

# Australian wine state of play



***Wine Australia October 2022***

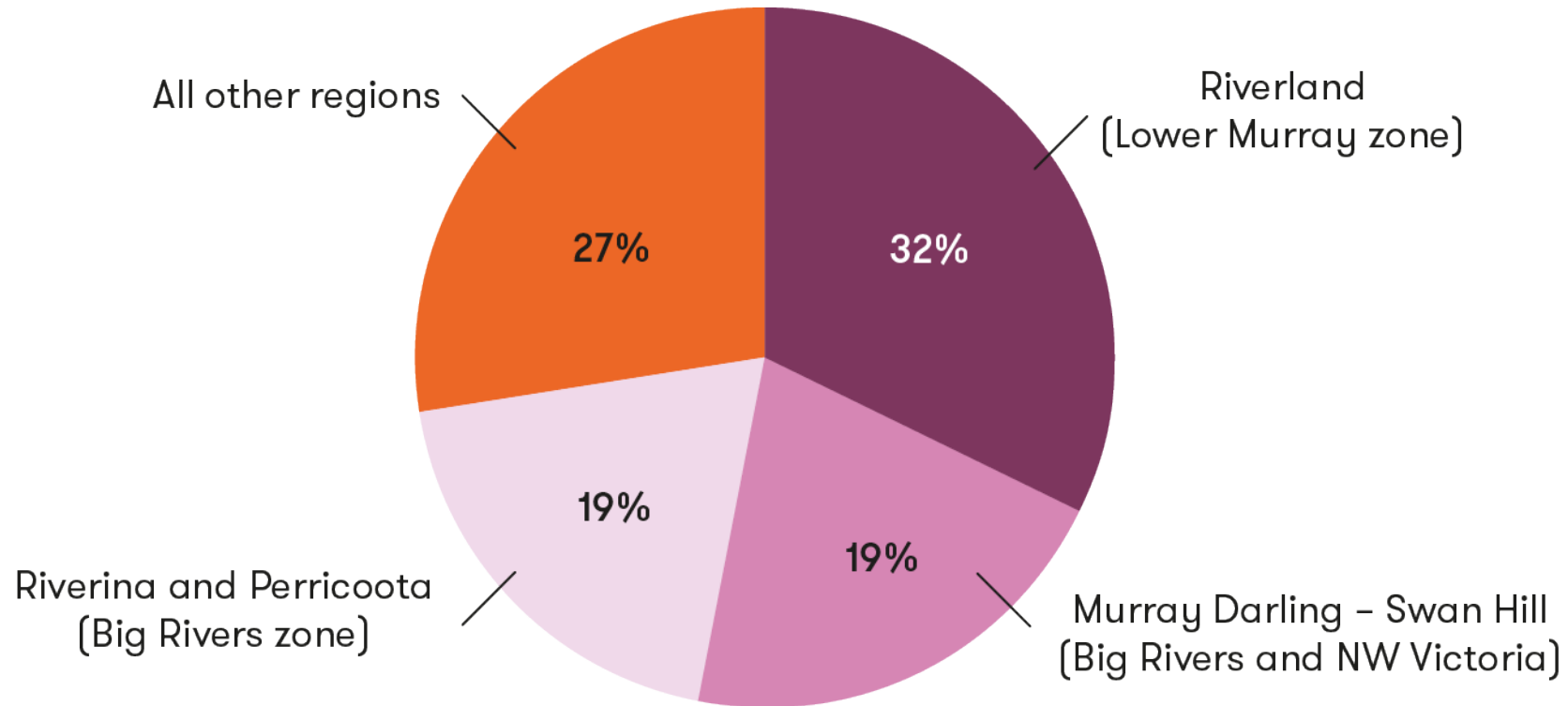
# Overview of vintage 2022



# Crush returns to near-average in 2022



# Inland 'river' regions account for three-quarters of the crush





## Region snapshot, McLaren Vale, vintage year 2022



Crush (tonnes)

34,990

Year on year change: -6% ▼



Average value per tonne ⓘ

\$1,809

Year on year change: -7% ▼



Total crush value ⓘ

\$63,720,250

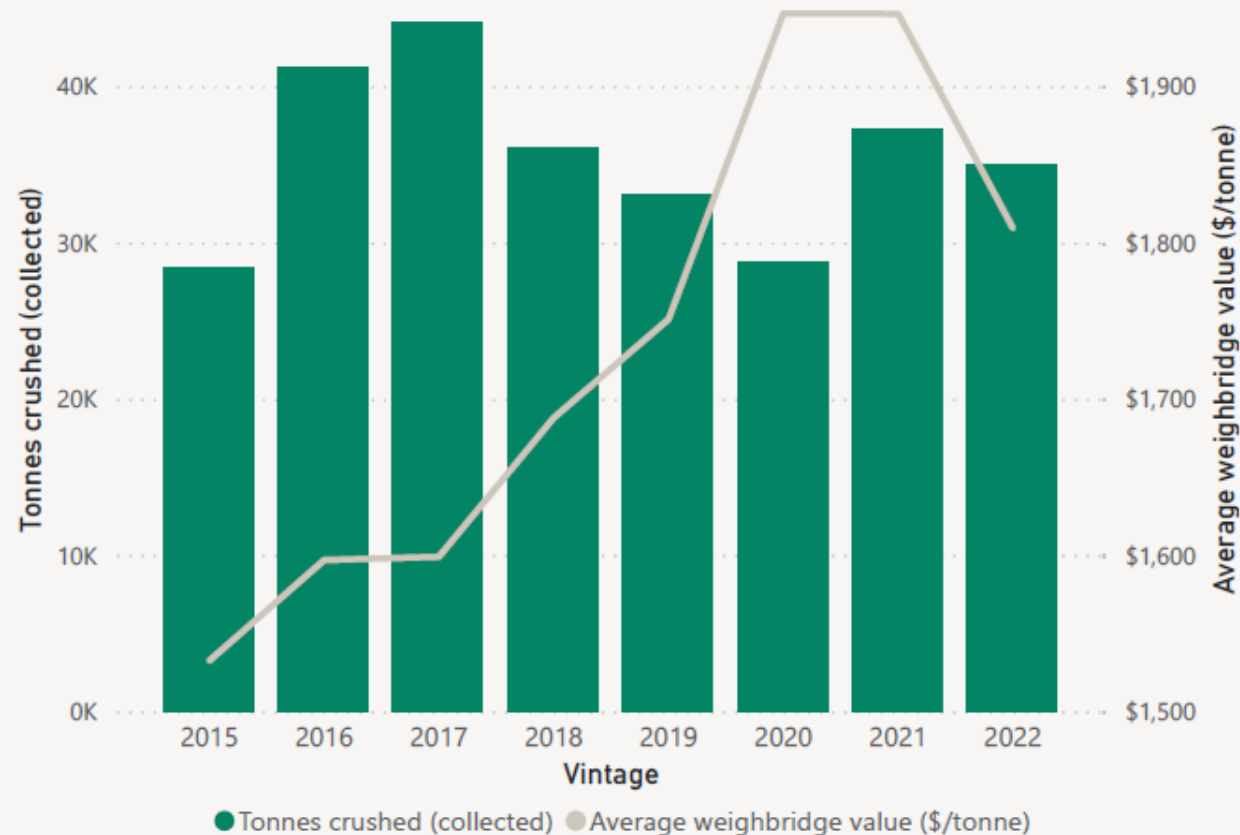
Year on year change: -13% ▼



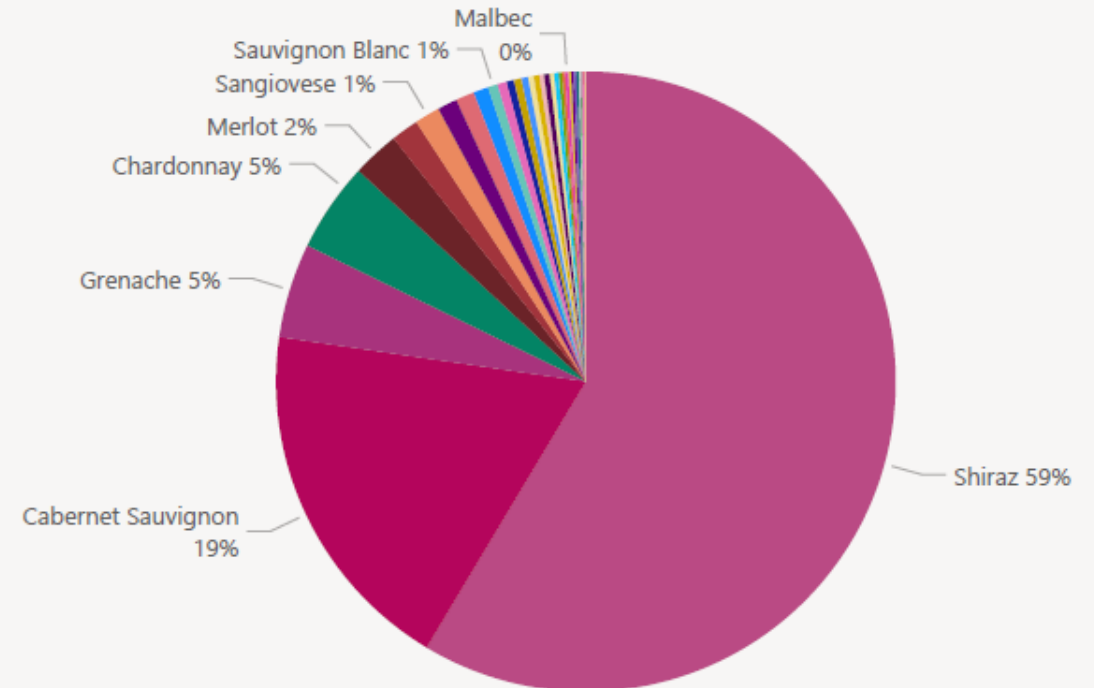
Percentage of total tonnes

2.2%

### Tonnes crushed and average value over time



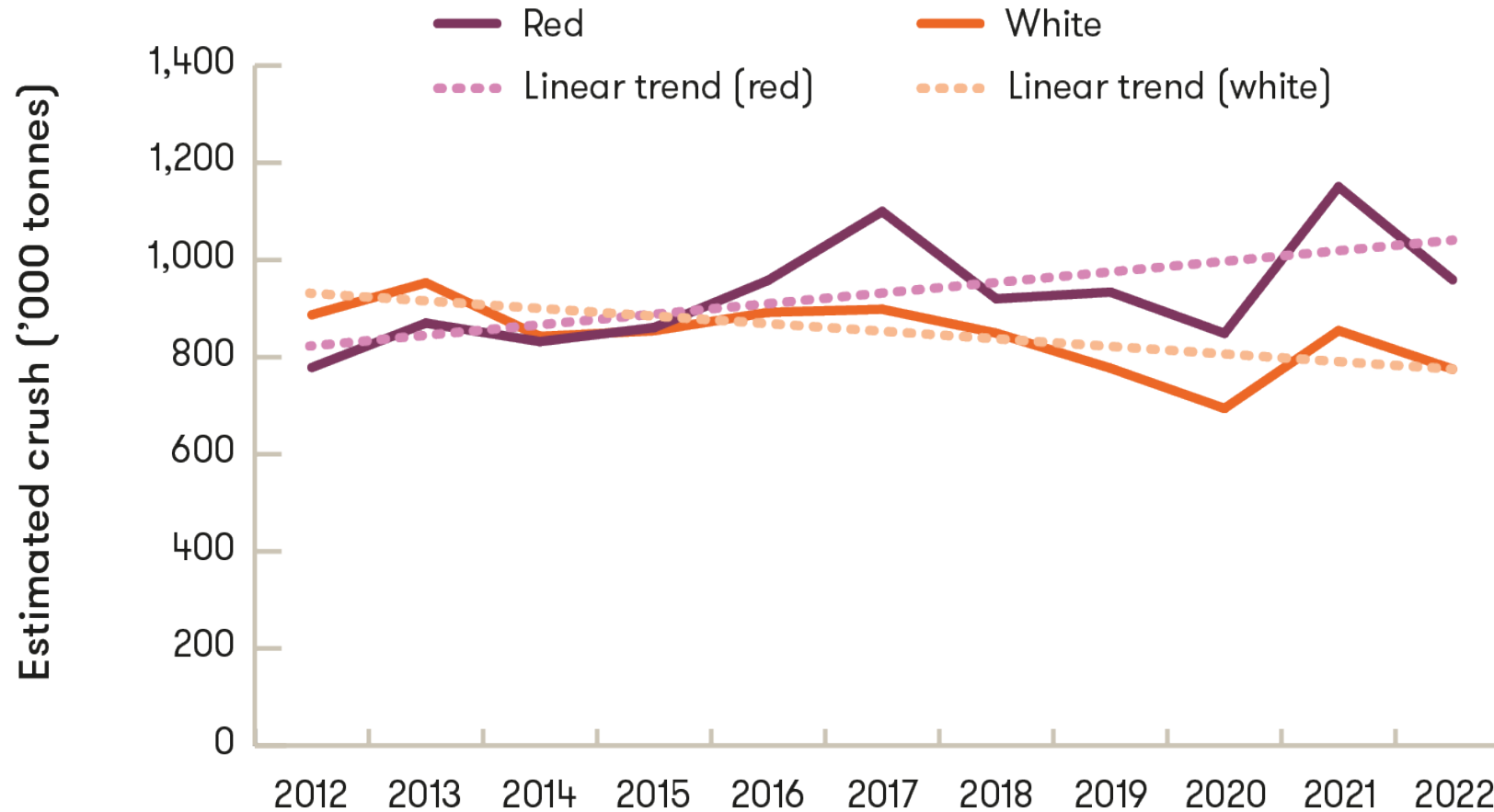
### Variety profile (share by volume)



# Analysis by colour and variety

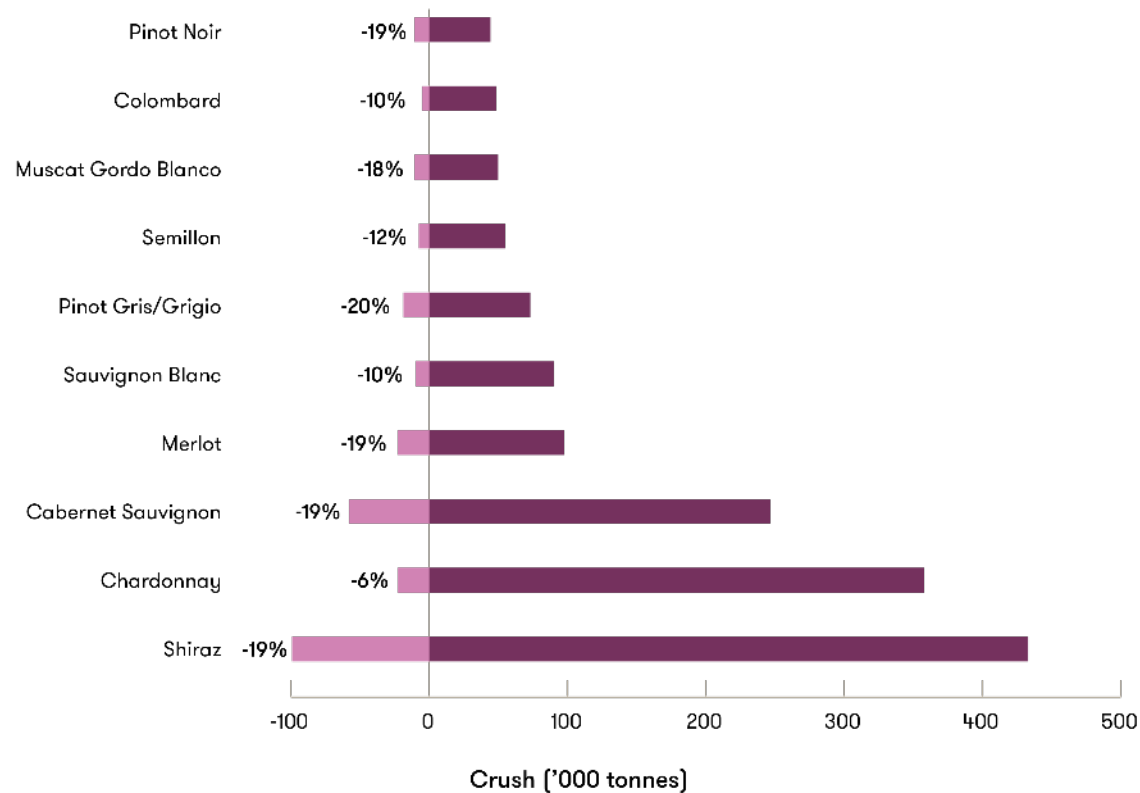


# Supply shows signs of a shift back to white varieties

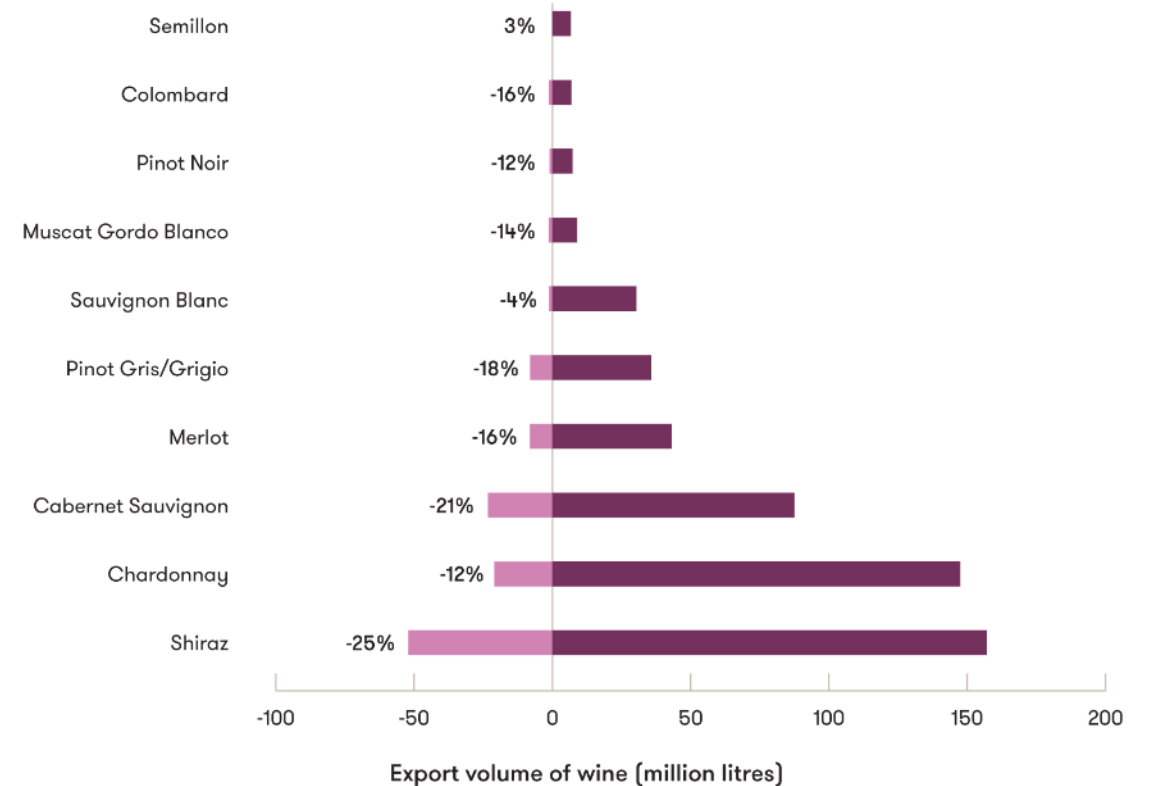


# Change in crush for top 10 reflects changes in export sales

## Top 10 crush and year-on-year change in 2022

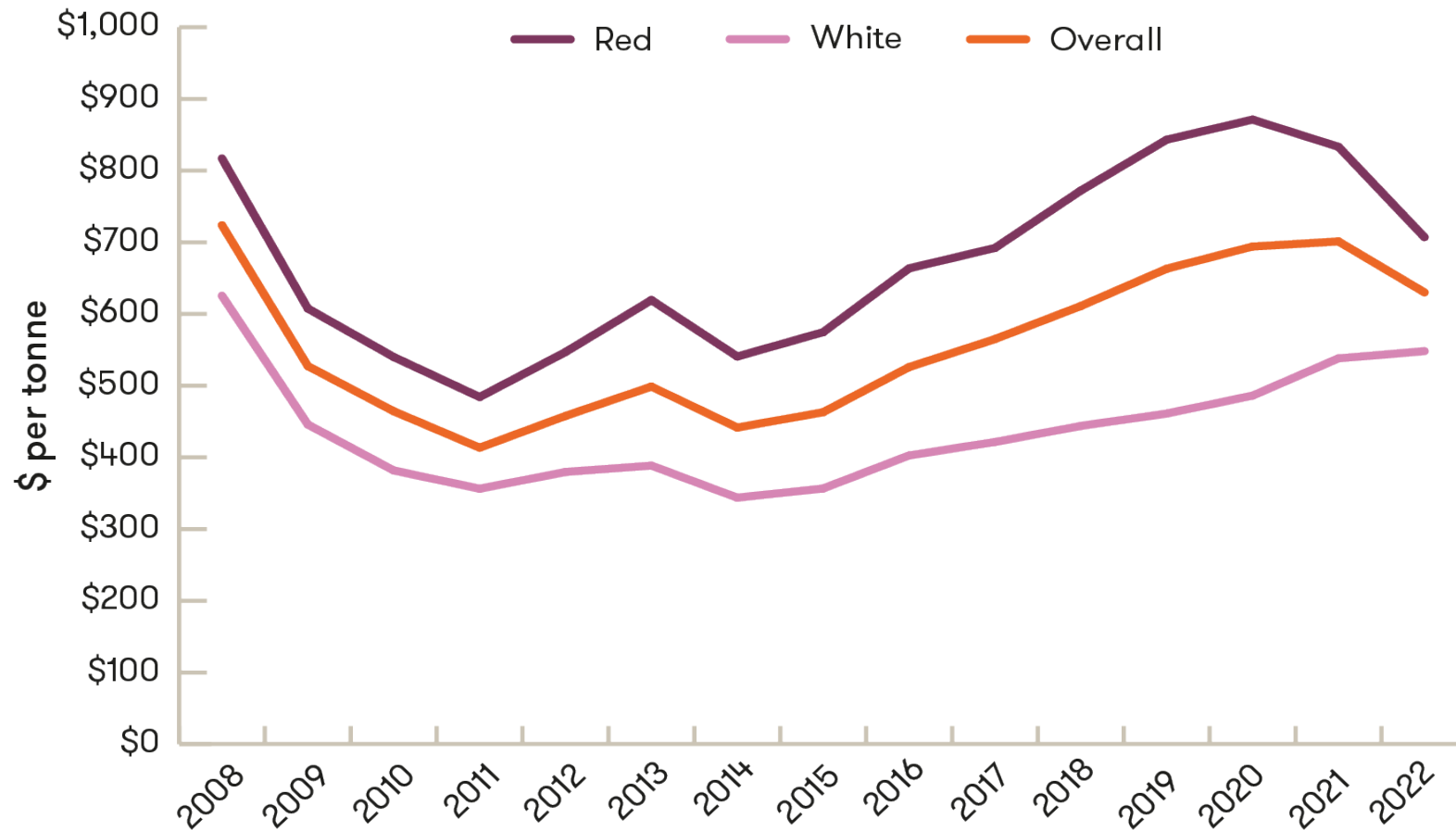


## Exports of top 10 varieties and year-on-year change in calendar year 2021

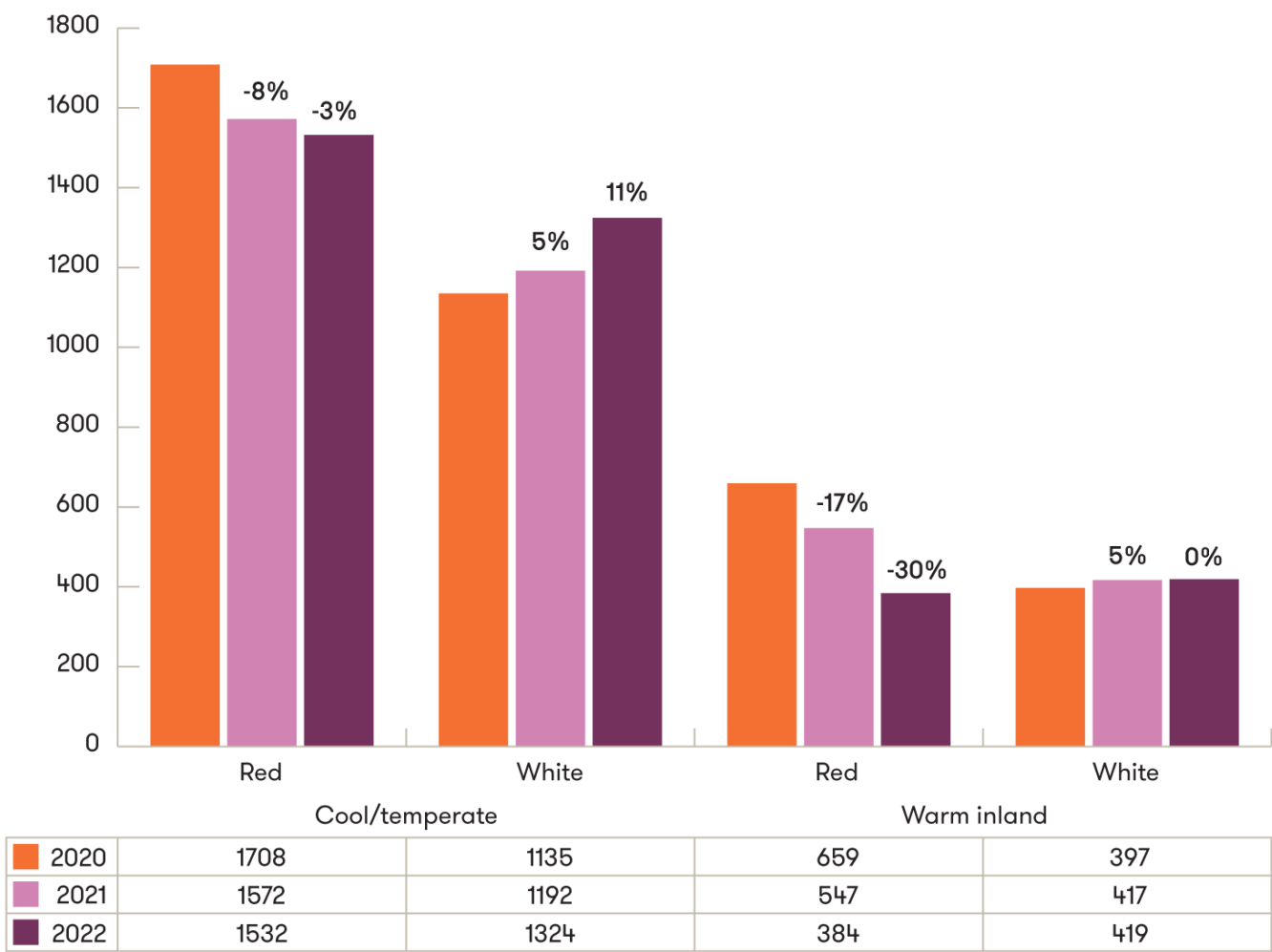




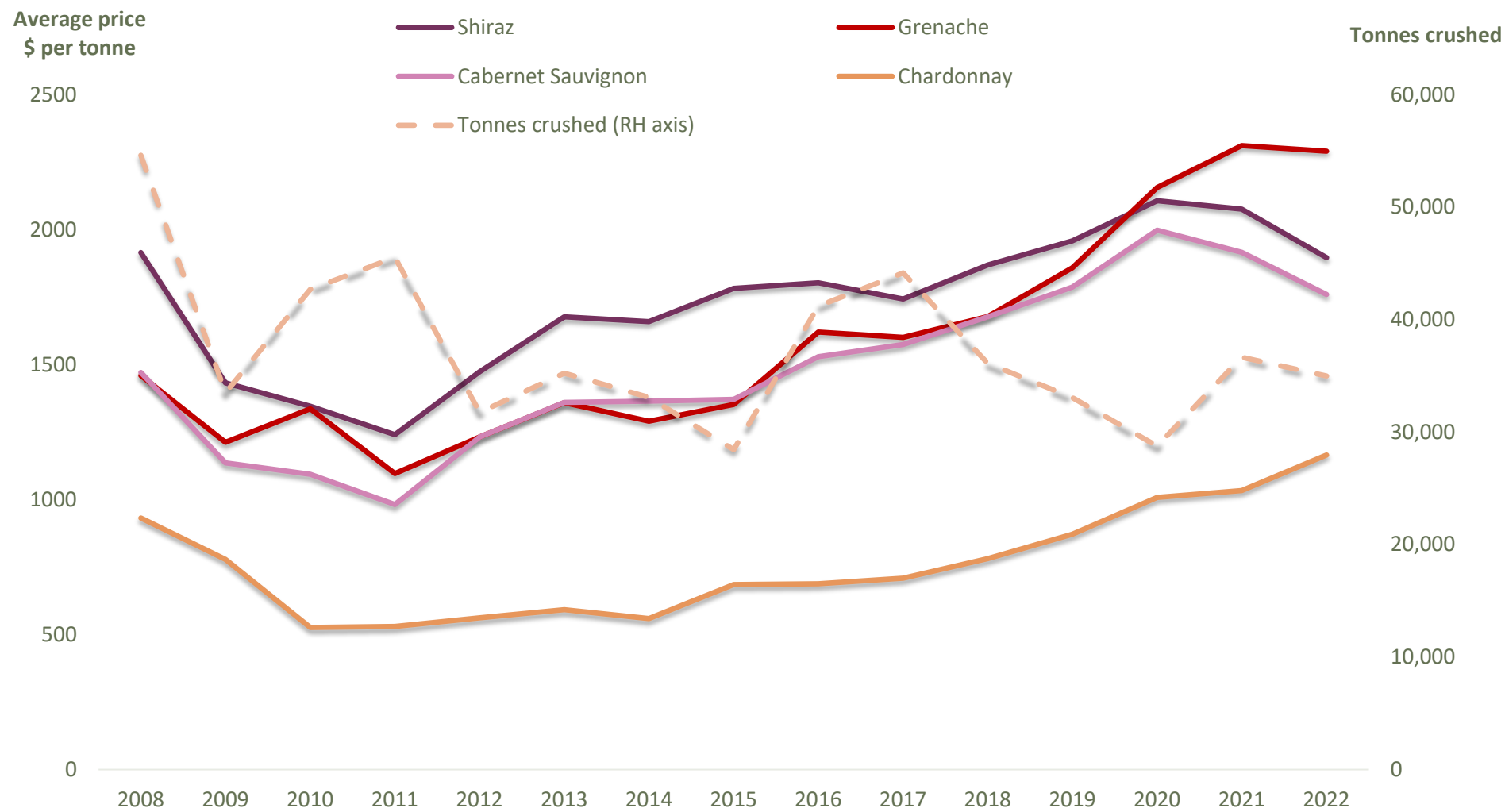
# Average value down overall but white prices continue to rise



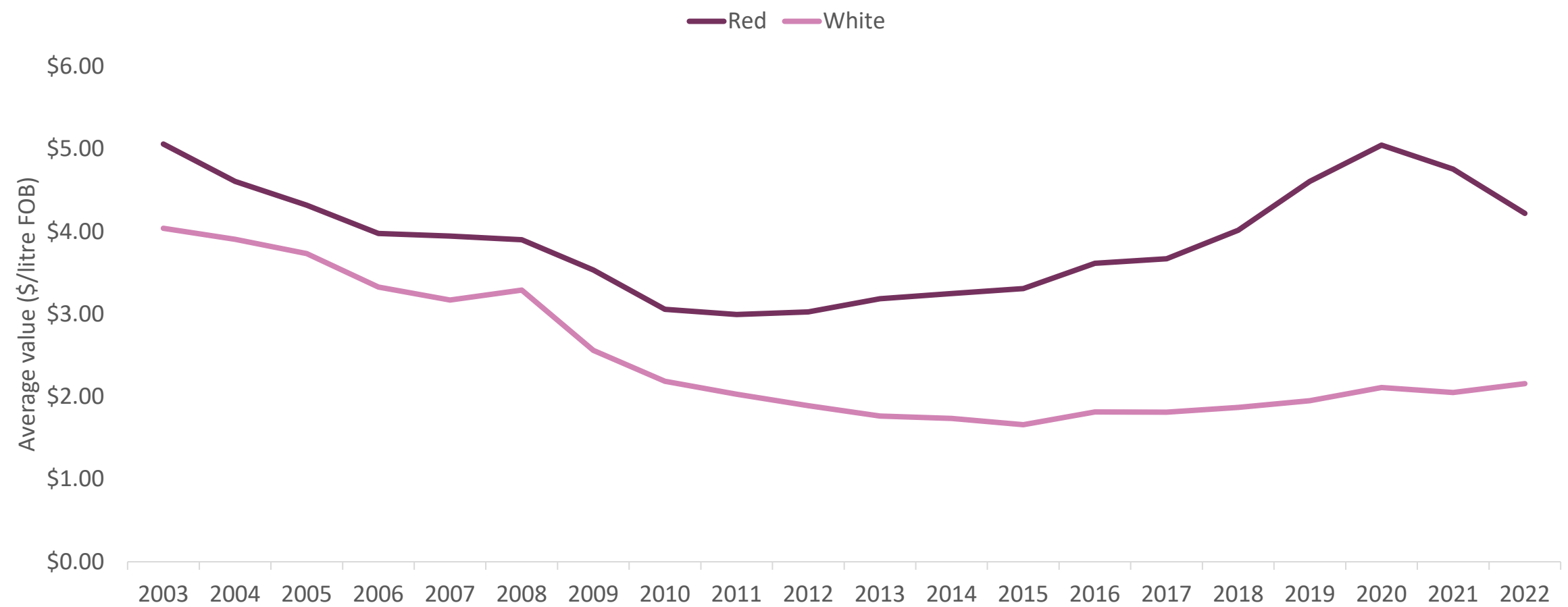
# Inland red prices hardest hit



# Grenache is highest-valued grape in McLaren Vale

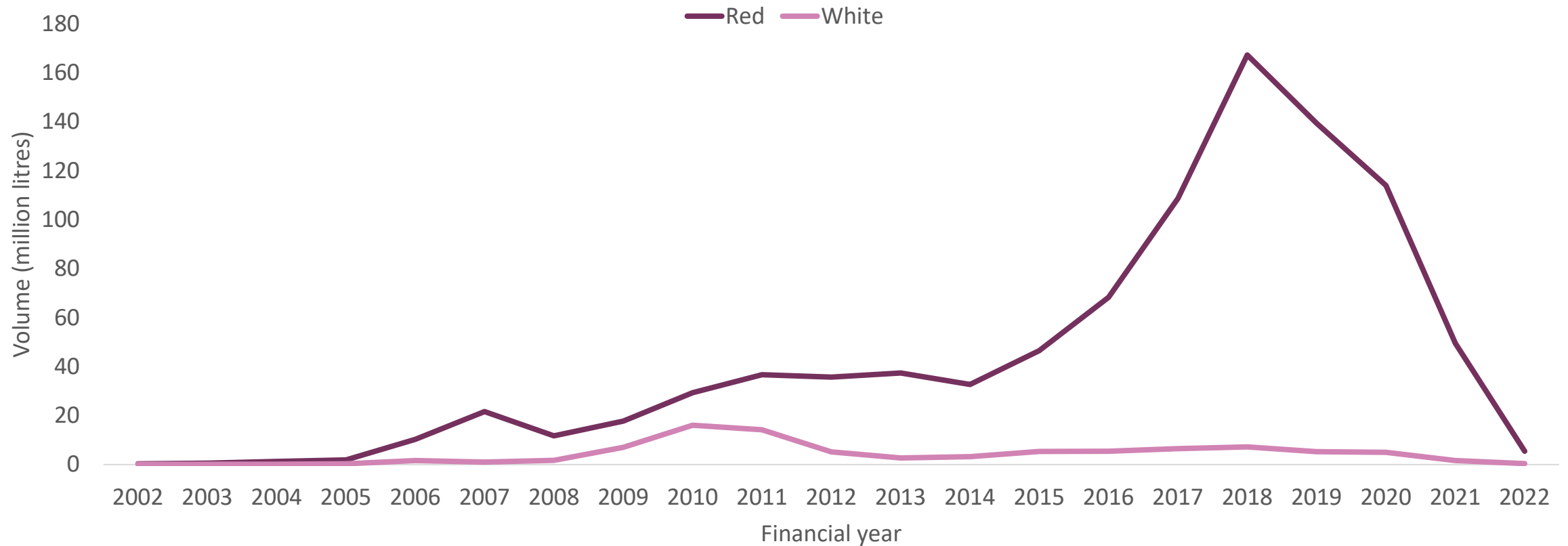


# Winegrape prices follow the fortunes of export FOB values



# Demand from China was very skewed to reds and moved very quickly (in both directions)

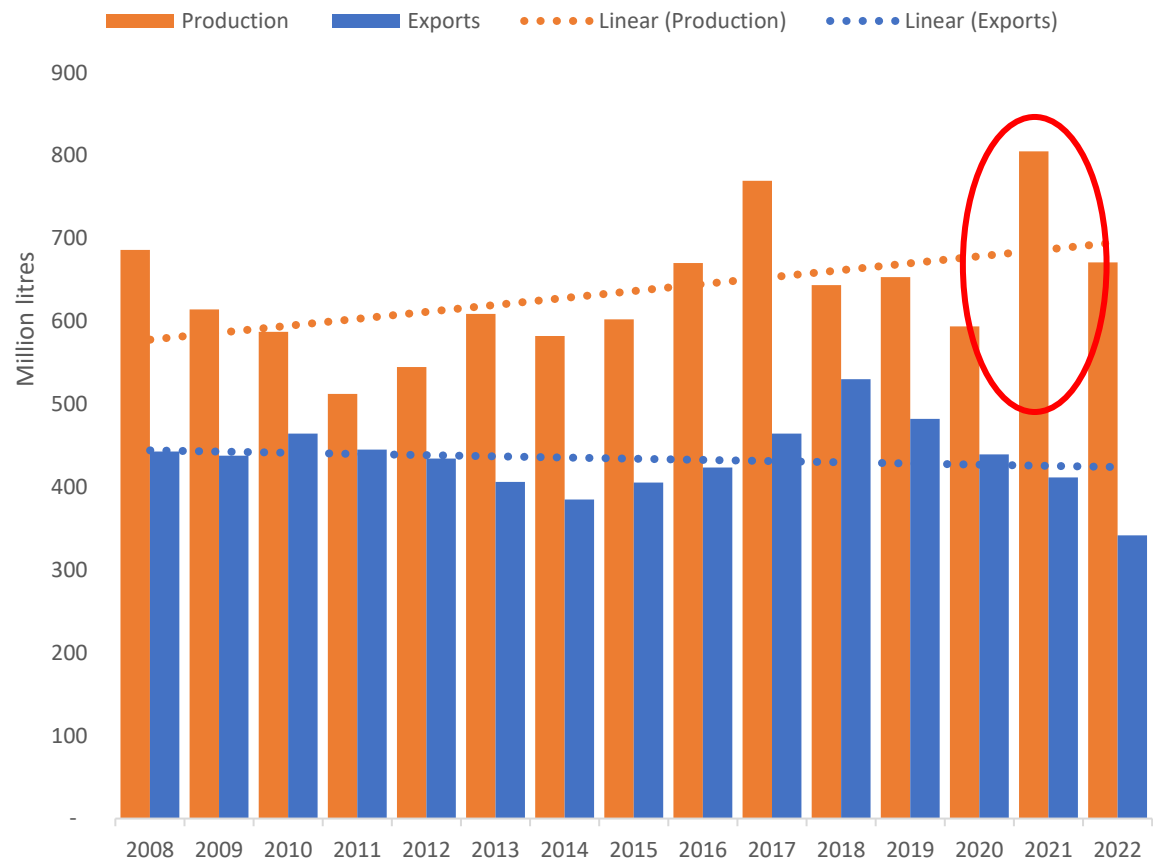
Australian wine exports to mainland China by colour



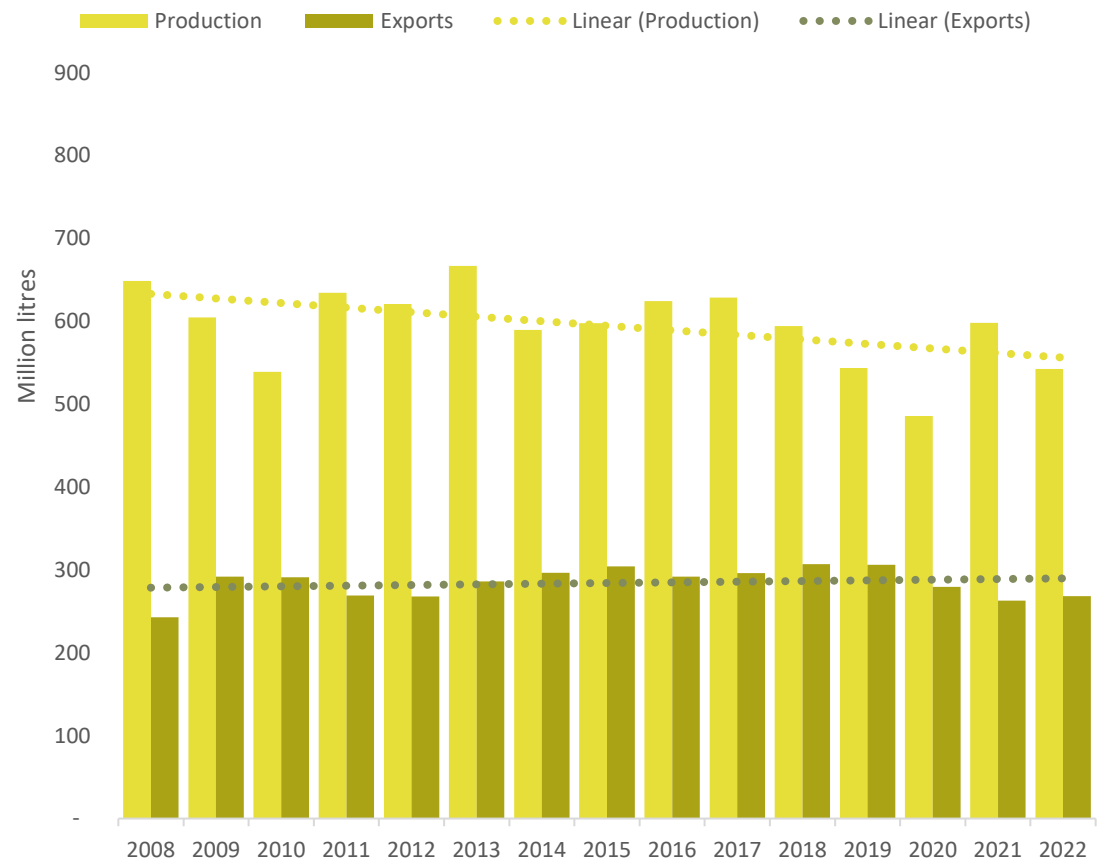


# Supply-demand imbalance is evident in reds

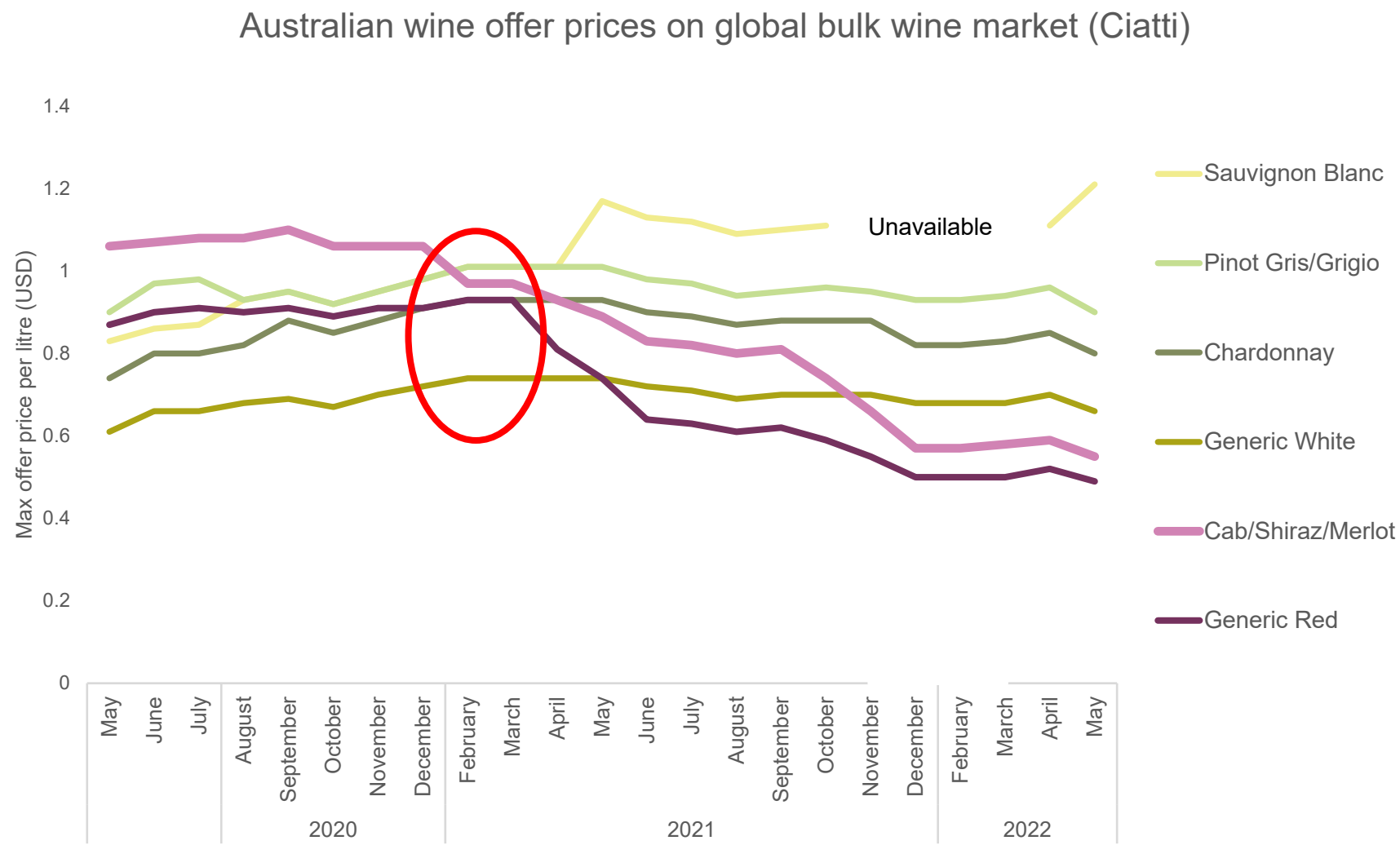
Red wine production vs exports



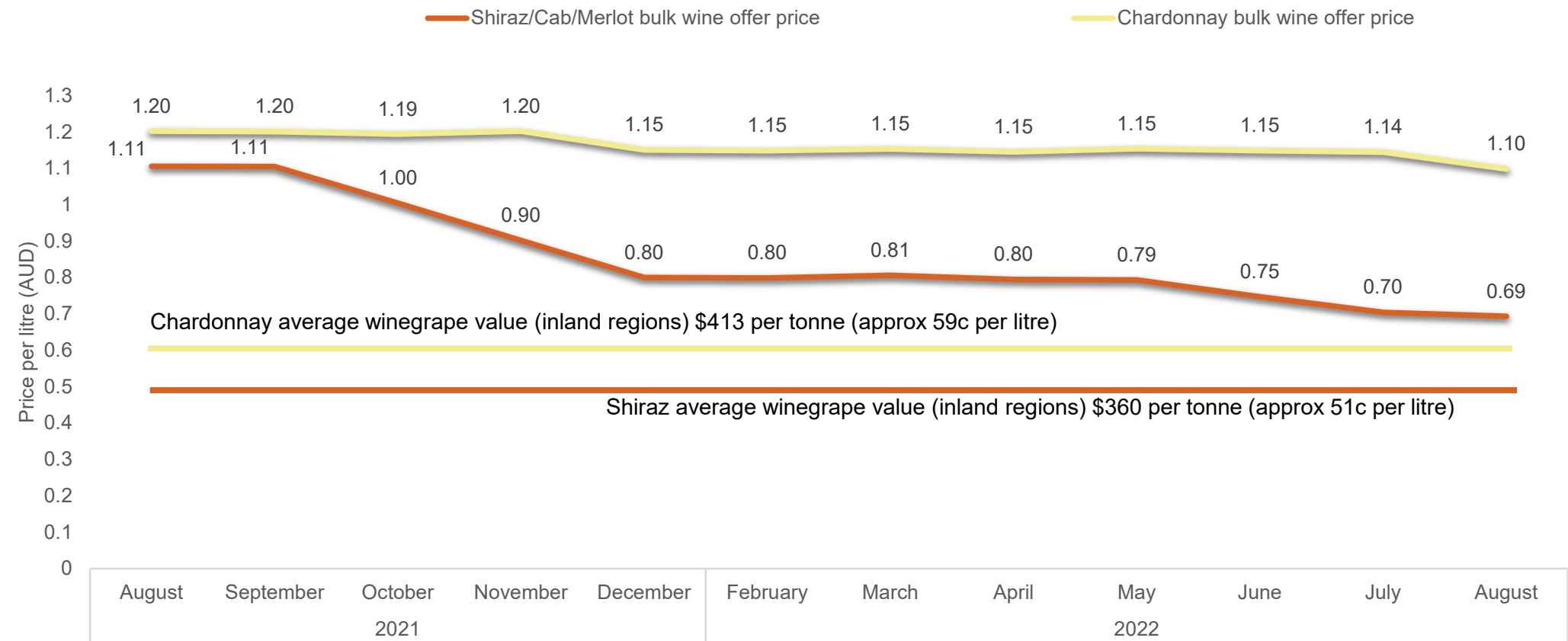
White wine production vs exports



# Ciatti prices for bulk wine reflect decline in demand for reds



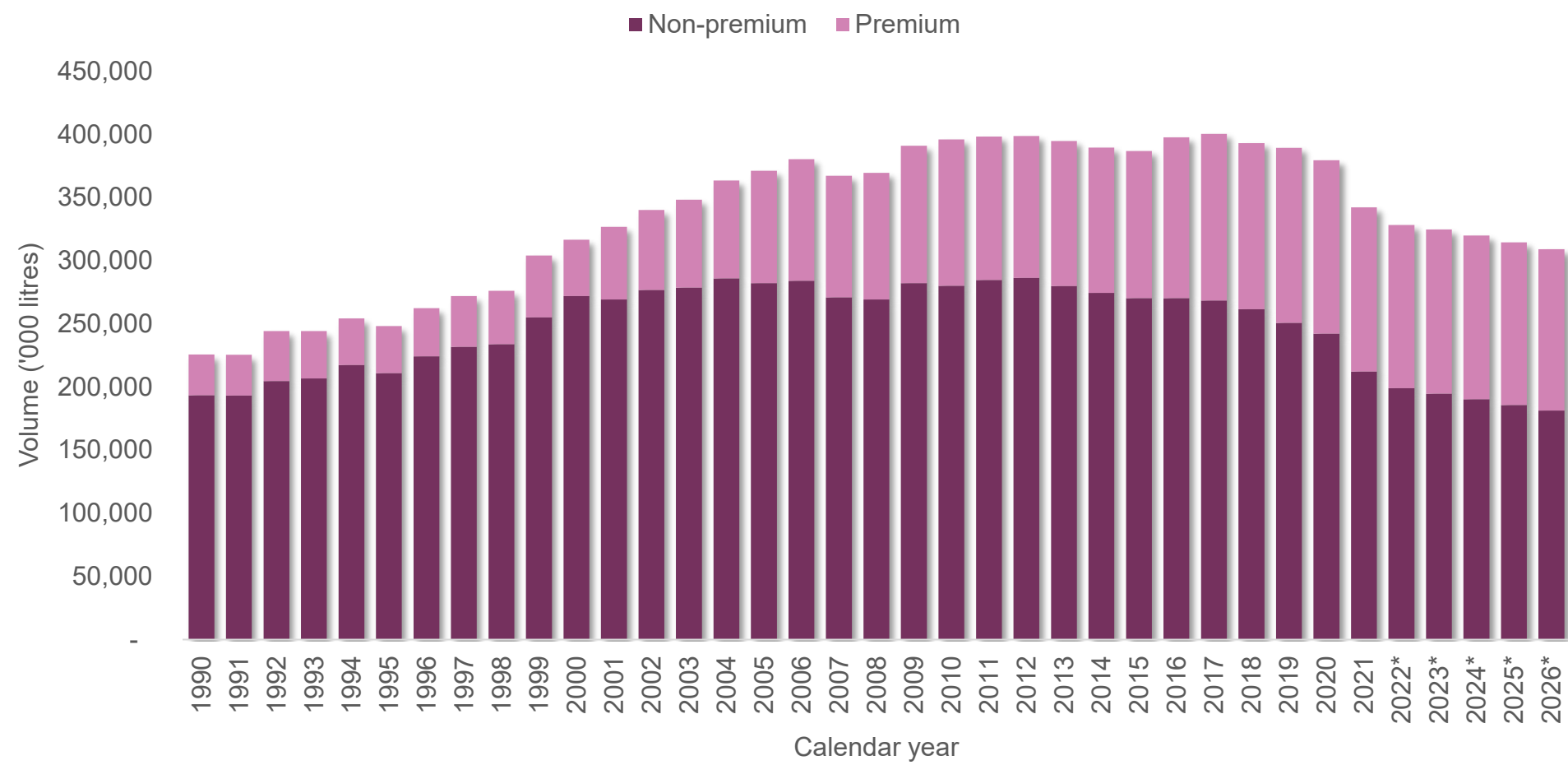
# Global bulk wine prices for Australian reds barely exceed average cost of winegrapes in 2022



# What is the opportunity for commercial winegrapes?



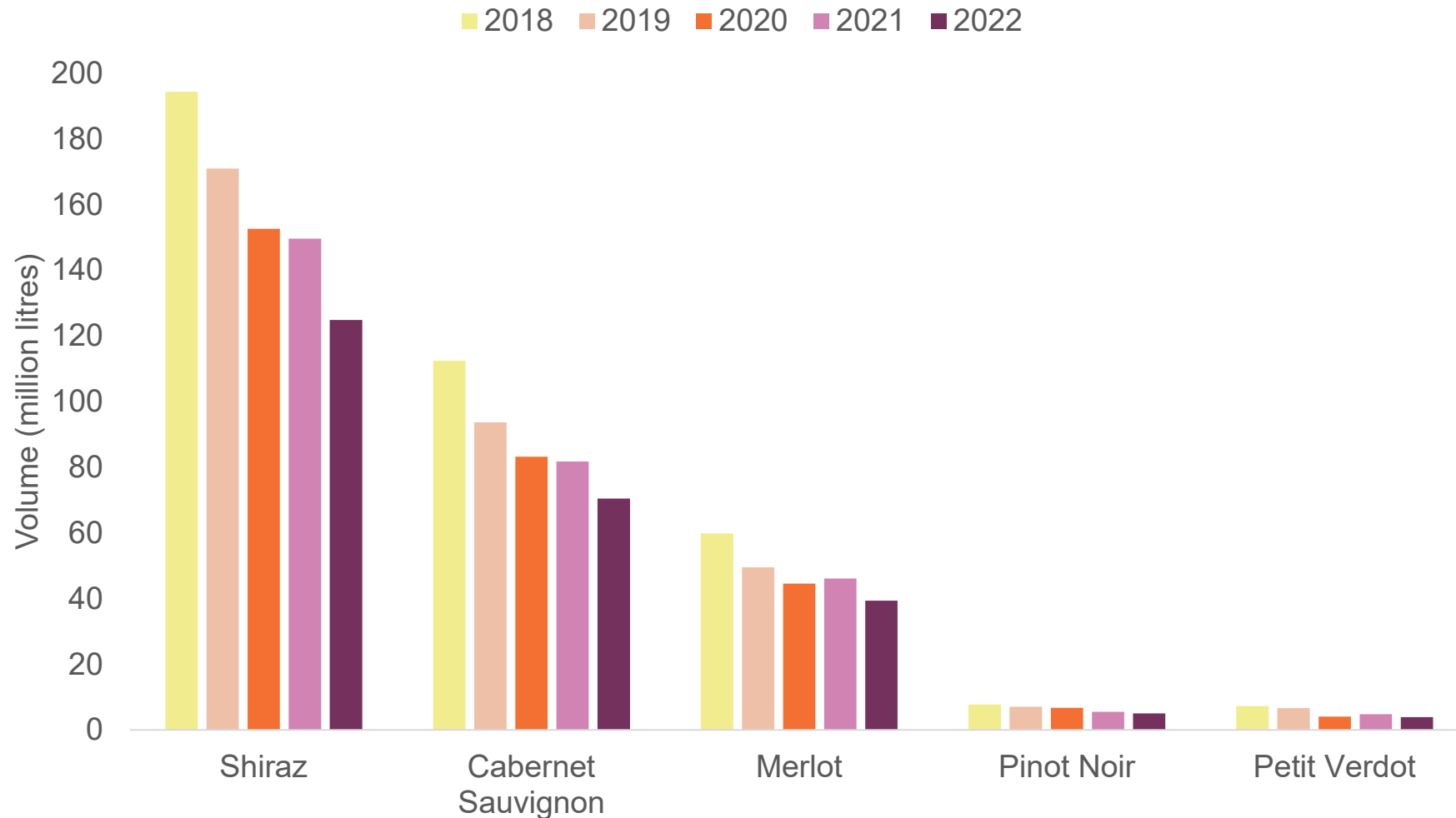
# Domestic market is declining overall and premium share is increasing



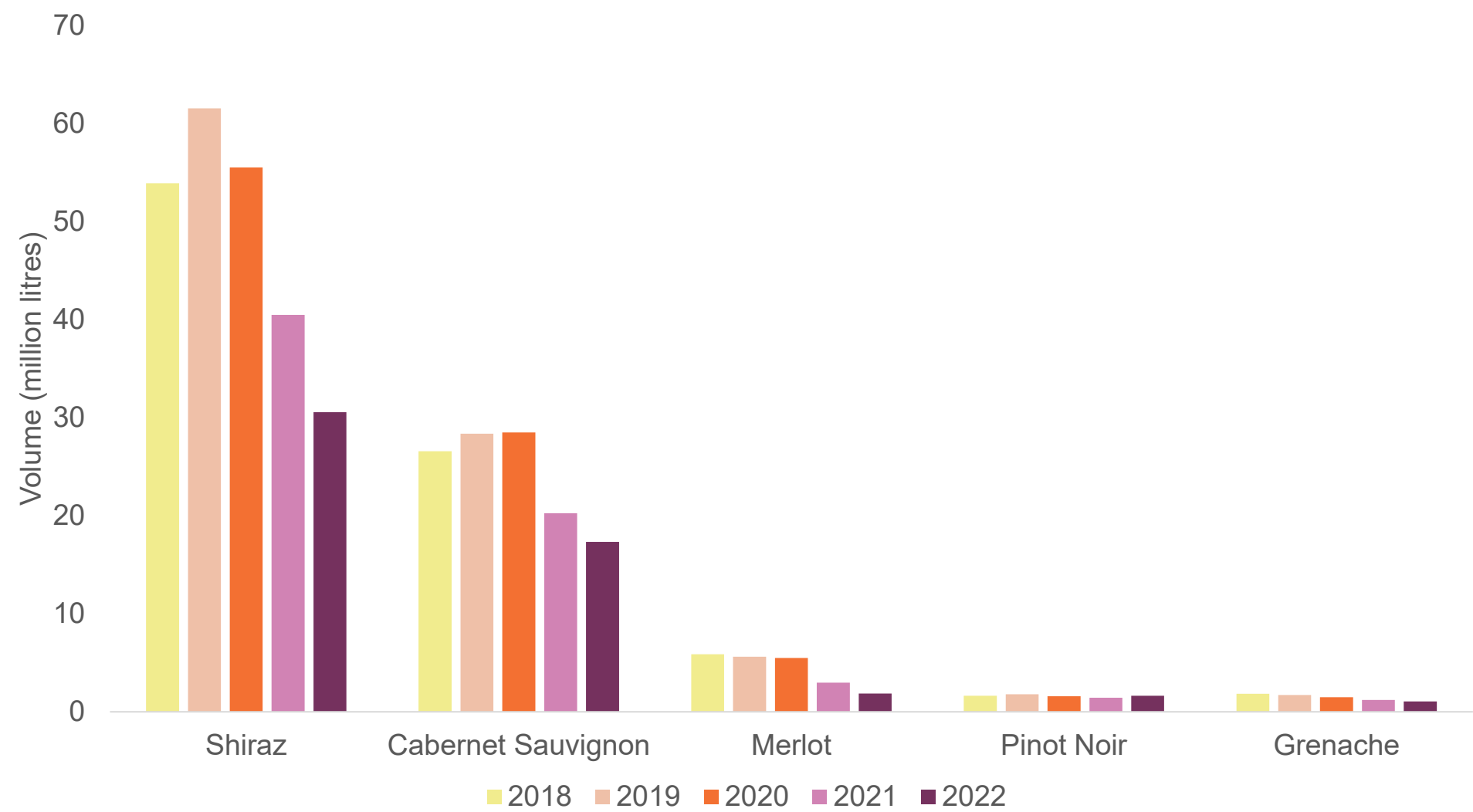
Source:  
IWSR



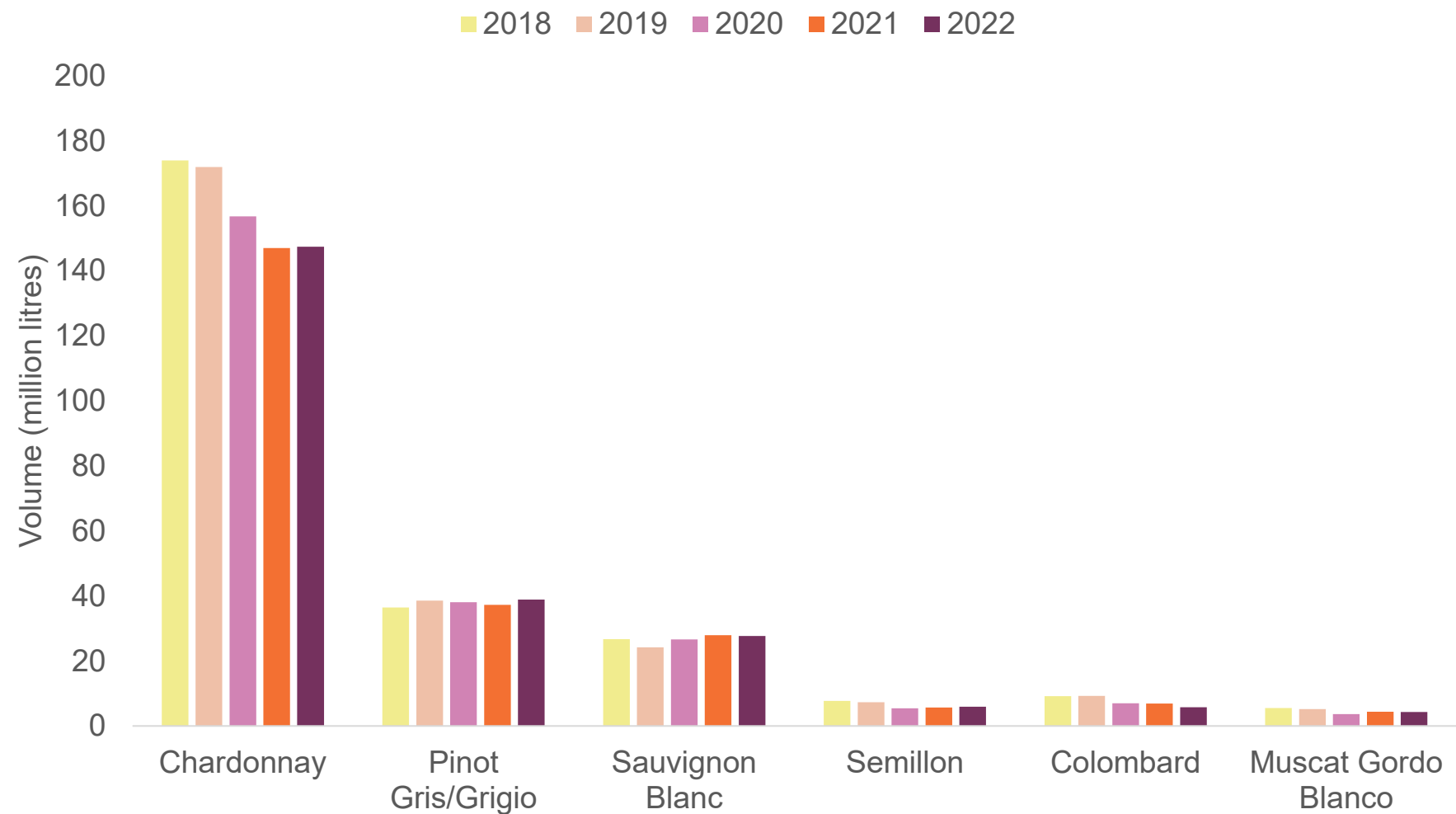
# Exports of red wine <\$5 per litre FOB are 90 million litres less in FY 2022 than FY 2019



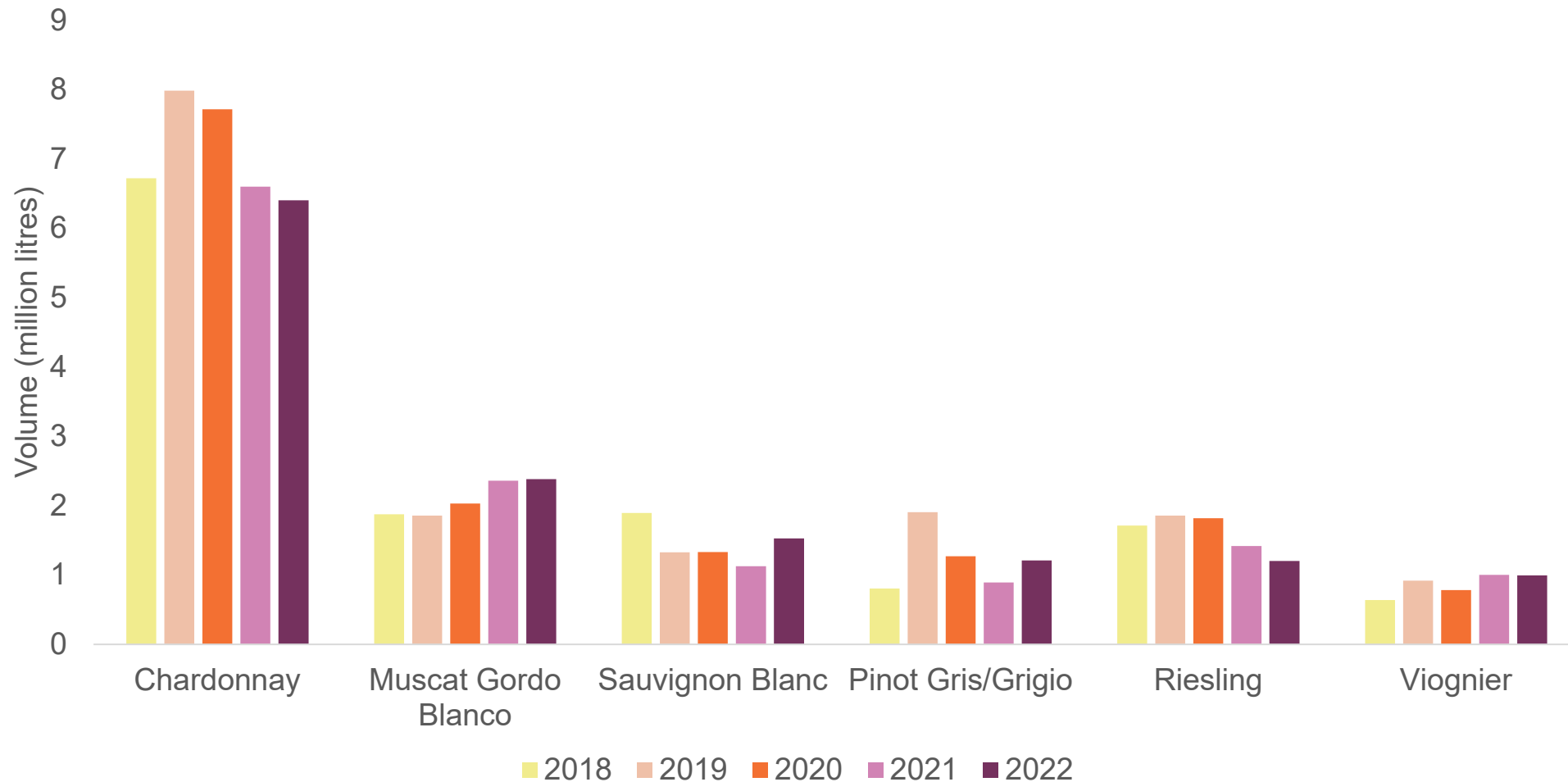
# Exports of red wine >\$5 per litre FOB also declined



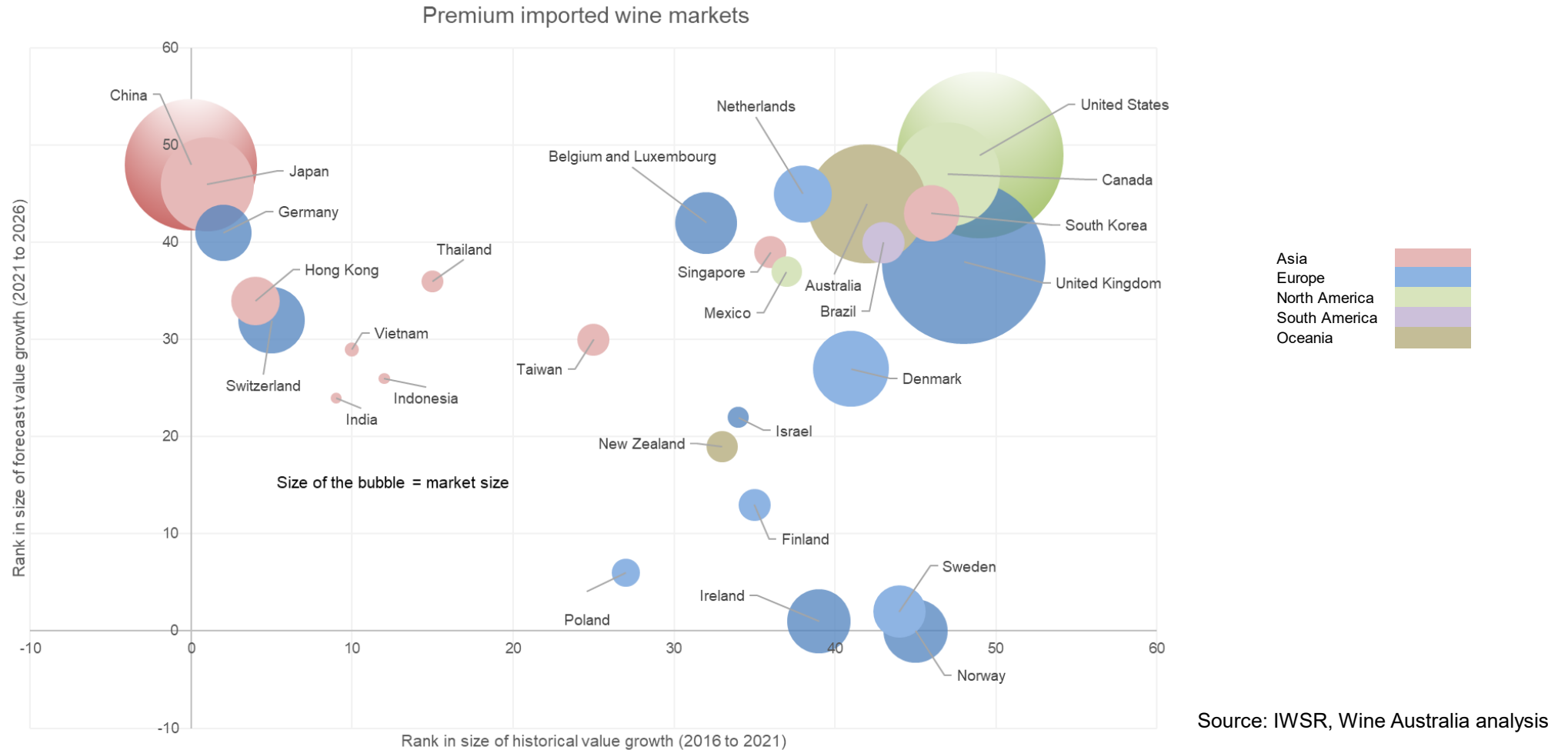
# Exports of white wine <\$5 per litre FOB are 35 million litres less in FY 2022 than in FY 2019



# Exports of white wine >\$5 per litre FOB holding steady but very small contributor

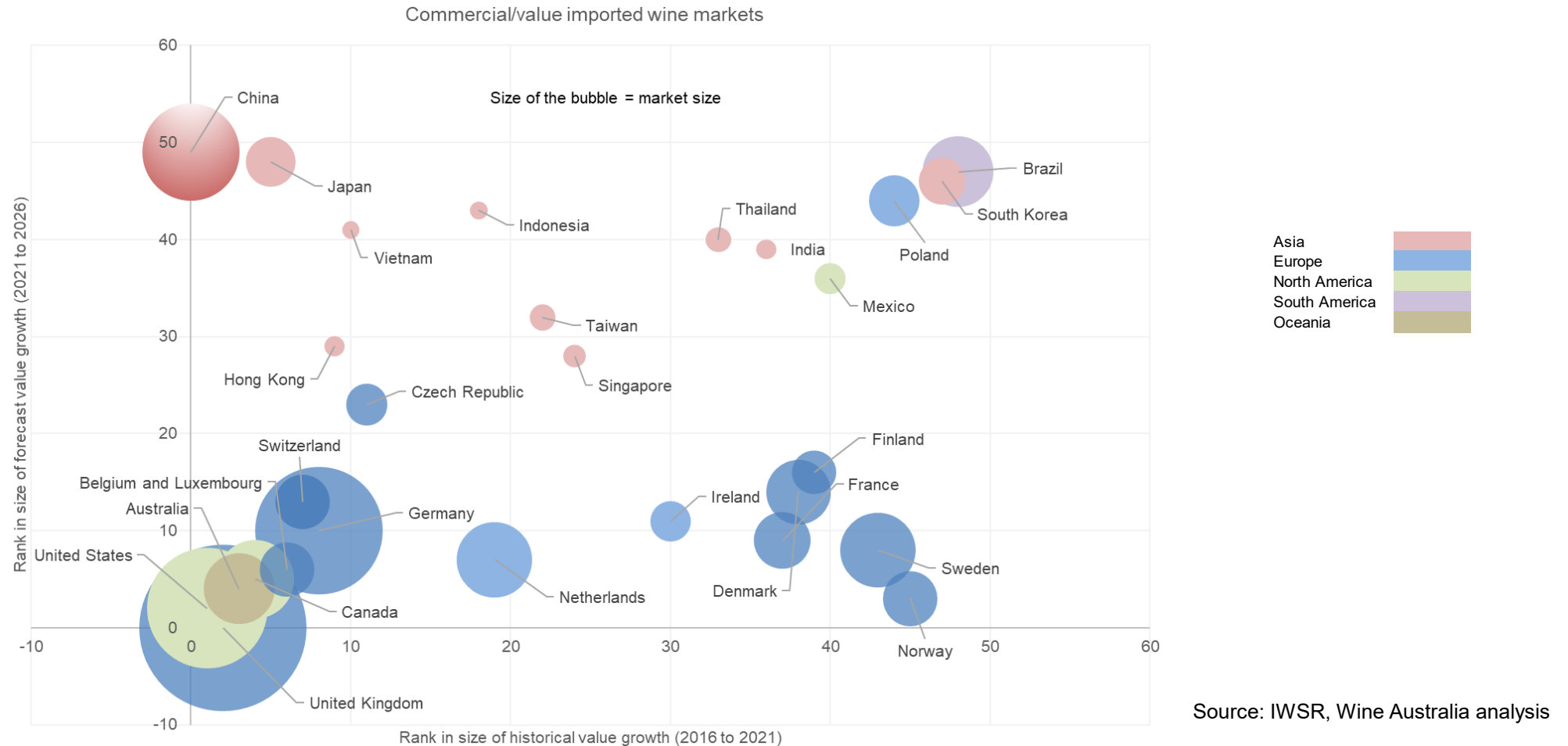


# Opportunities for premium wines are mainly in the large, English-speaking markets

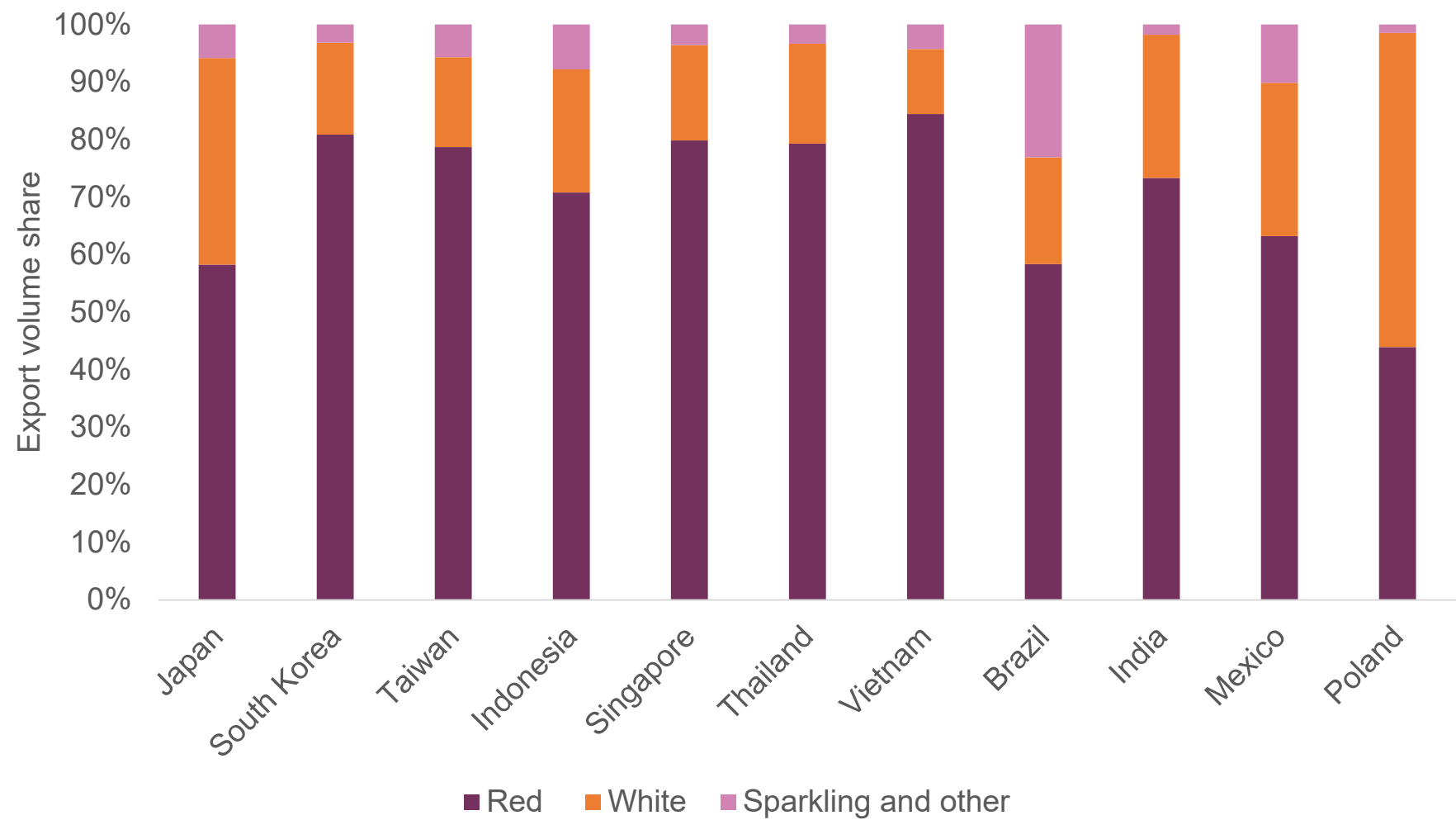




# Markets of opportunity for commercial wines exist but have limited potential for growth



# Markets of opportunity are generally dominated by reds



# Is a shift to whites the answer?

- White wine prices are softening on the global bulk wine market (not just Australian)
- No evidence of a strong shift in consumer demand towards whites
- Demand for Prosecco in export markets may be affected by name change
- New Zealand supply of Sauvignon Blanc increasing





## Other opportunities to consider

- Premiumisation – moving up in retail category
- No/low alcohol wines
- Sparkling wines and wine products (eg spritzers)
- Lighter red blends



# Summary

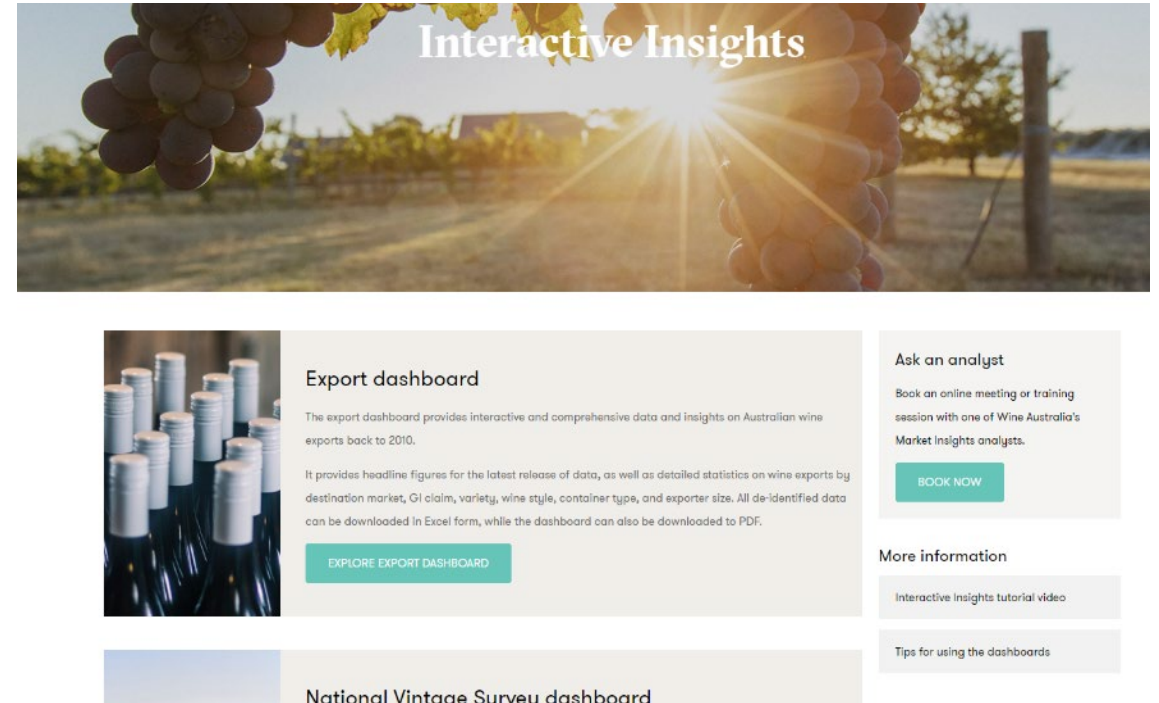
- Vintage 2022 saw return to average size and slight shift towards whites
- Commercial red grape prices were hardest hit, reflecting change in export demand
- Demand for whites is stable but not growing
- Opportunities for commercial wines exist mainly in emerging markets
- Premiumisation, new products and lighter styles are potential areas of growth





# For more information go to Interactive Insights

- <https://www.wineaustralia.com/market-insights/interactive-insights>
- Explore dashboards on Exports, National Vintage, Global Wine Markets, Vineyards
- Book a personal training/information session: 'Ask an Analyst'
- Email [market.insights@wineaustralia.com](mailto:market.insights@wineaustralia.com)



**Thank you**

