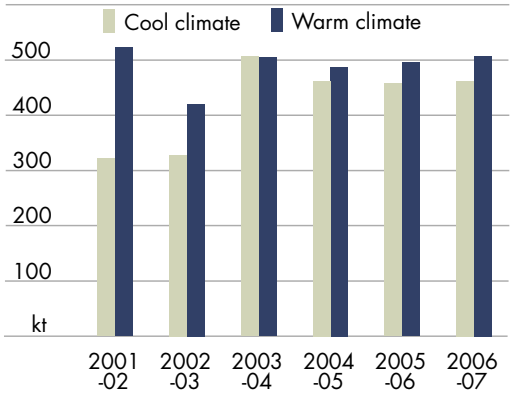
Production of premium white wine grapes is expected to drive increases in Australian production over the medium term. The majority of this growth is projected to occur in warm climate regions. By the end of the outlook period, chardonnay production in warm climate regions is projected to reach around 291 000 tonnes, an increase of 18 per cent from 2004-05 (figure J).

Production of premium red grapes in warm climate regions is projected to be over 500 000 tonnes in 2006-07, around 4 per cent higher than in 2004-05 (figure K). This projected growth over the medium term is higher than that for production of premium red grapes in cool climate regions (a rise of 2 per cent to around 467 000 tonnes by 2006-07). Bearing areas in warm climate regions are also projected to increase stronger than in the cool climate regions.

J **Premium white grape production**



K **Premium red grape production**



Estimates of production using high and low yield estimates

One of the key factors in the projection of wine grape production is the assumption of yields for each variety and region. Yields vary considerably between varieties, depending on vineyard management practices, the age structure of the vines and seasonal conditions. For example, yields of chardonnay have averaged as low as 6 tonnes a hectare in a cool climate region in a low yielding year, or as high as 23 tonnes a hectare in a warm climate region in a high yielding year. In addition, factors such as late frosts, a dry spring, wet weather, hail and sunburn can potentially cause significant yield losses.

While high and low yields are reported at the national level in this report, these yields were calculated by variety and region (see chapter 2). Bearing areas that were used to estimate production with average yields have been multiplied by historically high/low yields to present upper and lower bounds for regional wine grape production, by variety. Once again, for multipurpose and minor variety grapes, the winery intake figures were used (table 5).

Using the maximum and minimum yield from the period 1993–2004, total Australian production in 2004-05 could be as high as 2.0 million tonnes or lower than 1.6 million tonnes. As the forecast of production in 2004-05 is based on yields being average to above average, the actual vintage could be 9 per cent above the forecast tonnage, or 15 per cent below it.

For 2006-07, the high yield projection is 2.1 million tonnes, which is 10 per cent higher than the projection based on average yields. The low yield projection is just under 1.7 million tonnes, which is less than the intake in 2003-04.

5 Projected wine grape production with varying yields

	2004-05			2005-06			2006-07		
	Low	**Projected**	**High**	**Low**	**Projected**	**High**	**Low**	**Projected**	**High**
	kt	kt	kt	kt	kt	kt	kt	kt	kt
Premium white									
Chardonnay	313	367	401	339	394	434	361	423	463
Riesling	30	35	38	31	36	40	32	37	41
Semillon	86	7	110	87	101	111	88	101	113
Total	559	659	716	593	690	759	621	724	795
Nonpremium white	12	14	15	12	14	15	12	14	16
Premium red									
Cabernet sauvignon	263	310	336	265	308	340	266	309	341
Merlot	93	110	119	96	111	123	97	112	124
Shiraz	375	439	480	387	449	495	396	461	507
Total	808	950	1035	826	958	1058	838	974	1 073
Nonpremium red	34	40	44	35	40	45	36	41	46
Total wine grapes	1 565	1 834	2 004	1 625	1 879	2 081	1 667	1 933	2 134

Australian wine sales

As the demand for wine grapes is derived from consumers' demand for wine, an analysis of Australian wine sales — both domestic and export — is presented below.

The future demand for Australian wine exports will be influenced by changes in the world economic environment and the impacts of these changes on income growth in wine consuming countries. In addition, the competitiveness of Australian wine exports on global markets will in part be determined by movements in the exchange rates between the Australian dollar and the currencies of other major wine exporting countries.

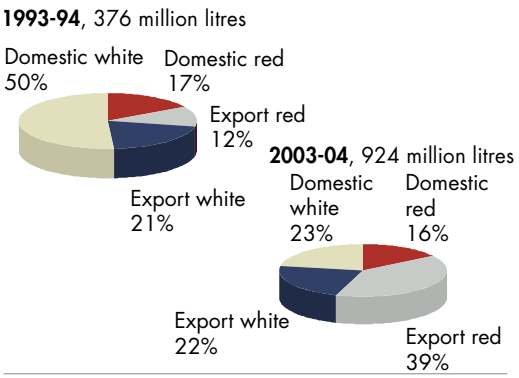
Trends in Australian wine sales

In 2003-04, the Australian wine industry reached annual sales of just under 1 billion litres — domestic sales of 417 million litres and exports of nearly 581 million litres (tables 6,7). Table wine accounted for over 92 per cent total sales. Domestic sales made up just under 40 per cent of total table wine sales in the year. This represents a significant decline from a share of around two thirds a decade earlier (figure L).

There has also been a shift in the importance between red and white wine sales in both domestic and export markets. Red wine as a proportion of table wine sales increased from around 29 per cent in 1993-94 to 55 per cent in 2003-04, with exports accounting for 39 per cent of the total red wine sales in volume terms.

Sales of Australian sparkling wine maintained steady growth to almost 44 million litres in 2003-04, an increase of 11 per cent on the previous year. Sales of Australian fortified wine grew to around 24 million litres in 2003-04. This was the second annual increase after a continual decline over the previous decade. Sales of both Australian sparkling and fortified wines are mainly dependent on domestic demand, with domestic sales accounting for 79 per cent and 89 per cent of total sales respectively.

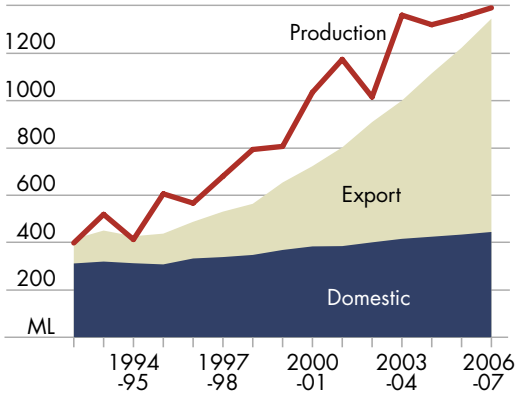
L Australian table wine sales



Despite a significant expansion in Australian wine grape production, growth in domestic sales has been modest (at an annual rate of around 3–4 per cent — figure M). Sales of Australian wine have become increasingly dependent on demand from key export markets.

In 2003-04, export sales grew by around 14 per cent in volume terms, easing from 22 per cent in the previous year. Unit values continued to fall — down 6 per cent to A$4.39 per litre.

M Production and disposal of Australian wine



Domestic wine sales

Domestic sales of Australian wine continued to grow in 2003-04 — by around 4 per cent to 417 million litres in 2003-04 (table 6). In the same year, domestic sales of Australian table wine increased by 3 per cent to 355 million litres.

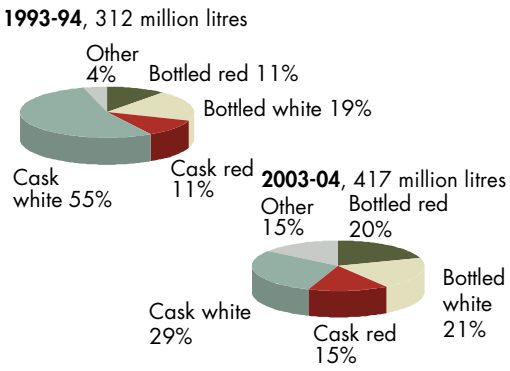
6 Australian domestic wine sales and imports, by type

	1996-97	1997-98	1998-99	1999 -2000	2000-01	2001-02	2002-03	2003-04
	ML	ML	ML	ML	ML	ML	ML	ML
Australian wine								
Table wine	268.5	276.9	287.4	307.1	324.6	329.6	344.5	355.0
Dry red and rose	83.7	87.4	99.1	114.1	125.6	130.1	142.8	147.0
Dry white and sweet	184.9	189.5	188.3	193.0	199.0	199.5	201.6	208.0
Sparkling wine	32.1	31.1	32.6	32.6	30.7	29.4	31.6	34.7
Bottle fermented	22.9	22.3	20.3	18.2	16.7	17.4	22.9	21.6
Bulk	9.2	8.8	12.3	14.4	14.0	12.0	8.6	13.1
Carbonated wine	3.4	3.2	1.4	3.5	3.3	3.1	2.8	3.5
Total unfortified wine	303.9	311.1	321.5	343.2	358.5	362.1	378.9	393.2
Total fortified wine	25.6	24.6	23.9	23.0	22.2	20.4	20.8	21.2
Vermouth and other wine	3.2	3.1	3.0	3.1	3.4	2.8	2.7	3.0
Total Australian wine	332.8	338.8	348.4	369.3	384.1	385.3	402.5	417.4
Wine imports								
Table wine	10.1	21.5	20.1	14.1	8.1	9.2	11.1	11.8
Sparkling wine	2.4	3.0	2.9	3.8	2.9	3.3	3.9	4.8
Fortified wine	0.1	0.1	0.1	0.7	0.1	0.2	0.2	0.7
Other	1.0	1.0	1.1	1.0	1.6	1.8	2.0	1.6
Total imported wine	13.6	25.6	24.3	19.6	12.8	14.5	17.1	18.8
Total wine available for consumption	346.4	364.4	372.6	388.9	396.9	399.8	419.6	436.2

In 2003-04, annual wine consumption per person in Australia reached around 21 litres, up 13 per cent on a decade earlier. Australian table wine accounted for around 81 per cent of total sales. Despite stronger growth in red wine sales since the mid 1990s, sales of white table wine accounted for around half of domestic sales in 2003-04.

Over the past decade, there has been a shift from generic white cask wines sales toward varietal red wine sales in both bottle and cask containers (figure N).

N Domestic sales of Australian table wine, by container type



Export sales

Australian wine exports continued to grow in 2003-04, albeit slower than in the previous year. For the third year in succession, volumes grew at a faster rate than value, up around 14 per cent and 6 per cent respectively. Average unit export values declined 6 per cent in 2003-04.

Australian wine exports reached a record 581 million litres in 2003-04 (valued at A$2.55 billion). Shipments of red still table wine increased by around 18 per cent in volume terms and accounted for around 78 per cent in volume and 75 per cent in value terms. Within the red still table wine category, bottled product had the largest volume and value shares — just under 50 per cent and over 60 per cent respectively.

Growth varied across the white table wine category. Bottled white wine grew by 10 per cent in volume terms and 5 per cent in value terms. Cask white wine declined in both volume and value terms, down 30 per cent and 28 per cent respectively. Bulk white wine sales were up slightly (2 per cent) to 34 million litres, with values increasing by around 11 per cent.

Increases in bulk wine shipments relative to those of bottled and cask containers reflect a shift toward sales of lower valued products. In 2003-04, the largest growth across all value segments was in the ‘popular premium’ category (A$2.50–4.99 a litre), increasing by 32 per cent. At the same time, the bulk category (less than A$2.50 a litre) continued to perform solidly, up 22 per cent from the previous year.

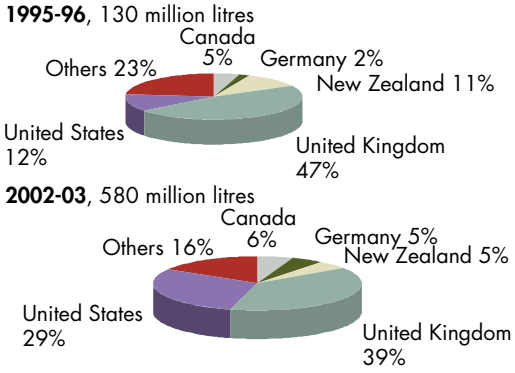
Analysis of Australian export destinations

Australian wine exports rely on a handful of overseas markets (table 7). With this concentration, export performance is vulnerable to issues such as changing barriers to trade and/or economic conditions in the major export destinations.

Over the past decade, market concentration of the five largest export markets (the United Kingdom, the United States, Canada, Germany and New Zealand) has increased from 77 per cent to around 84 per cent by volume terms (figure O).

In a number of emerging markets, such as Scandinavia and Asia, growth is from a low base and often volatile from year to year. In 2002-03, for example, value and volume growth in Australian wine exports to Denmark was around 50 per cent and 60 per cent respectively. This compares with more subdued growth in 2003-04 of 5 per cent in value and 0.1 per cent in volume. In contrast, exports to Japan posted solid growth in 2003-04, with value up 13 per cent and volume up 18 per cent. This compares with weaker growth in 2002-03 of around 6 per cent in value and 1 per cent in volume.

O Australian wine exports, by destination



7 Australian wine exports, by type and major destination

		1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04
Type									
Table wine	ML	146.1	184.5	205.9	276.1	330.5	407.6	501.2	568.7
– dry red	ML	68.8	85.5	100.0	144.0	179.9	234.0	308.8	364.0
– white	ML	77.3	99.0	105.9	132.1	150.2	173.5	192.4	204.7
Sparkling wine	ML	5.7	5.6	6.9	8.2	6.6	7.8	8.0	9.2
Fortified wine	ML	2.4	2.8	2.6	2.2	2.3	1.9	1.8	2.5
Other wine	ML	0.7	0.8	0.9	1.0	0.4	0.0	0.0	0.3
Total	ML	154.9	193.6	216.2	287.6	339.0	417.3	511.1	580.7
Value	A$m	594.3	812.7	991.2	1 352.3	1 613.9	2 000.4	2 398.6	2 552.2
Unit value	A$/L	3.84	4.20	4.58	4.70	4.76	4.79	4.69	4.39
Major destination, by value									
United Kingdom	A$m	257.1	362.2	446.5	590.4	689.8	842.6	859.5	860.3
United States	A$m	120.0	196.4	215.7	316.9	417.3	583.2	827.6	905.5
Canada	A$m	29.1	37.2	50.8	73.7	91.2	123.5	173.9	205.1
New Zealand	A$m	39.9	5.3	60.2	65.3	77.2	84.7	99.1	98.1
Germany	A$m	11.9	15.4	24.9	40.9	50.1	48.0	57.9	77.0
Ireland	A$m	18.6	23.9	27.2	37.4	40.1	42.7	39.8	49.6
Netherlands	A$m	8.1	12.2	21.3	36.2	33.9	33.4	38.5	39.3
Switzerland	A$m	11.0	15.7	19.1	28.4	30.9	30.1	35.9	24.1
Japan	A$m	12.0	27.2	25.0	29.4	29.5	30.0	31.7	35.7
Sweden	A$m	11.9	11.1	12.7	20.3	18.6	25.2	33.6	39.2
Denmark	A$m	7.6	7.7	9.8	11.2	17.6	22.2	33.4	35.2
Singapore	A$m	7.1	8.3	10.2	14.9	17.2	20.0	23.2	30.7
Hong Kong	A$m	11.2	11.4	10.3	12.6	14.5	16.9	15.0	17.9
France	A$m	1.6	3.5	3.7	3.4	11.3	14.0	12.3	16.2
Norway	A$m	7.1	8.3	9.0	10.2	10.0	9.3	9.5	8.6
Thailand	A$m	4.7	1.3	2.1	2.5	2.7	3.4	4.3	5.2
China	A$m	6.2	3.0	1.7	1.6	2.2	2.4	3.4	5.9
Rest of world	A$m	29.2	62.6	41.0	57.0	59.8	68.8	93.8	98.49

While export growth in emerging markets, especially Hong Kong, Singapore, Ireland and Sweden, has been generally significant, they constitute in total only 5 per cent of Australian wine exports. Over the short to medium term, concentration is likely to continue in the five major markets, particularly in the United States and United Kingdom.

United Kingdom

With only a small domestic industry, the United Kingdom relies on imported wine for domestic consumption. The United Kingdom is the largest export destination for Australian wine. As such, success in the United Kingdom will be a key determinant of export performance of the Australian wine industry.

In 2003-04, shipments of Australian wine to the United Kingdom increased by 8 per cent, but values remained static at around A$860 million. Average unit export values declined by 7 per cent from the previous year. Increased competition from other importers, continued retail consolidation and realignment of company inventories in response to slowing retail sales contributed to the modest performance of exports to that country in 2003-04.

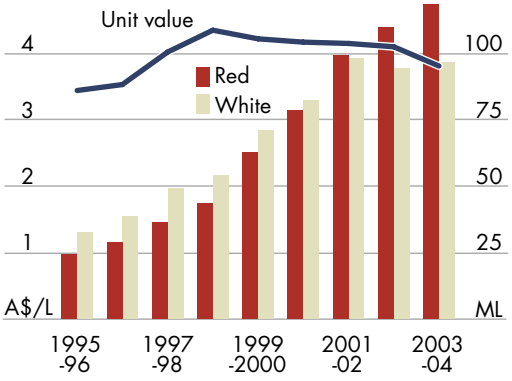
Retail consolidation in the United Kingdom has continued to intensify, with ten major retailers handling around 80 per cent of the offpremise trade (McPhee 2003). This has increased competition in the market place, with significant discounting at the retail end. In addition, import competition from 'new world' countries has been increasing in the UK market. Chilean wine now makes up around 6.3 per cent of the retail market and wine shipments from the United States to the United Kingdom are estimated to have increased by 9 per cent in 2004 to around 396 million litres (Heijbroek 2004)

Despite this, Australia continues to lead the offpremise trade (offpremise trade is 80 per cent of all wine sales in the United Kingdom). Data from AC Neilson indicate that six of the top ten wine brands in the United Kingdom are Australian — however, from there on, only five Australian brands enter the list from eleven to fifty.

Export sales to the United Kingdom have improved in 2004-05. For the second successive month (ended November 2004), the United Kingdom regained its number one status in both export volume and value terms on a moving average basis (AWEC 2004b). The United States held the number one position as the highest value destination for Australian wine for the fifteen months to September 2004.

Table wine accounted for 98 per cent of export sales to the United Kingdom in 2003-04, with 85 per cent being bottled sales. Red table wine sales continued to

P Australian table wine exports to the United Kingdom



dominate export shipments, accounting for around 54 per cent of total exports to the United Kingdom (figure P). Bulk red wine made up 11 per cent of total shipments, with volumes increasing by 26 per cent on the previous year.

Growth in bottled white table wine was moderate in 2003-04, with volumes up 5 per cent. This compares with a fall of 8 per cent in 2002-03. Bulk white wine shipments increased marginally in the year — up 2 per cent to 19 million litres.

The United Kingdom market is price sensitive, with consumers becoming increasingly discerning and expecting quality at a reasonable price. Around 90 per cent of wines are selling for less than £5, and 70 per cent for less than £4. This reflects an increasing trend toward offpremise purchases, which is not favorable for trading up to higher price points (McPhee 2003). Around 96 per cent of Australian exports to the United Kingdom were sold at prices of less than A$7.50 a litre, with more than half within the 'popular premium' range. Sales volumes declined by up to 33 per cent in the premium (A$5–10 a litre) and super premium (over A$10 a litre) categories. Lower ranges recorded growth in 2003-04, with the bulk segment experiencing the highest increase of 30 per cent on the previous year.

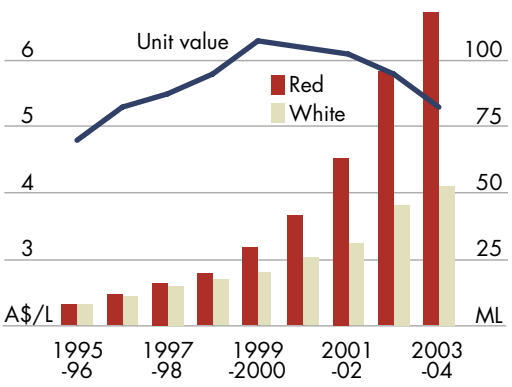
United States

In the United States, wine consumption remains relatively low compared with other producing nations. Wine consumption per person is forecast to be around 10.5 litres in 2005, the first time per person consumption will push above 10 litres (medium term growth is projected at around 3 per cent a year).

Beer continues to dominate the acholic beverage market, with consumption steady at around 82 litres per person a year. To significantly increase wine consumption in the United States, a change in consumer attitudes and an easing of offpremise restrictions to trade will be required. Many consumers in the United States still perceive wine as a luxury good. Consumption of wine is more responsive to changes in disposable incomes in the United States than in the United Kingdom or Australia.

In 2003-04, Australia was the second largest exporter of wine to the US market, shipping around 172 million litres, up 21 per cent on the previous year. In unit values terms, Australian wine exports averaged $5.27 a litre, down 10 per cent on the previous year. Some of this decline in unit export values was caused by an appreciation of the Australian dollar against the US currency.

Q Australian table wine exports to the United States



In 2003-04, still red wine sales drove growth in exports to the United States — bottled table wine remained the dominant preference of consumers, accounting for around

94 per cent of total US wine imports from Australia. Bottled red wine exports dominated the category (just under 70 per cent of shipments), increasing by 22 per cent to 112 million litres. The highest year on year increase was exports of bulk red wine, up 58 per cent to 5.5 million litres. At the same time, bulk and bottled still white wine grew strongly in volume terms, up 24 per cent and 15 per cent respectively. White still table wine made up around 30 per cent of total sales in 2003-04.

Similar to that of the United Kingdom, growth was dominated by the 'popular premium' and bulk wine segments, which accounted for around half of total exports. In the premium range, shipments declined by 15 per cent to 52 million litres.

Despite the trend moving toward lower price ranges, opportunities in the US market remain. Current low per person consumption indicates growth opportunities in the medium to longer term. Consumer studies indicate that less than a third of the drinking age population consume wine and only around 12 per cent consume wine on a weekly basis (McPhee 2003). Market penetration is expected to increase as the US wine market continues to mature. From this, Allied-domecq estimates that, over the medium term, 35 per cent of US wine consumption will be from imported products, up from 25–27 per cent over the past decade. However, with slower growth in the US economy assumed in the short term and increasing competition from European wine, significant downside risk remains in maintaining current rates of export growth and further falls in unit export values can be expected in the short term.

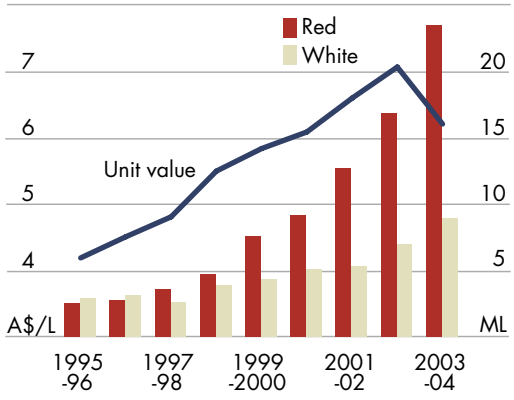
Canada

The Canadian wine market is dominated by imported wine, with just under 70 per cent of red wine coming from abroad. In 2003, Australia was the third largest exporter of wine to Canada, behind France and Italy.

In 2003-04, for the first time, Canada became the third largest market for Australian wine exports, replacing New Zealand (which fell to fifth position behind Germany). Volumes shipped reached 33 million litres, an increase of 35 per cent on the previous year. In the same year, export values increased by 18 per cent to A$205 million.

For the first time in over a decade, the average unit value of Australian wine exports to Canada fell — by around 6 per cent to A$6.20 a litre in 2003-04, from A$6.61 a litre in the previous year (figure R). This decline in unit export values reflects an increased share of bulk wine sales — bulk red wine shipments increased almost twofold, to around 3 million litres. Exports of bulk white also increased, by 79 per cent from the previous year, to account for just under 4 per cent of total exports to Canada.

R Australian table wine exports to Canada



Despite the recent decline, Canada remains the export destination with the highest average unit values for Australian wine.

Australian exports to Canada are dominated by bottled wine sales, accounting for 85 per cent of all exports in 2003-04. The majority of these were sales of bottled red wine, which increased by 29 per cent to just under 20 million litres. Bottled white wine sales amounted to less than half of bottled red wine sales in the same period, at around 7.5 million litres.

Wine exports to Canada shifted toward lower value price points in 2003-04, with export sales in the bulk segment growing by 130 per cent. The share of sales in this segment increased from 8 per cent of all exports in 2002-03 to 14 per cent in 2003-04. Despite such strong growth in lower value wines, exports continued to increase in the 'popular premium' and premium segments, up 70 per cent and 22 per cent respectively.

In 2003-04, shipments of wine in the super premium category fell by 19 per cent to 2 million litres.

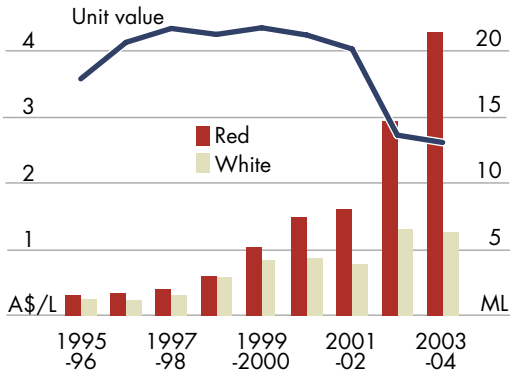
Germany

In 2003-04, Germany continued to be the world's largest importer of wine by volume and fourth largest export market for Australian wine. In Germany, Australian wines have enjoyed good brand recognition and market acceptance, although intensifying competition from old and new competitors, together with a stagnant economy, has placed unit export values under pressure in recent years.

Similar to the other major markets, growth in Australian wine exports was driven by red wine shipments, increasing by 56 per cent to slightly below 23 million litres. The majority of this growth in red wine sales occurred in bulk wine sales, increasing from 29 per cent of total sales in the previous year to 44 per cent in 2003-04.

In contrast, sales of Australian white wine declined slightly to 6.5 million litres in 2003-04. This was caused by a combination of factors, including the presence of a strong domestic industry based on white wine varieties such as riesling and gewürztraminer and unfamiliarity with Australian varieties such as semillon and sauvignon blanc.

S Australian table wine exports to Germany



Unit export values in 2003-04 declined for the fourth year in succession, by a further 4 per cent to average A$2.62 a litre (figure S). In part, this reflects the competition in the market place at both the wholesale and retail levels. In the offpremise trade, eight domestic retailers share 70 per cent of total retail sales and focus heavily on price. For example, Aldi — which holds around 30 per cent of retail offpremise sales — bargains

heavily on price and often does not want to carry a brand if stocked by a competitor (*Grape Grower and Wine Maker*, December 2004).

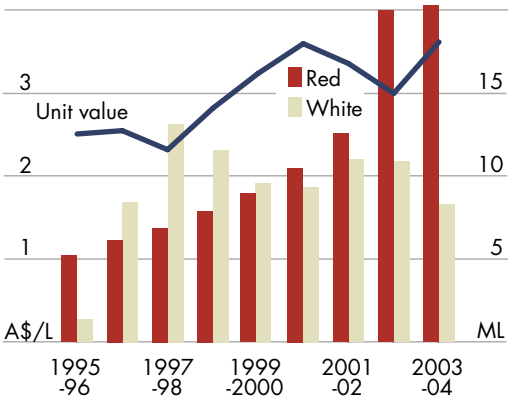
The largest growth across price points was in the equal or greater than A$10 a litre segment, increasing 45 per cent year on year. As expected, growth was also strong in the bulk and popular premium category, up 43 per cent and 40 per cent respectively.

New Zealand

In 2003-04, New Zealand was the only major export market in which unit export values rose by 20 per cent to A$3.63 a litre. Shipments ranked fifth in volume and fourth in value terms. In 2003-04, export volumes fell by 17 per cent to 27 million litres and values declined marginally to A$98 million (figure T).

Most notable was the decline in bulk wine exports, from just under half of total exports in the previous financial year to around 34 per cent in 2003-04. This decline reflected a combination of increased domestic supply (bearing areas estimated to grow on average by around 12 per cent, *NZ Statistical Annual 2004*) and increased availability of bulk wine from alternative suppliers at highly competitive prices.

T Australian table wine exports to New Zealand



This reoriented the export mix toward bottle wine products — up 8 per cent on the previous year. Red varieties made up almost 60 per cent of total bottle wine sales to New Zealand. White bottled varieties increased by 15 per cent year on year to 4.9 million litres.

In contrast to the previous year, low valued bulk wine exports fell by 43 per cent in volumes terms. Bottle wine, such as the 'popular premium' segment posted the highest growth, up 12 per cent to 11.6 million litres. While small gains occurred in the premium segment, exports of the super premium category declined.

Developing export markets

Asia continues to represent an opportunity for Australian wine exports. The growth prospects for Australian exports to Asian markets, especially China and the Republic of Korea, will depend on a number of factors, including the potential for increases in consumption per person from a large population base, rising incomes and the region's proximity to Australian suppliers.

China

The opening up of the Chinese beverage market has been met with differing success, leaving many to contemplate the risks and opportunities that such a market offers. As increased wine consumption is linked to income growth, improving living standards and changing taste preferences — China has the elements necessary to provide a long term opportunity for increasing exports of Australian wine.

Still wine sales are currently estimated to be around 180 million litres, with domestically produced wine accounting for around three quarters of total consumption. Yantai Changyu, Great Wall and Dynasty are the three largest wineries in China, with a combined market share of around 50 per cent. Most domestic wine is produced from domestic grapes blended with imported bulk wine. Wine quality has been improving as a result of Chinese wine makers adopting improved technology (Fletcher 2004). Imported wine makes up the remaining quarter of total consumption, with bulk and bottled wine accounting for 22 per cent and 2 per cent of total consumption respectively (Bedingham 2004).

Until recently, the Chinese wine market has been handicapped by regulations. However, the market may soon be opened to increased competition. Since joining the World Trade Organisation in November 2001, there has been a commitment from the Chinese Government to significantly reduce tariff levels on wine imports — currently around 65 per cent. The current tariff plus a consumption tax and value added tax make the total tax on wine around 150 per cent. By the end of 2004, tariffs were to fall from 65 per cent to 14 per cent for bottled wine and to 20 per cent for bulk wine. In addition, a more relaxed attitude to foreign direct investment may provide the impetus for new entry and expansion of major beverage partners in the Chinese market.

The Chinese Government actively discourages consumption of grain based alcohol products, citing health concerns and increasing consumption of already scarce grain resources as primary reasons. In contrast, the attributes to health and well being of modest wine consumption are well promoted. Despite such promotion, total consumption still remains low by western standards at just under a third of a litre per person a year.

Australian export volumes to China were up almost 100 per cent in 2003-04, to around 1.46 million litres. The value of exports also increased, by around 74 per cent to A$6 million. Bottled red wine accounted for over half of Australian wine exports to China, up 94 per cent to 780 400 litres. Bulk red wine made up 31 per cent of total shipments, up by 137 per cent.

Similar to other markets, volume growth was not matched by increases in value. Average unit export values declined by 12 per cent to A$4.04 a litre in 2003-04, because growth in bulk wine was a significant driver of increased shipments. Exports to China are likely to trend toward lower valued bottled and bulk wine, although market access could improve.

Republic of Korea

In contrast to China, imports make up around 67 per cent of Korea's total still wine sales (around 14 million litres). With wine consumption forecast to increase by around 11 per

cent a year over the next five years, the majority of the additional consumption is expected to be met by imports.

Korea, similar to many other emerging Asian markets, boasts a large population base of around 48 million people with relatively high per person income (around US$10 900). Wine consumption is expected to increase, especially from younger professional Koreans, as they adopt more western style diets. In addition, Korea has well established retail channels in place, such as Tesco. Supermarkets play a significant distribution role in the Korean retail sector.

France, one of the first entrants in the Korean market, continues to be the largest import supplier of still wine. In 2003, it accounted for around 40 per cent of total imports of still wine into Korea. In the same year, Australia was fifth (after the United States, Italy and Chile) at around 6 per cent of total still wine imports.

In 2003-04, Australian exports to Korea increased by 67 per cent and 69 per cent in volume and value terms respectively. Bottled wine accounted for around three quarters of all Australian shipments. In this category, bottled red wine contributed around 77 per cent of all sales. In addition, bottle red wine exhibited the highest increase, up 131 per cent (285 000 litres) in 2003-04. Dry white wine made up 27 per cent of total exports, with a relatively even mix between bottles and casks. Dry bottled white increased by nearly 60 per cent to 178 000 litres. Unit export values went against the trend in the five major markets, increasing marginally to A$5.21 a litre.

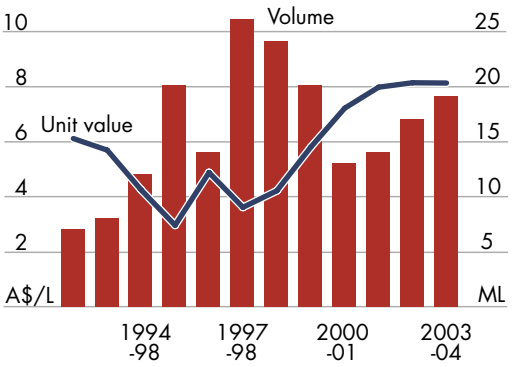
With encouraging export performance in 2003-04, it is important to recognise that such emerging markets are highly volatile and development is not without risks.

Import trends

Australia has been a net wine exporter since 1988. The volume of imported wine has been trending upward since 2000-01, attributed mostly to increased demand for white table wine (figure U).

Australian wine imports were 18.8 million litres in 2003-04, representing 4.5 per cent of domestic consumption. The value of wine imports rose by 9.5 per cent to A$153 million in the same year. Sparkling wine import shipments increased by 23 per cent, most of which was higher value French champagne, with value up 21 per cent to A$65 million. In the same year, table wine imports increased in both volume and value terms (6 per cent and 6 per cent respectively). While red table wine imports fell by over 11 per cent in volume terms, the value increased by around 7 per cent to A$29.5 million.

U Australian wine imports



New Zealand remained the largest wine exporter (by volume) to Australia in 2003-04. Imports from New Zealand were up 3 per cent in value and 14 per cent in volume terms (table 8). Table wine, accounting for around 83 per cent of all wine imports from New Zealand, increased to 4.7 million litres.

French wine captured the largest value share of Australian wine imports in 2003-04. Imports of French wine, driven by relatively expensive sparkling wine, accounted for 41 per cent of the value of total imports. Overall, the average unit value of French imports, at A$20.50 a litre, was around 14 per cent higher than in 2002-03.

Imports from Italy declined by 4 per cent in 2003-04 to just below 4.7 million litres. The value of imported Italian wine fell to A$22.5 million in 2003-04, with its share decreasing to below 15 per cent from over 18 per cent in 2002-03. Table and sparkling wine dominated imports from Italy. Italian red table wine accounted for around 70 per cent of the table wine category in 2003-04.

South Africa exported predominately bottled table wine to Australia in 2003-04, with import volumes falling by a third to 130 000 litres. The value of wine imports from South Africa declined 24 per cent in the year, resulting in an increase of 15 per cent in unit import values to A$4.23 a litre. This was the lowest among the five major importing countries.

Imports from Chile increased by 35 per cent in 2003-04 to just below 250 000 litres. Import volumes grew faster than import value, with average unit values falling to around A$3.36 a litre. Bottled wine makes up over half of all imports, with sparkling wine accounting for around 46 per cent of total imports in 2003-04.

8 Australian wine imports, by country

	2002-03			2003-04		
	Quantity	**Value**	**Unit value**	**Quantity**	**Value**	**Unit value**
	ML	A$m	$/L	ML	A$m	$/L
France	2.73	49.29	18.00	3.07	62.82	20.50
Italy	4.85	24.52	5.06	4.67	22.51	4.82
New Zealand	4.93	47.61	9.71	5.63	49.20	8.73
South Africa	0.20	0.72	3.68	0.13	0.55	4.23
Spain	0.50	2.74	5.46	0.56	2.98	5.28
Chile	0.18	0.83	4.49	0.25	0.84	3.36
All countries	17.13	139.29	8.13	18.75	152.53	8.14

wineries' planned and preferred intake of wine grapes to 2006-07

In this chapter, the planned and preferred wine grape intake by Australian wineries for all major wine grape varieties to 2006-07 is presented, including a breakdown of projected wine grape intake from winery owned vineyards.

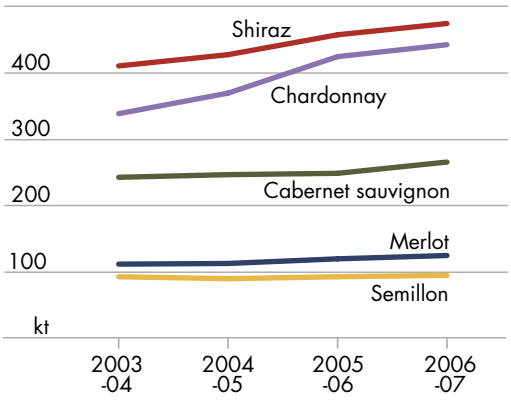
Industry estimates of planned and preferred intake of wine grapes were obtained through a census of wineries as part of the National Utilisation Project coordinated by the Australian Wine and Brandy Corporation. Data from the surveys represent wine makers' assessment of key factors that influence domestic and export demand for Australian wine as well as wine makers' contractual arrangements and expected capacity to obtain, process and market their products. These assessments may also take into account expected wine grape supply and prices. However, it is not possible to infer what impact any changes in planned intake may have on market prices.

Planned intake by wineries, 2004-05 to 2006-07

As part of the National Utilisation Project wineries were asked to provide data on their planned intake. Planned intake refers to the tonnage of grapes that wineries expect to crush or have crushed, taking into account any supply restrictions or contractual commitments, plantings and expected market purchases.

The planned intake of wineries is projected to increase by 10 per cent from 1.77 million tonnes in 2004-05 to 1.95 million tonnes in 2006-07 (table 9). The declining trend of red varietal plantings since 1999 (down a further 31 per cent on 2002 plantings) is expected to moderate in the medium term. This moderation reflects a more balanced supply–demand outlook for the Australian industry. As the supply–demand situation becomes more balanced, red wine grape prices are expected to stabilise and firm a little toward the end of the medium term. Wine makers are projecting an increase in intake of premium red varieties to 970 000 tonnes by 2006-07, with shiraz and merlot

V Planned intake of selected varieties



intake growing significantly. The intake of cabernet sauvignon is expected to remain relatively stable over the period.

Intake of premium white varieties is projected by wineries to increase by 16 per cent to 736 000 tonnes in 2006-07. Intakes of the key varieties — chardonnay, sauvignon blanc and semillon — are all projected to increase. By 2006-07, wineries expect chardonnay to account for just over 60 per cent of premium white intake (figure V). Intake of nonpremium wine grapes are expected to remain around 12 000 tonnes in 2006-07.

9 Planned wine grape intake, by variety

	Actual intake		Planned intake			Change
	2002-03	2003-04	2004-05	2005-06	2006-07	2004-05 to 2006-07
	kt	kt	kt	kt	kt	
Premium white						
Chardonnay	256	339	363	424	450	24
Chenin blanc	11	14	8	12	12	50
Colombard	58	73	82	83	80	–2
Muscadelle	1	1	1	1	1	0
Riesling	30	36	33	35	37	12
Sauvignon blanc	22	42	31	34	36	16
Semillon	81	104	89	91	92	3
Traminer	6	7	9	11	11	22
Verdelho	16	20	16	16	16	0
Total	482	636	634	707	736	16
Nonpremium white						
Crouchen	2	2	2	2	2	0
Doradillo	3	4	3	3	2	–33
Palomino	1	1	1	1	1	0
Trebbiano	6	7	6	6	6	0
Total	11	13	12	12	12	0
Premium red						
Cabernet franc	4	6	4	4	4	0
Cabernet sauvignon	239	335	294	288	296	1
Malbec	4	3	3	3	3	0
Merlot	99	129	116	123	126	9
Pinot noir	30	43	31	36	36	16
Ruby cabernet	37	34	32	31	30	–6
Shiraz	336	473	434	457	477	10
Total	748	1 022	913	941	970	6
Nonpremium red						
Grenache	19	25	25	25	25	0
Mataro	12	13	11	12	12	9
Total	31	38	36	37	37	3
Multipurpose	88	119	104	104	101	–3
Minor varieties	51	67	74	84	91	23
Total	1 411	1 895	1 773	1 885	1 946	10

Wine makers are not planning to markedly reduce intake of multipurpose varieties over the next three vintages, with a projected intake of around 101 000 tonnes in 2006-07.

Preferred intake by wineries, 2003-04 to 2006-07

Wineries were also asked to provide data on their preferred intake at the same time as the planned intake. Preferred intake reflects what wineries would have preferred to take in to meet projected growth in sales, taking into consideration restrictions in the supply of

10 Preferred wine grape intake, by variety

	Preferred intake				Change 2003-04 to 2005-06
	2003-04	2004-05	2005-06	2006-07	
	kt	kt	kt	kt	%
Premium white					
Chardonnay	338	369	424	442	30
Chenin blanc	9	7	11	11	22
Colombard	73	74	76	76	4
Muscadelle	1	1	1	1	0
Riesling	32	33	35	37	16
Sauvignon blanc	34	34	37	39	15
Semillon	92	89	92	94	2
Traminer	7	9	12	12	71
Verdelho	16	17	17	17	6
Total	602	634	704	729	21
Nonpremium white					
Crouchen	2	2	2	2	0
Doradillo	2	2	2	2	0
Palomino	1	1	1	1	0
Trebbiano	6	6	6	6	0
Total	11	11	11	11	0
Premium red					
Cabernet franc	2	2	2	2	0
Cabernet sauvignon	242	246	248	265	10
Malbec	2	2	2	2	0
Merlot	111	112	119	124	12
Pinot noir	39	34	39	38	–2
Ruby cabernet	20	20	22	18	–10
Shiraz	410	427	457	474	16
Total	828	843	888	923	12
Nonpremium red					
Grenache	20	22	23	23	15
Mataro	7	7	8	8	14
Total	27	29	31	31	15
Multipurpose	119	80	81	79	–34
Minor varieties	60	79	87	91	52
Total	1 647	1 675	1 801	1 863	13

capital equipment and inventory expansion. Preferred intake is what wineries would like to take in if they were not affected by weather or contract commitments, but it does not take into account possible grape supply restrictions or abundance.

In 2003-04, wineries' preferred intake was 1.65 million tonnes, 13 per cent below the estimated intake of 1.9 million tonnes (table 11). Over the medium term, wineries appear to prefer a slightly lower tonnage of grapes than they expect to receive. Preferred remains less than planned intake in 2006-07 for cabernet sauvignon (10 per cent), nonpremium reds (16 per cent) and multipurpose (22 per cent).

Wineries' preferences for significantly lower than expected tonnages of wine grapes in 2003-04 are an acknowledgment of supply–demand imbalances, especially in cool climate red wine grapes varieties. In 2004-05, planned intake of cool climate red wine grapes (particularly cabernet sauvignon) is just under 15 per cent above the preferences indicated by wineries. Planned intake of red wine grapes in warm climate regions is around 2.5 per cent above indicated preferences in the same year.

Over the medium term, planned intake in the warm climate regions is around 2 per cent higher than winery preferences. In the cool climate regions, the difference between preferred and planned intake is just under 4 per cent in 2006-07 (cabernet sauvignon remaining 8 per cent above preferences).

11 Comparison of planned and preferred winery intake

	2003-04			2004-05			2006-07		
	Actual	**Preferred**	**Difference**	**Planned**	**Preferred**	**Difference**	**Planned**	**Preferred**	**Difference**
	kt	kt	%	kt	kt	%	kt	kt	%
Premium white									
Chardonnay	339	338	–0.2	363	369	2	450	442	–2
Semillon	104	92	–12	89	89	0	92	94	2
Riesling	36	32	–11	33	33	0	37	37	0
Total	636	602	–5	634	634	0	736	729	–1
Nonpremium white	13	11	–15	12	11	–8	12	11	–8
Premium red									
Cabernet sauvignon	335	242	–28	294	246	–16	296	265	–10
Merlot	129	111	–14	116	112	–3	126	124	–2
Shiraz	473	410	–13	434	427	–2	477	474	–1
Total	1 022	828	–19	913	843	–8	970	923	–5
Nonpremium red	38	27	–29	36	29	–19	37	31	–16
Multipurpose	119	119	0	104	80	–23	101	79	–22
Total	1 895	1 647	–13	1 895	1 675	–12	1 946	1 863	–4

Source of wine grape intake

In 2003-04, wineries sourced 24 per cent of wine grapes from wineries' own vineyards. This was lower than a recent high of 26 per cent recorded in 2000-01, but up 4 percentage points on the 2002-03 vintage (table 12).

Wineries produced around 26 per cent of their own premium wine grapes in 2003-04, up from 23 per cent in the previous year. Of the key varieties, wineries sourced 30 per cent or under from their own vineyards. Riesling was the exception, with just over half sourced from nonwinery owned vineyards.

Multipurpose fruit continued to be sourced almost exclusively from nonwinery vineyards.

12 Wine grapes sourced from winery vineyards as a share of total grape crush, by category

	1996-97	1997-98	1998-99	1999 -2000	2000-01	2001-02	2002-03	2003-04
	%	%	%	%	%	%	%	%
Premium white	30	28	25	25	30	23	23	26
Nonpremium white	17	17	17	19	25	21	16	20
Premium red	30	32	27	24	27	21	21	25
Nonpremium red	15	14	11	12	14	11	11	15
Multipurpose	3	2	2	3	2	1	4	3
Minor varieties	26	27	24	28	32	26	25	26
Total all grapes	22	23	21	21	26	20	20	24

wine grape production, by variety and region

Estimated intake by region was calculated by apportioning total intake for each state in 2003-04 across the regions in that state, based on production levels in 2003.

Regions covered in this study

The regions used in this study, with the exception of Western Australia, are the composition of Statistical Local Areas as defined by the Australian Bureau of Statistics. Western Australia is reported as just one region.

South Australia

The seven regions used in this report differ from those used by the Phylloxera and Grape Industry Board of South Australia. The seven regions adopted in South Australia correspond to the ABS and Phylloxera Board districts as follows.

- Barossa: Barossa and Eden Valley
- Central: McLaren Vale, Adelaide Hills, Adelaide Plains, Langhorne Creek and Fleurieu zone (other)
- Northern: Clare Valley, and South Australia Other
- South East: Padthaway, Coonawarra, Wrattonbully and Limestone Coast zone (other)
- North Murray, South Murray and Waikerie–Riverland

Victoria

- Murray Valley (Kerang–Swan Hill) comprises the local government areas of the Rural City of Swan Hill, while the Shire of Gannawarra Murray Valley (Mildura) comprises the local government areas of the Rural City of Mildura
- Rest of Victoria

New South Wales

- Hunter Valley comprises the local government areas of Cessnock, Muswellbrook, Scone and Singleton
- Murrumbidgee Irrigation Area (MIA) comprises the local government areas of Leeton and Griffith

- Murray Valley (New South Wales) comprises the local government areas of Wakool, Balranald and Wentworth
- Rest of New South Wales

Western Australia

- Comprises the state of Western Australia

13 Wine grape production in the Barossa district of South Australia

	Estimated intake	Projected production		
	2003-04	2004-05	2005-06	2006-07
	t	t	t	t
Premium white				
Chardonnay	8 424	8 445	9 271	9 872
Chenin blanc	505	644	650	661
Colombard	12	36	37	37
Muscadelle	193	270	273	273
Riesling	7 432	6 122	6 753	6 863
Sauvignon blanc	1 510	2 178	2 199	2 248
Semillon	9 281	8 851	9 008	9 020
Traminer	298	189	214	232
Verdelho	52	48	49	49
Total	27 706	26 783	28 454	29 254
Nonpremium white				
Crouchen	5	5	14	
Doradillo	9	21	21	32
Palomino	90	139	140	140
Trebbiano	9	12	12	12
Total	108	178	179	199
Premium red				
Cabernet franc	350	689	705	705
Cabernet sauvignon	11 212	12 294	12 746	12 789
Malbec	131	130	131	131
Merlot	3 012	2 945	3 212	3 329
Pinot noir	1 348	1 816	1 843	1 864
Ruby cabernet	85	86	86	
Shiraz	35 304	31 104	33 135	33 658
Total	51 357	49 062	51 858	52 562
Nonpremium red				
Grenache	4 827	4 811	5 127	5 157
Mataro	962	922	947	980
Total	5 789	5 733	6 075	6 137
Multipurpose	64			
Minor varieties	1 932	2 139	2 328	2 486
Total	86 892	83 960	88 894	90 639

14 Wine grape production in the Central district of South Australia

	Estimated intake	Projected production		
	2003-04	2004-05	2005-06	2006-07
	t	t	t	t
Premium white				
Chardonnay	23 345	19 954	22 708	23 924
Chenin blanc	505	470	496	496
Colombard	172	153	170	227
Muscadelle	2			
Riesling	3 127	3 624	3 806	3 866
Sauvignon blanc	9 246	5 024	5 231	5 396
Semillon	4 726	3 985	3 999	4 038
Traminer	191	112	131	131
Verdelho	1 082	1 023	1 040	1 040
Total	42 397	34 344	37 583	39 118
Nonpremium white				
Crouchen	19	19	19	
Doradillo	12	16	16	16
Palomino	9	17	17	17
Trebbiano				
Total	21	51	51	51
Premium red				
Cabernet franc	591	719	723	723
Cabernet sauvignon	42 053	40 899	41 397	41 656
Malbec	356	714	707	707
Merlot	11 301	7 768	8 318	8 478
Pinot noir	9 641	5 296	5 332	5 397
Ruby cabernet	26			
Shiraz	64 290	56 387	57 930	58 631
Total	128 259	111 784	114 406	115 592
Nonpremium red				
Grenache	5 561	6 840	6 785	6 785
Mataro	326	432	428	438
Total	5 887	7 272	7 213	7 224
Multipurpose	26	57	25	25
Minor varieties	5 358	5 388	5 655	5 732
Total	181 948	158 897	164 933	167 743

15 Wine grape production in the Northern district of South Australia

	Estimated intake	Projected production		
	2003-04	2004-05	2005-06	2006-07
	t	t	t	t
Premium white				
Chardonnay	3 252	2 816	2 972	2 988
Chenin blanc	112	17	18	18
Colombard	111			
Muscadelle	19	16	17	17
Riesling	5 445	4 619	5 140	5 627
Sauvignon blanc	315	340	354	364
Semillon	1 742	1 695	1 770	1 770
Traminer	173	105	185	185
Verdelho	17	22	23	23
Total	11 187	9 631	10 479	10 992
Nonpremium white				
Crouchen	75	38	39	39
Doradillo				
Palomino	146			
Trebbiano				
Total	221	38	39	39
Premium red				
Cabernet franc	142	259	270	270
Cabernet sauvignon	7 739	6 665	6 938	6 955
Malbec	380	402	418	423
Merlot	2 488	1 478	1 588	1 594
Pinot noir	142	216	224	224
Ruby cabernet	68	109	114	114
Shiraz	15 019	12 085	12 747	12 837
Total	25 977	21 215	22 297	22 417
Nonpremium red				
Grenache	505	646	688	697
Mataro	90	192	227	227
Total	595	838	916	924
Multipurpose	78	8	8	8
Minor varieties	760	1 226	1 324	1 516
Total	38 818	32 957	35 064	35 895

16 Wine grape production in the South East district of South Australia

	Estimated intake	Projected production		
	2003-04	2004-05	2005-06	2006-07
	t	t	t	t
Premium white				
Chardonnay	25 584	17 207	18 221	19 600
Chenin blanc				
Colombard				
Muscadelle	24	23	23	
Riesling	4 467	4 747	4 622	4 736
Sauvignon blanc	3 342	2 307	2 247	2 314
Semillon	2 203	1 443	1 405	1 405
Traminer	431	277	269	269
Verdelho	590	482	469	469
Total	36 616	26 487	27 257	28 817
Nonpremium white				
Crouchen				
Doradillo				
Palomino				
Trebbiano				
Total				
Premium red				
Cabernet franc	1 676	1 781	1 734	1 734
Cabernet sauvignon	71 249	45 699	44 844	45 233
Malbec	770	1 128	1 099	1 099
Merlot	13 919	10 071	9 897	9 975
Pinot noir	4 627	3 568	3 608	3 608
Ruby Cabernet	32			
Shiraz	40 628	31 716	31 951	32 523
Total	132 902	93 964	93 133	94 172
Nonpremium red				
Grenache	13			
Mataro	822	1 687	1 643	1 643
Total	835	1 687	1 643	1 643
Multipurpose				
Minor varieties	2 061	1 868	1 939	2 187
Total	172 415	124 006	123 970	126 818

17 Wine grape production in the North Murray district of South Australia

	Estimated intake	Projected production		
	2003-04	2004-05	2005-06	2006-07
	t	t	t	t
Premium white				
Chardonnay	32 884	40 138	43 465	46 406
Chenin blanc	2 200	2 302	2 361	2 387
Colombard	16 311	14 862	17 175	17 705
Muscadelle	50	94	95	95
Riesling	1 215	1 358	1 445	1 445
Sauvignon blanc	1 087	1 195	1 213	1 213
Semillon	2 844	2 509	2 546	2 573
Traminer	693	572	589	622
Verdelho	631	768	805	805
Total	57 915	63 798	69 695	73 251
Nonpremium white				
Crouchen	89	89	89	
Doradillo	1 559	1 055	1 065	1 065
Palomino	316	516	521	521
Trebbiano	156	303	306	306
Total	2 100	1 963	1 982	1 982
Premium red				
Cabernet franc	105	242	245	245
Cabernet sauvignon	45 378	43 236	43 834	44 015
Malbec	693	876	898	911
Merlot	10 183	9 327	9 469	9 521
Pinot noir	3 683	3 443	3 476	3 476
Ruby cabernet	6 700	7 355	7 501	7 575
Shiraz	65 667	61 296	63 034	64 182
Total	132 410	125 776	128 455	129 925
Non premium red				
Grenache	5 629	5 659	5 732	5 750
Mataro	5 656	5 461	5 546	5 577
Total	11 285	11 121	11 278	11 328
Multipurpose	14 198	14 164	14 262	13 472
Minor varieties	8 181	6 667	6 963	7 195
Total	226 088	223 490	232 635	237 153

18 Wine grape production in the South Murray district of South Australia

	Estimated intake	Projected production		
	2003-04	2004-05	2005-06	2006-07
	t	t	t	t
Premium white				
Chardonnay	19 251	24 403	26 164	27 691
Chenin blanc	1 365	1 545	1 560	1 560
Colombard	6 287	6 212	6 858	6 858
Muscadelle	109	132	133	133
Riesling	279	335	338	338
Sauvignon blanc	737	800	808	898
Semillon	5 161	3 917	3 955	3 955
Traminer	8	91	92	92
Verdelho	1 455	1 434	1 551	1 551
Total	34 651	38 869	41 459	43 076
Nonpremium white				
Crouchen	99	100	100	
Doradillo	555	391	394	394
Palomino	31	57	57	57
Trebbiano	25	71	72	72
Total	685	618	624	624
Premium red				
Cabernet franc	63	111	112	112
Cabernet sauvignon	12 484	13 684	13 816	13 816
Malbec	123	97	97	97
Merlot	8 324	6 634	6 844	6 989
Pinot noir	325	748	773	790
Ruby cabernet	4 485	5 475	5 622	5 716
Shiraz	23 936	25 340	26 149	26 714
Total	49 740	52 090	53 413	54 236
Nonpremium red				
Grenache	2 403	2 638	2 664	2 664
Mataro	1 591	1 696	1 712	1 712
Total	3 994	4 334	4 376	4 376
Multipurpose	9 137	9 528	9 593	9 063
Minor varieties	8 579	8 624	8 841	8 974
Total	106 786	114 063	118 306	120 348

19 Wine grape production in the Waikerie–Lower Murray district of South Australia

	Estimated intake	Projected production		
	2003-04	2004-05	2005-06	2006-07
	t	t	t	t
Premium white				
Chardonnay	23 553	23 968	26 557	28 916
Chenin blanc	2 059	2 055	2 107	2 140
Colombard	6 503	6 420	7 005	7 064
Muscadelle	149	184	186	186
Riesling	2 500	2 734	2 770	2 912
Sauvignon blanc	1 919	2 861	2 932	3 266
Semillon	3 114	2 735	2 762	2 762
Traminer	933	655	661	661
Verdelho	321	334	338	338
Total	41 051	41 946	45 317	48 244
Nonpremium white				
Crouchen	86	87	87	
Doradillo	754	588	594	594
Palomino	186	322	325	325
Trebbiano	73	161	163	163
Total	1 070	1 157	1 168	1 168
Premium red				
Cabernet franc	26	52	53	53
Cabernet sauvignon	12 735	13 563	13 711	13 728
Malbec	60	205	207	207
Merlot	5 974	4 930	5 189	5 401
Pinot noir	1 410	768	775	775
Ruby cabernet	3 805	4 632	4 677	4 677
Shiraz	23 756	23 582	24 270	24 731
Total	47 766	47 733	48 882	49 572
Nonpremium red				
Grenache	1 676	1 745	1 778	1 794
Mataro	532	522	544	561
Total	2 208	2 267	2 322	2 354
Multipurpose	10 909	7 399	7 450	7 038
Minor varieties	4 242	5 344	5 433	5 471
Total	107 246	105 846	110 572	113 847

20 Wine grape production in the Riverland district of South Australia

	Estimated intake	Projected production		
	2003-04	2004-05	2005-06	2006-07
	t	t	t	t
Premium white				
Chardonnay	75 688	88 508	96 186	103 013
Chenin blanc	5 624	5 903	6 029	6 087
Colombard	29 102	27 494	31 039	31 627
Muscadelle	308	410	414	414
Riesling	3 994	4 426	4 553	4 695
Sauvignon blanc	3 742	4 856	4 953	5 377
Semillon	11 119	9 161	9 263	9 290
Traminer	1 634	1 317	1 342	1 375
Verdelho	2 407	2 536	2 693	2 693
Total	133 617	144 613	156 472	164 571
Nonpremium white				
Crouchen	273	276	276	
Doradillo	2 868	2 033	2 053	2 053
Palomino	532	895	904	904
Trebbiano	253	536	541	541
Total	3 856	3 738	3 774	3 774
Premium red				
Cabernet franc	193	405	409	409
Cabernet sauvignon	70 597	70 484	71 360	71 559
Malbec	877	1 178	1 202	1 216
Merlot	24 481	20 892	21 502	21 911
Pinot noir	5 419	4 959	5 024	5 042
Ruby cabernet	14 990	17 463	17 799	17 968
Shiraz	113 360	110 219	113 453	115 627
Total	229 916	225 599	230 750	233 732
Nonpremium red				
Grenache	9 708	10 043	10 173	10 207
Mataro	7 778	7 679	7 802	7 850
Total	17 486	17 722	17 975	18 058
Multipurpose	34 243	31 091	31 305	29 573
Minor varieties	21 002	20 635	21 237	21 640
Total	440 121	443 399	461 514	471 347

21 Wine grape production in South Australia

	Estimated intake	Projected production		
	2003-04	2004-05	2005-06	2006-07
	t	t	t	t
Premium white				
Chardonnay	138 892	136 931	149 358	159 396
Chenin blanc	6 875	7 034	7 193	7 263
Colombard	29 957	27 684	31 246	31 891
Muscadelle	531	720	727	727
Riesling	24 931	23 538	24 874	25 786
Sauvignon blanc	18 501	14 706	14 985	15 698
Semillon	29 627	25 135	25 445	25 524
Traminer	2 779	2 000	2 141	2 192
Verdelho	4 227	4 111	4 275	4 275
Total	256 321	241 859	260 244	272 752
Nonpremium white				
Crouchen	283	336	340	349
Doradillo	2 944	2 070	2 090	2 101
Palomino	792	1 051	1 060	1 060
Trebbiano	267	549	554	554
Total	4 286	4 005	4 044	4 063
Premium red				
Cabernet franc	3 008	3 854	3 841	3 841
Cabernet sauvignon	206 719	176 041	177 284	178 193
Malbec	2 562	3 552	3 557	3 576
Merlot	56 254	43 154	44 518	45 286
Pinot noir	21 581	15 854	16 031	16 135
Ruby cabernet	15 404	17 657	17 999	18 167
Shiraz	273 724	241 512	249 215	253 277
Total	579 252	501 624	512 444	518 475
Nonpremium red				
Grenache	21 006	22 341	22 774	22 847
Mataro	10 168	10 912	11 047	11 139
Total	31 174	33 252	33 821	33 985
Multipurpose	35 002	31 221	31 338	29 606
Minor varieties	31 707	31 257	32 482	33 562
Total	937 742	843 218	874 374	892 443

22 Wine grape production in Murray Valley (Kerang–Swan Hill) district of Victoria

	Estimated intake	Projected production		
	2003-04	2004-05	2005-06	2006-07
	t	t	t	t
Premium white				
Chardonnay	10 735	15 769	18 665	21 257
Chenin blanc	1 181	1 296	1 345	1 345
Colombard	3 468	3 431	3 528	3 560
Muscadelle				
Riesling	728	725	739	808
Sauvignon blanc	1 077	939	957	957
Semillon	1 249	1 040	1 085	1 085
Traminer				
Verdelho	1 016	657	802	802
Total	19 455	23 857	27 121	29 814
Nonpremium white				
Crouchen	1 696	1 645	1 723	1 769
Doradillo	44	60	61	61
Palomino				
Trebbiano				
Total	1 740	1 705	1 784	1 830
Premium red				
Cabernet franc		184	188	188
Cabernet sauvignon	5 685	7 626	7 773	7 773
Malbec	84	64	66	66
Merlot	3 954	3 292	3 546	3 736
Pinot noir	457	297	303	303
Ruby cabernet	1 242	2 675	2 726	2 726
Shiraz	12 003	13 234	13 756	14 024
Total	23 425	27 372	28 357	28 815
Nonpremium red				
Grenache	820	737	751	751
Mataro	228	405	430	446
Total	1 048	1 142	1 181	1 198
Multipurpose	18 295	11 104	11 027	10 826
Minor varieties	4 248	7 198	8 270	9 203
Total	68 212	72 380	77 739	81 685

23 Wine grape production in Murray Valley (Mildura) district of Victoria

	Estimated intake	Projected production		
	2003-04	2004-05	2005-06	2006-07
	t	t	t	t
Premium white				
Chardonnay	57 802	65 355	73 436	80 260
Chenin blanc	497	552	621	621
Colombard	17 271	17 463	18 943	19 444
Muscadelle				
Riesling	1 546	1 418	1 445	1 445
Sauvignon blanc	2 393	2 318	2 363	2 498
Semillon	8 906	9 642	9 828	9 828
Traminer	172	14	14	14
Verdelho				
Total	88 587	96 762	106 650	114 111
Nonpremium white				
Crouchen	140	138	140	140
Doradillo	325	399	407	407
Palomino		146	148	148
Trebbiano				
Total	465	682	695	695
Premium red				
Cabernet franc		300	306	306
Cabernet sauvignon	27 376	31 077	31 805	31 936
Malbec				
Merlot	18 559	16 734	17 121	17 186
Pinot noir	1 787	1 053	1 073	1 073
Ruby cabernet	3 396	6 987	7 156	7 191
Shiraz	31 418	32 261	34 737	36 593
Total	82 537	88 413	92 199	94 284
Nonpremium red				
Grenache	268	352	359	359
Mataro	97	185	189	189
Total	365	538	548	548
Multipurpose	43 242	33 944	33 708	33 095
Minor varieties	4 398	10 211	13 533	16 659
Total	219 594	230 550	247 333	259 392

24 Wine grape production in the Rest of Victoria

	Estimated intake	Projected production		
	2003-04	2004-05	2005-06	2006-07
	t	t	t	t
Premium white				
Chardonnay	15 730	17 314	17 763	18 843
Chenin blanc	94	255	246	246
Colombard	83	269	259	259
Muscadelle	516	316	314	314
Riesling	910	2 047	1 986	2 006
Sauvignon blanc	4 891	5 420	5 311	5 421
Semillon	917	859	879	948
Traminer	63	163	173	184
Verdelho	378	480	469	469
Total	23 582	27 123	27 400	28 690
Nonpremium white				
Crouchen		12	12	12
Doradillo		119	114	114
Palomino	7	37	36	36
Trebbiano	92	220	212	212
Total	99	389	374	374
Premium red				
Cabernet franc	241	693	674	697
Cabernet sauvignon	13 788	17 076	16 585	16 627
Malbec	155	412	397	450
Merlot	6 035	8 351	8 291	8 393
Pinot noir	12 405	11 423	11 267	11 384
Ruby cabernet	131	285	274	274
Shiraz	20 096	23 851	23 308	23 907
Total	52 852	62 090	60 796	61 732
Nonpremium red				
Grenache	101	231	376	413
Mataro	133	252	330	362
Total	234	483	706	775
Multipurpose				
Minor varieties	5 510	6 307	6 840	7 307
Total	82 277	96 392	96 116	98 878

25 Wine grape production in Victoria

	Estimated intake	Projected production		
	2003-04	2004-05	2005-06	2006-07
	t	t	t	t
Premium white				
Chardonnay	84 268	98 438	109 864	120 360
Chenin blanc	1 772	2 103	2 212	2 212
Colombard	20 822	21 163	22 731	23 263
Muscadelle	516	316	314	314
Riesling	3 184	4 190	4 170	4 260
Sauvignon blanc	8 360	8 677	8 631	8 876
Semillon	11 073	11 542	11 791	11 861
Traminer	234	177	187	198
Verdelho	1 394	1 137	1 271	1 271
Total	131 624	147 743	161 171	172 614
Nonpremium white				
Crouchen	1 836	1 795	1 875	1 921
Doradillo	369	578	583	583
Palomino	7	183	184	184
Trebbiano	92	220	212	212
Total	2 303	2 776	2 854	2 900
Premium red				
Cabernet franc	241	1 177	1 168	1 190
Cabernet sauvignon	46 850	55 780	56 163	56 335
Malbec	239	476	462	516
Merlot	28 548	28 377	28 957	29 314
Pinot noir	14 650	12 773	12 643	12 761
Ruby cabernet	4 769	9 947	10 156	10 191
Shiraz	63 517	69 346	71 802	74 524
Total	158 814	177 875	181 351	184 832
Non premium red				
Grenache	1 190	1 321	1 487	1 524
Mataro	458	842	948	997
Total	1 647	2 164	2 435	2 521
Multipurpose	61 537	45 048	44 734	43 921
Minor varieties	14 157	23 716	28 643	33 168
Total	370 083	399 322	421 189	439 955

26 Wine grape production in the Murray Valley (Victoria and New South Wales)

	Estimated intake	Projected production		
	2003-04	2004-05	2005-06	2006-07
	t	t	t	t
Premium white				
Chardonnay	98 670	117 222	130 789	142 797
Chenin blanc	1 740	1 925	2 043	2 043
Colombard	28 313	29 576	31 607	32 192
Muscadelle				
Riesling	2 598	2 401	2 442	2 511
Sauvignon blanc	4 198	4 425	4 810	5 032
Semillon	12 106	12 832	13 062	13 062
Traminer	172	14	14	14
Verdelho	1 956	986	1 131	1 131
Total	149 752	169 380	185 899	198 783
Nonpremium white				
Crouchen	1 836	1 783	1 863	1 909
Doradillo	491	650	659	659
Palomino		146	148	148
Trebbiano		29	29	29
Total	2 327	2 607	2 699	2 745
Premium red				
Cabernet franc		547	556	556
Cabernet sauvignon	51 239	57 538	58 413	58 543
Malbec	84	64	66	66
Merlot	33 549	28 990	29 631	29 886
Pinot noir	2 455	1 499	1 525	1 525
Ruby cabernet	6 867	13 616	13 836	13 871
Shiraz	64 716	68 255	72 627	76 124
Total	158 909	170 510	176 654	180 571
Nonpremium red				
Grenache	1 523	1 448	1 469	1 469
Mataro	379	799	827	844
Total	1 902	2 247	2 296	2 313
Multipurpose	78 092	57 776	57 373	56 330
Minor varieties	11 818	22 361	27 271	31 845
Total	402 801	424 882	452 192	472 587

27 Wine grape production in the Hunter Valley district of New South Wales

	Estimated intake	Projected production		
	2003-04	2004-05	2005-06	2006-07
	t	t	t	t
Premium white				
Chardonnay	13 200	13 004	12 958	12 958
Chenin blanc	3	29	28	28
Colombard	158	116	114	114
Muscadelle				
Riesling	43	73	71	71
Sauvignon blanc	919	837	821	821
Semillon	7 440	6 541	6 445	6 478
Traminer	561	410	403	409
Verdelho	3 424	3 113	3 055	3 065
Total	25 748	24 121	23 895	23 944
Nonpremium white				
Crouchen				
Doradillo				
Palomino				
Trebbiano		71	70	70
Total		71	70	70
Premium red				
Cabernet franc	73	141	139	139
Cabernet sauvignon	1 372	1 198	1 185	1 185
Malbec	9	22	21	21
Merlot	1 516	1 196	1 186	1 197
Pinot noir	457	564	559	559
Ruby cabernet	78	120	118	118
Shiraz	6 026	6 546	6 441	6 478
Total	9 531	9 787	9 649	9 697
Nonpremium red				
Grenache				
Mataro				
Total				
Multipurpose				
Minor varieties	485	1 000	999	1 016
Total	35 764	34 980	34 613	34 728

28 Wine grape production in the Murrumbidgee Irrigation Area of New South Wales

	Estimated intake	Projected production		
	2003-04	2004-05	2005-06	2006-07
	t	t	t	t
Premium white				
Chardonnay	37 970	41 814	42 050	45 221
Chenin blanc	1 045	1 173	1 091	1 091
Colombard	14 071	13 794	13 312	13 494
Muscadelle	45	53	49	49
Riesling	4 245	3 661	3 450	3 521
Sauvignon blanc	3 260	3 943	3 666	3 713
Semillon	39 835	42 414	40 642	41 245
Traminer	3 686	3 638	3 484	3 541
Verdelho	5 650	4 545	4 307	4 331
Total	109 807	115 035	112 051	116 205
Nonpremium white				
Crouchen				
Doradillo	206	305	283	283
Palomino	230	237	221	221
Trebbiano	6 117	6 675	6 206	6 206
Total	6 553	7 217	6 711	6 711
Premium red				
Cabernet franc	476	294	274	274
Cabernet sauvignon	22 738	16 362	15 254	15 294
Malbec	41	43	40	40
Merlot	15 429	11 136	10 626	10 898
Pinot noir	2 747	2 985	2 793	2 811
Ruby cabernet	11 085	8 400	7 810	7 810
Shiraz	63 173	52 155	52 005	55 515
Total	115 690	91 373	88 802	92 642
Nonpremium red				
Grenache	362	414	385	385
Mataro	2 023	1 715	1 595	1 595
Total	2 386	2 129	1 980	1 980
Multipurpose	5 720	6 092	6 596	6 596
Minor varieties	14 932	8 606	8 137	8 272
Total	255 087	230 453	224 276	232 406

29 Wine grape production in the Murray Valley district of New South Wales

	Estimated intake	Projected production		
	2003-04	2004-05	2005-06	2006-07
	t	t	t	t
Premium white				
Chardonnay	30 132	36 097	38 689	41 280
Chenin blanc	61	77	77	77
Colombard	7 574	8 682	9 136	9 189
Muscadelle				
Riesling	324	258	258	258
Sauvignon blanc	729	1 168	1 490	1 577
Semillon	1 951	2 150	2 150	2 150
Traminer				
Verdelho	939	328	328	328
Total	41 710	48 760	52 127	54 859
Nonpremium white				
Crouchen				
Doradillo	122	191	191	191
Palomino				
Trebbiano		29	29	29
Total	122	220	220	220
Premium red				
Cabernet franc		62	62	62
Cabernet sauvignon	18 177	18 834	18 834	18 834
Malbec				
Merlot	11 036	8 965	8 965	8 965
Pinot noir	210	149	149	149
Ruby cabernet	2 229	3 954	3 954	3 954
Shiraz	21 295	22 761	24 134	25 507
Total	52 947	54 725	56 098	57 472
Nonpremium red				
Grenache	434	358	358	358
Mataro	55	208	208	208
Total	489	567	567	567
Multipurpose	16 555	12 728	12 639	12 409
Minor varieties	3 171	4 952	5 468	5 984
Total	114 995	121 952	127 119	131 510

30 Wine grape production in the Rest of New South Wales

	Estimated intake	Projected production		
	2003-04	2004-05	2005-06	2006-07
	t	t	t	t
Premium white				
Chardonnay	18 467	24 815	26 714	28 222
Chenin blanc	163	96	96	96
Colombard	134	277	277	277
Muscadelle	12	12	12	
Riesling	568	897	924	930
Sauvignon blanc	2 334	3 343	3 354	3 445
Semillon	4 558	7 120	7 120	7 175
Traminer	160	375	436	436
Verdelho	1 619	1 944	1 944	1 980
Total	28 003	38 879	40 877	42 574
Nonpremium white				
Crouchen				
Doradillo	7	7	7	
Palomino	11	11	11	
Trebbiano	9	66	66	66
Total	9	85	85	85
Premium red				
Cabernet franc	649	804	804	812
Cabernet sauvignon	17 907	19 892	19 963	19 997
Malbec	159	190	190	190
Merlot	6 946	8 210	8 326	8 380
Pinot noir	1 501	2 620	2 636	2 663
Ruby cabernet	319	2 065	2 166	2 166
Shiraz	23 404	27 360	27 625	27 895
Total	50 884	61 141	61 709	62 104
Nonpremium red				
Grenache	520	281	281	288
Mataro	264	357	357	357
Total	784	638	638	645
Multipurpose				
Minor varieties	1 572	3 773	3 851	3 945
Total	81 252	104 515	107 160	109 352

31 Wine grape production in New South Wales

	Estimated intake	Projected production		
	2003-04	2004-05	2005-06	2006-07
	t	t	t	t
Premium white				
Chardonnay	99 768	115 729	120 411	127 681
Chenin blanc	1 272	1 375	1 292	1 292
Colombard	21 937	22 869	22 839	23 073
Muscadelle	45	66	62	62
Riesling	5 180	4 888	4 702	4 780
Sauvignon blanc	7 241	9 291	9 331	9 556
Semillon	53 784	58 224	56 356	57 048
Traminer	4 407	4 422	4 322	4 386
Verdelho	11 633	9 930	9 634	9 704
Total	205 268	226 795	228 950	237 582
Nonpremium white				
Crouchen	?	?	?	?
Doradillo	329	503	481	481
Palomino	230	249	232	232
Trebbiano	6 126	6 841	6 372	6 372
Total	6 684	7 593	7 085	7 085
Premium red				
Cabernet franc	1 198	1 302	1 279	1 287
Cabernet sauvignon	60 194	56 286	55 236	55 311
Malbec	208	254	250	250
Merlot	34 927	29 506	29 102	29 440
Pinot noir	4 915	6 318	6 137	6 182
Ruby cabernet	13 711	14 539	14 048	14 048
Shiraz	113 899	108 821	110 205	115 395
Total	229 052	217 027	216 258	221 914
Nonpremium red				
Grenache	1 317	1 053	1 024	1 032
Mataro	2 342	2 281	2 160	2 160
Total	3 659	3 334	3 185	3 192
Multipurpose	22 275	18 820	19 235	19 005
Minor varieties	20 160	18 331	18 455	19 216
Total	487 098	491 900	493 167	507 995

32 Wine grape production in Western Australia

	Estimated intake	Projected production		
	2003-04	2004-05	2005-06	2006-07
	t	t	t	t
Premium white				
Chardonnay	15 977	15 437	14 578	15 144
Chenin blanc	3 616	3 615	3 191	3 334
Colombard	16	30	26	26
Muscadelle	127	195	171	171
Riesling	2 729	2 294	2 056	2 056
Sauvignon blanc	7 885	10 146	9 192	10 164
Semillon	9 962	8 337	7 377	7 799
Traminer	16	29	26	26
Verdelho	2 711	2 868	2 580	2 588
Total	43 038	42 951	39 196	41 309
Nonpremium white				
Crouchen	4	4	4	
Doradillo	6	3	2	2
Palomino				
Trebbiano	26	10	9	9
Total	32	17	16	16
Premium red				
Cabernet franc	1 352	1 376	1 224	1 224
Cabernet sauvignon	20 870	21 514	19 114	19 172
Malbec	485	345	312	316
Merlot	9 248	9 003	8 102	8 142
Pinot noir	1 491	1 949	1 737	1 746
Ruby cabernet	10	5	4	4
Shiraz	21 741	19 674	17 663	17 746
Total	55 197	53 866	48 157	48 350
Nonpremium red				
Grenache	1 074	962	856	863
Mataro	22	24	21	21
Total	1 097	986	877	884
Multipurpose	165	15	15	15
Minor varieties	801	1 991	2 256	2 490
Total	100 329	99 826	90 516	93 062

33 Wine grape production in Australia

	Estimated intake	Projected production		
	2003-04	2004-05	2005-06	2006-07
	t	t	t	t
Premium white				
Chardonnay	339	367	394	423
Chenin blanc	14	14	14	14
Colombard	73	72	77	78
Muscadelle	1	1	1	1
Riesling	36	35	36	37
Sauvignon blanc	42	43	42	44
Semillon	104	103	101	102
Traminer	7	7	7	7
Verdelho	20	18	18	18
Total	636	659	690	724
Nonpremium white				
Crouchen	2	2	2	2
Doradillo	4	3	3	3
Palomino	1	1	1	1
Trebbiano	7	8	7	7
Total	13	14	14	14
Premium red				
Cabernet franc	6	8	8	8
Cabernet sauvignon	335	310	308	309
Malbec	3	5	5	5
Merlot	129	110	111	112
Pinot noir	43	37	37	37
Ruby cabernet	34	42	42	42
Shiraz	473	439	449	461
Total	1 022	950	958	974
Nonpremium red				
Grenache	25	26	26	26
Mataro	13	14	14	14
Total	38	40	40	41
Multipurpose	119	95	95	93
Minor varieties	67	75	82	88
Total	1 895	1 834	1 879	1 933

34 Wine grape production in the warm climate regions of Australia

	Production 2002-03	Estimated intake 2003-04	Difference	Projected production 2004-05	2005-06	2006-07
	t	t	%	t	t	t
Premium white						
Chardonnay	168 216	212 327	26.2	247 544	269 026	291 031
Chenin blanc	7 262	8 409	15.8	9 001	9 163	9 221
Colombard	58 105	71 486	23.0	70 865	75 959	77 314
Muscadelle	313	353	12.9	463	463	463
Riesling	11 225	10 837	–3.5	10 488	10 444	10 727
Sauvignon blanc	7 258	11 200	54.3	13 224	13 429	14 122
Semillon	49 910	63 060	26.3	64 408	62 967	63 597
Traminer	4 700	5 492	16.8	4 969	4 839	4 929
Verdelho	8 151	10 012	22.8	8 067	8 131	8 155
Total	315 141	393 176	24.8	429 028	454 421	479 559
Nonpremium white						
Crouchen	1 600	1 836	14.7	2 056	2 139	2 185
Doradillo	2 681	3 566	33.0	2 988	2 995	2 995
Palomino	996	762	–23.5	1 278	1 273	1 273
Trebbiano	5 945	6 370	7.1	7 240	6 777	6 777
Total	11 221	12 736	13.5	13 563	13 184	13 230
Premium red						
Cabernet franc	607	669	10.3	1 246	1 239	1 239
Cabernet sauvignon	123 774	144 574	16.8	144 383	145 027	145 396
Malbec	1 190	1 001	–15.9	1 284	1 307	1 321
Merlot	59 336	73 459	23.8	61 018	61 759	62 695
Pinot noir	7 286	10 621	45.8	9 443	9 343	9 378
Ruby cabernet	36 485	32 942	–9.7	39 478	39 446	39 649
Shiraz	191 008	241 249	26.3	230 629	238 085	247 267
Total	419 687	504 515	20.2	487 483	496 206	506 945
Nonpremium red						
Grenache	10 775	11 593	7.6	11 905	12 028	12 062
Mataro	10 131	10 181	0.5	10 193	10 223	10 289
Total	20 906	21 774	4.2	22 098	22 251	22 350
Multipurpose	88 173	118 055	33.9	94 959	95 274	92 499
Minor varieties	36 876	47 752	29.5	51 603	56 644	61 757
Total	891 994	1 098 009	23.0	1 098 734	1 137 981	1 176 340

35 Wine grape production in the cool climate regions of Australia

	Production 2002-03	Estimated intake 2003-04	Difference	Projected production		
				2004-05	2005-06	2006-07
	t	t	%	t	t	t
Premium white						
Chardonnay	87 866	123 979	41	118 992	125 185	131 551
Chenin blanc	3 813	4 998	31	5 126	4 725	4 879
Colombard	390	685	76	881	882	939
Muscadelle	678	856	26	834	811	811
Riesling	18 835	24 721	31	24 422	25 358	26 155
Sauvignon blanc	14 981	30 441	103	29 595	28 709	30 172
Semillon	30 639	40 831	33	38 830	38 003	38 634
Traminer	1 164	1 893	63	1 660	1 838	1 872
Verdelho	8 221	9 874	20	9 980	9 628	9 683
Total	166 587	238 278	43	230 320	235 140	244 698
Nonpremium white						
Crouchen	41	75	83	79	79	88
Doradillo	11	28	150	166	161	172
Palomino	37	252	580	204	204	204
Trebbiano	114	135	18	380	369	369
Total	203	489	141	829	814	834
Premium red						
Cabernet franc	3 363	5 073	51	6 463	6 272	6 303
Cabernet sauvignon	115 140	186 191	62	165 238	162 772	163 615
Malbec	2 431	2 445	1	3 342	3 274	3 337
Merlot	39 454	54 464	38	49 022	48 920	49 487
Pinot noir	22 465	31 612	41	27 451	27 206	27 446
Ruby cabernet	442	663	50	2 670	2 761	2 761
Shiraz	144 959	226 510	56	208 723	210 799	213 676
Total	328 255	506 959	54	462 909	462 005	466 626
Nonpremium red						
Grenache	8 518	12 601	48	13 772	14 114	14 203
Mataro	1 649	2 619	59	3 866	3 953	4 028
Total	10 167	15 220	50	17 638	18 067	18 231
Multipurpose	47	269	472	145	48	48
Minor varieties	14 079	18 479	31	23 693	25 192	26 679
Total	519 362	779 694	50	735 533	741 266	757 115

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