

# MEDIA RELEASE

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## 2007 WINEGRAPE VINTAGE DOWN

The Australian winegrape intake has fallen an estimated 25% in 2007 to 1.42 million tonnes according to the 2007 Winemakers' Federation of Australia (WFA) Vintage Report.

Unfavourable climatic conditions, primarily drought and frost, are the cause of the lowest yielding vintage for over a decade.

WFA Chief Executive Stephen Strachan said the vintage had been tough on grape growers and wineries alike, but that the shortfall would provide welcome relief to unsustainably high inventory levels.

"Following record production over the last three years, the wine sector has welcomed this year's shortfall and believes that it will go some way to restoring sustainability back into our inventory balances."

"With drought conditions likely to lead to a reduced 2008 intake, we anticipate a restoration of balanced stock levels. This means that the sale of distressed stock will stop ahead of next year's anticipated decline", said Mr Strachan.

The 2007 vintage survey showed reductions in the grape crush for all varieties except Viognier, Pinot Gris and Doradillo, which have recorded recent heavy plantings. Red grape intake was down 35% to 678,000 tonnes and white grape intake declined 14% to 741,000 tonnes.

Notable outcomes were:

- Shiraz down substantially by 36% to 293,000 tonnes
- Cabernet Sauvignon also down by 36% to 187,000 tonnes
- Chardonnay down only 8% to 395,000 tonnes.

Whilst acknowledging that the reduced vintage would take pressure off of winery inventory levels, Mr Strachan warned that the Australian wine sector still faced important structural change.

"Under normal seasonal conditions our vineyard production capacity still exceeds our sales capacity", he said.

"Market growth over the next two years may redress the imbalance to some extent, but there is still compelling evidence that our vineyard capacity must decline if we are to stay on a long term sustainable footing."

### ***For Further Information:***

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*The Winemakers' Federation of Australia is the peak industry body representing the interests of winemakers across all national issues*

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