

Wine Australia

Media release

Tuesday 10 January 2017

Small winemakers see strong growth underpinned by cellar door sales

Small winemaking businesses generated \$1 billion in wine sales revenue in 2015–16, an average increase of 12 per cent, according to the [Small Winemaker Production and Sales Survey 2016](#) results released today by Wine Australia.

While retailers and wholesalers generated 47 per cent of income, cellar doors have become increasingly important sales channels, accounting for 27 per cent of revenue.

With food and wine tourism on the rise, many small wineries are now also attracting consumers to their region via on-site restaurants, cafes, tours and boutique accommodation, in addition to the traditional cellar door.

Garry Sweeney, owner of Mt Lofty Ranges Vineyard in the Adelaide Hills, has noticed these trends in his business, which has a strong cellar door focus.

'I've definitely seen a rise and increased diversity in visitors from interstate and overseas in the past year.

'I believe it's important to offer visitors more than just pouring wine, so you give them a 'sense of place' to associate with the wine,' he said.

The survey also showed that on average, production was up 7 per cent, with the highest average growth in wineries that produce 70,001–170,000 litres (8000–20,000 cases) (up 11 per cent). Only wineries with an estimated production of 350,000 litres or less (40,000 cases) were included in the survey.

Wineries that produce 35,001–70,000 litres (approximately 4000–8000 cases) saw the highest average revenue growth (up 16 per cent).

Australia's small winemakers rely heavily on the domestic market, with 88 per cent of wine sold locally. For wineries producing more than 170,000 litres (20,000–40,000 cases), exports accounted for 27 per cent of sales.

Key insights from the report include:

- Small winemakers sell an estimated \$1 billion in wine – 88 per cent in the domestic market.
- Main sales channels are retailers (47 per cent) and cellar door (29 per cent).
- Average production growth was 7 per cent and average revenue growth was 12 per cent in 2015–16.
- Cellar door and mail order sales saw the strongest revenue growth (both up 7 per cent).
- Small winemakers directly employ on average 5.1 people.
- Nearly half (48 per cent) of the wineries surveyed make all of their wine in their own facilities.
- On average, two-thirds of grapes used by small wineries were grown in their own vineyards.

The report is available on the Wine Australia [website](#).

Wine Australia surveyed Australian small wine businesses with an estimated crush of up to 500 tonnes. The 223 responses from this survey will feed into the annual Production, Sales and Inventory Survey currently underway that will provide an overall state of play on Australian supply and demand. These results will be published in early 2017.

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For further information please contact:

Charmaine Glase – Wine Australia

Wine Australia

Senior Communications Manager

Phone: 02 9361 1263

Mobile: 0409 859 960

Email: charmaine.glase@wineaustralia.com

Twitter: [@Wine_Australia](https://twitter.com/Wine_Australia)

Instagram: @WineAustralia

Facebook: [WineAustralia](https://www.facebook.com/WineAustralia)

Website: www.wineaustralia.com

About Wine Australia

Wine Australia supports a competitive wine sector by investing in research, development and extension (RD&E), growing domestic and international markets and protecting the reputation of Australian wine.

Wine Australia is funded by grapegrowers and winemakers through levies and user-pays charges and the Australian Government, which provides matching funding for RD&E investments.

Wine Australia is the trading name of the Australian Grape and Wine Authority, a Commonwealth statutory authority established under the *Australian Grape and Wine Authority Act 2013*.