Australian Wine: The Report Card

A Period of Redefinition…

- Mergers
- Acquisitions
- Consolidation
- Globalisation
- Increased competition

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The 2000 Vintage…

- Yield reduced by up to 50%
- Crush reduced by less than 2% due to increased plantings
- Total crush 1.147 million tonnes
- Reds 48%, Whites 52%

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2001 Vintage…

- A record of 1.426 million tonnes
- An increase of 25% from 2000
- Reds 57%, Whites 43%
- Oversupply looming?

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Global Consolidation…

- Simeon Wines acquired Yaldara for A$27m
- St Hallett & Tatachilla merged to form Banksia
- Mildara Blass acquired Beringer for A$2.7 bill.
- BRL Hardy's A$190m JV with Constellation Brands
- Southcorp bought Rosemount Estates for A$1.4 bill.

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New Wineries…

- 214 new wineries in 2000
- New winery every 72 hours
- 75% of producers < 100 tonnes

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The Restaurant Industry…

- Melbourne 3000 restaurants: competition ↑
- Average lifespan of restaurant is 24 months
- Sydney – post Olympics Slump

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Retail Consolidation…

- Major supermarkets more dominant
- Coles Myer’s 20% of Australian liquor market
- Woolworths – No.2 in Liquor Retailing & growing

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Domestic Market…

- Growth Modest + 4.4%
- 95% of wines in Australia are Australian
- Quality rising with Reds ↑ and cask share ↓

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- UK – Strong growth continues

  +18% volume to 165 mill. litres

  +17% value to A$690 mill.

- USA our #2 Market

  +35% volume to 68 mill. litres

  +31% value to A$417 mill.

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Other…

- Canada – A$91 mill. (+18%); 15 mill.litres (+19%)
- An AWEC Canada office was opened Oct. 2000
- Germany – A$50 mill.(+23%); 12 mill.litres (+26%)
- Japan – A$30 mill. (+0.5%); 5 mill. litres (-9%)

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Nothing Stays the Same…

- Fortified wines in the 50’s
- Sparkling “Pearl” in the 60’s
- Cask Market growth in the 70’s
- Chardonnay in the 80’s
- Red Wine in the 90’s