

From: Sue Murphy **On Behalf Of** Jim Moularadellis
Sent: Friday, 10 February 2012 9:51 AM
To: Bulk Wine Availability (sue.murphy@austwine.net.au)
Subject: Mid-Vintage Update

Hi Everybody,

Here is a short Mid-Vintage update from Australia:

After two short vintages bulk stocks of South East Australian wines are now very limited. Supply of good quality wine from the three main red grape varieties Shiraz, Cabernet Sauvignon & Merlot are virtually exhausted and supply of Chardonnay is also almost exhausted.

Low levels of bulk wine inventory on the eve of harvest has driven good demand for 2012 grapes from the inland regions of Griffith, Murray Darling and Riverland. Wineries and brand owners have been looking to replenish stocks of good quality, commercially priced beverage wine after the very difficult and very wet 2011 vintage. Most grape growers have had a number of offers for their fruit and this year's market for wine grapes has been closer to balance: The current outlook is that a super-sized 2012 harvest appears unlikely.

The harvest started 2-3 weeks early in the inland irrigated areas. Chardonnay is the main variety being crushed at present and crops look average. The Sauvignon Blanc harvest has also commenced in the inland regions and tonnages picked for this variety are generally below average.

Regional wines are less scarce and specific varietals and appellations remain in oversupply – for example Western Australian, Adelaide Hills and other excellent regions for Sauvignon Blanc continue to suffer from continued high levels of imports of this variety from Marlborough. Furthermore, regional appellations have not experienced the proportion of vineyard removals of the inland irrigated areas.

After quite a wet winter it has been a dry, cool summer so far - almost perfect growing conditions for grapes. Very, VERY different to the conditions experienced last year and winemakers are pretty excited about the quality prospects for their 2012 wines.

But further north in the Australian tropics it has been very wet again this year. There is flooding in Queensland at the time that Europe is experiencing cold weather extremes. The tropical weather patterns that wreaked havoc on Australia last year have not been as strong as this year, so they have generally not reached into most of the temperate grape growing regions. Yet.

Over the next 12 months I expect prices for South East Australian bulk wine to firm by A\$0.10-0.20 per litre, reflective of higher grape prices paid by wineries this season. But more will be known after the harvest finishes. In the meantime Australian winemakers and grape growers will pray for continued good weather until the harvest is over.

Best regards,
Jim

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2011: Celebrating 500 million litres of bulk wine transactions

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