

Riverina Winegrape Industry Report 2016

The 2016 Vintage for the Riverina harvested approximately 304,870 tonnes of winegrapes. 176,000 tonnes of white winegrapes and 128,000 of red varieties. The crush was down by 4% on the prior year with varieties such as Pinot Gris and Shiraz accounting for the majority decline.

Reported weighted average prices for winegrapes is showing a welcomed recovery for growers returns but the figures hide an ongoing concern that 40% of the purchased winegrapes in the region are being sold for less than \$300 per tonne. Prices below \$300 are not sustainable in the short term and there are real concerns that growers are going to continue to be forced out the industry despite growing evidence of increasing market requirements for winegrapes from inland regions.

Recent analysis by the Wine Grapes Marketing Board of the plantings information show that since 2013 the regions winegrape producers have removed 1,696 hectares of winegrapes 70% of these are white varieties predominately Chardonnay, Semillon, Colombard and Viognier in response to price signals by wineries over the period. Red variety removals have largely been Shiraz with pricing playing a major part in the decisions being made by growers.

Grape plantings have not kept up with removals indicating that growers are exiting the industry or removing unprofitable varietal blocks where able. This is evidenced when going around the region and the vacant blocks or un-managed block becoming noticeable. White plantings in the majority have been Canadian Muscat and White Frontignac for the making of sweet sparkling style wines which are continuing to grow in consumer markets. In red varieties 60% of new plantings have been Durif which this region is quickly becoming renowned for.

Grower numbers in the area have continued to decline over the past 3 years as many sell to existing growers. 8 percent or 30 growers have left the industry across the period.

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