

Wine Australia Media Release

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Wine sector rebounds with ‘unicorn’ vintage in 2021

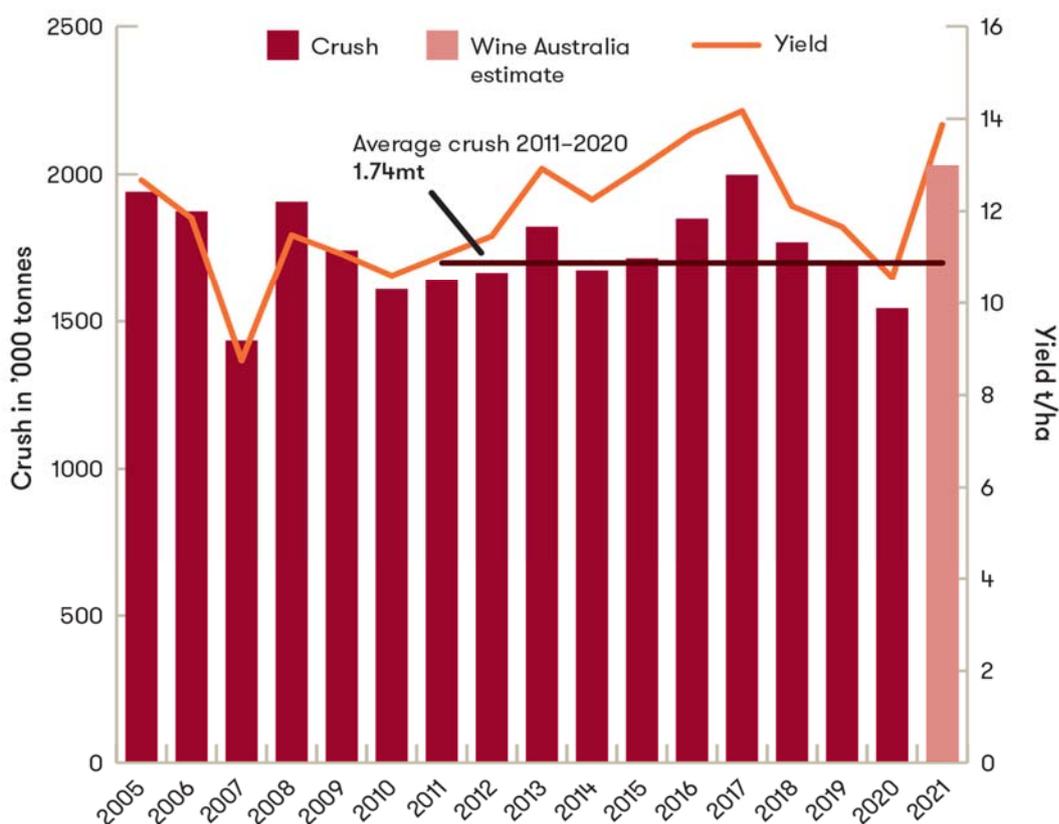
The Australian wine sector has rebounded from two successive small vintages to produce a record crop of 2.03 million tonnes in 2021, after a season characterised by near-perfect growing and ripening conditions across most states and regions, according to the National Vintage Report 2021 released today by Wine Australia.

Wine Australia General Manager, Corporate Affairs and Regulation Rachel Triggs said 2021 was being described as a ‘unicorn’ vintage because of the rare combination of events leading to both exceptional quality and a good crop size.

“Good fruit set, plenty of water at the right time, lack of heatwaves, low disease pressure, and favorable harvest conditions have resulted in a high-yielding, high quality vintage,” Ms Triggs said.

The 2021 crush was 31 per cent higher than the 2020 vintage and 19 per cent above the 2019 vintage. The larger crush balanced out the two previous small vintages, with the average of the three being closely in line with the 10-year average of 1.74 million tonnes (Figure 1).

Figure 1: Crush and yield from 2005 to 2021



South Australia was the largest contributor of the states, with an estimated harvest of 1.06 million tonnes (52 per cent of the national total), followed by New South Wales with 580,875 tonnes (29 per cent) and Victoria with 334,834 tonnes (17 per cent).

“This vintage provides an opportunity for depleted inventory levels to be restored, ensuring we have the supply we need to take up new export opportunities,” Ms Triggs said.

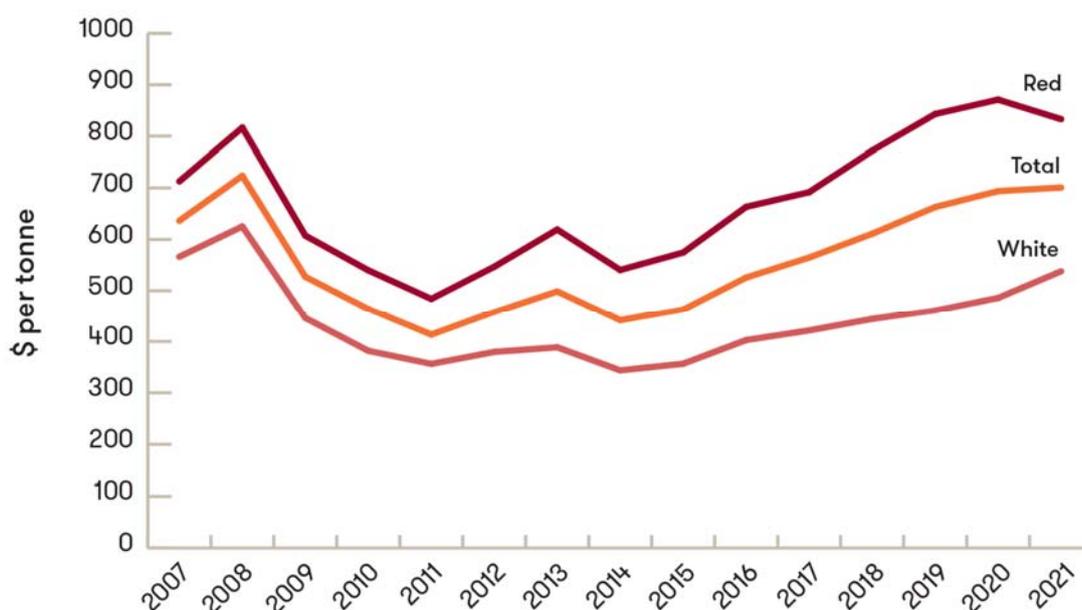
Red grapes made up 57 per cent of the crush comprising 1.16 million tonnes, an increase of 37 per cent over the previous year. The white varieties comprised 864,946 tonnes, an increase of 25 per cent. Overall, white variety’s share of the crush reduced to 43 per cent, the lowest since 2004.

The main contributor to the increase in red crush was Shiraz, up by 41 per cent to a record 538,402 tonnes. This saw its share increase by one percentage point to 46 per cent of all red varieties and 27 per cent of the total crush.

The total value of the crush at the weighbridge increased by more than \$400 million (36 per cent) to \$1.56 billion, with the increased crop size amplified by a small increase in overall average value, up by 1 per cent to \$701 per tonne. This was the highest since 2008.

The overall increase was made up of a 4 per cent decrease in the average value of reds to \$833 per tonne, offset by an 11 per cent increase in the average value of whites to \$538 per tonne (Figure 2).

Figure 2: Average winegrape purchase value 2007 – 2021



Ms Triggs said that concerns prior to vintage, about the effect on grape prices of the tariffs imposed by the Chinese government on Australian wine, had not been realised in 2021. However, she noted that the overall increase partly reflected growth in the contribution of higher-priced fruit to the average.

“That’s not to say that some producers aren’t doing it tough. Exposure to China is very variable from one producer to another depending on their ability to diversify, cash flow and the ability to physically hold stock and it will take some producers time to bounce back, which could also have flow-on effects for growers,” Ms Triggs said.

In a note of caution, Ms Triggs said that the average value for red varieties had declined in 2021 for the first time since 2014, while whites had continued to increase in value, indicating that demand is now shifting towards whites.

“To make the most of our opportunities in markets such as the United States and the United Kingdom, the balance in supply between red and white winegrapes may need to change.”

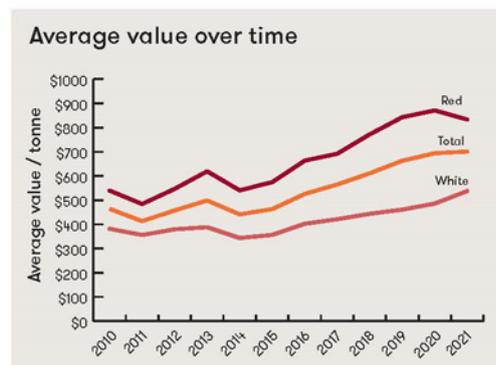
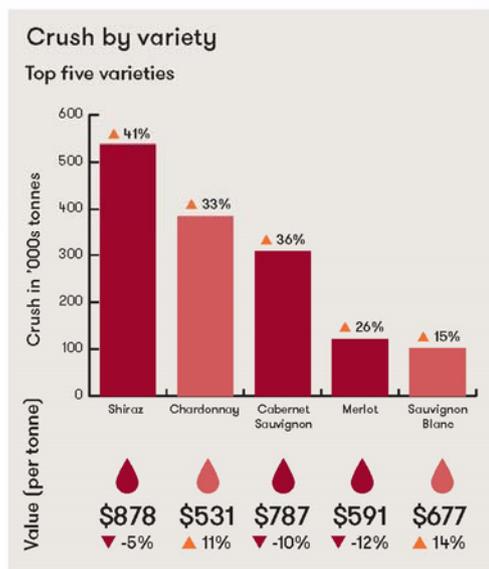
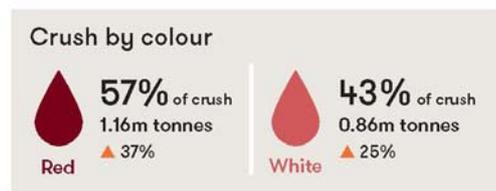
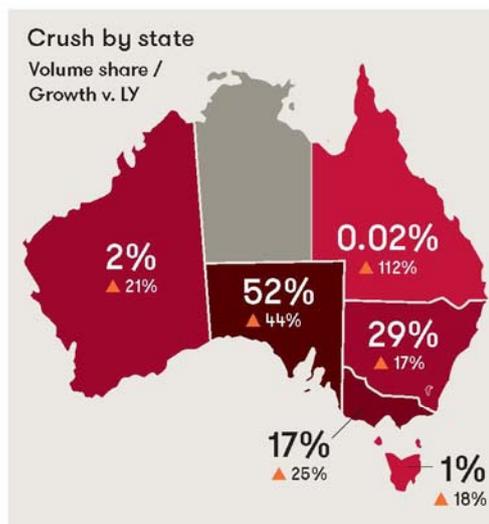
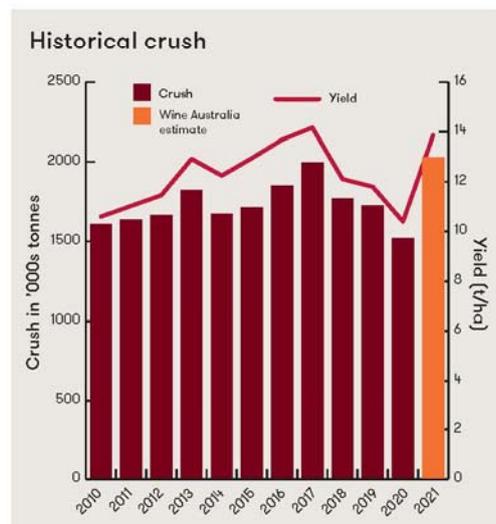
“We are working closely with Austrade to grow our exports in emerging Asian wine markets such as South Korea, Taiwan and Thailand, where there has been strong growth in recent times and where consumers strongly favour red wine,” Ms Triggs said.

The survey

The National Vintage Report is based on a survey of winemakers conducted in May–June each year. In 2021, responses were received from a record 579 businesses, including all wineries known to crush over 10,000 tonnes, estimated to account for 89 per cent of the Australian winegrape crush in 2021.

For more information, download the full report from www.wineaustralia.com/market-insights/national-vintage-report or explore Wine Australia's freely accessible National Vintage Dashboard at <https://www.wineaustralia.com/market-insights/interactive-insights>.

Wine Australia National Vintage Report 2021



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About Wine Australia

Wine Australia supports a competitive wine sector by investing in research, development and adoption (RD&A), growing domestic and international markets, protecting the reputation of Australian wine. Wine Australia is an Australian Commonwealth Government statutory authority, established under the *Wine Australia Act 2013*, and funded by grape growers and winemakers through levies and user-pays charges and the Australian Government, which provides matching funding for RD&A investments.