1999 1329.0

Australian Bureau of Statistics

AUSTRALIAN WINE AND GRAPE INDUSTRY

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CONTENTS

■ For further information about these and related statistics, contact Helen Shannon on Adelaide 08 8237 7420, or Client Services in any ABS office as shown on the back cover of this publication.

NOTES

ABOUT THIS PUBLICATION

This publication presents a summary of statistics on grape and wine production and related activities collected by the Australian Bureau of Statistics (ABS) and from other sources.

CHANGES IN THIS ISSUE

From 1999, data in chapter 2 for grape cultivation and production include some viticulture businesses not previously included in ABS collections even though they have existed for some time. Details are included at the beginning of chapter 2.

SOURCE MATERIAL

With the exception of the Special Article and chapter 13, all sources cited in tables and graphs are to ABS publications and/or unpublished data.

ROUNDING

Where figures have been rounded, discrepancies may occur between sums of the component items and totals.

SYMBOLS AND OTHER USAGES

ABS	Australian Bureau of Statistics
AWBC	Australian Wine & Brandy Corporation
L al	litres of alcohol
n.a.	not available
n.c.	not collected
n.p.	not available for publication but included in totals where applicable, unless otherwise indicated
OIV	Office International de la Vigne et du Vin
PSM	Population Survey Monitor
r	figure or series revised since previous issue
—	nil or rounded to zero

W. McLennan
Australian Statistician

CHAPTER 1 OVERVIEW

INTRODUCTION

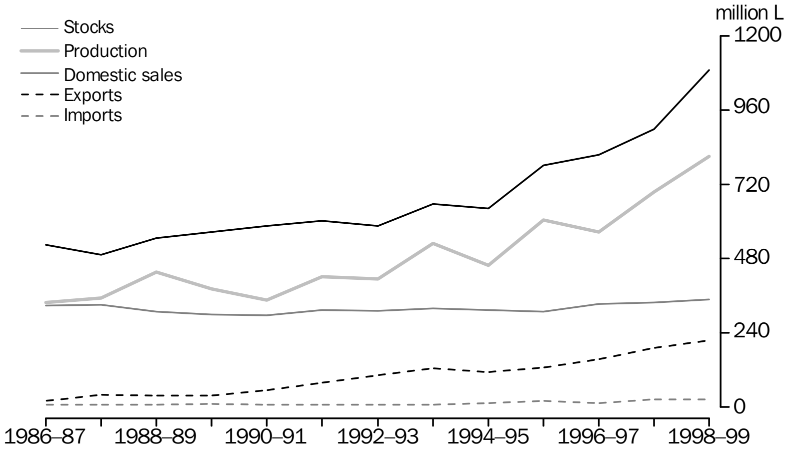
All the grape-growing and winemaking indicators in the table below, excluding imports of wine, reached record levels in 1998–99 driven by significant increases in export sales. A substantial rise in the area of bearing grapes and favourable seasonal conditions in New South Wales, Victoria and Western Australia lead to record levels of both grape and beverage wine production. Stocks of beverage wine also reached over one billion litres for the first time.

WINE AND GRAPE INDUSTRY, Statistical Summary—1998–99

Area of bearing vines (ha)	95 301
Total grape production (t)	1 265 536
Fresh grapes crushed (t)	1 125 840
Beverage wine production (million L)	811.4
Beverage wine stocks (million L)	1 089.6
Domestic sales of Australian wine (million L)	348.3
Exports of Australian wine (million L)	215.5
Imports of wine (million L)	24.3

Source: Sales of Australian Wine and Brandy by Winemakers (Cat. no. 8504.0); Wine Statistics Survey, 1998–99; Wine and Spirit Production Survey, 1998–99; Stocks of Australian Wine and Brandy and Vineyards Survey, 30 June 1999.

BEVERAGE WINE TRADE



Source: Sales of Australian Wine and Brandy by Winemakers (Cat. no. 8504.0); Wine Statistics Survey, 1998–99; Wine and Spirit Production Survey, 1998–99; Stocks of Australian Wine and Brandy Survey, 30 June 1999.

GRAPE-GROWING

The total area of vines at harvest increased by 25% from last years record of 98,612 hectares to a new record of 122,915 hectares in 1999. Of this area 95,301 hectares were bearing grapes and 27,614 hectares were not yet bearing. The total grape production from the 1999 harvest was 1,265,536 tonnes, up 153,366 tonnes or 14% on the record 1998 harvest. Increases in total grape production were recorded in all mainland grape-growing States with South Australia up 8%, Victoria up 5%, New South Wales up 39% and Western Australia up 38%.

WINEMAKING

Winemakers who crush 50 tonnes or more reported a record 1,125,840 tonnes of fresh grapes crushed for the 1999 vintage, up 15% or 150,171 tonnes on 1997–98. Beverage wine produced by these winemakers during 1998–99 was 811.4 million litres, up 17% on 1997–98. Beverage wine production levels, for winemakers crushing over 400 tonnes, rose in all winemaking States except Tasmania with New South Wales up 55.5 million litres (26%), South Australia up 29.2 million litres (9%) and Victoria up 21.0 million litres (18%) between 1997–98 and 1998–99. Stocks of Australian produced beverage wine rose 21% to a record 1,089.6 million litres at 30 June 1999.

Australian wine production is highly concentrated amongst a few producers. While 276 winemaking businesses crushed 50 or more tonnes of grapes in 1998–99, the largest 10 of these businesses crushed 68% of these grapes and produced 70% of beverage wine.

GRAPES CRUSHED AND WINE PRODUCED—1998–99

Size	*Winemakers*	*Grapes crushed*	*Beverage wine produced*
tonnes crushed	no.	t	'000 L
50–400	163	25 358	(a)18 000
401–10 000	92	172 824	110 415
10 001–20 000	11	159 603	115 888
20 001 or more	10	768 055	567 087
Total	**276**	**1 125 840**	**811 389**

(a) Wine production is not collected from winemakers who crushed 50–400 tonnes but it is estimated to be 18 million litres (based on 700 litres per tonne extraction rate).

Source: Wine Statistics Survey, 1998–99; Wine and Spirit Production Survey, 1998–99.

INTERNATIONAL TRADE

Wine exports in 1998–99 were a record 215.5 million litres, up 12% on the previous record in 1997–98. The value of wine exported continued to increase, reaching a record high of $1,068.0 million in 1998–99, up 22% on 1997–98. Imports of wine into Australia were 24.3 million litres in 1998–99, down 5% on the record high of 25.6 million litres in 1997–98.

While the amount of Australian-produced wine available for disposal is affected by previous vintages and movement in stocks, domestic demand over the past five financial years has been met in part with imports, while substantial quantities of Australian wine were exported.

CONSUMPTION

Wine available for consumption in Australia remained relatively constant between 1991–92 and 1995–96, increasing by 2% in this period. In the three financial years since, wine available for consumption has increased by 13%, with a 13% rise in domestic sales of Australian-produced wine and a 20% increase in imports cleared for home consumption. Over a 50-year period consumption of wine in Australia rose sevenfold from an average of 3 litres per person in the late 1930s to 20 litres per person in the late 1980s but has remained between 18 and 20 litres in recent years.

WINE AVAILABLE FOR CONSUMPTION IN AUSTRALIA

Period	*Domestic sales of Australian-produced wine*	*Imports cleared for home consumption*	*Available for consumption*	*Apparent per capita consumption*
	'000 L	'000 L	'000 L	L
1991–92	314 830	8 703	323 533	18.6
1992–93	312 081	7 832	319 913	18.3
1993–94	319 534	8 341	327 875	18.6
1994–95	313 357	14 057	327 414	18.4
1995–96	309 463	20 256	329 719	18.3
1996–97	333 591	13 589	347 180	19.0
1997–98	338 814	25 622	364 436	19.7
1998–99	348 349	24 255	372 604	p19.8

Source: Sales of Australian Wine and Brandy by Winemakers (Cat. no. 8504.0); Apparent Consumption of Foodstuffs, 1998–99.

DISPOSALS

Disposals of Australian-produced wine have risen by 43% since 1991–92, with domestic sales of Australian-produced wine up 13% and exports up 174% over this period.

DISPOSALS OF AUSTRALIAN-PRODUCED WINE

Period	*Domestic sales of Australian-produced wine* '000 L	*Exports of Australian-produced wine* '000 L	*Total disposals* '000 L
1991–92	314 830	78 679	393 509
1992–93	312 081	102 832	414 913
1993–94	319 534	125 464	444 998
1994–95	313 357	113 663	427 020
1995–96	309 463	129 671	439 134
1996–97	333 591	154 393	487 984
1997–98	338 814	192 404	531 218
1998–99	348 349	215 501	563 850

Source: Sales of Australian Wine and Brandy by Winemakers (Cat. no. 8504.0).

PRICES

While the prices paid by winemakers for grapes continues to increase, the rate of increase has slowed from the peak in 1994. Average grape prices for the 1999 vintage were up 3% following a 6% increase for the 1998 vintage. Prices paid for wine grapes increased significantly in the mid-1990s, by 33% in 1994, 22% in 1995 and a further 7% in 1996. The average price of wine produced by winemakers (wholesale price) decreased in 1998–99 (by 1%) for the first time since 1990–91. Over the last nine vintages grape prices have increased 90%. In contrast, during the same period the average price of wine produced by winemakers rose by 28% while the average price of table wine exported from Australia rose by 43%.

CHAPTER **2**

VITICULTURE

NOTE

The 1999 data in this chapter include operations by viticulture businesses which have existed for some time but which for various reasons have not previously been added to the ABS business register. Inclusion of these businesses for the first time in the 1999 collection means that some proportion of any gross change is due to better coverage in the collection rather than actual change by the industry. An indication of actual change between 1998 and 1999 is given in the table below along with the gross rates of change.

VITICULTURE CHANGE

	AREA OF VINES		TOTAL GRAPE PRODUCTION		WINE GRAPE PRODUCTION	
States(a)	*Gross change(b)*	*Rate of change based on consistent coverage(c)*	*Gross change(b)*	*Rate of change based on consistent coverage(c)*	*Gross change(b)*	*Rate of change based on consistent coverage(c)*
New South Wales	29.5	15.2	39.2	25.3	54.1	37.2
Victoria	23.0	11.0	5.1	–2.8	29.6	19.6
Queensland	23.8	21.2	42.5	41.0	82.4	71.9
South Australia	20.6	9.2	7.6	1.6	7.9	1.8
Western Australia	48.0	15.5	37.6	21.0	49.8	31.0
Tasmania	25.4	21.1	–0.5	–2.1	–0.5	–2.1
Australia	**24.6**	**11.6**	**13.8**	**5.3**	**23.6**	**14.1**

(a) None of the additional businesses were in the Northern Territory or the Australian Capital Territory.

(b) Growth rate calculated including the new businesses for 1999 but not for 1998.

(c) This provides the rate of change for businesses who were included in both 1998 and 1999 surveys. Businesses added in 1999 because of improved coverage are not included in the calculations.

Source: Vineyards Survey, 1999.

AREA OF VINES

Season 1999 was another record year for Australia's grape growers, with 122,915 hectares of vines being cultivated. The total area of vines increased in every State, with South Australia, New South Wales and Victoria having the largest increases.

The area of vines planted or grafted during season 1999 was 16,048 hectares. South Australia was once again the major State for new plantings, accounting for 45% of the newly planted vines for season 1999. The total area of vines currently not bearing grapes was 27,614 hectares (22%), while the area of vines bearing grapes was 95,301 hectares (78%).

Existing vineyards expect to plant a further 7,412 hectares of vines before the 2000 harvest. This represents 6% of the current plantings and a decline from last year's intended plantings. Of the new plantings, South Australian vineyards intend to plant 3,854 hectares (52%), and Victoria 1,818 hectares (25%).

GRAPE PRODUCTION

The 1999 grape harvest was a record 1,265,536 tonnes. Grapes harvested increased in all States except Tasmania with New South Wales recording the largest rise in production. South Australia remained the largest grape producing State with a harvest of 496,534 tonnes or 39% of the total harvest.

The yield per hectare of bearing vines was 13.3 tonnes in season 1999. Victoria achieved the highest yield per hectare of 15.9 tonnes.

GRAPE VARIETIES

Red grape varieties covered 67,925 hectares (55%) at harvest 1999 compared to white grape varieties at 54,990 hectares (45%). In season 1999, red grape varieties overtook white grape varieties for the first time since this data was collected by the ABS.

The new plantings of red grape varieties totalled 13,546 hectares with the main varieties being Shiraz (5,534 hectares) and Cabernet Sauvignon (4,315 hectares). There were 2,502 hectares of new plantings of white grape varieties during season 1999, with the main varieties being Chardonnay (633 hectares) and Semillon (375 hectares).

AREA AND PRODUCTION OF VINEYARDS

	AREA OF VINES				GRAPE PRODUCTION(a)				
		Not yet bearing (planted or grafted)							
	Bearing	*Prior to collection year*	*During collection year*	*Total*	*Wine-making(b)*	*Drying*	*Table and other*	*Total*	*Yield(c)*
	ha	ha	ha	ha	t	t	t	t	t/ha
New South Wales									
1995	12 626	729	1 082	14 437	104 687	25 823	8 439	138 950	11.0
1996	13 768	1 933	1 183	16 883	167 556	46 687	10 841	225 084	16.3
1997	15 898	1 802	2 290	19 990	174 265	24 364	11 273	209 901	13.2
1998r	17 108	2 324	2 765	22 197	175 321	31 438	11 228	217 987	12.7
1999	22 525	2 684	3 535	28 744	270 236	19 137	14 128	303 501	13.5
Victoria									
1995	18 989	1 094	1 509	21 591	137 613	112 981	26 840	277 435	14.6
1996r	19 821	1 506	1 761	23 088	199 141	193 028	34 522	426 691	21.5
1997	21 338	2 416	1 602	25 356	181 772	106 662	41 253	329 687	15.5
1998r	21 609	2 290	2 352	26 251	214 462	140 850	41 684	396 996	18.4
1999	26 149	2 641	3 510	32 299	277 869	96 788	42 391	417 048	15.9
Queensland									
1995	894	85	71	1 050	380	—	3 523	3 903	4.4
1996	967	92	113	1 172	618	—	3 366	3 984	4.1
1997	1 048	123	154	1 325	746	—	3 784	4 530	4.3
1998	1 041	199	165	1 405	693	—	4 113	4 806	4.6
1999	1 378	130	230	1 739	1 264	—	5 586	6 850	5.0
South Australia									
1995	27 237	2 274	3 092	32 603	320 169	6 714	2 913	329 797	12.1
1996	27 153	4 826	3 310	35 289	395 835	7 229	3 769	406 832	15.0
1997	30 270	4 741	3 535	38 546	367 792	4 245	2 551	374 589	12.4
1998	34 324	4 162	5 072	43 557	455 531	3 337	2 390	461 257	13.4
1999	40 188	5 177	7 185	52 551	491 621	2 764	2 149	496 534	12.4
Western Australia									
1995	2 415	197	175	2 788	12 314	1 487	2 740	16 541	6.8
1996	2 803	453	386	3 642	17 234	1 398	3 288	21 920	7.8
1997	3 106	430	432	3 969	17 295	1 164	3 337	21 796	7.0
1998	3 521	447	566	4 534	21 406	946	4 063	26 414	7.5
1999	4 453	770	1 489	6 712	32 067	749	3 531	36 347	8.2
Tasmania									
1995	293	67	40	400	2 200	—	—	2 200	7.5
1996	324	88	63	475	1 988	—	1	1 989	6.1
1997	341	102	41	484	1 497	—	—	1 497	4.4
1998	379	111	45	535	3 136	—	—	3 136	8.3
1999	460	143	68	671	3 121	—	—	3 121	6.8
Australia(d)									
1995	62 454	4 446	5 969	72 869	577 364	147 006	44 456	768 827	12.3
1996r	64 845	8 900	6 815	80 559	782 381	248 342	55 786	1 086 509	16.8
1997	72 119	9 615	8 063	89 797	743 382	136 435	63 296	943 113	13.1
1998	78 090	9 532	10 989	98 612	870 627	176 570	64 972	1 112 170	14.2
1999	95 301	11 566	16 048	122 915	1 076 207	119 438	69 891	1 265 536	13.3

(a) Fresh weight.

(b) Wine grape production data are less than grape-crushings data in chapter 4 (see Explanatory Note 4).

(c) Yield represents the quantity of grapes produced per hectare of bearing vines.

(d) Includes Australian Capital Territory and Northern Territory from and including 1997.

Source: Vineyards Survey, 1999.

AREA AND PRODUCTION OF GRAPE VARIETIES—At Harvest 1999

	AREA OF VINES				GRAPE PRODUCTION(a)				
		Not yet bearing (planted or grafted)							
	Bearing	*Prior to collection year*	*During collection year*	*Total*	*Wine-making*	*Drying*	*Table and other*	*Total*	*Yield(b)*
	ha	ha	ha	ha	t	t	t	t	t/ha
Red grapes									
Barbera	111	80	25	216	669	—	—	669	6.0
Cabernet Franc	559	55	73	687	5 365	—	—	5 365	9.6
Cabernet Sauvignon	13 629	3 226	4 315	21 169	127 494	—	193	127 687	9.4
Currant	889	23	26	938	5 515	7 189	10	12 714	14.3
Grenache	2 025	92	139	2 255	24 196	53	33	24 281	12.0
Malbec	399	21	28	448	2 857	—	—	2 857	7.2
Mataro	683	78	105	866	9 217	—	69	9 286	13.6
Merlot	3 465	1 270	1 653	6 387	31 801	16	246	32 063	9.3
Muscat a Petit Grains Rouge/Rosé	296	16	32	345	1 411	46	408	1 865	6.3
Petit Verdot	110	74	187	370	1 045	—	—	1 045	9.5
Pinot Noir	2 226	330	440	2 996	19 668	26	267	19 960	9.0
Ruby Cabernet	1 102	312	564	1 978	18 414	—	49	18 462	16.8
Sangiovese	311	29	100	440	403	—	—	403	1.3
Shiraz	16 944	3 117	5 534	25 596	192 330	36	477	192 843	11.4
Tarrango	87	—	20	107	2 199	—	—	2 199	25.3
Other red grapes	2 528	296	305	3 129	7 228	658	20 179	28 065	9.8
Total red grapes	*45 363*	*9 017*	*13 546*	*67 925*	*449 809*	*8 025*	*21 929*	*479 762*	*10.6*
White Grapes									
Chardonnay	15 298	925	633	16 855	210 770	—	299	211 069	13.8
Chenin Blanc	884	29	26	939	16 621	—	—	16 621	18.8
Colombard	1 382	123	143	1 648	34 781	—	—	34 781	25.2
Crouchen	83	1	4	87	1 136	—	—	1 136	13.7
Doradillo	306	2	6	314	6 597	—	1	6 598	21.6
Marsanne	137	31	32	201	1 878	—	—	1 878	13.7
Muscadelle	230	2	15	247	2 106	—	7	2 113	9.2
Muscat a Petit Grains Blanc	261	1	7	269	3 334	5	24	3 363	12.9
Muscat Gordo Blanco	2 924	39	42	3 005	58 017	2 575	112	60 703	20.8
Palomino	161	1	1	163	2 581	—	—	2 581	16.1
Pedro Ximenes	146	—	—	146	1 981	—	—	1 981	13.6
Riesling	3 190	68	89	3 347	30 144	—	—	30 144	9.4
Sauvignon Blanc	1 926	240	247	2 413	22 834	—	100	22 934	11.9
Semillon	5 307	362	375	6 044	80 191	—	—	80 191	15.1
Sultana	12 943	397	299	13 639	117 783	105 982	26 339	250 103	19.3
Taminga	44	—	—	44	862	—	—	862	19.5
Traminer	531	4	3	538	5 357	—	—	5 357	10.1
Trebbiano	689	—	1	690	10 482	—	—	10 482	15.2
Verdelho	708	98	169	975	7 290	—	—	7 290	10.3
Viognier	79	23	28	130	494	—	—	494	6.3
Waltham Cross	407	12	10	429	2 366	2 277	1 200	5 842	14.3
Other white grapes	2 303	192	372	2 867	8 794	575	19 881	29 251	12.7
Total white grapes	*49 938*	*2 550*	*2 502*	*54 990*	*626 398*	*111 414*	*47 962*	*785 774*	*15.7*
Total grapes	**95 301**	**11 566**	**16 048**	**122 915**	**1 076 207**	**119 438**	**69 891**	**1 265 536**	**13.3**

(a) Fresh weight.

(b) Yield represents the quantity of grapes produced per hectare of bearing vines.

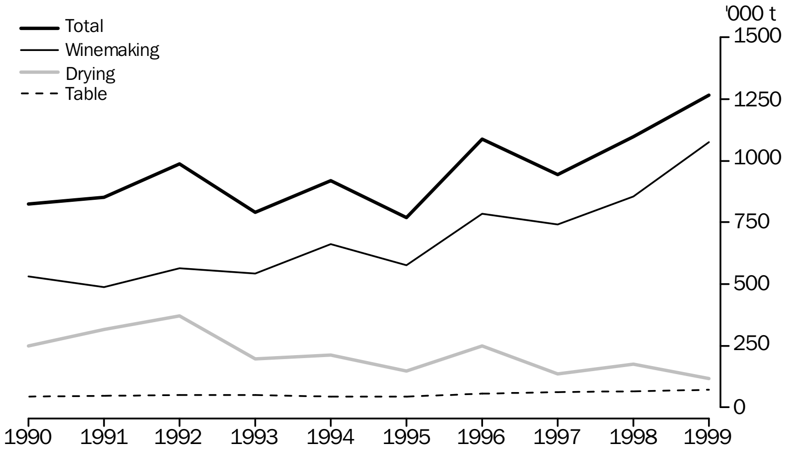
Source: Vineyards Survey, 1999.

INTENDED USE

In season 1999, 1,076,207 tonnes of grapes were harvested for winemaking. The proportion of total grape production which was intended for use in winemaking was 85% for season 1999. The production of grapes for drying was 119,438 tonnes (9% of total grape production). The harvest of table and other grapes was 69,891 tonnes or 6% of the total grapes produced.

In recent years the increase in total grape production appears to have been directed to winemaking while production for drying has exhibited a downward trend over the same period.

GRAPE PRODUCTION AND INTENDED USAGE



Source: Vineyards Survey, 1999.

In season 1999 total production of the multi-purpose Sultana grapes was 250,103 tonnes (20% of total grape production). Sultana grapes accounted for 89% of dried grape production, 38% of table and other grapes production and 11% of winemaking grapes production.

DRIED GRAPE PRODUCTION

Total dried grape production fell by 33% in season 1999. The production of all varieties fell, with Raisins down by 58%, Sultanas by 32% and Currants (including Carina) by 17%.

PRODUCTION OF DRIED GRAPES(a)

	Currants (incl. Carina)	*Raisins*	*Sultanas*	*Total*
	'000t	'000t	'000t	'000t
1996	4.4	2.1	48.1	54.6
1997	2.9	1.7	25.3	29.9
1998r	2.4	2.5	33.8	38.6
1999	2.0	1.1	23.0	26.1

(a) Dried weight.

Source: Vineyards Survey, 1999.

VINE PLANTING

Net increase in area planted under vines for 1998–99 (derived from vines planted and vines lost during the year) was recorded as 13,796 hectares. It should be noted that both vines planted and vines lost include vines changed to another variety (e.g. by grafting) therefore net change represents actual change to the area planted.

Most activity occurred in the red grape varieties with a net increase of 12,795 hectares compared with 1,001 hectares of white grapes. The total area of vines lost or regrafted was highest for white grape varieties at 1,501 hectares, while red grape varieties recorded 751 hectares.

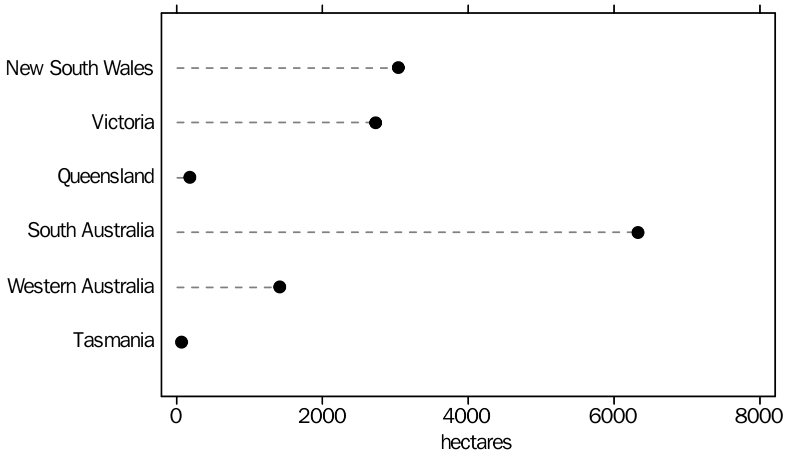
For red grape varieties the highest gain in area was recorded for Shiraz with 5,356 hectares which represented 42% of the total gain in area of red grapes. This was followed by Cabernet Sauvignon with 4,195 hectares (33%) and Merlot with 1,619 hectares (13%). Currants and Carignan were the only red grape varieties to show a net area loss, 50 hectares and 2 hectares respectively. Net change as a proportion of total area under vines was highest for Ruby Cabernet with 28%, followed by Merlot (25%), Shiraz (21%) and Cabernet Sauvignon (20%). Intended planting in 1999–2000 will see a further increase in the area of Shiraz of 2,089 hectares and Cabernet Sauvignon of 1,690 hectares.

For white grapes the highest gains in area during 1998–99 were for Chardonnay of 473 hectares, Semillon 279 hectares, Sauvignon Blanc 198 hectares and Verdelho 163 hectares. Sultanas showed a net loss of 312 hectares, with Muscat Gordo Blanco (103 hectares) and Riesling (39 hectares) also recording losses. The largest intended plantings for 1999–2000 are in the varieties of Sultanas (342 hectares), Chardonnay (215 hectares) and Colombard (193 hectares).

The largest net change to area planted occurred in South Australia where 6,326 hectares (46% of total) were gained despite a minor loss in white grape area (79 hectares). Western Australia recorded the largest net increase in area of white grape planting with 395 hectares.

South Australia also recorded the highest intended planting of 3,854 hectares, followed by Victoria (1,818 hectares) and New South Wales (1,205 hectares).

VINE PLANTING, Net Change—By State



Source: Vineyards Survey, 1999.

VINE PLANTING, Gains and Losses—By variety

	CHANGES TO AREA PLANTED DURING 1998–99..			
	Planted	*Lost*	*Net change*	*Intended planting 1999 to 2000*
Red grapes				
Barbera	25	—	25	18
Cabernet Franc	73	7	66	36
Cabernet Sauvignon	4 315	119	4 195	1 690
Carignan	2	3	–2	—
Currant	26	76	–50	26
Grenache	139	51	88	218
Malbec	28	4	24	44
Mataro	105	16	90	62
Merlot	1 653	34	1 619	695
Meunier	1	—	1	18
Muscat a Petit Grains Rouge/Rosé	32	18	15	14
Nebbiolo	10	1	9	12
Petit Verdo	187	2	184	253
Pinot Noir	440	41	400	248
Ruby Cabernet	564	17	548	312
Sangiovese	100	—	100	108
Shiraz	5 534	178	5 356	2 089
Tarrango	20	—	20	45
Touriga	3	—	3	6
Other red grapes	289	186	104	156
Total red grapes	*13 546*	*751*	*12 795*	*6 049*
White grapes				
Canada Muscat	—	1	–1	—
Chardonnay	633	159	473	215
Chenin Blanc	26	13	13	18
Colombard	143	13	130	193
Crouchen	4	9	–5	1
Doradillo	6	30	–24	21
Marsanne	32	6	26	7
Muscadelle	15	19	–4	—
Muscat a Petit Grains Blanc	7	12	–5	8
Muscat Gordo Blanco	42	145	–103	34
Palomino	1	32	–31	4
Pedro Ximenes	—	16	–15	2
Riesling	89	128	–39	92
Sauvignon Blanc	247	50	198	96
Semillon	375	96	279	77
Sultana	299	611	–312	342
Taminga	—	3	–3	—
Traminer	3	24	–21	—
Trebbiano	1	59	–58	4
Verdelho	169	6	163	62
Viognier	28	—	28	40
Waltham Cross	10	21	–11	10
Other white grapes	372	49	323	136
Total white grapes	*2 502*	*1 501*	*1 001*	*1 364*
Total grapes	**16 048**	**2 252**	**13 796**	**7 412**

Source: Vineyards Survey, 1999.

VINE PLANTING, Gains and Losses—By State

	CHANGES TO AREA PLANTED DURING 1998–99..			
	Planted	*Lost*	*Net change*	*Intended planting 1999 to 2000*
New South Wales				
Total red grapes	2 798	147	2 651	842
Total white grapes	737	347	390	363
Total	*3 535*	*494*	*3 041*	*1 205*
Victoria				
Total red grapes	2 836	263	2 573	1 362
Total white grapes	673	517	156	456
Total	*3 510*	*780*	*2 730*	*1 818*
Queensland				
Total red grapes	124	30	94	52
Total white grapes	106	15	91	35
Total	*230*	*46*	*184*	*88*
South Australia				
Total red grapes	6 666	261	6 405	3 436
Total white grapes	519	598	–79	418
Total	*7 185*	*859*	*6 326*	*3 854*
Western Australia				
Total red grapes	1 071	50	1 021	325
Total white grapes	418	23	395	68
Total	*1 489*	*73*	*1 416*	*393*
Tasmania				
Total red grapes	42	—	42	22
Total white grapes	27	—	27	15
Total	*68*	*—*	*68*	*37*
Australia(a)				
Total red grapes	13 546	751	12 795	6 049
Total white grapes	2 502	1 501	1 001	1 364
Total	**16 048**	**2 252**	**13 796**	**7 412**

(a) Includes Australian Capital Territory and Northern Territory.

Source: Vineyards Survey, 1999.

PRINCIPAL GRAPE-PRODUCING REGIONS

South Australia remains the principal red grape-growing State with 56% of total red grape production. In season 1999, South Australia produced 59% of the red grapes used for winemaking. The major South Australian regions for red wine grape production in season 1999 were the North Murray District, Central District and South Eastern District. South Australia also accounted for 36% of the total production of white grapes used for winemaking.

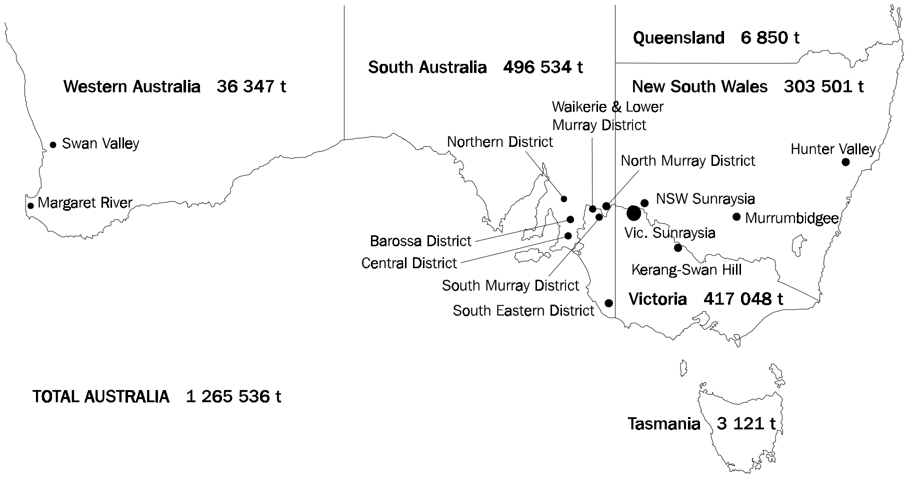
Victoria produced 41% of all white grapes harvested in 1999. The Victorian Sunraysia region was the largest producer of white wine grapes with 147,826 tonnes or 24% of Australian white wine grape production, followed by the New South Wales region of Murrumbidgee with 12%.

PRINCIPAL GRAPE-PRODUCING REGIONS *continued*

Victoria also produced 81% of the total grapes harvested for drying, and 61% of total table and other grape production, in 1999. Dried and table and other grapes made up 33% of Victoria's total grape production. The main regions producing drying and table and other grapes in Victoria were Sunraysia and Kerang–Swan Hill. Together with Sunraysia (New South Wales), these three regions made up 97% of total drying grape production and 70% of the total table and other grape production.

The regions with the largest areas of vines planted or grafted during season 1999 were the Central District in South Australia and the Sunraysia region of Victoria.

SELECTED GRAPE-PRODUCING REGIONS—1999



Source: Vineyards Survey, 1999.

AREA AND PRODUCTION OF RED AND WHITE GRAPES, By Principal Grape-Producing Regions—At Harvest 1999

	AREA OF VINES				GRAPE PRODUCTION(a)				
		Not yet bearing (planted or grafted)...							
	Bearing	*Prior to collection year*	*During collection year*	*Total*	*Wine-making*	*Drying*	*Table and other*	*Total*	*Yield(b)*
	ha	ha	ha	ha	t	t	t	t	t/ha
				NEW SOUTH WALES					
Murrumbidgee									
Total red grapes	3 345	736	884	4 966	46 039	—	3	46 042	13.8
Total white grapes	4 511	154	111	4 775	77 058	32	16	77 106	17.1
Total	*7 856*	*890*	*995*	*9 741*	*123 097*	*32*	*19*	*123 148*	*15.7*
Hunter Valley									
Total red grapes	1 466	89	139	1 695	6 845	—	12	6 857	4.7
Total white grapes	2 724	72	108	2 904	22 789	—	—	22 789	8.4
Total	*4 191*	*161*	*247*	*4 598*	*29 633*	—	*12*	*29 645*	*7.1*
Sunraysia (New South Wales)									
Total red grapes	1 354	483	549	2 386	16 196	1 173	1 966	19 334	14.3
Total white grapes	3 589	124	137	3 850	47 129	17 892	6 316	71 338	19.9
Total	*4 944*	*607*	*686*	*6 236*	*63 325*	*19 065*	*8 282*	*90 672*	*18.3*
Rest of New South Wales									
Total red grapes	2 671	763	1 226	4 660	24 771	—	1 594	26 365	9.9
Total white grapes	2 863	264	382	3 509	29 410	40	4 221	33 671	11.8
Total	*5 535*	*1 026*	*1 608*	*8 169*	*54 181*	*40*	*5 815*	*60 036*	*10.8*
Total New South Wales									
Total red grapes	8 837	2 071	2 798	13 706	93 850	1 173	3 575	98 598	11.2
Total white grapes	13 687	613	737	15 038	176 386	17 965	10 553	204 904	15.0
Total	*22 525*	*2 684*	*3 535*	*28 744*	*270 236*	*19 137*	*14 128*	*303 501*	*13.5*
				VICTORIA					
Sunraysia (Victoria)									
Total red grapes	3 238	783	1 345	5 366	37 719	4 195	5 215	47 129	14.6
Total white grapes	11 512	430	337	12 279	147 826	83 545	12 595	243 966	21.2
Total	*14 750*	*1 212*	*1 683*	*17 645*	*185 545*	*87 740*	*17 811*	*291 095*	*19.7*
Kerang–Swan Hill									
Total red grapes	1 328	191	324	1 843	12 611	298	5 877	18 786	14.1
Total white grapes	3 525	240	146	3 911	33 175	8 635	16 983	58 793	16.7
Total	*4 853*	*431*	*470*	*5 753*	*45 787*	*8 933*	*22 860*	*77 579*	*16.0*
Rest of Victoria									
Total red grapes	3 932	733	1 167	5 832	26 186	93	1 307	27 585	7.0
Total white grapes	2 614	265	190	3 069	20 352	23	415	20 789	8.0
Total	*6 546*	*998*	*1 357*	*8 901*	*46 538*	*116*	*1 721*	*48 374*	*7.4*
Total Victoria									
Total red grapes	8 498	1 706	2 836	13 040	76 516	4 585	12 399	93 500	11.0
Total white grapes	17 651	935	673	19 259	201 353	92 203	29 993	323 548	18.3
Total	*26 149*	*2 641*	*3 510*	*32 299*	*277 869*	*96 788*	*42 391*	*417 048*	*15.9*

(a) Fresh weight.

(b) Yield represents the quantity of grapes produced per hectare of bearing vines.

Source: Vineyards Survey, 1999.

AREA AND PRODUCTION OF RED AND WHITE GRAPES, By Principal Grape-Producing Regions—At Harvest 1999 *continued*

	AREA OF VINES				GRAPE PRODUCTION(a)				
		Not yet bearing (planted or grafted)							
	Bearing	*Prior to collection year*	*During collection year*	*Total*	*Wine-making*	*Drying*	*Table and other*	*Total*	*Yield(b)*
	ha	ha	ha	ha	t	t	t	t	t/ha
				QUEENSLAND					
Total Queensland									
Total red grapes	693	82	124	899	674	—	2 400	3 074	4.4
Total white grapes	686	48	106	840	590	—	3 186	3 776	5.5
Total	*1 378*	*130*	*230*	*1 739*	*1 264*	—	*5 586*	*6 850*	*5.0*
				SOUTH AUSTRALIA					
Central District									
Total red grapes	5 705	951	1 589	8 245	60 019	53	30	60 103	10.5
Total white grapes	2 122	126	188	2 436	25 129	—	—	25 130	11.8
Total	*7 826*	*1 078*	*1 777*	*10 681*	*85 149*	*53*	*31*	*85 232*	*10.9*
Barossa District									
Total red grapes	4 371	450	1 231	6 052	35 451	2	—	35 453	8.1
Total white grapes	3 062	88	29	3 179	31 928	—	—	31 928	10.4
Total	*7 432*	*538*	*1 260*	*9 230*	*67 380*	*2*	—	*67 382*	*9.1*
Waikerie and Lower Murray District									
Total red grapes	1 659	315	462	2 436	26 095	660	49	26 804	16.2
Total white grapes	2 090	75	70	2 234	42 794	518	147	43 459	20.8
Total	*3 749*	*389*	*532*	*4 670*	*68 889*	*1 179*	*196*	*70 263*	*18.7*
North Murray District									
Total red grapes	4 139	883	1 231	6 252	61 072	633	387	62 092	15.0
Total white grapes	2 986	114	120	3 220	61 392	450	853	62 695	21.0
Total	*7 125*	*996*	*1 350*	*9 472*	*122 464*	*1 083*	*1 239*	*124 786*	*17.5*
South Murray District									
Total red grapes	1 484	378	657	2 519	24 213	182	208	24 602	16.6
Total white grapes	1 494	47	38	1 580	29 789	231	443	30 463	20.4
Total	*2 978*	*425*	*696*	*4 099*	*54 002*	*413*	*650*	*55 065*	*18.5*
Northern District									
Total red grapes	1 528	660	555	2 743	10 419	35	15	10 469	6.9
Total white grapes	1 113	95	53	1 260	9 514	—	18	9 532	8.6
Total	*2 641*	*755*	*607*	*4 003*	*19 933*	*35*	*33*	*20 001*	*7.6*
South Eastern District									
Total red grapes	6 092	973	941	8 007	47 718	—	—	47 718	7.8
Total white grapes	2 344	23	22	2 389	26 086	—	—	26 086	11.1
Total	*8 437*	*996*	*963*	*10 396*	*73 804*	—	—	*73 804*	*8.7*
Total South Australia									
Total red grapes	24 978	4 610	6 666	36 254	264 988	1 565	688	267 240	10.7
Total white grapes	15 210	568	519	16 297	226 634	1 199	1 461	229 294	15.1
Total	*40 188*	*5 177*	*7 185*	*52 551*	*491 621*	*2 764*	*2 149*	*496 534*	*12.4*

(a) Fresh weight.

(b) Yield represents the quantity of grapes produced per hectare of bearing vines.

Source: Vineyards Survey, 1999.

AREA AND PRODUCTION OF RED AND WHITE GRAPES, By Principal Grape-Producing Regions—At Harvest 1999 *continued*

	AREA OF VINES				GRAPE PRODUCTION(a)				
		Not yet bearing (planted or grafted)							
	Bearing	*Prior to collection year*	*During collection year*	*Total*	*Wine-making*	*Drying*	*Table and other*	*Total*	*Yield(b)*
	ha	ha	ha	ha		t	t	t	t/ha
WESTERN AUSTRALIA									
Swan Shire									
Total red grapes	323	28	24	375	1 192	204	962	2 359	7.3
Total white grapes	433	17	20	470	3 533	10	1 168	4 711	10.9
Total	*756*	*46*	*44*	*845*	*4 725*	*214*	*2 131*	*7 069*	*9.4*
Margaret River									
Total red grapes	606	184	384	1 175	4 352	—	313	4 665	7.7
Total white grapes	794	85	162	1 040	6 966	—	15	6 980	8.8
Total	*1 400*	*269*	*546*	*2 215*	*11 318*	—	*328*	*11 645*	*8.3*
Rest of Western Australia									
Total red grapes	1 178	293	663	2 134	6 746	497	929	8 172	6.9
Total white grapes	1 119	162	237	1 518	9 279	38	145	9 461	8.5
Total	*2 297*	*456*	*899*	*3 652*	*16 024*	*535*	*1 073*	*17 632*	*7.7*
Total Western Australia									
Total red grapes	2 107	506	1 071	3 684	12 290	701	2 204	15 195	7.2
Total white grapes	2 346	264	418	3 028	19 777	47	1 328	21 152	9.0
Total	*4 453*	*770*	*1 489*	*6 712*	*32 067*	*749*	*3 531*	*36 347*	*8.2*
TASMANIA									
Total Tasmania									
Total red grapes	205	30	42	276	1 471	—	—	1 471	7.2
Total white grapes	254	114	27	394	1 650	—	—	1 650	6.5
Total	*460*	*143*	*68*	*671*	*3 121*	—	—	*3 121*	*6.8*
AUSTRALIA									
Total Australia(c)									
Total red grapes	45 363	9 017	13 546	67 925	449 809	8 025	21 929	479 762	10.6
Total white grapes	49 938	2 550	2 502	54 990	626 398	111 414	47 962	785 774	15.7
Total	**95 301**	**11 566**	**16 048**	**122 915**	**1 076 207**	**119 438**	**69 891**	**1 265 536**	**13.3**

(a) Fresh weight.

(b) Yield represents the quantity of grapes produced per hectare of bearing vines.

(c) Includes Australian Capital Territory and Northern Territory.

Source: Vineyards Survey, 1999.

CHAPTER **3**

STRUCTURE OF THE WINE MANUFACTURING INDUSTRY

NUMBER AND SIZE OF WINERIES

Wine industry commentators estimate there are around 1100 wineries manufacturing, blending or selling wine in Australia. Many of these are very small establishments which do not crush grapes and have their wine made elsewhere. Those that do crush grapes range in size from small family businesses without employees, producing a few thousand litres of wine, to large corporations producing over one hundred million litres.

For the 1999 vintage there were 321 locations around Australia which crushed 50 tonnes or more of grapes, owned by 276 winemaking businesses. While all States crushed some grapes, just under one-third of all locations are in South Australia and these account for almost one-half of the Australian wine grape crush.

SIZE OF GRAPE CRUSH AND NUMBER OF WINE-PRODUCING LOCATIONS—1998–99

	NSW/ACT	*Vic.*	*Qld*	*SA*	*WA*	*Tas.*	*Aust.*
Grapes crushed ('000 t)	384.6	189.9	0.9	515.5	32.2	2.7	1 125.8
Proportion (%)	34	17	—	46	3	—	100
Locations crushing							
50–400 t (no.)	27	45	7	34	43	7	163
More than 400 t (no.)	36	32	—	69	19	2	158
Total locations (no.)	*63*	*77*	*7*	*103*	*62*	*9*	*321*
Proportion (%)	20	24	2	32	19	3	100

Source: Wine Statistics Survey, 1998–99; Wine and Spirit Production Survey, 1998–99.

The following table gives details of the 276 winemaking businesses which crush 50 tonnes or more of grapes. It shows that these businesses are diverse in size with the 92 smallest crushing less than 1% of all grapes, averaging about 89 tonnes each, and the 10 largest crushing 68% of all grapes and averaging about 76,800 tonnes each.

WINEMAKERS, Size of Production—1998–99

Size (tonnes crushed)	*Winemakers* no.	*Grapes crushed* t	*Beverage wine produced* '000 L
50–99	62	4 485	n.a.
100–149	29	3 671	n.a.
150–199	27	4 778	n.a.
200–400	45	12 424	n.a.
401–1 000	41	25 935	18 374
1 001–3 000	32	50 982	36 113
3 001–5 000	11	43 113	28 759
5 001–10 000	8	52 794	27 169
10 001–20 000	11	159 603	115 888
20 001 or more	10	768 055	567 087
Total	**276**	**1 125 840**	**(a)811 390**

(a) Includes production from those crushing less than 400 tonnes. This is estimated to be 18 million litres.

Source: Wine Statistics Survey, 1998–99; Wine and Spirit Production Survey, 1998–99.

MANUFACTURING OPERATIONS

This data does not include very small winemaking businesses run by sole proprietors and partnerships which do not employ other staff. The tables below show details from the 1997–98 collection.

An alternative view of the wine manufacturing industry is available from the annual manufacturing industry collection which covers establishments mainly engaged in the manufacturing or blending of wine which had some employment at 30 June.
At 30 June 1998 the wine manufacturing industry employed 7,788 persons and had a total turnover of $2,595.1 million.

Continued growth by this industry is illustrated by the 1997–98 manufacturing survey estimates showing that turnover for the wine manufacturing industry exceeded turnover for the beer and malt manufacturing industry. This has not occurred previously in the period since integrated economic surveys were introduced in 1968–69.

WINE MANUFACTURING ESTABLISHMENTS—1997–98

Employment size group	*Employment at end of June* no.	*Wages and salaries* $'000	*Turnover* $'000	*Industry value added* $'000
Less than 5 persons	347	7 569	57 046	13 584
5–19 persons	875	20 031	149 707	61 994
20–99 persons	2 010	49 466	418 317	155 567
100 or more persons	4 556	152 315	1 970 074	853 108
Total	**7 788**	**229 381**	**2 595 145**	**1 084 253**

Source: Manufacturing Industry Survey, 1997–98.

MANUFACTURING OPERATIONS *continued*

South Australia accounted for 44% of total employment in the wine manufacturing industry, 47% of total wages and salaries, 55% of total turnover and 58% of the industry value added. Victoria employed a slightly higher proportion of people in the industry (24%) and accounted for more turnover (22%) compared with New South Wales, (22% and 17% respectively). Victoria also contributed 25% of the total industry value added, almost double that of New South Wales (13%).

WINE MANUFACTURING ESTABLISHMENTS—1997–98

	Employment at end of June	*Wages and salaries*	*Turnover*	*Industry value added*
	no.	$'000	$'000	$'000
New South Wales	1 706	55 664	450 000	140 240
Victoria	1 833	47 912	582 002	269 168
Queensland	24	452	1 645	436
South Australia	3 420	106 996	1 435 399	626 905
Western Australia	n.p.	n.p.	n.p.	n.p.
Tasmania	n.p.	n.p.	n.p.	n.p.
Australian Capital Territory	n.a.	n.a.	n.a.	n.a.
Australia	**7 788**	**229 381**	**2 595 145**	**1 084 253**

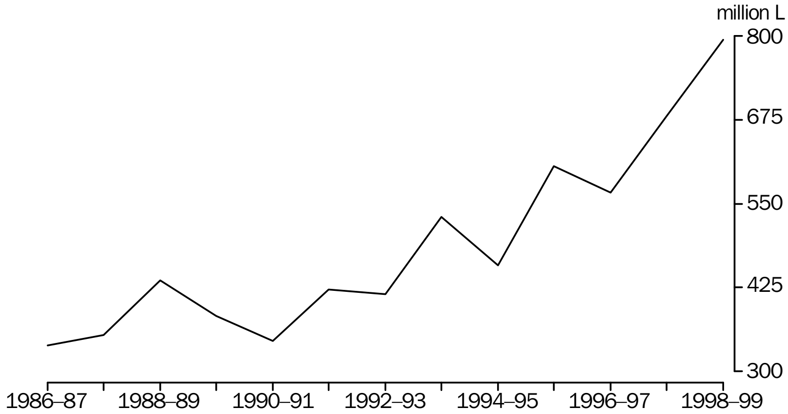
Source: Manufacturing Industry Survey, 1997–98.

CHAPTER 4 WINE PRODUCTION AND MATERIALS USED

PRODUCTION

The details about wine production presented in this chapter are collected from Australian winemakers who crush more than 400 tonnes. They reported a record 793.4 million litres of beverage wine production in 1998–99, up 17% on the previous record volume of 680.2 million litres in 1997–98. Unfortified wine production accounted for all of this increase, up 19% to 772.0 million litres. Production of fortified wine fell by 26% to 21.4 million litres. Fortified wine has fallen from a 4% share of total beverage wine production in 1997–98 to 3% in 1998–99.

BEVERAGE WINE PRODUCTION



Source: Wine and Spirit Production Survey, 1998–99.

Production of distillation wine decreased to 57.8 million litres in 1998–99, down 6% on last year and 14% down on the record production level of 67.3 million litres in 1995–96.

WINE PRODUCTION

	1994–95	*1995–96*	*1996–97*	*1997–98*	*1998–99*
Type	'000 L	'000 L	'000 L	'000 L	'000 L
Beverage wine					
Fortified(a)	25 399	28 874	28 656	28 947	21 433
Unfortified	433 005	577 272	538 123	651 291	771 957
Total	*458 404*	*606 146*	*566 779*	*680 239*	*793 389*
Distillation wine(b)	*44 393*	*67 299*	*50 601*	*61 309*	*57 754*
Gross total wine	**502 796**	**673 445**	**617 379**	**741 547**	**851 143**
Net total wine(c)	498 381	668 087	612 906	736 850	846 762

(a) Relates only to production from unfortified wine of the same vintage.

(b) For manufacturing brandy and grape spirit. Includes wine obtained from marc.

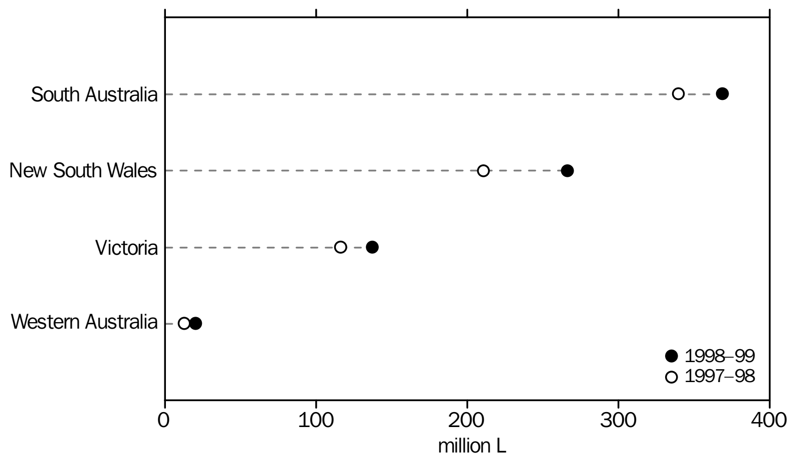
(c) Excludes grape spirit used for fortifying (assumes 95.6% alcohol by volume).

Source: Wine and Spirit Production Survey, 1998–99.

STATE PRODUCTION

Beverage wine production in 1998–99 increased in all States except Tasmania with the three major wine-producing States accounting for 97% of total production. New South Wales recorded the largest increase in volume of beverage wine produced up 26% (55.5 million litres), followed by South Australia which in creased by 9% (29.2 million litres) and Victoria up 18% (21.0 million litres). Western Australia recorded the largest percentage increase (59%) mainly as a result of a good vintage. Western Australian wine production reached 20.2 million litres while the Tasmanian contribution remained at 1.0 million litres. For these last two States the additional contribution of smaller winemakers is significant—see the next section on grapes crushed.

BEVERAGE WINE PRODUCTION, By State



Source: Wine and Spirit Production Survey, 1998–99.

All States recorded a decrease in production of fortified wine as a consequence of falling sales over the last few years and a preference to divert good quality grapes this year to the production of unfortified wine. South Australia's production of fortified wine fell 30% to 12.9 million litres, New South Wales fell 26% to 4.4 million litres and Victoria fell 6% to 4.1 million litres. South Australia produced 60% of the total fortified wine.

WINE PRODUCTION—1998–99

	SA	*NSW*	*Vic.*	*WA*	*Tas.*	*Aust.*
Type	'000 L	'000 L	'000 L	'000 L	'000 L	'000 L
Beverage wine						
Fortified(a)	12 888	4 425	4 113	7	—	21 433
Unfortified	355 868	261 719	133 215	20 166	989	771 957
Total	*368 756*	*266 144*	*137 328*	*20 173*	*989*	*793 389*
Distillation wine(b)	*39 563*	*11 994*	*6 197*	—	—	*57 754*
Gross total wine	**408 319**	**278 138**	**143 525**	**20 173**	**989**	**851 143**
Net total wine(c)	405 661	277 159	142 782	20 171	989	846 761

(a) Relates only to production from unfortified wine of the same vintage.

(b) For manufacturing brandy and grape spirit. Includes wine obtained from marc.

(c) Excludes grape spirit used for fortifying (assumes 95.6% alcohol by volume).

Source: Wine and Spirit Production Survey, 1998–99.

GRAPES CRUSHED

In 1998–99 there was a record 1,125,840 tonnes of grapes crushed by winemakers crushing 50 tonnes or more, an increase of 15% or 150,171 tonnes on 1997–98. This is the first time over one million tonnes of grapes were crushed in a single vintage. The larger winemakers (crushing more than 400 tonnes of fresh grapes) contributed 98% or 1,100,482 tonnes to the 1998–99 total.

FRESH GRAPES CRUSHED(a)

(a) By winemakers crushing 50 tonnes or more.

Source: Wine and Spirit Production Survey, 1998–99.

All States recorded an increase in grapes crushed. South Australian wineries recorded an increase of 6% in grapes crushed and were responsible for nearly half of all grapes crushed in Australia. Grapes crushed in New South Wales/Australian Capital Territory, Victoria and Western Australia increased by 25%, 20% and 45% respectively on their 1997–98 crush. The total crushed by winemakers crushing 50 tonnes or more in 1998–99 was a record in each State.

The crush for both red and white varieties increased in 1998–99. Red grapes crushed increased by 24% on 1997–98 and represented 40% of the total crush. The tonnage of white grapes crushed increased by 10% and represented 60% of the total crush . The larger winemakers (those crushing more than 400 tonnes) reflected these proportions, while the smaller winemakers (crushing between 50 and 400 tonnes) crushed more red grapes (58%) than white (42%). The smaller winemakers recorded an increase of 24% in red grapes crushed and 12% in white grapes crushed.

Readers should not infer that all grape juice produced in a particular State for winemaking was necessarily used to produce wine in the same State. Some unfermented grape juice is transported interstate and may subsequently be used in winemaking in another State. No reliable information is available concerning the volume of these interstate movements.

GRAPE CRUSH(a)

			1998–99		
	1996–97	*1997–98*	*Red*	*White*	*Total*
Fresh grapes crushed by	t	t	t	t	t
Winemakers crushing more than 400 tonnes					
South Australia	382 974	479 623	249 781	259 400	509 181
New South Wales	260 938	304 841	111 914	268 643	380 557
Victoria	119 898	150 787	62 537	121 084	183 621
Western Australia	14 267	17 468	9 467	16 196	25 663
Tasmania	485	1 606	612	848	1 460
Australia	*778 562*	*954 325*	*434 311*	*666 171*	*1 100 482*
Winemakers crushing 50 to 400 tonnes					
South Australia	6 301	4 932	4 884	1 456	6 340
New South Wales(b)	3 603	3 573	1 868	2 197	4 065
Victoria	4 694	6 990	3 858	2 449	6 307
Western Australia	3 784	4 707	2 948	3 595	6 543
Tasmania	772	938	681	570	1 251
Queensland	276	204	419	433	852
Australia	*19 430*	*21 344*	*14 658*	*10 700*	*25 358*
Total of winemakers crushing 50 tonnes or more					
South Australia	389 275	484 555	254 665	260 856	515 521
New South Wales(b)	264 541	308 414	113 782	270 840	384 622
Victoria	124 592	157 777	66 395	123 533	189 928
Western Australia	18 051	22 175	12 415	19 791	32 206
Tasmania	1 257	2 544	1 293	1 418	2 711
Queensland	276	204	419	433	852
Australia	**797 992**	**975 669**	**448 969**	**676 871**	**1 125 840**

(a) Grape crush data are greater than wine grape production data in chapter 2 (see paragraph 4 of the Explanatory Notes).

(b) Includes Australian Capital Territory.

Source: Wine Statistics Survey, 1998–99; Wine and Spirit Production Survey, 1998–99.

GRAPE SPIRIT USE

The grape spirit used in fortifying current vintage wine decreased by 7% to 4.2 million litres of alcohol in 1998–99 with all States recording a decrease.

GRAPE SPIRIT USED IN CURRENT VINTAGE WINE

	1994–95	*1995–96*	*1996–97*	*1997–98*	*1998–99*
	'000 L al	'000 L al	'000 L al	'000 L al	'000 L al
South Australia	2 215	2 842	2 302	2 624	2 541
New South Wales	984	1 405	1 152	1 030	936
Victoria	1 021	873	821	832	710
Other States	1	2	2	5	2
Australia	**4 221**	**5 122**	**4 277**	**4 490**	**4 189**

Source: Wine and Spirit Production Survey, 1998–99.

CHAPTER 5 REGIONAL SUMMARY ....

BACKGROUND

Over 40 major winemaking areas have been identified in Australia. Many contain small or boutique wineries. While some grape-growing data are available for smaller areas (vines are cultivated in more than 250 local government areas across Australia) the following table contains details of regions for which comprehensive statistical information is available.

Regions may obtain some of their grape supply or unfermented grape juice from outside their area. For example, grapes crushed by Barossa Valley wineries may also be sourced from the South Australian Riverland, while some New South Wales wineries may also source from Victorian Sunraysia and the South Australian Riverland.

The top two wine regions in terms of volume of wine produced continue to be the Riverland and Barossa regions in South Australia.

REGIONAL VITICULTURE AND WINE PRODUCTION—1998–99

	AREA OF VINES AT HARVEST......		GRAPE PRODUCTION...........			
	Bearing	*Not yet bearing*	*Winemaking*	*Other*	*Grapes crushed(a)*	*Beverage wine production(a)*
Region	ha	ha	t	t	t	'000 L
Central District	7 826	2 855	85 149	84	62 907	39 286
Barossa District	7 432	1 798	67 380	2	149 566	140 243
Riverland	13 852	4 388	245 355	4 760	233 794	151 689
Northern District	2 641	1 362	19 933	68	13 239	8 254
South Eastern District	8 437	1 959	73 804	—	49 675	29 294
Total South Australia	*40 188*	*12 362*	*491 621*	*4 913*	*509 181*	*368 756*
Murrumbidgee	7 856	1 885	123 097	51	176 359	127 966
Hunter Valley	4 191	408	29 633	12		
Sunraysia (NSW)	4 944	1 293	63 325	27 347	204 198	138 178
Rest of New South Wales	5 535	2 634	54 181	5 855		
Total New South Wales	*22 525*	*6 219*	*270 236*	*33 265*	*380 557*	*266 144*
Sunraysia (Vic.)	14 750	2 895	185 545	105 551	114 356	85 797
Kerang–Swan Hill	4 853	901	45 787	31 793	69 265	51 531
Rest of Victoria	6 546	2 355	46 538	1 837		
Total Victoria	*26 149*	*6 151*	*277 869*	*139 179*	*183 621*	*137 328*
Margaret River	1 400	815	11 318	328	10 000	6 857
Swan Shire	756	90	4 725	2 345	15 663	13 316
Rest of Western Australia	2 297	1 355	16 024	1 608		
Total Western Australia	*4 453*	*2 259*	*32 067*	*4 280*	*25 663*	*20 173*
Total Queensland	*1 378*	*360*	*1 264*	*5 586*	—	—
Total Tasmania	*460*	*211*	*3 121*	—	*1 460*	*989*
Total Australia(b)	**95 301**	**27 614**	**1 076 207**	**189 329**	**1 100 482**	**793 389**

(a) Winemakers crushing more than 400 tonnes.

(b) Totals for Area of vines and Grape production includes Australian Capital Territory and Northern Territory.

Source: Wine and Spirit Production Survey, 1998–99; Vineyards Survey, 1999.

CHAPTER 6 WINE STOCKS

WINEMAKER STOCKS

Stocks of Australian beverage wine owned by winemakers at 30 June 1999 exceeded one billion litres for the first time. Stocks rose to 1,089.6 million litres, an increase of 21% or 189.3 million litres compared with stocks held at 30 June 1998. However not all the wine types recorded an increase with fortified wine down 4%, carbonated wine down 22% and vermouth down 17%. Red/rosé table wine stocks increased by 33% or 118.4 million litres making this category the largest contributor to the overall stocks increase.

Stocks rose despite an increase in the total disposals of Australian wine (domestic sales plus export sales) in 1998–99 due to the record level of beverage wine production. However it should be noted that differences in collection methodologies make an exact reconciliation of production, sales and stocks impossible.

STOCKS OF AUSTRALIAN WINE AND GRAPE JUICE HELD BY WINEMAKERS

	1995	*1996(a)*	*1997*	*1998*	*1999*
Stocks at 30 June	'000 L	'000 L	'000 L	'000 L	'000 L
Beverage wine					
Fortified					
Sherry	24 141	25 868	22 169	21 042	20 267
Port	53 768	51 613	49 953	49 031	47 398
Other(b)	5 715	5 536	7 703	9 256	8 653
Total	*83 623*	*83 017*	*79 824*	*79 329*	*76 317*
Sparkling wine(c)					
Bottle fermentation	58 335	62 403	60 730	r63 307	65 088
Bulk fermentation	1 847	2 414	2 796	4 326	7 823
Total	*60 182*	*64 817*	*63 527*	*67 633*	*72 911*
Carbonated(d)	n.p.	546	666	r1 125	684
Flavoured(e)	2 583	2 694	2 078	1 829	1 944
Vermouth	n.p.	425	624	633	523
Table wine					
White	281 753	364 605	377 328	386 031	455 044
Red and rosé	211 933	266 177	291 511	363 803	482 159
Total	*493 685*	*630 782*	*668 839*	*749 834*	*937 203*
Total beverage wine	**642 459**	**782 281**	**815 558**	**900 299**	**1 089 583**
Distillation wine	753	674	550	664	651
Unfermented grape juice					
Unfermented grape juice	13 329	22 455	22 201	17 418	12 289
Concentrated must (single strength)	n.p.	5 168	3 634	5 692	6 388

(a) Break in series, stocks owned at 30 June. See paragraph 11 of the Explanatory Notes.

(b) Includes muscat, madeira, tokay and white port.

(c) Spritzig wines are included with table wines.

(d) Prior to 1997–98, data for 'carbonated' wine included some spritzig style wine which now appears in 'Red and rosé table wine'.

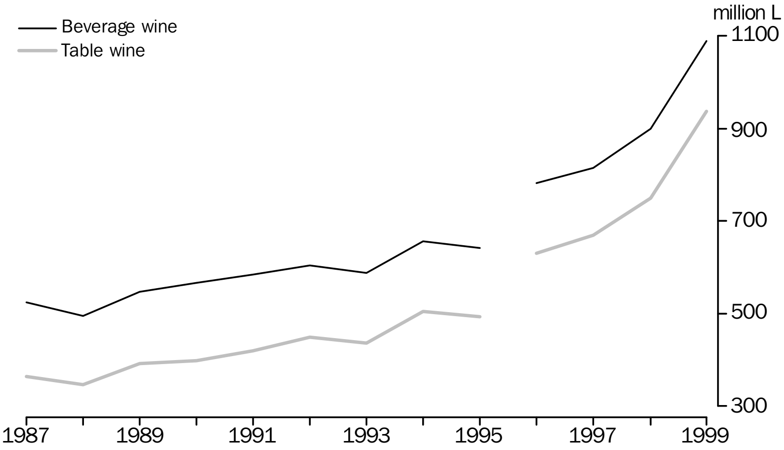
(e) Includes wine cocktails, marsala, aperitif and tonic wines.

Source: Stocks of Australian Wine and Brandy Survey, 30 June 1999.

WINE TYPES

In 1999, 86% of all beverage wine stocks was table wine, 7% was fortified wine and 7% was sparkling wine.

STOCKS OF AUSTRALIAN WINE—At 30 June(a)



(a) Break in data indicates a break in series, new definition used in 1996. See paragraph 11 of the Explanatory Notes.

Source: Stocks of Australian Wine and Brandy Survey, 30 June 1999.

Table wine stocks rose 25% to 937.2 million litres in 1999. With red/rosé wine stocks rising faster than white wine over the last few years, stocks of red/rosé table wine now exceed white wine for the first time. The proportion is now 51% for red/rosé wine and 49% for white wine.

STOCKS OF AUSTRALIAN TABLE WINE—At 30 June(a)

(a) Break in data indicates a break in series, new definition used in 1996. See paragraph 11 of the Explanatory Notes.

Source: Stocks of Australian Wine and Brandy Survey, 30 June 1999.

Fortified wine stocks were 76.3 million litres, of which 62% was port and 27% was sherry. Despite the break in series in 1996, the general fall in the fortified wine stocks has been continuous since 1990.

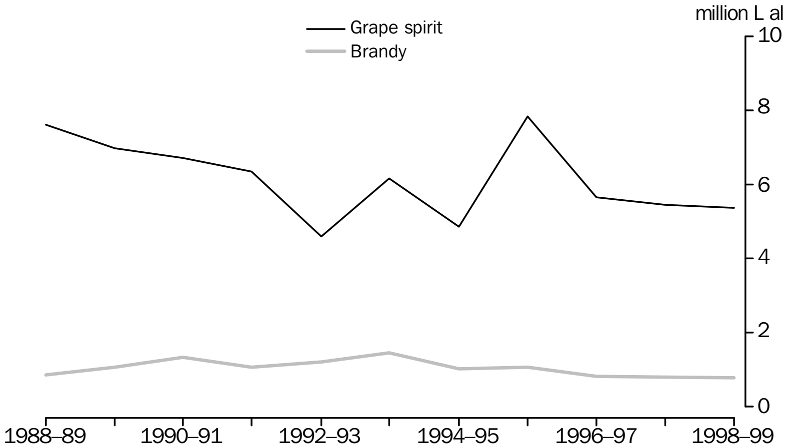
Sparkling wine stocks rose 8% to 72.9 million litres with bottle fermentation representation falling to 89% of the total. This reflects the increasing production of bulk fermented sparkling wine.

CHAPTER 7 — **BRANDY AND GRAPE SPIRIT**

PRODUCTION

Production of Australian brandy and grape spirit remained steady at 0.8 million and 5.4 million litres of alcohol respectively in 1998–99. South Australia continued to be the main producer of both brandy and grape spirit, with 99% and 72% respectively of the total Australian production.

BRANDY AND GRAPE SPIRIT PRODUCTION



Source: Wine and Spirit Production Survey, 1998–99.

STOCKS

Total stocks of brandy and grape spirit decreased 1% in 1998–99. Stocks of brandy in bond fell to 5.3 million litres of alcohol (down 3%) while rectified grape spirit and grape spirit unused fell 2% to 6.6 million litres of alcohol. However, spirit held in work in progress rose by 16% to 1.4 million litres of alcohol in 1998–99.

STOCKS OF AUSTRALIAN BRANDY AND GRAPE SPIRIT

	1995	*1996(a)*	*1997*	*1998*	*1999*
Particulars at 30 June	'000 L al	'000 L al	'000 L al	'000 L al	'000 L al
Brandy in bond by age					
Under 2 years	2 512	2 781	2 654	2 125	1 964
2 years and over	2 639	2 655	2 938	3 363	3 349
Total	*5 151*	*5 435*	*5 592*	*5 488*	*5 313*
Rectified grape spirit for fortifying wine and grape spirit unused	3 012	5 315	5 735	6 763	6 604
Spirit held in work in progress (feints and low wine)	685	788	538	1 245	1 445
Total Stocks	**8 848**	**11 538**	**11 865**	**13 496**	**13 362**

(a) Break in series, new definition used in 1996. See paragraph 11 of the Explanatory Notes.

Source: Stocks of Australian Wine and Brandy Survey, 30 June 1999.

BRANDY AND GRAPE SPIRIT SALES

Domestic sales of Australian brandy continued to decline in 1998–99 to 905,000 litres of alcohol, down 7% on 1997–98 and extending an unbroken downward trend since 1980–81 when sales totalled over 2.4 million litres of alcohol. Exports of Australian brandy are relatively small and tend to fluctuate from year to year. In 1998–99, 23,537 litres of alcohol were exported of which 92% originated from South Australia and 5% from New South Wales. Australia exported 50,976 litres of alcohol in grape spirit in 1998–99.

The volume of imported brandy cleared for home consumption in Australia fell 10% in 1998–99. France was the source of 95% of brandy imports, similar to the proportions in previous years. Imports of grape spirit for 1998–99 increased by 42% to 14,644 litres of alcohol. The main country of origin continued to be Turkey (59%).

DOMESTIC SALES, EXPORTS AND IMPORTS OF BRANDY

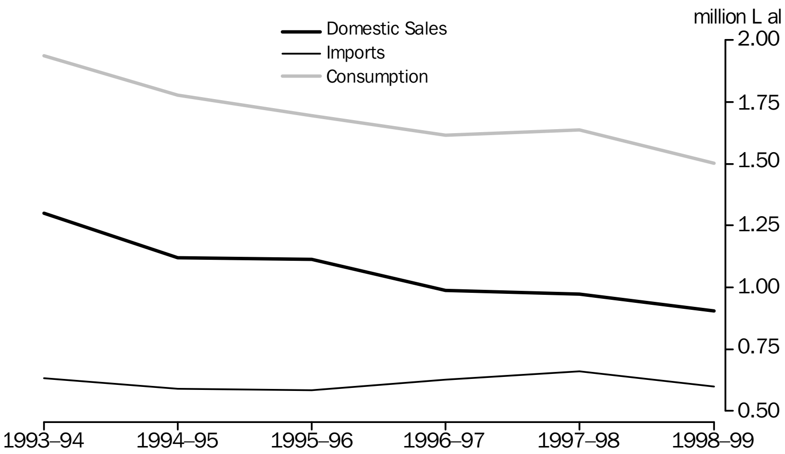
	1993–94	*1994–95*	*1995–96*	*1996–97*	*1997–98*	*1998–99*
	'000 L al	'000 L al	'000 L al	'000 L al	'000 L al	'000 L al
Australian brandy						
Domestic sales	1 301	1 188	1 113	987	974	905
Exports	36	36	24	17	26	24
Total disposals	*1 337*	*1 224*	*1 137*	*1 004*	*1 000*	*929*
Imported brandy	634	590	583	628	661	598
Consumption(a)	1 935	1 778	1 696	1 615	1 635	1 503

(a) Available for consumption in Australia, Domestic sales plus Imports.

Source: Sales of Australian Wine and Brandy by Winemakers (Cat. no. 8504.0).

Total disposals of Australian brandy (domestic sales plus exports) have declined significantly (31%) from 1.3 million litres of alcohol in 1993–94 to 0.9 million litres of alcohol in 1998–99. Over the same period imports of brandy fell by 6%, with imports for 1998–99 being 0.6 million litres of alcohol. The total brandy available for consumption in Australia has fallen by 22% since 1993–94 to 1.5 million litres of alcohol.

DOMESTIC SALES, IMPORTS AND CONSUMPTION OF BRANDY



Source: Sales of Australian Wine and Brandy by Winemakers (Cat. no. 8504.0).

CHAPTER **8** DOMESTIC WINE SALES ....

INTRODUCTION

Information on the volume of domestic sales of Australian-produced wine is obtained from approximately 50 winemaking enterprises which have annual sales of at least 250,000 litres of wine. These are estimated to account for around 95% of domestic sales of Australian-produced wine by all winemakers.

In recent years the volume of sales has been affected by increasing exports of Australian-produced wine and the use of imported wine to supplement domestic demand. The analysis in this chapter excludes all imported wine sold in Australia even when blended with Australian wine. The imported component of such blends, which are largely packaged in soft packs or flagons, represents only a small proportion of sales.

WINE TYPES

In 1998–99 the trend of increasing sales continued with a record 348.3 million litres of Australian-produced wine sold. This is an increase of 3% from the previous record of 338.8 million litres in 1997 –98. Table wine, with sales of 287.4 million litres and accounting for 83% of total wine sales, continued to dominate wine sales. Sparkling wine accounted for 32.6 million litres (9%) and fortified wine accounted for 23.9 million litres (7%) of total wine sales.

While total wine sales have remained approximately within the range of 300 to 350 million litres each year since 1986-87, changes have occurred in the relative shares of various wine types indicating changes in consumer preferences. Table wine dominates, having increased its share of total wine sales from 78% in 1986–87 to 83% in 1998–99. However this increase has been due entirely to sales of red/rosé table wines which have more than doubled over the period. In contrast, sales of white wine have decreased by 11% over the period.

DOMESTIC SALES OF AUSTRALIAN WINE BY WINEMAKERS

Source: Sales of Australian Wine and Brandy by Winemakers (Cat. no. 8504.0).

WINE TYPES *continued*

Between 1986–87 and 1998–99 sales of fortified wine have decreased steadily, down 34%. Sparkling wine sales, which have fluctuated over this period within the range of 28 to 33 million litres, rose by 5% to 32.6 million litres in 1998–99. Of all sparkling wine sold in 1998–99, bottle fermentation, at 20.3 million litres, accounted for 62% of sales, with bulk fermentation, increasing steadily over the last five years, from 4.4 million litres in 1994–95 to 12.3 million litres in 1998–99, now accounting for 38% of sales.

DOMESTIC SALES OF AUSTRALIAN WINE BY WINEMAKERS, Selected Wine Type

Source: Sales of Australian Wine and Brandy by Winemakers (Cat. no. 8504.0).

DOMESTIC SALES OF AUSTRALIAN WINE BY WINEMAKERS

	TABLE				SPARKLING				
	White	*Red/rosé(a)*	*Total*	*Fortified*	*Bottle fermented*	*Bulk fermented*	*Total*	*Other(a)*	*Total*
Period	million L	million L	million L	million L	million L	million L	million L	million L	million L
1986–87	210.8	47.3	258.1	36.2	20.6	8.2	28.8	6.7	329.8
1987–88	204.2	51.6	255.8	35.1	25.0	7.6	32.6	7.0	330.5
1988–89	186.7	51.1	237.7	33.3	25.3	6.3	31.6	6.5	309.1
1989–90	180.4	49.5	230.0	33.1	25.6	5.6	31.2	6.3	300.6
1990–91	176.2	52.1	228.3	30.7	25.7	3.7	29.5	7.8	296.3
1991–92	190.2	56.5	246.7	29.9	25.4	4.7	30.2	8.1	314.8
1992–93	186.4	59.9	246.3	28.4	25.3	4.7	30.0	7.4	312.1
1993–94	192.5	62.2	254.7	27.0	26.3	4.3	30.6	7.2	319.5
1994–95	186.2	65.4	251.6	27.0	23.6	4.4	28.0	6.7	313.4
1995–96	178.7	68.6	247.3	25.9	22.9	7.2	30.1	6.2	309.5
1996–97	185.0	83.7	268.8	25.6	23.4	9.2	32.6	6.6	333.6
1997–98	189.5	88.9	278.4	24.6	22.3	8.8	31.1	4.7	338.8
1998–99	188.3	99.1	287.4	23.9	20.3	12.3	32.6	4.4	348.3

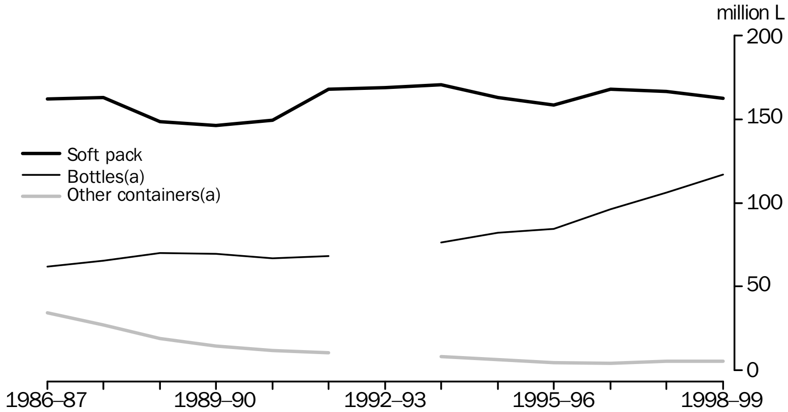
(a) Prior to 1997–98, data for 'other' wine includes some spritzig style wine which now appears in 'Red/rosé table wine'.

Source: Sales of Australian Wine and Brandy by Winemakers (Cat. no. 8504.0).

CONTAINER TYPE

While the category changed at July 1998 from 'glass containers 1 litre and under' to 'glass containers 2 litres and under', both categories represent mostly sales in 750 ml bottles. In 1998–99 sales of table wine in glass containers less than 2 litres was 117.1 million litres, 10% higher than the 106.1 million litres reported the previous year (in glass containers 1 litre and under). Soft pack sales decreased to 162.5 million litres (down 2%). Table wine sold in glass containers 2 litres and over and bulk containers increased 36% from 5.8 million litres to 7.8 million litres.

DOMESTIC SALES OF AUSTRALIAN TABLE WINE, Container Type



(a) Data for 1992–93 are not available for publication.

Source: Sales of Australian Wine and Brandy by Winemakers (Cat. no. 8504.0).

The proportion of table wine sold in bottles rose to 41% in 1998–99, up from 38% in 1997–98 and 24% in 1986–87. The proportion sold in soft pack fell slightly to 57%, down from 60% in 1997–98, and has fluctuated since the 1986–87 proportion of 56%. Wine sold in other containers increased from 2% in 1997–98 to 3% in 1998–99, however this is still well below the 13% recorded in 1986–87.

Sales of fortified wine are fairly evenly split between the container types. Of the total 23.9 million litres of fortified wine sold in 1998–99, 35% (8.5 million litres) was sold in glass containers less than 2 litres, 33% (7.9 million litres) in softpacks and 31% (7.5 million litres) in other containers. Port made up the largest proportion of fortified wine sold in glass containers less than 2 litres with 62% (5.2 million litres), followed by sherry with 33% (2.8 million litres).

DOMESTIC SALES OF AUSTRALIAN TABLE WINE, Container Type

	GLASS CONTAINERS LESS THAN 2 LITRES (a)			SOFT PACK			OTHER CONTAINERS		
	White	*Red/rosé(b)(c)*	*Total*	*White*	*Red/rosé(c)*	*Total*	*White*	*Red/rosé(c)*	*Total*
Period	million L	million L	million L	million L	million L	million L	million L	million L	million L
1986–87	41.7	20.1	61.7	138.8	23.1	161.8	30.4	4.2	34.5
1987–88	42.6	23.2	65.7	138.2	24.7	162.8	23.4	3.8	27.2
1988–89	46.1	23.9	70.1	124.7	23.8	148.5	15.9	3.3	19.2
1989–90	45.5	23.9	69.3	122.8	23.5	146.3	12.2	2.2	14.4
1990–91	42.9	24.1	67.0	123.4	26.0	149.4	9.9	2.0	11.9
1991–92	43.5	24.8	68.3	138.1	30.0	168.1	8.6	1.7	10.3
1992–93	44.1	n.p.	n.p.	135.9	32.8	168.7	6.4	n.p.	n.p.
1993–94	48.1	28.2	76.3	137.8	32.6	170.3	6.6	1.5	8.1
1994–95	51.9	30.6	82.4	129.3	33.5	162.9	5.0	1.3	6.3
1995–96	50.6	33.7	84.3	124.4	34.0	158.4	3.8	0.8	4.6
1996–97	55.2	41.1	96.4	126.5	41.6	168.1	3.3	1.0	4.3
1997–98	59.4	46.7	106.1	125.3	41.3	166.6	4.9	0.9	5.8
1998–99	63.4	53.7	117.1	118.0	44.6	162.5	7.0	0.8	7.8

(a) Prior to July 1998, data was collected for glass containers 1 litre and under.

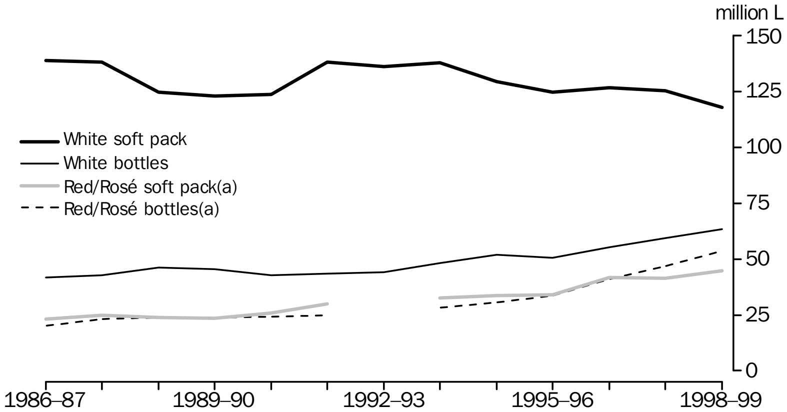
(b) Prior to 1997–98, some spritzig style wine was reported as non-table wine. It now appears in this category.

(c) The categories red table wine and rosé table wine have now been combined as red/rosé table wine.

Source: Sales of Australian Wine and Brandy by Winemakers (Cat. no. 8504.0).

Sales of red/rosé table wine increased faster over the period 1986–87 to 1998–99, than white table wine. Bottled red/rosé table wine sales increased by 33.6 million litres (167%) to 53.7 million litres while bottled white table wine rose by 21.7 million litres (52%) to 63.4 million litres. Soft pack sales over the same period show a different pattern. Red/rosé table wine in soft packs increased by 21.5 million litres (93%) to 44.6 million litres whereas white table wine in soft packs has fallen by 20.8 million litres (15%) to 118.0 million litres.

DOMESTIC SALES OF AUSTRALIAN RED AND WHITE TABLE WINE



(a) Data for 1992–93 are not available for publication.

Source: Sales of Australian Wine and Brandy by Winemakers (Cat. no. 8504.0).

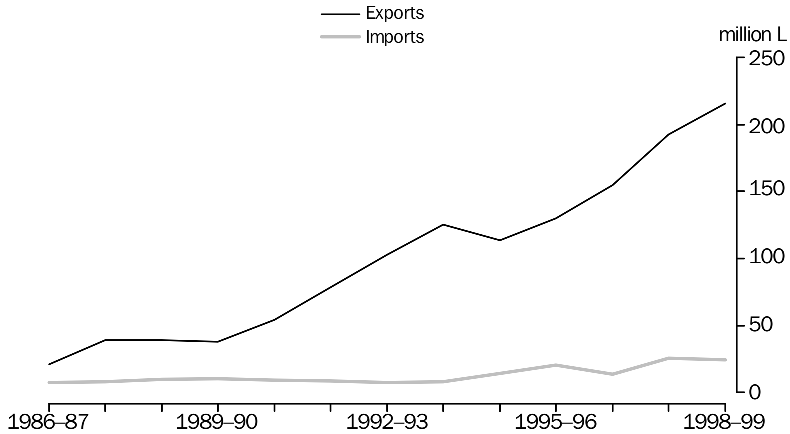
CHAPTER **9**

INTERNATIONAL TRADE

INTRODUCTION

In 1998–99 Australia exported a record 215.5 million litres of wine, valued at $1,068.0 million, continuing the strong growth in Australian wine exports evident since the mid-1980s. Since 1986–87 the trade balance for wine in both quantity and value terms has consistently been in surplus (exports greater than imports) and has generally been increasing over time.

IMPORTS OF WINE AND EXPORTS OF AUSTRALIAN WINE



Source: Sales of Australian Wine and Brandy by Winemakers (Cat. no. 8504.0).

EXPORTS OF WINE

The 215.5 million litres of wine exported in 1998–99 represented an increase of 12% on the previous record of 192.4 million litres exported in the previous year. The volume exported has increased dramatically over the last decade; from 1988–89 (39.0 million litres) exports have risen by more than 400%. The value of wine exported also continues to rise, reaching a record high of $1,068.0 million in 1998–99, an increase of 22% from the previous year. The average value of these exports was $4.96 per litre, up from $4.54 in 1997–98.

Table wine was the predominant type of wine exported in 1998–99 with 205.6 million litres or 95% of the total quantity. Sparkling wine exports were 6.9 million litres or 3% of the total quantity. There were 2.2 million litres of fortified wines exported in 1998–99. Table wine has largely influenced the rise in Australian wine exported. Over the last five years exports of table wine have almost doubled, from 105.5 million litres in 1994–95 to 205.6 million litres in 1998–99, accounting for almost all (98%) of the increase in total Australian wine exports in that period.

EXPORTS OF AUSTRALIAN WINE

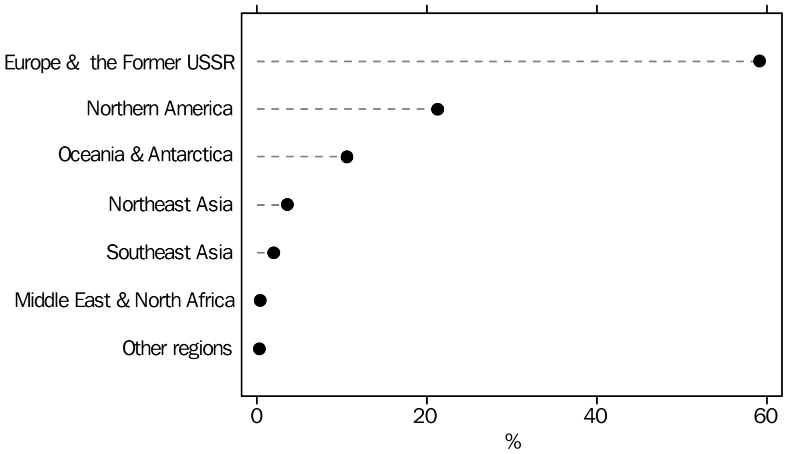
	WINE TYPE				TOTAL WINE	
	Table	*Fortified*	*Sparkling*	*Other*	*Quantity*	*Value*
Period	'000 L	'000 L	'000 L	'000 L	'000 L	$'000
1986–87	18 627	1 232	826	638	21 324	44 620
1987–88	35 022	1 411	1 603	1 088	39 124	96 157
1988–89	35 873	1 106	1 764	301	39 044	114 521
1989–90	32 095	1 936	2 074	2 015	38 120	121 248
1990–91	46 890	2 765	3 180	1 321	54 156	179 588
1991–92	71 752	2 384	3 904	639	78 679	243 526
1992–93	95 468	1 851	4 730	784	102 832	293 157
1993–94	116 655	2 873	5 042	893	125 464	366 574
1994–95	105 542	2 475	5 109	537	113 663	385 704
1995–96	121 037	2 506	5 489	639	129 671	471 576
1996–97	144 892	2 490	6 046	966	154 393	603 297
1997–98r	183 024	2 505	6 110	764	192 404	873 847
1998–99	205 639	2 244	6 937	681	215 501	1 067 976

Source: Sales of Australian Wine and Brandy by Winemakers (Cat. no. 8504.0).

DESTINATION OF EXPORTS

The European Union is the major region for the export of Australian wine, taking 127.6 million litres valued at $612.3 million. This was 59% of the total quantity exported in 1998–99 and accounted for 96% of total exports to the Europe and Former USSR region. Shares of other regions are Northern America 21%, Oceania and Antarctica 11%, Northeast Asia 4% and Southeast Asia with 2%.

DESTINATION OF AUSTRALIAN WINE EXPORTS—1998–99



Source: International Trade database.

DESTINATION OF EXPORTS *continued*

The United Kingdom was the major country of destination for Australian wine with 102.8 million litres, up 14% from last year and valued at $494.1 million. The United States of America was the second largest export market with 36.7 million litres valued at $237.9 million, followed by New Zealand with 21.0 million litres valued at $60.5 million. Almost all major export markets increased when compared with last year, with Japan as a notable exception. After the significant increase in exports to Japan in 1997–98, the figure for this year has fallen 11% to 4.8 million litres.

The United Kingdom imported the largest quantities of both sparkling and fortified wines, 58% and 27% of total exports respectively.

EXPORTS OF AUSTRALIAN WINE, By Destination—1998–99

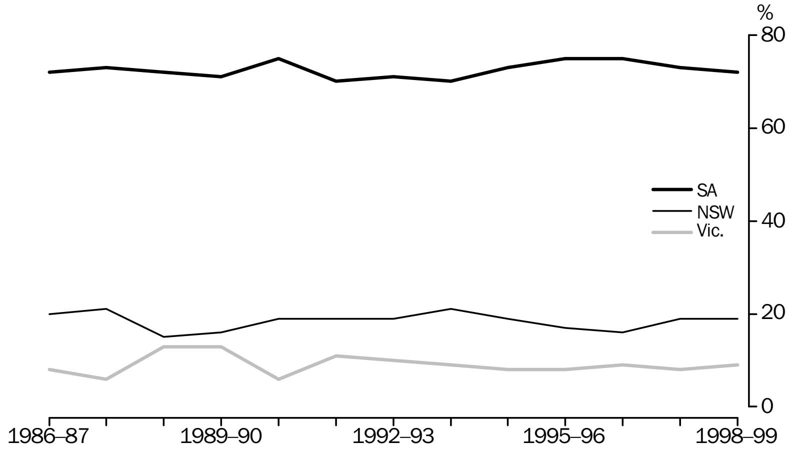
	WINE TYPE				TOTAL WINE	
	Table	*Fortified*	*Sparkling*	*Other*	*Quantity*	*Value*
Principal country/region	'000 L	'000 L	'000 L	'000 L	'000 L	$'000
New Zealand	19 401	340	1 151	91	20 983	60 467
Total Oceania & Antarctica	*21 203*	*398*	*1 315*	*96*	*23 012*	*67 226*
Netherlands	3 303	—	4	8	3 315	16 400
Germany	6 145	2	9	145	6 300	31 409
Ireland	4 882	—	75	3	4 960	28 389
Sweden	3 929	1	169	1	4 101	14 065
United Kingdom	98 037	613	4 028	108	102 786	494 099
Total European Union	*122 272*	*644*	*4 383*	*269*	*127 568*	*612 313*
Norway	2 458	—	25	—	2 483	9 581
Switzerland	2 290	6	98	54	2 447	14 768
Total Europe and the Former USSR	*127 659*	*651*	*4 507*	*323*	*133 140*	*639 033*
Total Middle East and North Africa	*800*	*7*	*47*	*4*	*857*	*2 658*
Total Southeast Asia	*3 900*	*219*	*90*	*89*	*4 298*	*24 415*
Hong Kong	1 601	25	92	16	1 735	10 924
Japan	4 369	136	218	47	4 770	25 021
Total Northeast Asia	*7 028*	*175*	*329*	*132*	*7 664*	*43 105*
Canada	8 570	494	155	9	9 228	50 444
United States of America	35 931	261	464	27	36 683	237 946
Total Northern America	*44 528*	*755*	*619*	*37*	*45 939*	*288 545*
Total other regions	*522*	*39*	*31*	*—*	*591*	*2 993*
Total all countries	**205 639**	**2 244**	**6 937**	**681**	**215 501**	**1 067 976**

Source: International Trade database.

STATE OF ORIGIN OF EXPORTS

South Australia was the predominant source of Australian wine exports, supplying 155.3 million litres (72%) valued at $693.7 million in 1998 –99. New South Wales contributed 40.3 million litres (19%) valued at $223.1 million followed by Victoria with 18.5 million litres (9%), with a value of $134.9 million. State shares of exports have varied little over the last 10 years. The average prices per litre of wine exported in 1998–99 were $4.47 for wine from South Australia, $5.53 for wine from New South Wales and $7.31 for wine from Victoria.

EXPORTS OF AUSTRALIAN WINE, By State of Origin(a)



(a) Proportion of total wine exports.

Source: International Trade database.

EXPORTS OF AUSTRALIAN WINE, By State of Origin

Period	*NSW*	*Vic.*	*Qld*	*SA*	*WA*	*Tas.*	*NT & ACT*	*Aust.*
	'000 L	'000 L	'000 L	'000 L	'000 L	'000 L	'000 L	'000 L
1986–87	4 194	1 211	1	15 842	75	—	—	21 323
1987–88	7 872	3 253	30	26 815	184	8	—	38 161
1988–89	5 870	5 081	2	27 990	100	1	—	39 044
1989–90	6 053	5 123	12	26 829	89	14	1	38 120
1990–91	10 088	3 387	10	40 487	194	11	20	54 197
1991–92	15 004	8 271	3	55 122	241	34	5	78 680
1992–93	19 225	10 481	51	72 605	445	20	5	102 832
1993–94	25 825	11 629	40	87 370	547	31	21	125 464
1994–95	21 480	8 600	3	82 823	724	31	2	113 663
1995–96	22 410	10 331	155	96 146	596	32	—	129 671
1996–97	25 400	13 548	149	114 408	842	45	—	154 393
1997–98r	36 292	16 748	77	138 327	910	49	—	192 404
1998–99	40 302	18 452	36	155 255	1 269	188	—	215 501
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
1998–99	223 055	134 947	400	693 725	13 668	2 179	1	1 067 976

Source: International Trade database.

IMPORTS OF WINE

Wine imports cleared for home consumption fell to 24.3 million litres in 1998–99, down 5% from the previous year's record high (25.6 million litres). Imports of table, fortified and sparkling wine all declined from 1997–98. However, the volume of imports has not fallen to previous levels experienced in the 1980s and early 1990s, indicating that the success of the export market is still leading to a shortfall in domestic supply, which is being supplemented by imports from overseas. While France and Italy maintained consistent levels of supply for their traditional markets within Australia, countries such as Spain, and this year South Africa, supplied lower priced wine for blending with Australian produced wine in soft packs.

Despite the fall in the quantity of imports, the value of wine imported rose 10% to $102.5 million. As a result, the average price per litre increased from 1997– 98, $4.23 compared with $3.63.

WINE IMPORTS CLEARED FOR HOME CONSUMPTION, By Wine Type

	WINE TYPE........				TOTAL WINE......	
	Table	*Fortified*	*Sparkling*	*Other*	*Quantity*	*Value*
Period	'000 L	'000 L	'000 L	'000 L	'000 L	$'000
1986–87	5 106	205	1 967	389	7 667	37 585
1987–88	5 302	178	2 031	635	8 146	41 358
1988–89	6 086	311	2 264	1 076	9 737	46 871
1989–90	6 595	184	2 736	937	10 453	52 692
1990–91	5 604	191	2 285	919	8 999	46 779
1991–92	5 190	160	2 373	979	8 703	45 649
1992–93	4 833	106	2 346	546	7 832	46 984
1993–94	4 432	152	2 301	1 456	8 341	47 637
1994–95	9 398	272	3 065	1 322	14 057	61 057
1995–96	16 649	105	2 673	830	20 256	60 478
1996–97	10 105	105	2 387	993	13 589	66 503
1997–98	21 447	135	2 996	1 044	25 622	92 926
1998–99	20 136	92	2 915	1 113	24 255	102 498

Source: Sales of Australian Wine and Brandy by Winemakers (Cat. no. 8504.0).

Imports of wine from Spain (6.7 million litres) supplied 28% of the total quantity of imported wine. This was despite a fall of 34% from the volume imported in 1997–98. Italy, traditionally the main contributor to Australian imports, was the second largest source of imports for the second consecutive year (5.4 million litres), followed by South Africa. Over the past year South Africa has become a significant supplier of imported wine, rising from 95,000 litres in 1997–98 to 4.1 million litres in 1998–99. Although France is fourth in terms of volume, it maintained its ranking of first in regard to value with imports of $43.1 million having an average price per litre of $14.21. This is in contrast to Spain and South Africa, although large suppliers, average $1.35 and $0.56 per litre respectively.

WINE IMPORTS CLEARED FOR HOME CONSUMPTION, By Country of Origin

	1996–97		1997–98		1998–99	
	Quantity	Value	Quantity	Value	Quantity	Value
	'000 L	$'000	'000 L	$'000	'000 L	$'000
Chile	820	1 826	565	1 652	299	1 311
France	2 093	28 101	2 875	34 400	3 032	43 086
Germany	419	1 580	443	1 473	469	1 865
Greece	467	867	377	786	359	992
Hungary	121	307	159	400	105	355
Italy	5 655	18 083	6 536	23 062	5 439	22 656
New Zealand	1 843	8 748	2 834	14 497	2 728	15 790
Portugal	565	2 137	527	2 263	455	1 853
South Africa	86	388	95	429	4 073	2 261
Spain	388	1 821	10 083	10 195	6 704	9 083
United States of America	125	708	132	923	111	858
Other	1 007	1 937	996	2 846	481	2 388
Total	**13 589**	**66 503**	**25 622**	**92 926**	**24 255**	**102 498**

Source: International Trade database.

FRESH AND DRIED GRAPES

Australia exported a record 31,017 tonnes of fresh grapes in 1998–99. This was an increase from last year's total of 27,183 tonnes. The value of fresh grapes exported was $69.1 million.

The Asian countries of Hong Kong and Singapore were the main markets for Australian fresh grapes, accounting for 40% and 25% respectively of total fresh grape exports in 1998–99. The value of these exports was $44.3 million.

EXPORTS AND IMPORTS OF FRESH AND DRIED GRAPES

	FRESH GRAPES				DRIED GRAPES			
	Exports		Imports		Exports		Imports	
Period	t	$'000	t	$'000	t	$'000	t	$'000
1986–87	14 228	25 516	31	53	57 041	96 798	4 084	5 784
1987–88	22 390	42 374	2	3	42 824	78 087	4 749	6 692
1988–89	10 943	21 159	53	87	51 496	88 226	6 046	7 174
1989–90	10 680	21 434	—	—	38 794	69 056	5 475	7 296
1990–91	8 473	20 794	—	—	36 386	74 156	5 683	8 027
1991–92	15 408	36 102	14	18	44 592	82 886	9 681	13 800
1992–93	12 621	31 513	—	—	55 047	96 927	5 335	7 429
1993–94	11 702	28 695	7	8	41 087	73 340	4 725	6 070
1994–95	13 359	32 337	2	12	14 681	29 642	7 369	9 090
1995–96	21 056	46 718	—	—	15 216	34 275	9 265	12 158
1996–97	26 806	67 065	5	32	25 260	52 173	10 282	14 162
1997–98	27 183	52 535	1	8	12 277	29 829	11 852	19 604
1998–99	31 017	69 138	—	—	13 687	36 806	16 229	27 773

Source: International Trade database.

FRESH AND DRIED GRAPES *continued*

Exports of dried grapes over the last five years have been substantially lower than the previous nine years when exports ranged from a low of 36,386 tonnes in 1990–91 to 57,041 tonnes in 1986–87. In 1998–99 Australia exported 13,687 tonnes of dried grapes valued at $36.8 million, an 11% increase in quantity and 23% increase in value over 1997–98.

The major destinations of dried grapes were Canada (3,255 tonnes), Germany (2,944 tonnes) and the United Kingdom (2,639 tonnes), accounting for almost two-thirds of total exports.

INTERNATIONAL TRADE IN FRESH AND DRIED GRAPES

Source: International Trade database.

Imports of dried grapes continued to rise with a record high of 16,229 tonnes in 1998–99, valued at $27.8 million. This was an increase of 37% from the previous year in terms of volume and 42% in terms of value.

Turkey was the major supplier of dried grapes to the Australian market, with imports at 7,731 tonnes valued at $12.6 million. This accounted for 48% of total imports of 16,229 tonnes in 1998 –99 and 46% of the total value of imports of dried grapes.

EXPORTS AND IMPORTS OF FRESH AND DRIED GRAPES, By Country

	1996–97		1997–98		1998–99	
	Quantity	*Value*	*Quantity*	*Value*	*Quantity*	*Value*
	t	$'000	t	$'000	t	$'000
Exports of fresh grapes						
Hong Kong	5 373	14 362	10 669	19 535	12 461	28 802
Indonesia	5 197	12 852	767	1 397	1 050	2 533
Malaysia	4 973	11 953	4 365	8 177	3 009	6 638
New Zealand	2 071	3 980	2 484	4 504	2 432	5 501
Singapore	4 898	12 418	5 378	11 170	7 842	15 449
Vietnam	717	2 088	728	1 673	811	2 218
Other countries	3 578	9 411	2 791	6 079	3 412	7 997
Total	**26 806**	**67 065**	**27 183**	**52 535**	**31 017**	**69 138**
Imports of fresh grapes						
New Zealand	5	32	1	8	—	—
Total	**5**	**32**	**1**	**8**	—	—
Exports of dried grapes						
Canada	7 640	16 055	3 271	7 942	3 255	8 846
Germany	8 682	17 021	2 238	5 392	2 944	7 916
Japan	1 160	2 348	640	1 470	1 003	2 510
New Zealand	2 341	4 843	2 095	4 728	2 333	5 743
United Kingdom	3 061	7 125	2 764	7 318	2 639	7 870
Other countries	2 376	4 781	1 270	2 979	1 513	3 921
Total	**25 260**	**52 173**	**12 277**	**29 829**	**13 687**	**36 806**
Imports of dried grapes						
Greece	2 255	3 382	2 631	4 281	4 214	7 800
Iran	2 133	2 394	870	1 352	2 826	4 216
Turkey	5 282	7 430	7 047	11 385	7 731	12 642
Other countries	611	955	1 304	2 612	1 458	3 115
Total	**10 282**	**14 162**	**11 852**	**19 604**	**16 229**	**27 773**

Source: International Trade database.

GRAPE JUICE

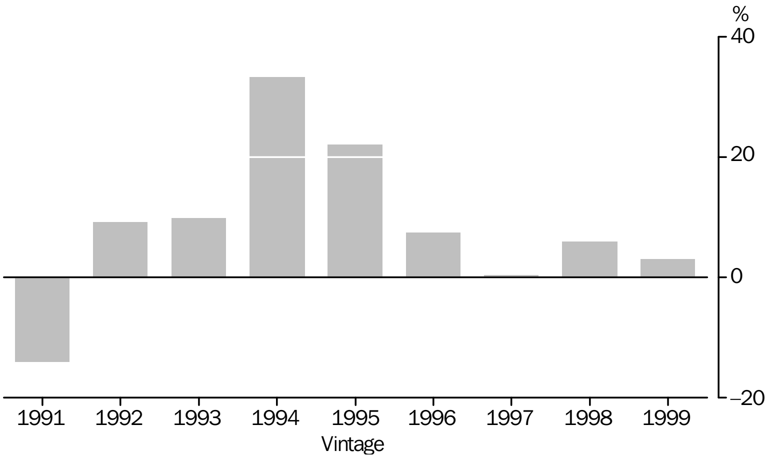
In 1998–99 Australia exported 3.9 million litres of grape juice valued at $11.4 million. Grape juice (including grape must) is defined as unfermented juice not containing added spirit and with an alcoholic strength by volume not exceeding 0.5%.

CHAPTER 10 GRAPE AND WINE PRICES

WINE GRAPE PRICES

While the prices paid for wine grapes continues to increase, the rate of increase has slowed from the peak in 1994. Average grape prices for the 1999 vintage were up 3% and over the last nine vintages grape prices have increased 90%. The grape price index is calculated by using the movement in prices for each of the varieties included in the survey. The index does not allow for price movements caused by a change in the mix of varieties.

PRICE INDEX OF GRAPES USED IN WINE PRODUCTION, Change on Previous Vintage(a)



(a) Value for 1997 is 0.4%.

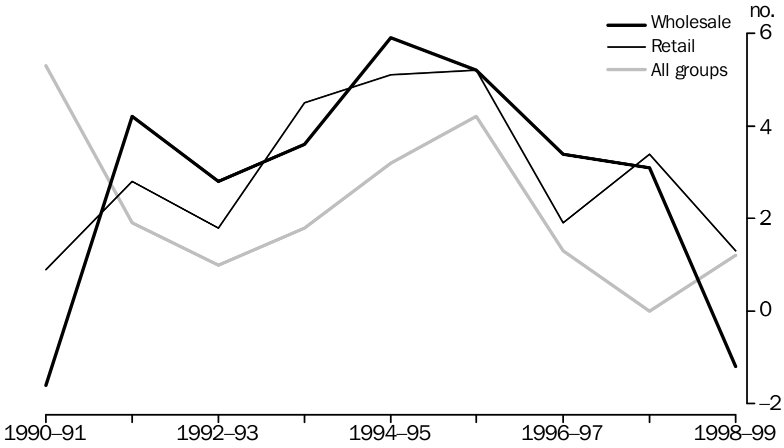
Source: Price Indexes of Materials Used in Manufacturing Industries (Cat. no. 6411.0).

WINE PRICES

Prices received by winemakers for wine have generally shown steady growth in recent years. However, in 1998–99, the 1.2% fall in wholesale prices for wine reflects a price decrease of 1% for table and 2% for fortified wine. By contrast the retail price of wine in 1998–99 rose by 1.3%.

The retail wine group index for 1998–99 increased by 1.3%, while the all groups index rose by 1.2%. This compares with an increase of 3.4% for wine in the previous financial year while the all groups index was constant. The influence of increasing wine exports would have contributed to increases in wine prices.

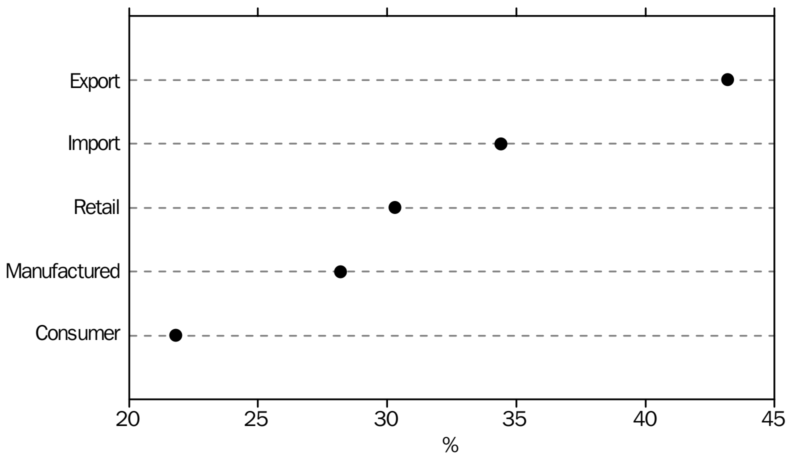
SELECTED PRICE INDEXES, Change on Previous Financial Year



Source: Consumer Price Index (Cat. no. 6401.0).

Between 1989–90 and 1998–99 wholesale prices for wine rose by 28%, with table wine rising by 30% and fortified wine by 21%. At the retail level, wine price rises have continued to shown steady growth in recent years to record an increase of 30% since 1989–90, larger than the wholesale price increase and larger than the general consumer price index increase.

SELECTED PRICE INDEXES OF WINE, Change 1989–90 to 1998–99



Source: Price Indexes of Materials Used in Manufacturing Industries (Cat. no. 6411.0); Export Price Index Survey, 1999; Import Price Index Survey, 1999; *Consumer Price Index* (Cat. no. 6401.0).

EXPORT AND IMPORT PRICES

Export prices for table wine rose by 10% between 1997–98 and 1998–98. This follows the 12% increase recorded in 1997–98. In 1998–99 the import price index rose by 5%, after a rise in 1997–98 of 3%.

SELECTED PRICE INDEXES, Percentage Change

	MANUFACTURING INDUSTRY				CONSUMER		EXPORT	IMPORT
Period	*Wine grapes*	*Table wine*	*Fortified wine*	*Wine*	*Wine*	*All groups*	*Table wine*	*Wine*
1991–92	9.2	5.9	–1.0	4.2	2.8	1.9	0.4	5.5
1992–93	9.9	2.7	3.1	2.8	1.8	1.0	1.6	5.8
1993–94	33.4	3.8	3.2	3.6	4.5	1.8	0.2	–5.8
1994–95	22.2	6.5	4.1	5.9	5.1	3.2	1.0	3.1
1995–96	7.5	5.6	3.8	5.2	5.2	4.2	–0.6	3.0
1996–97	0.4	3.5	2.9	3.4	1.9	1.3	6.2	–0.6
1997–98	5.9	3.2	3.1	3.1	3.4	0.0	11.6	2.5
1998–99	3.0	–1.0	–2.0	–1.2	1.3	1.2	10.2	5.2
1989–90 to 1998–99	90.0	29.8	21.4	28.2	30.3	21.8	43.2	34.4

Source: Price Indexes of Materials Used in Manufacturing Industries (Cat. no. 6411.0); unpublished data, Export Price Index Survey, 1999 ; unpublished data, Import Price Index Survey, 1999; *Consumer Price Index* (Cat. no. 6401.0).

CHAPTER 11 WINE CONSUMPTION

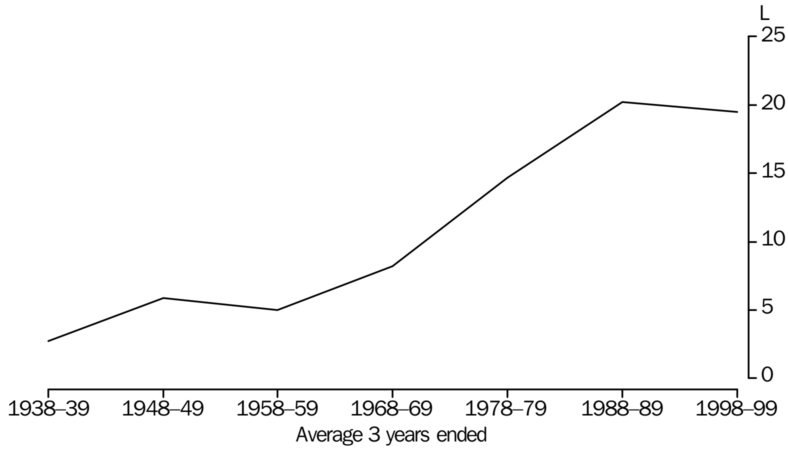
INTRODUCTION

Data on the consumption of wine in Australia are available from measures of apparent consumption of foodstuffs and from periodic surveys in which members of individual households provide information on their consumption of alcohol. Details of household spending on alcohol are also available from a periodic household expenditure survey.

APPARENT CONSUMPTION

Using aggregates of domestic sales of wine by winemakers and imports cleared for home consumption, estimates of wine available for consumption are made each year and a mean population is applied to derive per capita apparent consumption. Per capita consumption of wine in Australia has recorded strong growth since the late 1930s, rising from 2.7 litres over the three years to 1938–39 to the peak of 20.2 litres over the three years to 1988–89. This has been followed by a slight decline over the last decade, with the three years ended 1998–99 at 19.5 litres. During the last decade the per capita consumption of wine had fallen to 17.8 litres in 1990–91, but had since been above 18.0 litres, rising to 19.8 litres in 1998–99.

PER CAPITA CONSUMPTION OF WINE



Source: Apparent Consumption of Foodstuffs, 1998–99.

There has been a more than sevenfold increase in average wine consumption over the last sixty years. This can be contrasted with a twofold increase in beer consumption over the period, rising from 53.2 litres over the three years ended 1938–39 to a peak of 133.2 litres over the three years ended 1978–79, with a subsequent decline to 94.3 litres over the three years ended 1998–99.

APPARENT PER CAPITA CONSUMPTION OF ALCOHOL

	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97	1997–98	1998–99p
BEVERAGE (litres)								
Wine	18.6	18.3	18.6	18.4	18.3	19.0	19.7	19.8
Beer	104.0	99.5	98.0	96.8	95.3	95.5	94.5	92.8
ALCOHOL (litres of alcohol)								
Wine	2.2	2.1	2.1	2.1	2.1	2.2	2.3	2.3
Beer	4.5	4.3	4.3	4.3	4.2	4.2	4.1	4.0
Spirits	1.1	1.2	1.4	1.3	1.4	1.3	1.4	1.3
Total alcohol	**7.8**	**7.6**	**7.8**	**7.7**	**7.6**	**7.6**	**7.8**	**7.5**

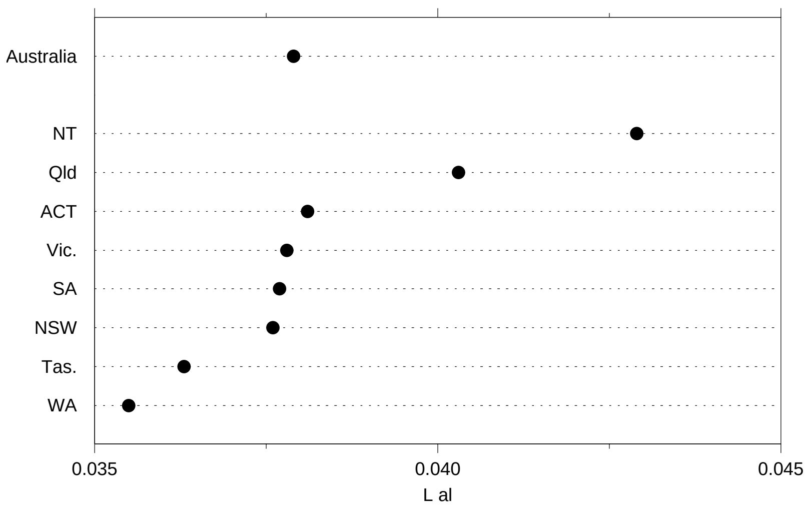
Source: Apparent Consumption of Foodstuffs, 1998–99.

CONSUMPTION PATTERNS

Results from the 1995 National Health Survey indicate that an estimated 55% of the adult population (those aged 18 years and over) consumed a drink containing alcohol in the week prior to the survey. The average daily consumption of alcohol of people who drank wine was 0.038 litres of alcohol, well below that for beer (0.060 litres of alcohol) and spirits (0.054 litres of alcohol).

Alcohol consumption through wine varied between the States and Territories with the Northern Territory recording the highest consumption (0.043 litres of alcohol) and Western Australia (0.036 litres of alcohol) the lowest. The daily amount of alcohol consumed through wine decreased with age, with people aged 18–24 years having the highest average intake of 0.055 litres of alcohol per day, compared with 0.029 litres of alcohol for people aged 65–74 years. Males consumed 0.046 litres of alcohol through the consumption of wine compared with the average female consumption of 0.032 litres of alcohol.

AVERAGE DAILY WINE CONSUMPTION—1995

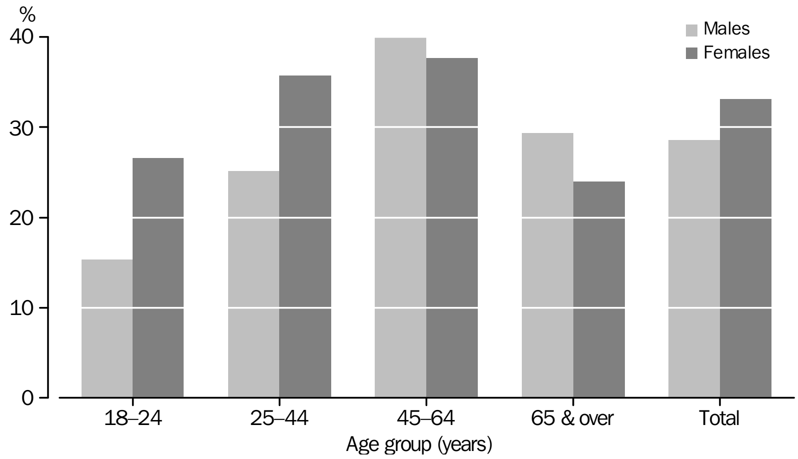


Source: National Health Survey: Summary of Results, 1995 (Cat. no. 4364.0).

PROFILE OF WINE DRINKERS

It is estimated that 4.1 million people, or 31% of the population aged 18 years and over, drank some wine in the last week of either February or May 1998. 33% of females drank wine compared with 29% of males. In the age groups between 18 and 44 years a higher proportion of females drank wine than males, whereas in the age groups over 45 years, a higher proportion of males drank wine.

PERSONS WHO DRANK WINE—February and May 1998

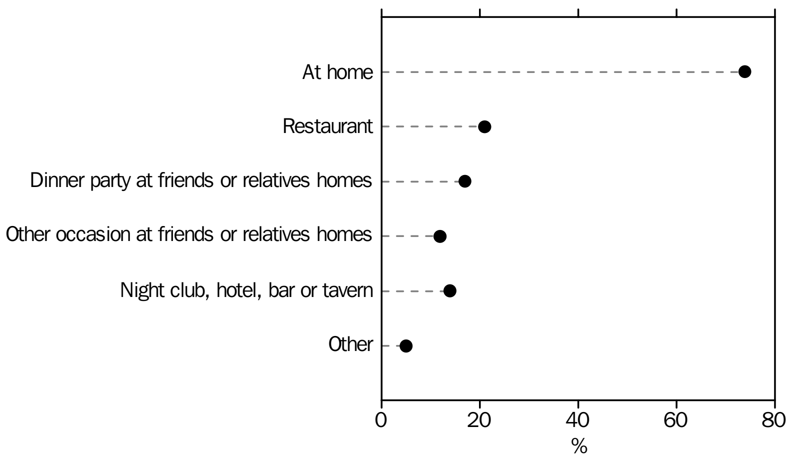


Source: Population Survey Monitor, February and May 1998.

White wine was more likely to have been consumed by females than males. Of the adult population it is estimated that 22% of females drank white wine compared with 15% of males. The reverse was true for red wine consumption—17% of males compared with 13% of females. Sparkling wine was consumed by 4% of the adult population, and 2% drank fortified wine.

It is estimated that 89% of those persons who drank wine mainly consumed it with a meal. Wine was consumed at home by 74% of wine drinkers, while 21% drank wine at restaurants and 17% at dinner parties held at friends or relatives homes. Saturday was the most popular day of the week for drinking wine with 57% of wine drinkers consuming on that day, followed by Sunday (45%) and Friday (39%).

PLACE WHERE WINE WAS CONSUMED—February and May 1998



Source: Population Survey Monitor, February and May 1998.

HOUSEHOLD EXPENDITURE ON WINE

During 1993–94 Australian households spent an average of $3.76 per week on wine. Households in the Australian Capital Territory spent the most with $5.87 and those in Tasmania the least ($2.90). Australian Capital Territory households also had the highest proportion of their total expenditure on alcohol spent on wine (31%) while Darwin households spent 16% of total weekly alcohol expenditure on wine.

AVERAGE WEEKLY HOUSEHOLD EXPENDITURE, Alcoholic Beverages—1993–94

	NSW	*Vic.*	*Qld*	*SA*	*WA*	*Tas.*	*NT(a)*	*ACT*	*Aust.*
	$	$	$	$	$	$	$	$	$
Wine	4.10	3.65	3.18	3.81	3.70	2.90	4.20	5.87	3.76
Beer	9.41	8.45	10.37	7.82	9.94	9.55	13.26	8.51	9.29
Spirits	2.84	3.16	3.30	3.90	3.35	1.74	4.63	3.06	3.13
Total(b)	**17.85**	**16.52**	**17.92**	**16.45**	**18.19**	**15.42**	**25.94**	**18.65**	**17.46**

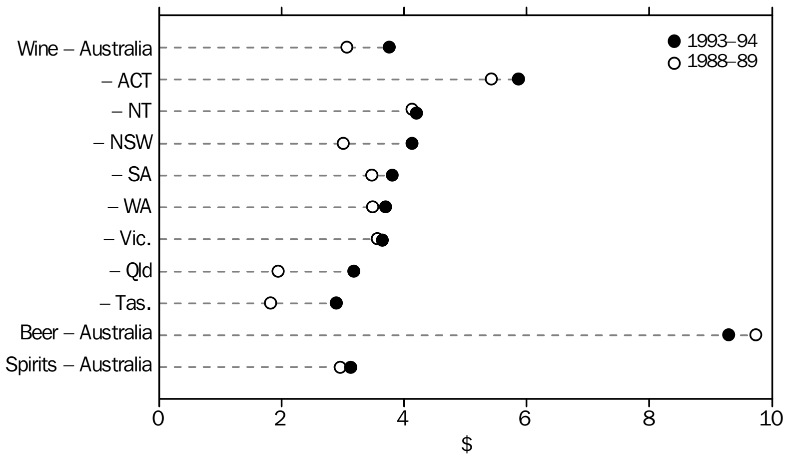
(a) Darwin and environs only.

(b) Including alcoholic beverages n.e.c.

Source: Household Expenditure Survey, Australia: Detailed Expenditure Items, 1993–94 (Cat. no. 6535.0).

From 1988–89 to 1993–94 there has been a 22% increase in weekly expenditure on wine, compared with a 5% fall in expenditure on beer. Weekly beer expenditure of $9.29 was 53% of the total weekly alcohol expenditure in 1993–94. Expenditure on spirits increased marginally over the five-year period to $3.13. The percentage increase in wine expenditure was greater than that of non-alcoholic beverages, which increased by 14% over the same period.

AVERAGE WEEKLY HOUSEHOLD EXPENDITURE, Alcoholic Beverages



Source: Household Expenditure Survey, Australia: Detailed Expenditure Items, 1993–94 (Cat. no. 6535.0).

SPECIAL ARTICLE

OBSERVATIONS ON ALCOHOL BEVERAGE CONSUMPTION

INTRODUCTION

This article draws on a paper presented by Lawrie Stanford, Wine Industry Analyst, Australian Wine and Brandy Corporation, to the 1999 Wine Outlook Conference held in Adelaide on 10 November 1999. The author has compiled a summary of his paper and this is presented below. For further reference the complete paper: *Observations on Alcohol Beverage Consumption—Australian demographics and consumption characteristics* can be obtained by contacting Sue Bell at the Wine Industry Information Service on (08) 8331 2220.

BACKGROUND

In 1996, the Australian Wine Foundation released Strategy 2025—a thirty-year plan for the Australian wine industry. Critical to achieving the vision of Strategy 2025 was implementing 30 strategies identified through the strategic planning process. A priority ordering of the 30 strategies, in order of importance to the future prospects of the industry, lead to Strategy 10:

Gain, via market research, a better understanding of consumer behaviour and attitudes relating to wine.

This paper directly addresses Strategy 10 by assessing some of the key demographic characteristics of Australian alcohol beverage consumers—particularly of wine consumers.

In 1998, the Winemakers' Federation of Australia and the Australian Wine & Brandy Corporation (AWBC) commissioned the Australian Bureau of Statistics (ABS), with AWBC funding, to include questions about alcohol beverage consumption in the regular program of Population Survey Monitor (PSM) surveying by the ABS.

The PSM is a quarterly sample survey of Australian households the results of which are factored up to represent the whole population. Standard demographic characteristics asked for include age, gender, labour force status, occupation, education levels, income, marital status and location. These characteristics are then matched with questions about a variety of topics of social interest. In this instance, the results of the questions about the consumption of alcohol beverages are of interest and will be reported here.

The data was collected in February and May 1998 and represent two of the four quarters of data collecting in the 1998 PSM. There were more than 3,000 respondents in each of the two surveys conducted, resulting in a total sample of nearly 6,500. The questions asked about alcohol consumption related to consumption that had occurred during the week prior the survey being conducted.

BACKGROUND *continued*

The principal focus of this paper is to extract data from the database compiled through the PSM. This extraction represents a first level of analysis and will largely be a set of observations from the raw data. Hence, interpretation will be limited. In many instances the observations will raise as many questions as they will answer. This is the purpose and the service provided by the paper—a first step to a better understanding of alcohol beverage consumption, which up until now has been lacking in the public arena.

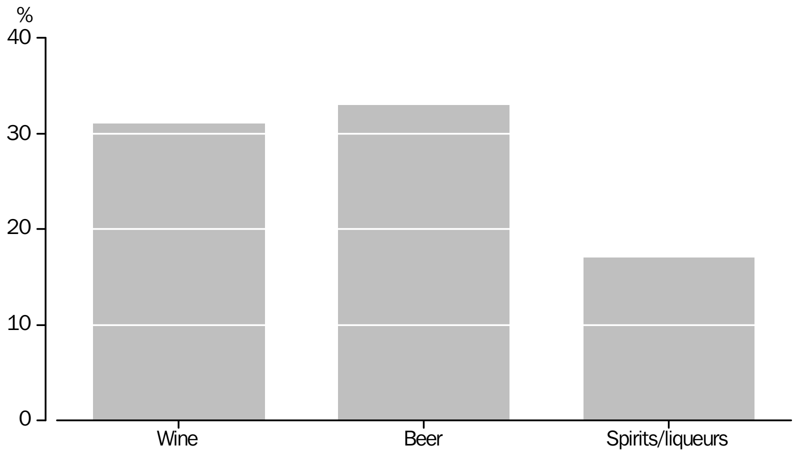
The observations made here will be of interest to marketers, health specialists and social policy-makers. More data than reported here is available. To obtain more information about this data please do not hesitate to contact the author or Sue Bell at the Wine Industry Information Service or the PSM Unit at the ABS.

POPULATION DEMOGRAPHICS

Alcohol beverage consumers

Almost 60% of the Australian adult population were estimated to have consumed an alcohol beverage of some description in the week prior to the PSM. A breakdown suggests 33% of the adult population consumed beer, 31% wine and 17% spirits. Some consumers drank more than one beverage type as reflected in the sum of the shares of the adult population who consumed wine, beer or spirits individually (81% in all) exceeding the share that drank wine and/or beer and/or spirits (60%).

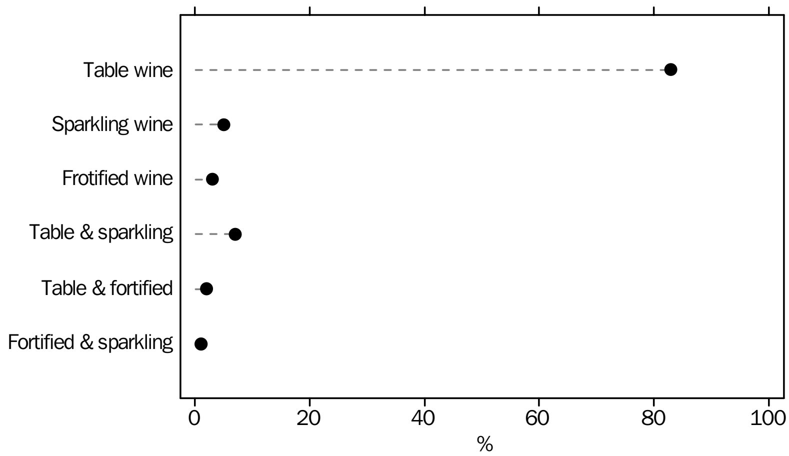
CONSUMERS OF ALCOHOL BEVERAGES IN THE ADULT AUSTRALIAN POPULATION



Source: Population Survey Monitor, February and May 1998.

The full extent of consumption of more than one of beer, wine and spirits is illustrated in graph below. Just over one-third of all consumers of alcohol beverages drank more than one of the three in the week prior to the survey. Of the beverages consumed in combination with each other, the wine and beer combination was the most common with 16% of respondents who consumed alcohol of any description indicating this. Smaller numbers drank wine and spirits (8%) or beer and spirits (7%). A minority of consumers (4%) drank all three beverages.

POPULATION SEGMENTATION OF WINE CONSUMERS



Source: Population Survey Monitor, February and May 1998.

Wine consumers

Most wine consumers (83%) reported that they drank table wine only in the week prior to the survey but in total, 93% of wine consumers drank table wine. Of the wine consumers drinking more than one wine type during the week the table wine and sparkling wine combination was the most common—7% of wine consumers. Wine consumers who drank sparkling wine only were few (4%) although in total, 13% drank sparkling wine. Similarly, few wine consumers drank fortified wine only (3%) while altogether 6% drank it. No respondents indicated they consumed all three wine categories.

Of consumers who drank bottled table wine, 47% drank white only and 35% drank red only. Just under one-fifth consumed both.

Age profiles of alcohol consumers

The estimated number of alcohol beverage consumers, disaggregated by age, is illustrated in the table below. It shows that in the overall population profile, the 25–44 year olds are the highest in number, followed by the 45–64 year and 65 years and over age groups and finally the youngest age group—the 18–24 year olds.

ALCOHOL BEVERAGE CONSUMERS BY AGE

	18–24		*25–44*		*45–64*		*65 and over*	
	'000	%	'000	%	'000	%	'000	%
Beer	660	36	2 021	36	1 248	31	482	24
Wine	373	21	1 711	30	1 521	38	536	26
Spirits	577	32	988	18	562	14	156	8
Non consumers	722	40	2 102	37	1 612	41	1 096	54
Total population	**1 812**	**100**	**5 612**	**100**	**3 968**	**100**	**2 026**	**100**

Source: Population Survey Monitor, February and May 1998.

Age profiles of alcohol consumers *continued*

By and large, the profiles of wine, beer and spirits consumers are determined by the profile of the total population. Reflecting the fact that the most numerous age group in the overall population is the 25–44 year age group, the largest number of consumers for each of the three beverage types is this age group. While the fall-away in numbers of consumers in each of the older age groups is relatively strong in the case of beer and spirits, it is not so strong for wine. In fact, for wine consumers, there is a reasonably strong representation of wine drinkers in the 45–64 year age group as well as in the 25–44 year age group.

The following observations can be made:

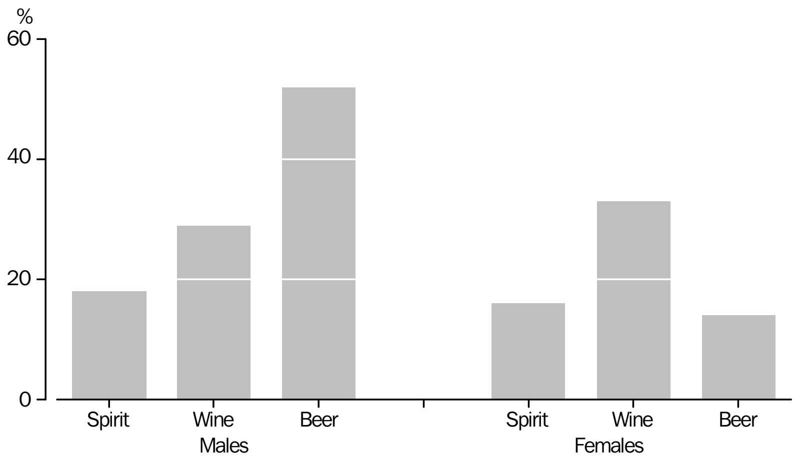
- Wine has a disproportionately low share of consumers in the 18–24 year age cohort. While 36% and 32% of the 18–24 year age group consumed beer and spirits respectively a much smaller proportion, at 21%, consumed wine. There is apparently a marketing opportunity for wine sales in this age group.
- Wine consumption is more prominent in the older age groups. Successively increasing shares of the 25–44 year and 45–64 year age groups consumed wine while successively smaller shares of the same age groups consumed beer and spirits.
- Across all beverage types, there is a steep decline in the proportion of the 65 years and over age group that consumed alcohol beverages.

Hence, wine consumption has greater acceptance in the middle age groups and holds the highest share of the 45–64 year age group. It will be noted in the next section that female consumers are a significant influence on the increased proportion of 25–44 year olds, compared with 18–24 year olds, that consume wine and male consumers largely drive the even higher representation of wine consumers among 45–64 year olds.

Gender profiles of alcohol consumers

By any measure, beer is the strongly favoured beverage of the adult male population. Just over half of the adult male population (52%) consumed beer while 29% consumed wine and 18% consumed spirits.

PROPORTION OF ALCOHOL BEVERAGE CONSUMERS, By Gender

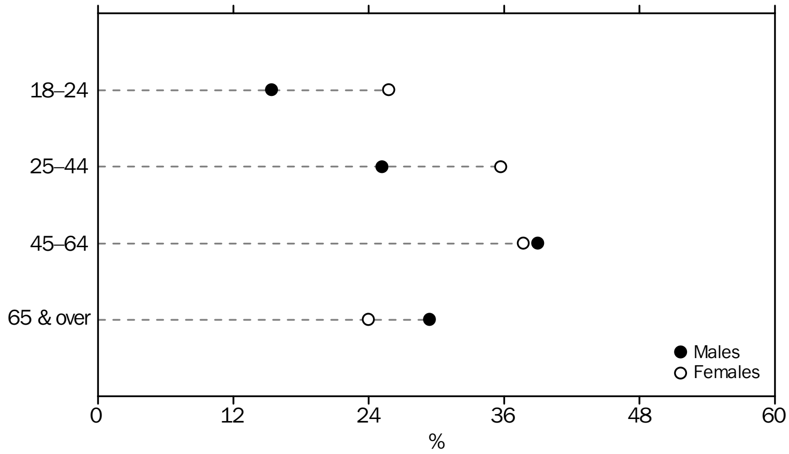


Source: Population Survey Monitor, February and May 1998.

Gender profiles of alcohol consumers *continued*

Wine is the favoured beverage of the adult female population. One-third of the female population consumed wine compared with 16% who consumed spirits and 14% who consumed beer.

WINE CONSUMERS, By Gender and Age



Source: Population Survey Monitor, February and May 1998.

Looking at wine consumers in particular, and disaggregating males and females by age group, provides interesting results. Males and females make different contributions to the successive increases in the proportions of wine consumers in the ascending age groups. The proportion of both male and female 25–44 year olds who consumed wine, compared with 18–24 year olds, increased by around 10 percentage points. However, due to higher numbers of female wine consumers in each of these age groups, the contribution of females to the increased numbers consuming wine in the 25–44 year age group was greater—780,000 more females consumed wine in the 25–44 year age group, than those in the 18–24 year age group, while there were 560,000 more males. Hence, females in the 25–44 year age group exerted a greater influence on the increased proportion of wine consumers in the 25–44 age segment.

On the other hand, the share of wine-consuming males in the 45–64 year age group increased dramatically over the share in the 25–44 year age group (up 14 percentage points) while the increase in the share of females was only marginally greater—at 2 percentage points. Hence, males were the main drivers of the increased proportion of the 45–64 year age group that consumed wine compared with the proportion in the 25–44 year age group.

CONSUMPTION CHARACTERISTICS

In the survey, details were asked about the place that alcohol beverages were consumed.

Place of consumption

The overwhelming preference of consumers was to consume at their own home compared with the alternatives which were to consume at a friends' or relatives' home, at licensed premises (where restaurants were identified separately from other licensed options such as bars, taverns, clubs) or 'other' (see table below). In broad terms, around half of the locations drunk at were people's own homes. 'Home' consumption would of course be boosted if consumption at a friends' or relatives' home were added on.

Place of consumption *continued*

The next most frequent place for beer and spirits to be consumed (after the own-home choice) was licensed premises (ex restaurants) although for wine it was different. In the case of wine, the next most frequent place of consumption was shared between 'at a friends or relatives home' or at restaurants.

ALCOHOL CONSUMERS, By Age and Percentage Share of Drinking Locations

	Wine	Beer	Spirits and liqueurs
Age group (years)	%	%	%
18–24			
Own home	34	29	29
Friend's or relative's home	27	26	18
Restaurant	17	2	6
Other licensed	17	36	46
Other	5	7	2
25–44			
Own home	49	44	45
Friend's or relative's home	21	18	17
Restaurant	16	6	5
Other licensed	10	25	28
Other	4	7	6
45–64			
Own home	59	52	60
Friend's or relative's home	16	14	10
Restaurant	15	6	9
Other licensed	9	24	18
Other	2	5	3
65 and over			
Own home	65	53	64
Friend's or relative's home	17	9	14
Restaurant	8	4	2
Other licensed	6	31	15
Other	4	3	6

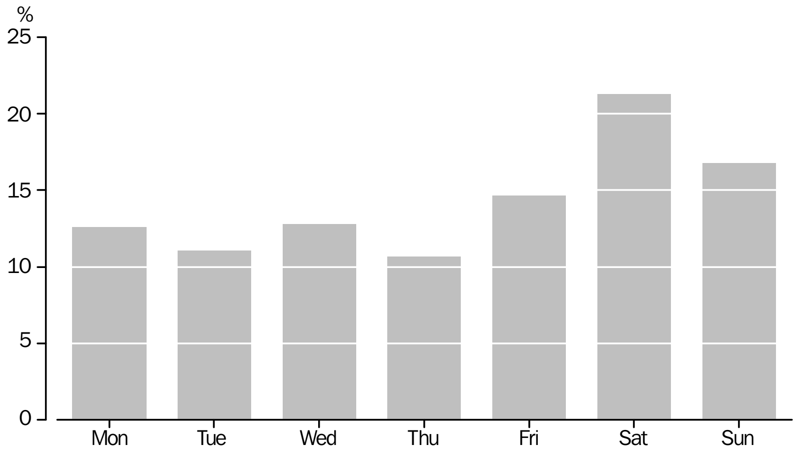
Source: Population Survey Monitor, February and May 1998.

The occasions on which wine drinkers drank at home varied with age with the frequency increasing progressively with age. For wine consumers in the 65 years and over age group, 65% of the locations at which they drank wine were their own homes while in the 18–24 year age group, only 34% of the locations were at home. With age, the progressive dominance of wine consumption at home came at the expense of all of the other alternatives.

Wine consumption by time of the week

Friday, Saturday and Sunday are the favoured days of the week for consuming wine—both in terms of drinking occasions and the average standard drinks per drinking occasion.

DAY OF WINE DRINKING OCCASIONS



Source: Population Survey Monitor, February and May 1998.

Just over half of the wine-drinking occasions are accounted for in these three days. Saturday is the day that accounts for the largest single share of drinking occasions, at 21%. In terms of standard drinks per drinking occasion, higher rates of consumption were recorded on Friday, Saturday and Sunday compared with other days of the week. Consumption was highest on Saturday and lowest on Monday.

Wine style and container type

In the survey, respondents were asked to indicate which of the following wine styles and container types they had consumed wine from in the week prior to the survey: red or white bottled table wine, red or white table wine in other containers (which is assumed to principally mean casks), sparkling wine/champagne and fortified wine. The results are summarised in the table below.

SHARES OF WINE CONSUMERS, By Age Groups and Wine Style/Container Type

	18–24	*25–44*	*45–64*	*65 and over*
	%	%	%	%
White bottled table wine	43	47	43	34
Red bottled table wine	42	39	35	26
White table wine in other containers	17	18	20	25
Red table wine in other containers	9	10	19	19
Sparkling wine	13	17	8	7
Fortified wine	2	5	5	10

Source: Population Survey Monitor, February and May 1998.

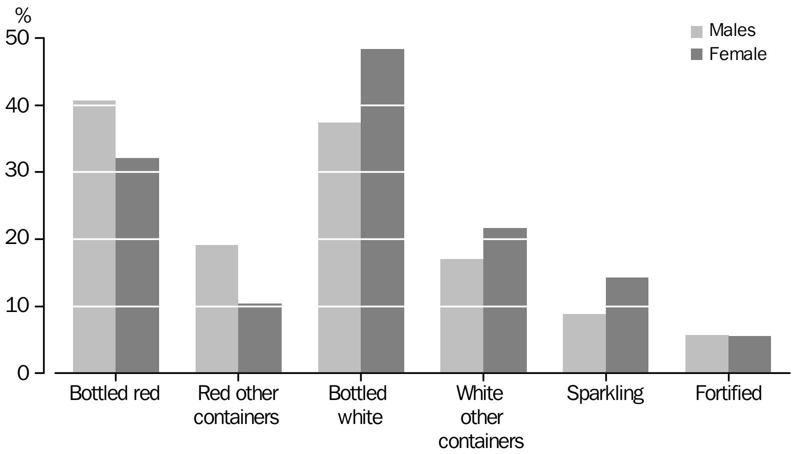
Wine style and container type *continued*

The most frequent choice of wine style and container type, across all age groups, was bottled table wine. Within this category, bottled white wine was more frequently drunk than was red bottled wine. Nevertheless, the frequency of bottled table wine consumption diminished through the 18–24 year to 65 years and over age groups. This does not mean that the 18–24 year age group consumes the most bottled wine—given the smaller number in the age cohort—but it does indicate that they have a much higher preference for bottled wine over the alternatives (mostly cask wine) than do older age groups.

While measurably more members of most age groups chose bottled white wine over red—this was not the case for the 18–24 year age group in which roughly equal numbers of the group chose to consume white and red bottled wine. On this evidence, younger wine consumers lead the increasing sentiment to consume premium, bottled wine and within this, red bottled wine. The younger age cohorts are also more inclined to consume sparkling wine. Larger proportions of the 18–24 and 25–44 age groups, but particularly the latter group, consume sparkling wine compared with the older age cohorts.

A smaller share of the 65 years and over age group drank bottled table wine than in the younger age cohorts although it was still their most frequent choice. A larger share of the 65 years and over age group drank cask wine than did their younger counterparts. Moreover, in the 65 years and over age group, an almost as big share drank white cask wine as drank bottled red wine. This age group, together with the 45–64 year age group, would have been the most exposed to the boom, around twenty years ago, in Australian wine sale volumes through the introduction and popularity of white cask wine. On the basis of this, it could be speculated that there is some persistence of drinking habits through time. If so, the indications of a stronger sentiment for bottled wine, particularly red wine, among younger wine consumers will have an enduring impact rather than a transient one. Greater proportions of the 65 years and over age cohort also drank fortified wine and red cask wine than their younger cohorts. The possibility of a bias in the survey data is suggested by the smaller numbers of cask-wine drinkers compared with bottled-wine drinkers, in the data. This result, combined with the indication that cask wine consumers drink less per drinking occasion than do bottled wine drinkers, is not consistent with the fact that almost half of domestic consumption is cask wine. Nevertheless, the trends are considered to be of analytical use.

WINE CONSUMERS, By Wine Style, Container and Gender



Source: Population Survey Monitor, February and May 1998.

Wine style/container type choices, disaggregated by gender, show a greater share of wine-consuming males drank red table wine while a greater share of wine-consuming females drank white table wine and sparkling wine.

Wine consumed with a meal

In the survey, respondents were asked to indicate if they consumed most wine with a meal. Three replies were possible—with a meal, not with a meal or both with and without a meal.

The table below illustrates that by far the major share of table wine consumers drink wine with a meal. This association was strongest for red cask wine (93% of respondents consuming most wine with a meal) and bottled table wine (90%) and lowest for fortified wine (82%) and sparkling wine (79%).

CONSUMPTION CHARACTERISTICS FOR WINE CONSUMED WITH A MEAL

	Proportion consuming wine with a meal	*Male to female standard drink ratio*
	%	No.
Bottled table wine	90	1.14
Red table wine in other containers	93	1.09
White table wine in other containers	85	1.07
Sparkling wine	79	0.83
Fortified wine	82	1.33

Source: Population Survey Monitor, February and May 1998.

Wine consumed with a meal *continued*

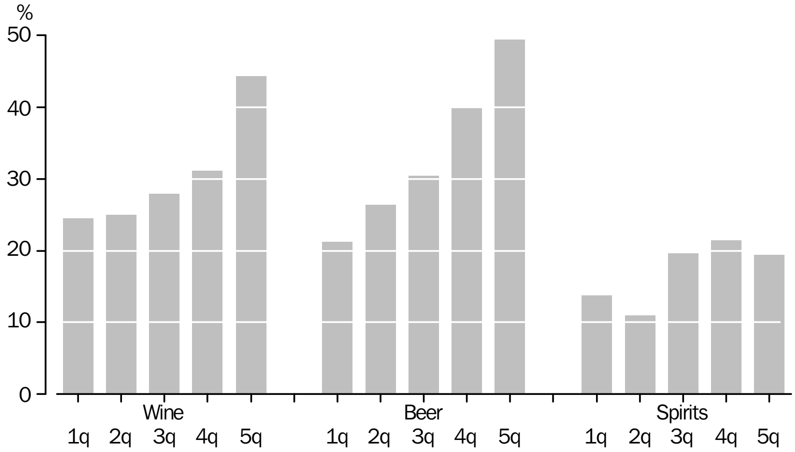
The high association of wine consumption with food consumption has favourable implications with respect to potential physiological ill-effects from wine consumption. As physiological ill-effects are directly related to blood alcohol concentration, alcohol consumed with food significantly diminishes blood alcohol concentration and the potential for ill-effects (Stockley, C., Submission to the Tax Consultative Task Force on Taxation Reform, Appendix A, WFA, March 1998). Moreover, a PSM survey conducted in May 1995, in which the same question was asked, found that 72% of respondents consumed wine with a meal. On this evidence, the level of wine consumption with a meal may have increased between 1995 and now. It is not unreasonable to expect this result on the evidence that wine styles/container types shown here to be more likely to be consumed with a meal (bottled and red wine) are known from domestic sales data, to be on an upward trend in consumption and some of the wine style/container types that are less likely to be consumed with a meal (white cask wine and fortified wine) are on a downward trend in consumption.

From the table above it can also be seen that males who consumed most wine with a meal, consumed more standard drinks per drinking occasion than females, by between 7% and 33% depending on the wine style. The exception is the case of sparkling wine where females who consumed most wine with a meal, consumed more standard drinks of sparkling wine on these occasions than did males. This observation is in addition to the observation made earlier that a greater proportion of the female population consumed sparkling wine than did males. Note that standard drink values are distorted by a process in which extreme values are 'capped' in the case of respondents who belong to small subsets in the sample (based on age, gender etc.) and for whom there is a remote possibility of being identified—by virtue of the small number set they belong to. This has the effect of biasing downward the values reported here—particularly for higher consumption levels. Despite this effect, the value's trend across the week has some interpretative value and is reported here for that purpose.

Characteristics associated with personal income

To devise income quintiles, all respondents were ranked by their personal income and then divided into 5 equal groups. Each group is called a quintile with the 1st quintile containing the group of respondents with the lowest incomes and so on up to the 5th quintile which is the group with the highest incomes.

ALCOHOL CONSUMERS BY INCOME QUINTILES BY BEVERAGE TYPE

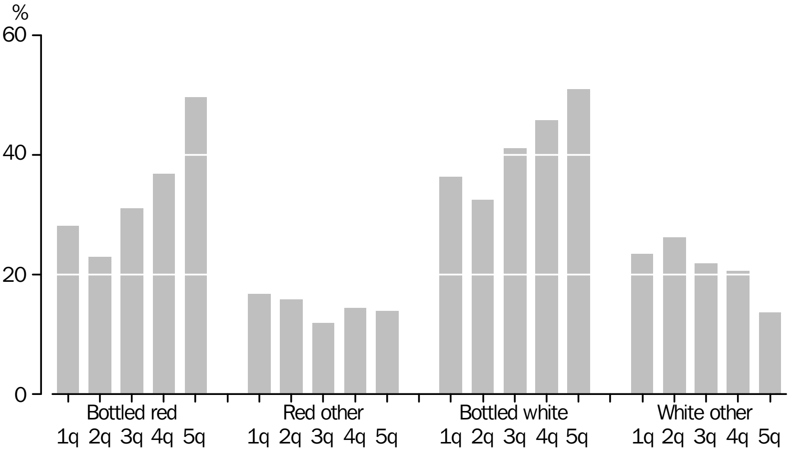


Source: Population Survey Monitor, February and May 1998.

Characteristics associated with personal income *continued*

Progressively larger shares of higher income groups consume beer and wine. This pattern is also broadly true, but less pronounced, for spirits. These results most likely reflect increased levels of disposable income available in the higher income quintiles and a greater propensity to spend disposable income on wine or beer. They tend to confirm the general understanding that expenditure on wine has a strong link to income levels and suggests that expenditure on beer is the same.

ALCOHOL CONSUMERS BY INCOME QUINTILES BY WINE TYPE



Source: Population Survey Monitor, February and May 1998.

In the graph above, it can be seen that progressively larger shares of higher income groups consume bottled wine, both red and white. The converse relationship exists for table wine in other containers (assumed to be principally casks) where progressively smaller shares of higher income groups consume cask wine—although the relationship is less pronounced in the case of cask red wine than it is for cask white wine.

These observations tend to suggest different income effects for bottled and cask wine—with bottled wine 'favoured' by higher income earners and cask wine 'favoured' by lower income earners. The weaker trend for a declining number of red cask wine consumers in higher income brackets may be driven by price and/or quality issues. Firstly, based on the price relativities of red and white bottled wine, red cask wine could represent better value for one- or two-glass-a-day consumers who would not consume the contents of a whole bottle. These consumers are more likely to be distributed across the income range thereby raising the proportion of higher income consumers of this product. Secondly, more pronounced taste characteristics of red wine over the neutral whites used in casks, may give red cask wine a perceived quality edge over white cask wine. This may dilute the strength of the consumption/income relationship in the case of red cask wine.

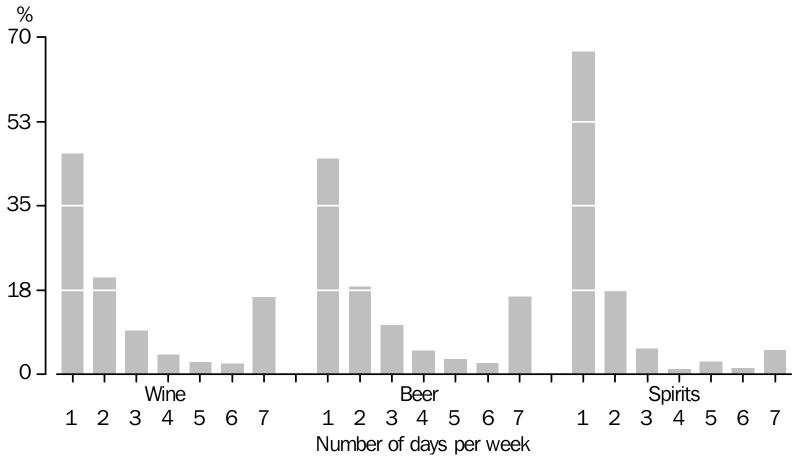
An assumption that 18–24 year olds may tend to be located in the lower income quintile/s, may explain the higher proportions of bottled wine consumers in the 1st quintile compared with the 2nd. It has already been shown that this age group has a greater propensity to consume bottled red and white wine and based on the stated assumption that there are more 18–24 year olds in the 1st quintile—they may account for the higher representation of bottled wine consumers in the lowest income quintile.

FREQUENCY AND RISK FROM CONSUMPTION

Days per week alcohol beverages are consumed

The majority of consumers of alcohol beverages consume on one or two days per week—66% of wine consumers are one or two days per week consumers, 63% of beer consumers and 84% of spirit consumers. While exponentially declining proportions of wine, beer and spirit consumers drank on an increasing number of days per week—reaching proportions of 1% or 2% for six days per week consumers—there is a significant number of seven days per week consumers (less pronounced in the case of spirits).

BEVERAGE CONSUMERS BY DAYS PER WEEK CONSUMPTION



Source: Population Survey Monitor, February and May 1998.

Looking at wine consumers in particular—bottled table wine consumers and cask table wine consumers exhibited similar patterns with respect to their days per week consumption profiles. A larger share of the respective consuming populations drank bottled or cask wine one or two days per week and exponentially declining proportions drank an increasing number of days per week, except for seven days per week consumers who made up a significant minority of each of the two consumer groups.

Aside from similarities, there are also differences between the groups that consumed bottled and cask table wine. The distribution of the cask wine consuming population is more even across the ‘days per week’ spectrum with a lesser proportion consuming cask wine one day per week (46% compared with 54% for bottled wine) and a larger proportion consuming seven days per week (18% compared with 10% for bottled wine). This may demonstrate the convenience that a cask presents for consumers preferring regular intake, but less than the volume of a bottle.

Consumption risk

Most drinking occasions for wine, beer and spirits fall into the category of low to moderate risk as defined by the National Health and Medical Research Council. Across all beverage types and for alcohol consumption overall, no less than 80% of the drinking occasions fall into these two categories. Male wine drinking occasions (both bottled and cask) had the highest proportion of low-risk drinking occasions, at around 88%. However, for females, the proportion of low-risk drinking occasions were 43% for bottled wine, and 59% for cask wine drinking occasions.

Consumption risk *continued*

The lowest proportion of low-risk drinking occasions was recorded for bottled wine consumption by females while the lowest proportion of low-risk drinking occasions for males was for beer consumption.

SHARES OF DRINKING OCCASIONS, By Risk and Alcohol Beverage

	Low risk	*Moderate risk*	*High risk*
	%	%	%
Males			
Bottled wine	89	6	6
Cask wine	87	6	4
Beer	62	18	21
Spirits	72	14	14
Alcohol	68	15	17
Females			
Bottled wine	43	45	12
Cask wine	59	35	6
Beer	57	24	19
Spirits	73	14	13
Alcohol	53	33	12

Source: Population Survey Monitor, February and May 1998.

CHAPTER 12 PERSONS EMPLOYED IN THE WINE AND GRAPE PRODUCTION INDUSTRIES ....

The Population Census of 6 August 1996 identified 7,420 persons whose main job was in grape-growing and 8,328 persons whose main job was in the manufacturing or blending of wine. This excludes casual workers such as grape pickers and other seasonal workers not working in those industries in the week prior to the Census. It also excludes people who worked in wine and grape production as a second job. Of the grape industry workers, 44% were farmers and farm managers, 41% were agriculture and horticulture labourers and 2% were plant and machine operators. For the wine manufacturing industry, 7% were farmers and farm managers, 21% were agriculture and horticulture labourers, 4% were plant and machine operators, 14% were clerical sales and service workers, 10% were professionals and 5% were technicians and associate professionals.

A further 4,878 persons were employed in establishments mainly engaged in wholesaling beer, wine and spirits and 7,639 persons were employed in retail liquor stores.

Just over 72% of all persons employed in the grape-growing industry were employees compared with 96% in wine manufacturing and 91% across all industries.

At the time of the Census, the proportion of persons working full time in the grape-growing and wine manufacturing industries was slightly higher than for all industries.

LABOUR FORCE, Selected Characteristics of Employed Persons—1996

	Grape-growing	*Wine manufacturing*	*All industries*
	%	%	%
Status in employment			
Employee	72.2	95.9	90.6
Employer	9.2	1.5	2.5
Own account worker	15.3	1.8	5.8
Contributing family worker	3.3	0.7	1.0
Full-time	71.3	75.7	67.8
Part-time	27.7	23.5	29.9
Not stated	1.1	0.8	2.2
Annual individual income			
Less than $15 600	33.1	18.5	22.8
$15 600–$25 999	38.9	39.1	28.2
$26 000–$51 999	19.8	34.0	37.6
$52 000 and over	5.7	6.7	9.3
Not stated	2.6	1.7	2.0

Source: 1996 Census of Population and Housing.

There was a higher proportion of low income earners, (workers with an annual income of less than $15,600) in the grape-growing industry (33%) than in wine manufacturing (19%) and for all industries (23%). At the upper end of the income ranges, 6% of workers whose main job was in the grape-growing industry earned $52,000 or more compared with 7% in the wine manufacturing industry. Both figures are lower than that for all industries (9%).

Educational qualifications were less common among workers in both the grape-growing and wine manufacturing industries than the average across all industries. Of those employed in grape-growing, 6% had a degree or higher compared with 10% in wine manufacturing and 16% for all industries.

The grape-growing and wine manufacturing industries have a slightly higher male to female ratio than for all industries. Grape-growing workers tend to be older with 42% aged 45 years and over compared with 29% of wine manufacturing workers.

The grape-growing and wine manufacturing industries have a higher proportion of Australian-born workers compared with all industries. However, of those grape-growing workers born overseas, the proportion of workers born in southern Europe was more than four times that of wine manufacturing and more than twice that of all industries.

SOCIAL CHARACTERISTICS OF EMPLOYED PERSONS—1996

	Grape-growing	*Wine manufacturing*	*All industries*
	%	%	%
Level of highest qualification			
Degree or higher	5.7	10.1	15.5
Other qualification	18.0	22.9	26.0
No qualification	71.0	61.1	51.3
Inadequately described or not stated	5.3	5.8	7.3
Sex			
Males	67.8	63.2	55.9
Females	32.2	36.8	44.1
Age (years)			
15–24	13.9	16.7	18.0
25–34	19.5	26.8	25.4
35–44	24.6	27.6	26.3
45–54	23.8	19.9	20.9
55 or more	18.3	9.0	9.5
Birthplace			
Australia	81.7	84.5	74.5
Overseas main English-speaking countries	5.7	9.0	11.1
Southern Europe	7.8	1.9	3.5
Other Europe	1.8	2.0	2.6
Other	3.0	2.6	8.3

Source: 1996 Census of Population and Housing.

CHAPTER 13 WORLD COMPARISONS

GRAPE PRODUCTION, AREA OF VINES AND YIELD

Of the countries for which 1997 data are available, Australia's ranking rose two places to twenty second for area of vines and one place to ninth for wine production, fourteenth for total grape production and tenth for wine exports.

World grape production in 1997 increased by 1.0% to 59.2 million tonnes and followed a 5.2% increase in 1996. Production of grapes in Australia in 1997 was 1.6% of the world total, down from 1.9% in 1996

GRAPE PRODUCTION, Area of Vines and Yield of Selected Countries—1997

	PRODUCTION.......			
	Total grapes	*Wine grapes*	*Area of vines(a)*	*Yield*
Country(b)	'000 t	'000 t	'000 ha	t/ha
Italy	8 151.8	6 621.8	914	8.9
France	7 190.9	7 087.2	914	7.9
United States of America	6 606.4	n.a.	315	21.0
Spain	5 503.2	5 185.6	1 155	4.8
Turkey	3 700.0	n.a.	602	6.1
Argentina	2 481.9	2 426.3	209	11.9
Iran	2 124.7	n.a.	270	7.9
China	2 033.0	n.a.	188	10.8
Chile	1 669.2	545.6	132	12.6
South Africa	1 462.3	1 120.6	108	13.5
Germany	1 250.0	1 250.0	105	11.9
Greece	1 213.2	533.2	132	9.2
Romania	1 179.0	1 061.3	254	4.6
Australia	**942.1**	**743.5**	**90**	**10.5**
Moldova	800.0	n.a.	187	4.3
Portugal	763.7	n.a.	260	2.9
Hungary	716.7	n.a.	131	5.5
Bulgaria	660.0	n.a.	109	6.1
Uzbekistan	525.0	n.a.	120	4.4
Ukraine	319.0	n.a.	139	2.3
Azerbaijan	202.4	n.a.	135	1.5
Georgia	195.0	n.a.	100	2.0
Other countries	9 517.2	n.a.	1 245	7.6
World total	59 206.7	n.a.	7 814	7.6

(a) Includes area of vines not yet bearing.

(b) The selection is based on those countries which exceed Australian figures in any of the first three categories.

Source: Dutruc-Rosset 1999.

In Australia, 79% of all grapes grown were used for winemaking. The world's two largest producers, Italy and France, used a higher proportion of their grape production for winemaking; 81% and 99% respectively.

GRAPE PRODUCTION, AREA OF VINES AND YIELD *continued*

The area of vines in the world fell 10,000 hectares in 1997 to 7,814,000 hectares continuing, but slowing, the downward trend evident since the 1980s. In contrast, the area under vines in Australia increased by 9,000 hectares to 90,000 hectares and was 1.2% of the world total. Spain, the largest cultivator, had an area of vines over 12 times greater than the Australian area.

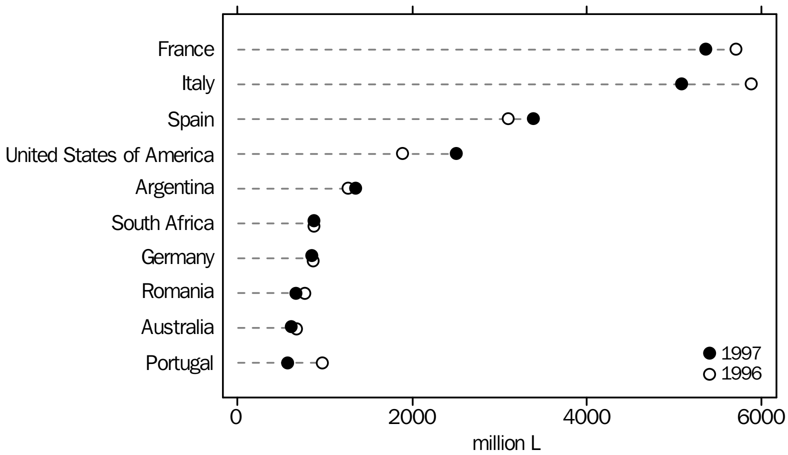
Australia recorded a decrease in yield from 13.4 tonnes of grapes per hectare in 1996 to 10.5 tonnes per hectare in 1997, which represents a reversal of the increased yield of the previous year. Vines which are not yet bearing are also included in the calculation of yield. Thus yields will be lower than they would be if bearing vines only were taken into account. This can make comparisons of yields problematic. Of the countries in the preceding table, the United States of America had the highest yield with 21.0 tonnes per hectare, an increase from the 1996 yield of 16.2 tonnes per hectare. In contrast, the largest cultivator, Spain, had a yield of 4.8 tonnes per hectare in 1997.

WINE PRODUCTION

Australia ranked ninth in volume of world wine production in 1997, accounting for 617.4 million litres or 2.3% of the total world production. France (5,361.2 million litres) remained as the largest producer of wine, followed by Italy (5,084.7 million litres), together accounting for 40% of world production, down from 43% in 1996.

Of the major wine producing countries, the United States of America recorded the largest increase in wine production in terms of volume of 32% to 2,500 million litres, after a record harvest. Italy recorded the largest decrease of 13%.

PRODUCTION OF WINE, Principal Countries



Source: Dutruc-Rosset 1999.

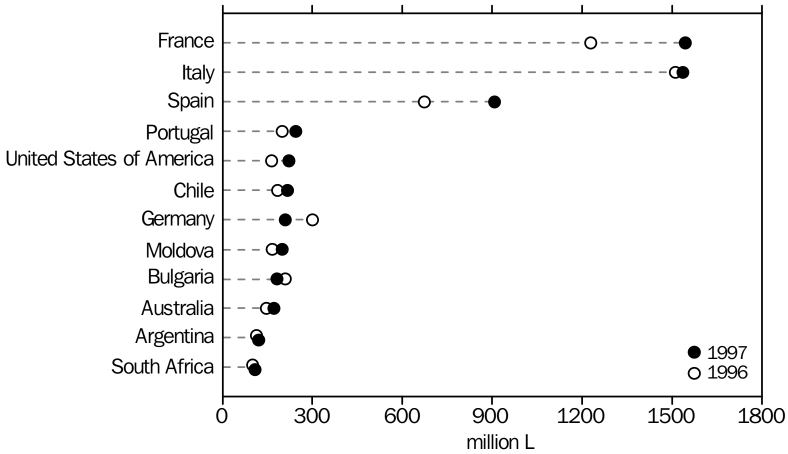
EXPORTS OF WINE

The countries exporting the largest volumes of wine were France, Italy and Spain, with both France and Italy each exporting over 9 times the volume of Australian wine exports, and Spain 5 times.

In 1997 Australia's ranking moved up one place to tenth as an increase of 16% raised exports to 170.6 million litres.

Australia exported 28% of its total wine production while Italy exported 30%, France 29% and Spain 27%.

EXPORTS OF WINE, Principal Countries



Source: Dutruc-Rosset, 1999.

WINE PRODUCTION, EXPORTS AND CONSUMPTION, Selected Countries—1997

Country(a)	*Wine production* million L	*Share of world production* %	*Wine exports* million L	*Exports as a proportion of production* %	*Wine consumption* million L	*Per capita consumption* L
France	5 361.2	20.3	1 543.4	28.8	3 494.1	60.0
Italy	5 084.7	19.2	1 537.4	30.2	3 382.0	58.8
Spain	3 388.7	12.8	909.5	26.8	1 452.8	38.0
United States of America	2 500.0	9.5	222.1	8.9	2 080.0	n.a.
Argentina	1 350.0	5.1	120.5	8.9	1 350.5	41.0
South Africa	870.2	3.3	108.6	12.5	402.2	9.1
Germany	849.5	3.2	209.9	24.7	1 858.0	23.1
Romania	668.8	2.5	82.5	12.3	588.9	29.6
Australia	**617.4**	**2.3**	**170.6**	**27.6**	**347.2**	**18.8**
Portugal	572.7	2.2	245.0	42.8	560.0	56.4
Chile	454.9	1.7	216.3	47.5	192.2	13.1
China	412.5	1.6	2.8	0.7	438.8	n.a.
Moldova	359.8	1.4	199.7	55.5	155.0	n.a.
Bulgaria	237.7	0.9	180.5	75.9	67.5	n.a.
Other countries	3 714.1	14.0	n.a.	n.a.	5 984.1	n.a.
World total	*26 442.2*	*100.0*	*n.a.*	*n.a.*	*22 353.3*	*n.a.*

(a) The selection is based on those countries which exceed Australian figures in any of the first three categories.

Source: Dutruc-Rosset 1999.

CONSUMPTION

France had the highest consumption of wine (3494.1 million litres) in 1997 overtaking Italy (3382.0 million litres), while together they accounted for 31% of world consumption of wine. By comparison, Australia consumed 347.2 million litres, representing 1.6% of world consumption. Even though a large producer, Germany consumed 1,008.5 million litres more than it produced.

Consumption in Australia of 18.8 litres for each person in 1997 compares with more than 56.0 litres recorded by France, Italy and Portugal.

TABLE AND DRIED GRAPES

Australia produced 61,600 tonnes of table grapes (less than 1% of world production of 12.5 million tonnes). Iran was the largest producer followed by Italy, China and Turkey. Australia exported 26,500 tonnes of table grapes, up 25% on 21,200 tonnes in 1996, compared with the largest exporter, Chile, with 519,100 tonnes.

PRODUCTION AND EXPORTS OF TABLE AND DRIED GRAPES, Selected Countries—1997

	TABLE GRAPES		DRIED GRAPES(a)	
	Production	*Exports*	*Production*	*Exports*
Country(b)	'000 t	'000 t	'000 t	'000 t
Africa	*739.9*	*n.a.*	*41.2*	*n.a.*
Morocco	254.9	0.2	0.6	n.a.
South Africa	177.7	117.0	39.0	28.0
Egypt	126.0	0.8	n.a.	n.a.
Algeria	120.0	n.a.	0.9	n.a.
America	*2 350.8*	*n.a.*	*417.5*	*n.a.*
Chile	864.7	519.1	28.5	24.0
United States of America	852.3	268.8	375.2	117.8
Asia	*5 552.3*	*n.a.*	*510.3*	*n.a.*
Iran	1 550.6	0.8	90.0	25.0
China	1 410.2	0.6	3.8	1.1
Turkey	1 275.7	33.4	360.0	180.9
Afghanistan	159.3	21.0	28.1	20.0
Europe	*3 753.8*	*n.a.*	*93.6*	*n.a.*
Italy	1 530.0	418.5	n.a.	0.4
Spain	310.8	100.3	4.0	0.6
Greece	216.9	102.6	86.0	59.7
Netherlands	n.a.	73.2.	n.a.	6.2
Oceania	*61.6*	*26.5*	*29.5*	*17.0*
Australia	61.6	26.5	29.5	17.0
World	**12 458.4**	**n.a.**	**1 092.1**	**n.a.**

(a) Data from India and Iraq not available.

(b) The selection of country is based on the top two contributors to each category.

Source: Dutruc-Rosset 1999.

Statistics available on dried grapes in 1997 are incomplete. Australia contributed 3% (29,500 tonnes) of the world dried grape production in 1997. The United States of America (375,000 tonnes), with 34% of world production (1.1 million tonnes), overtook Turkey (360,000 tonnes) as the largest producer of dried grapes. Australia exported 17,000 tonnes of dried grapes compared with the largest exporter, Turkey, with 180,900 tonnes.

IMPORTS

Australia is a relatively small importer of grape products. In 1997 Australia's imports of wine increased by 45% to 20.4 million litres compared to 14.1 million litres in 1996. Whilst no table grapes have been imported by Australia over the last couple of years, dried grape imports have increased 25% on 1996 to 12,000 tonnes.

Germany was the largest importer of wine followed by the United Kingdom and France and these three countries combined took nearly half (45%) of the world imports of 5,620.9 million litres. In 1997 there was a large increase (62%) in imports of wine to Asian countries, with a large proportion of the increase contributed by Japan and Hong Kong. China increased imports of wine by 664% to 33.6 million litres to become the region's third largest importer. The United States of America also substantially increased imports of wine, by 26.5% to 454 million litres.

The United States of America was the largest importer of table grapes in 1997, with 359,900 tonnes followed closely by Germany with 355,600 tonnes. From the information available, the United Kingdom was the largest dried grape importer, taking 125,900 tonnes.

IMPORTS OF WINE, TABLE AND DRIED GRAPES, Selected Countries—1997

Country(a)	Wine million L	Table grapes '000 t	Dried grapes '000 t
Africa	*137.3*	*n.a.*	*n.a.*
Angola	27.0	n.a.	n.a.
Ivory Coast	21.3	n.a.	n.a.
Egypt	9.4	0.1	1.4
Morocco	9.4	n.a.	2.4
America	*759.1*	*n.a.*	*n.a.*
United States of America	454.4	359.9	11.7
Canada	178.4	141.5	34.8
Brazil	25.3	23.2	16.4
Asia	*260.1*	*n.a.*	*n.a.*
Japan	130.0	7.4	28.0
Hong Kong	34.1	106.2	8.0
Pakistan	n.a.	21.4	7.1
United Arab Emirates	2.1	n.a.	18.8
Europe	*4 413.6*	*n.a.*	*n.a.*
Germany	1 169.9	355.6	74.9
United Kingdom	802.2	123.6	125.9
France	573.8	149.3	22.6
Oceania	*50.7*	*n.a.*	*n.a.*
New Zealand	22.4	n.a.	9.0
Australia	20.4	0.0	12.0
World total	**5 620.9**	**n.a.**	**n.a.**

(a) The selection of country is based on the top two contributors to each category.

Source: Dutruc-Rosset 1999.

WORLD TRENDS

World wine consumption, after recording a downward trend from 1980 to 1994, continued to increase marginally in 1997, up 208.9 million litres to 22,353.3 million litres. There had been a decline in world wine production from a peak in the early 1980's which reversed in 1996. In 1997, while world wine production decreased by 554.8 million litres (2%) to 26,442.2 million litres, this was still higher than the low in 1995 of 25,157.6 million litres. In 1997 production exceeded consumption by 4,088.9 million litres (15 % of production). This surplus was 16% less than in 1996.

Against this background, Australia recorded a trend of increased production of wine since the early 1990s, although with a decrease of 8% to 617.4 million litres in 1997. Wine exports have continued to rise over the same period, increasing by 16% from 1996. Australia's total wine consumption, which had been steady since the late 1980's, has more recently shown signs of growth and has increased by 5% in 1997 to 347.2 million litres.

SOURCE

The international comparisons in this section are sourced from the Office International de la Vigne et du Vin (OIV), are incomplete or inaccurate for some countries and are subject to revision. The OIV does not distinguish zero and not available figures in its statistical publication and these have been shown as ‘n.a.’ (not available) in this section. The Australian figures used in this world comparison have been revised in the earlier chapters of the compendium, e.g. chapter 2 and chapter 4 but the original figures are shown here to enable a world comparison to be made. The OIV requests calendar year data and the ABS complies with this where possible.

EXPLANATORY NOTES

INTRODUCTION

1 This publication presents final estimates from the ABS collections: Stocks of Australian Wine and Brandy, 1998–99; Wine and Spirit Production, 1998–99; Wine Statistics, 1998–99 and Vineyards, 1999. Not all data from these collections is published here. Some further data is available for a charge, on application to the ABS.

2 This publication is a summary of statistics on grape and wine production and related activities collected by the ABS and from other sources. Some of the data used in this publication were obtained from various ABS collections for which publications with appropriate explanatory notes are already available. The bibliography contains a list of these publications. However, much of the data are only available in this publication and the following notes are provided to assist users.

3 Chapter 2 replaces the previous publication *Viticulture, Australia* (Cat. no. 7310.0) and contains information on area of vines and production of red and white grapes for the 1999 season. The continuing collection of varietal data is partly funded by the Grape and Wine Research and Development Corporation.

4 Differences exist between the grape production intended for winemaking reported by grape growers in the viticulture collection and the quantity of fresh grapes crushed by winemakers reported in the Wine and Spirit Production collection. The size of the discrepancy is being investigated. Differences in the collection methodologies, as outlined below, mean some difference should always be apparent between the series.

SCOPE AND COVERAGE OF VITICULTURE SURVEY

5 Viticultural statistics in chapter 2 relate to the year in which the harvest occurred and are derived from information obtained in a collection of all known growers.

6 Prior to the 1999 collection, an exercise was undertaken to increase the number of known growers included in the collection. The improved coverage, of over 1,000 growers, means that the data presented for 1999 in chapter 2 are not directly comparable with data for previous years. An explanation of the impact of this improved coverage on estimates is provided at the beginning of chapter 2.

7 The scope of the 1999 collection is based on establishments undertaking agricultural activity and having an estimated value of agricultural operations of $5,000 or more. The scope of the collection from season 1994 to season 1999 was also $5,000. Prior to season 1994 the scope has varied. Details are available on request.

8 Tasmanian data are derived from a collection undertaken by the Appellation of Origin Board under the authority of The Commissioner of Licensing. The scope of the collected data is the same as for other States.

SCOPE AND COVERAGE OF VITICULTURE SURVEY *continued*

9 Statistics are provided for the several recognised grape-producing regions of each State which are described in the table below.

Region	*Local Government Area*
	NEW SOUTH WALES
Hunter Valley	Greater Cessnock, Muswellbrook, Scone and Singleton
Murrumbidgee Irrigation Area	Leeton and Griffith
NSW Sunraysia	Wakool, Balranald and Wentworth
	VICTORIA
Victorian Sunraysia	Rural City of Mildura
Kerang–Swan Hill	Rural City of Swan Hill and the Shire of Gannawarra
	SOUTH AUSTRALIA(a)
Central District	Adelaide Hills, Alexandrina, Mount Barker, Victor Harbor, Yankalilla, and Kangaroo Island and the Corporations of Adelaide, Burnside, Campbelltown, Charles Sturt, Holdfast Bay, Norwood Payneham and St Peters, Marion, Mitcham, Onkaparinga, Playford, Port Adelaide Enfield, Prospect, Salisbury, Tea Tree Gully, Unley, West Torrens, and the Municipalities of Gawler and Walkerville
Barossa District	Barossa, Mallala, Kapunda and Light, those portions of the district council of Wakefield south of the River Wakefield, the Hundreds of Dutton and Jellicoe in the district council of Mid Murray
Waikerie and Lower Murray District	The former district councils of Waikerie, Mannum, and Meningie and the district council of Morgan and Murray Bridge and the Hundreds of Anna and Skurray in the former district council of Ridley–Truro
North Murray District	Berri Barmera and Renmark Paringa and the Hundred of Katarapko and the Counties of Young and Hamley not otherwise included
South Murray District	Loxton, Browns Well and Peake and the district councils of Karoonda, East Murray and Southern Mallee
Northern District	Portions of the district council of Wakefield north of the River Wakefield, the district councils of Clare and Gilbert Valleys and the former district councils of Eudunda and Robertstown and the remainder of the State north and west of these areas which are not included in the above five districts
South Eastern District	Tatiara and Lacepede, the former district council of Coonalpyn Downs and the remainder of the State south and south-east of these areas which are not included in the above districts
	WESTERN AUSTRALIA
Swan Shire	Shire of Swan
Margaret River	Augusta–Margaret River and Busselton

(a) The regions adopted in South Australia correspond to the Phylloxera and Grape Industry Board's districts.

Note: In some tables in this publication, the Waikerie and Lower Murray District, North Murray District and the South Murray District are combined to form 'Riverland'.

SCOPE AND COVERAGE OF WINE SURVEYS

10 Wine production data are collected only from winemakers who crush more than 400 tonnes of grapes. The grapes crushed by these wineries includes grapes owned by others and crushed on a commission or contract basis, often for wine producers who do not have their own crushing facilities. These wineries account for approximately 98% of total crushings by all winemakers crushing 50 or more tonnes. Limited information on the quantity of grapes crushed and domestic wine sales are also obtained from winemakers crushing between 50 and 400 tonnes. The main purpose for this supplementary collection is to establish the scope and coverage of both the main production collection and the monthly wine sales collection.

11 Details on stocks of Australian beverage wine by wine type are collected at 30 June from winemakers with wine sales of 250,000 litres or more in the previous year. All data are collected on an Australia-wide basis only and State figures are therefore not available. Stocks data collected from 1996 include all Australian-produced wines owned by these winemakers and held anywhere in Australia. In years previous to 1996, stocks included only those Australian-produced wines held by winemakers on any of their own premises, regardless of ownership. This change in the measurement of stocks means that data for 1996 and later are not directly comparable with earlier years.

12 The number of winemakers who fall within the scope of the wine stocks collection may vary from year to year as sales vary and individual wineries are included in, or excluded from, the sales collection. It is possible that stock data may vary slightly each year as new wineries, with either large or small stocks, come into the scope of the collection. In particular, the published (i.e. closing) stocks figures for any one year may not equate with the opening stocks for the following year.

13 The wine content of products consisting of a mixture of wine and fruit juice, commonly known as 'coolers', is included in the appropriate wine category of the wine from which it is made, which is generally table wine.

ABS PUBLICATIONS

14 Current publications produced by the ABS are listed in the *Catalogue of Publications and Products* (Cat. no. 1101.0). The ABS also issues on Tuesdays and Fridays, a *Release Advice* (Cat. no. 1105.0) which lists publications to be released in the next few days. The Catalogue and Release Advice are available from any ABS office.

BIBLIOGRAPHY

Much of the ABS data used in this publication were sourced from various ABS collections. In some cases more detailed data, which was previously unpublished, were used. In the list of ABS publications below a catalogue number is quoted whenever possible to enable users to access explanatory information about various data sets. Further inquiries about these data, and the availability of more detailed unpublished data, can be made either to Peter Carmalt (Adelaide 08 8237 7632) or to the contact officer named in the specific publications.

ABS PUBLICATIONS

1996 Census of Population and Housing: Basic Selected Family and Labour Force Characteristics, Australia (Cat. no. 2017.0)

Apparent Consumption of Foodstuffs, Australia (Cat. no. 4306.0)

Consumer Price Index (Cat. no. 6401.0)

Export Price Index (Cat. no. 6405.0)

Household Expenditure Survey, Australia: Detailed Expenditure Items, 1993–94 (Cat. no. 6535.0)

Import Price Index (Cat. no. 6414.0)

International Merchandise Trade, Australia (Cat. no. 5422.0)

Manufacturing Industry, Australia (Cat. no. 8221.0)

National Health Survey: Summary of Results, 1995 (Cat. no. 4364.0)

Population Survey Monitor (Cat. no. 4103.0)

Price Indexes of Articles Produced by Manufacturing Industries, Australia (Cat. no. 6412.0)

Price Indexes of Materials Used in Manufacturing Industries, *Australia* (Cat. no. 6411.0)

Sales of Australian Wine and Brandy by Winemakers (Cat. no. 8504.0)

ABS SURVEYS AND DATABASES

Export Price Index

Import Price Index

International Trade database

Manufacturing Industry, 1997–98

Population Survey Monitor

Stocks of Australian Wine and Brandy, 30 June 1999

Vineyards, 1999

Wine and Spirit Production, 1998–99

Wine Statistics, 1998–99

NON-ABS SOURCES

Dutruc-Rosset, D. 1999, *The State of Vitiviniculture in the World and the Statistical Information in 1997,* Office International de la Vigne et du Vin, Paris.

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POST	Client Services, ABS, PO Box 10, Belconnen ACT 2616
EMAIL	client.services@abs.gov.au

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