

**Wine**  
**Australia**  
providing  
insights on  
**Australian**  
**Wine**

Small Winemaker  
Production and Sales  
Survey 2016

Summary of findings  
*January 2017*

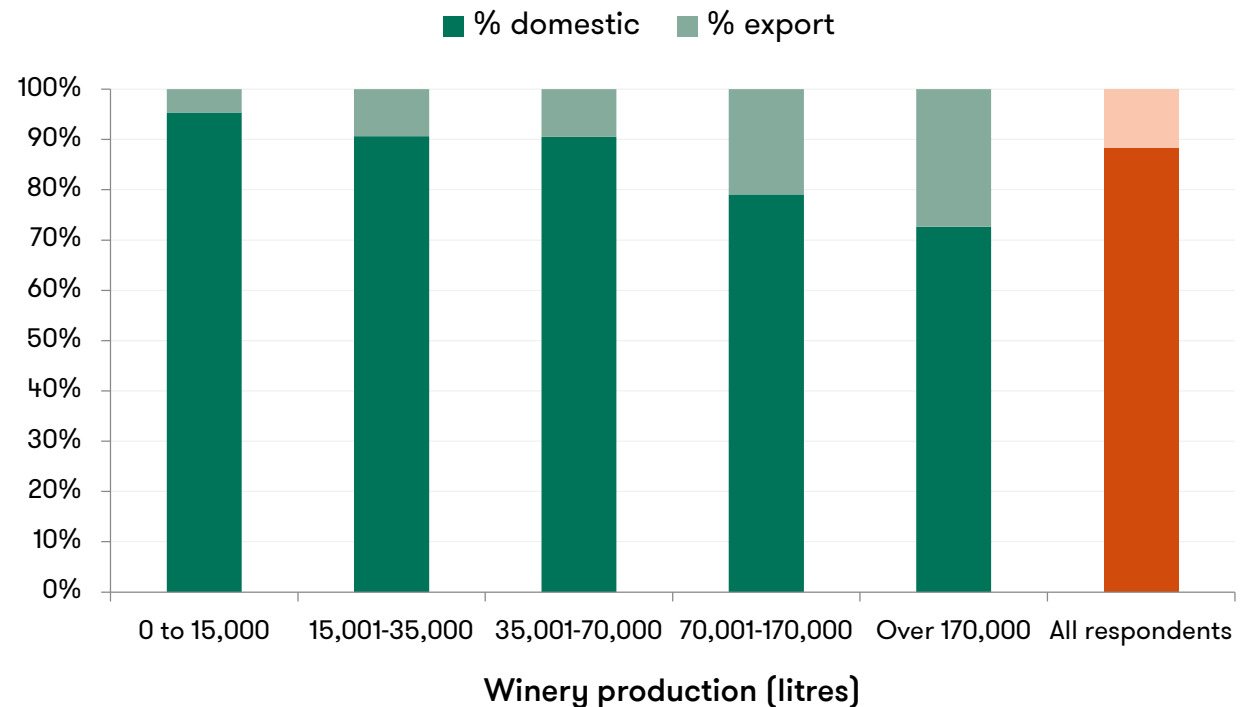
# Summary of findings

- Small winemakers sell an estimated \$1 billion of wine – 88 per cent of which is sold on the domestic market
- Main channels for domestic sales are retailers (47 per cent of income) and cellar door sales (29 per cent of income)
- Small winemaking businesses had an average production growth of 7 per cent and average revenue growth of 12 per cent in the past 12 months
- Cellar door and mail order channels are showing the largest growth (both 7 per cent in past 12 months)
- Small winemakers directly employ an average of 5.1 people per business
- Small winemakers offer a diverse range of services in addition to cellar door sales – including restaurants, shops, accommodation, tours, artist-in-residence

# Small winemakers sell \$1 billion in wine – most on domestic market

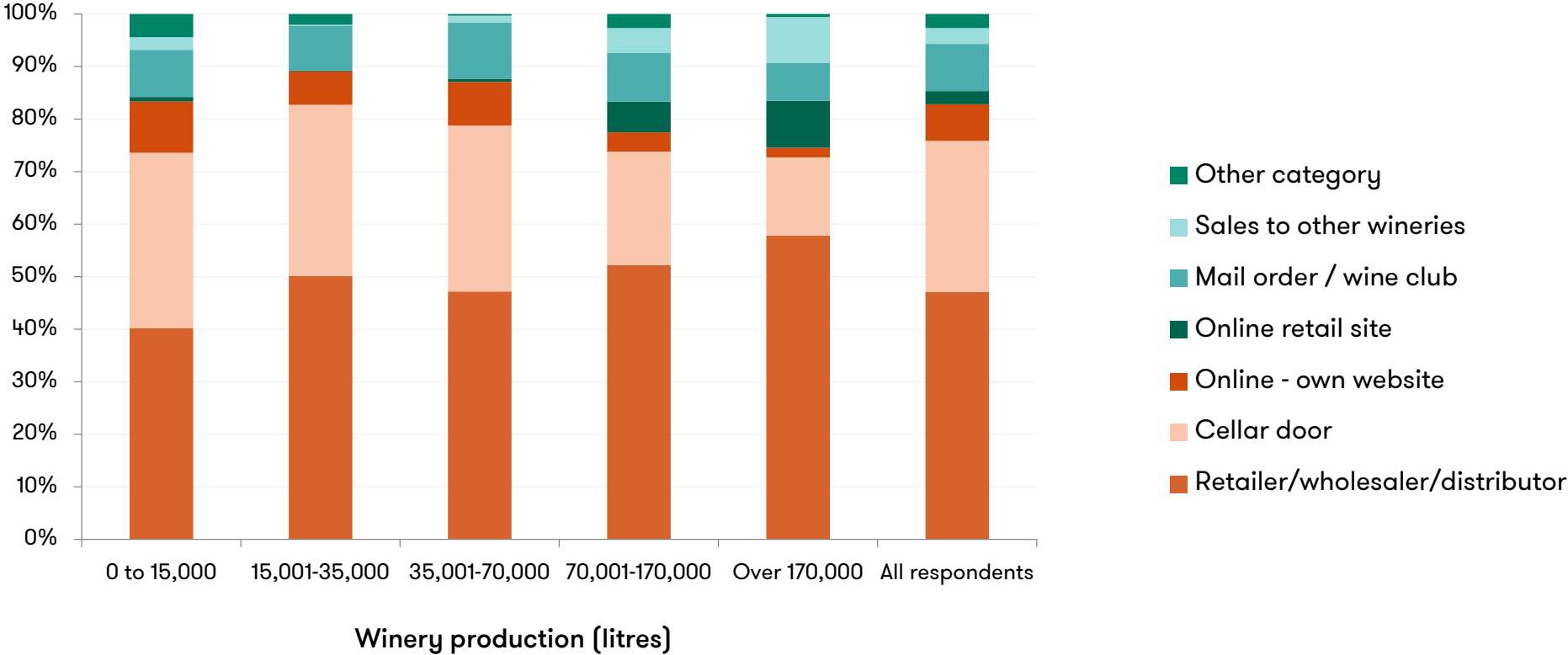
- Small winemakers are estimated to account for \$1.1 billion annually in wine sales
- On average, 88 per cent of wine is sold on domestic market (table 1 – pg 12)
- Increasing winery size is correlated with increasing proportion of exports

## Sales by market



# Most domestic sales are via retailers or cellar doors

Share of income by channel  
(table 2)



# Production and revenue showed strong growth in 2016

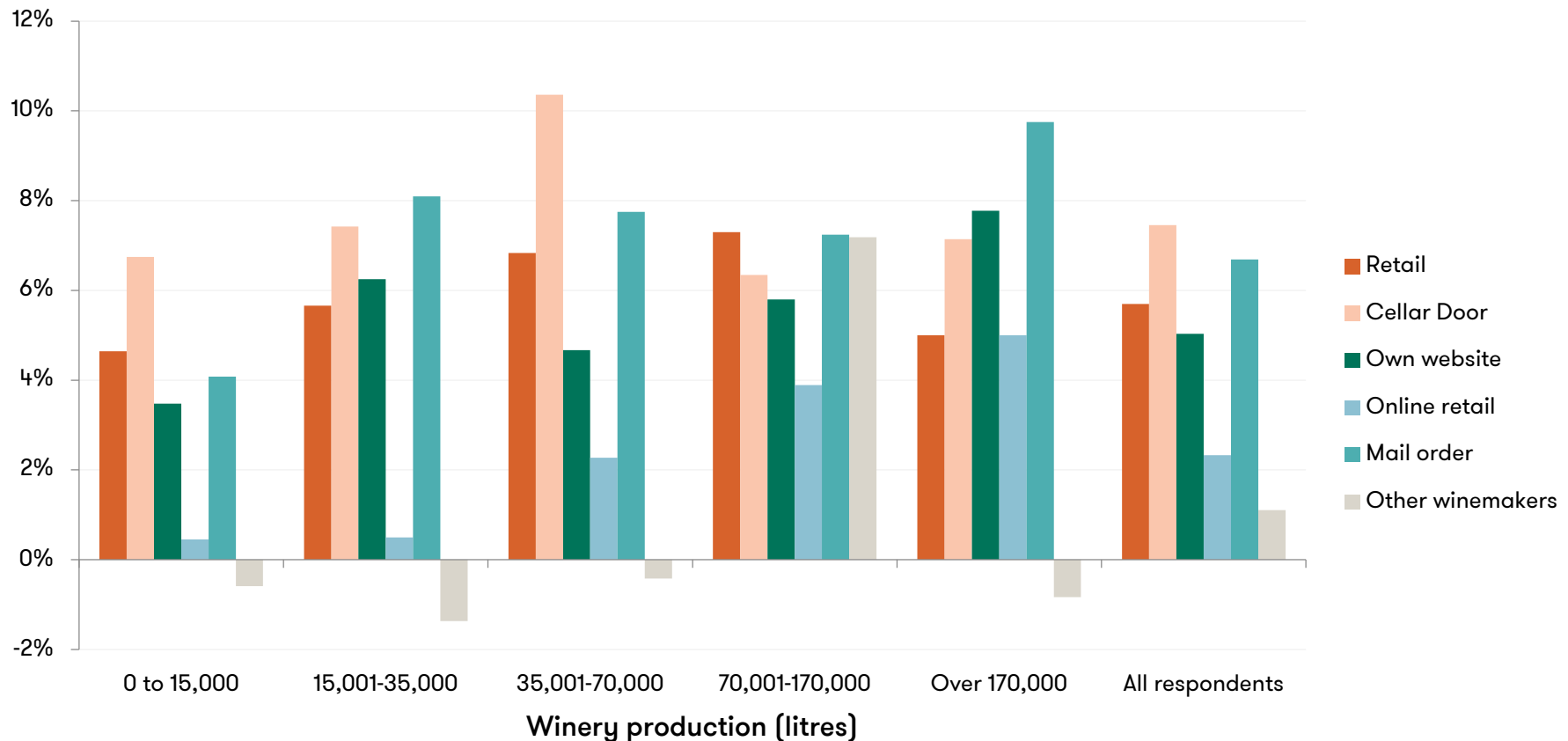
- Production up by 7 per cent on average (table 3)
- Revenue up by 12 per cent on average (table 3)
- Wineries in 35,001-70,000 litre size group showed greatest revenue growth

Percentage change in production and revenue in past 12 months



# Growth in all channels especially cellar door and mail order

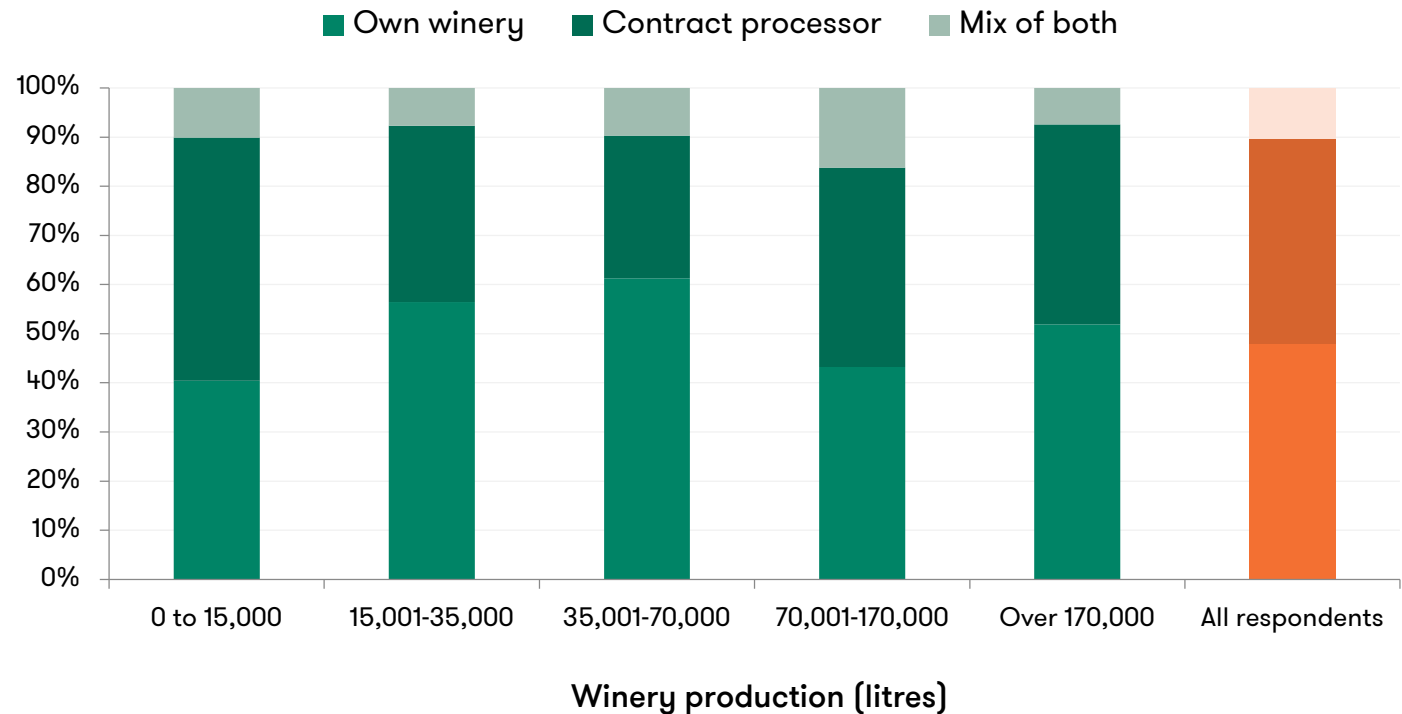
Percentage change in sales by channel 2015 to 2016



# Small winemakers use both own facilities and contract processing

- Two-thirds of grapes are own grown on average (table 5)
- 48 per cent make all wine in their own facility (table 6)
- Wineries in the 35,000-70,000 litre production range are most likely to use only their own facility

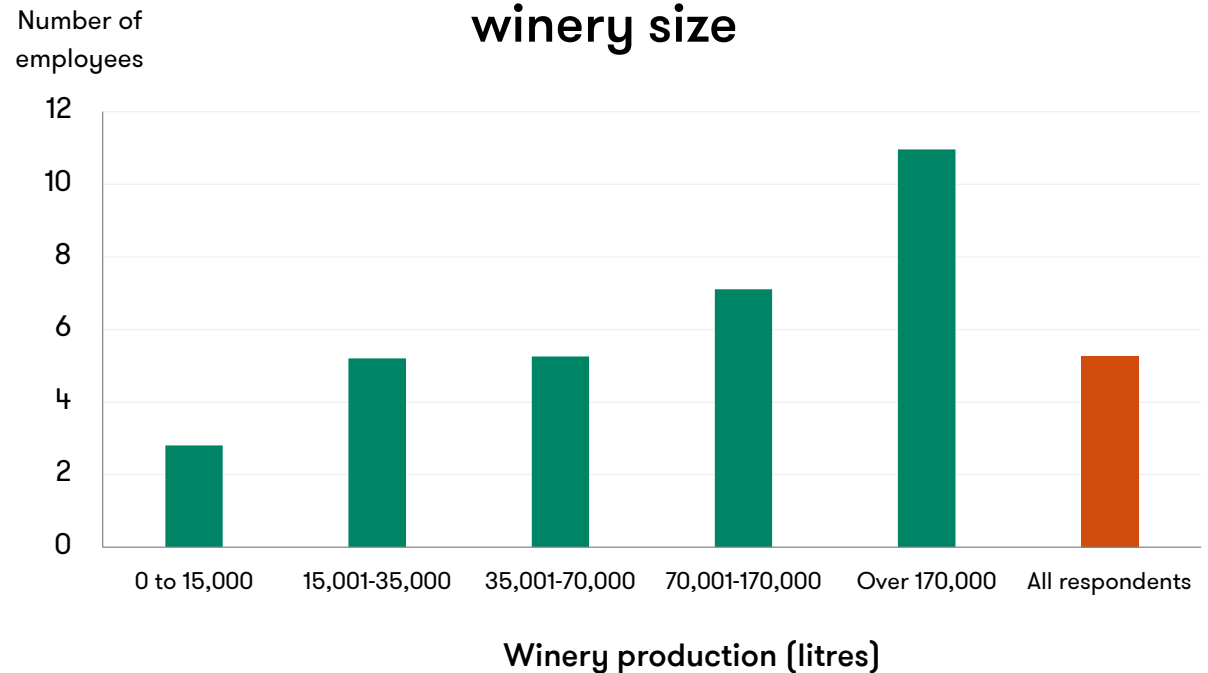
## Where wine is made



# Small winemakers employ five people on average

- Small wineries employ 5.3 people on average (table 7)
- The total employment in this part of the wine sector is estimated to be 10,000 people

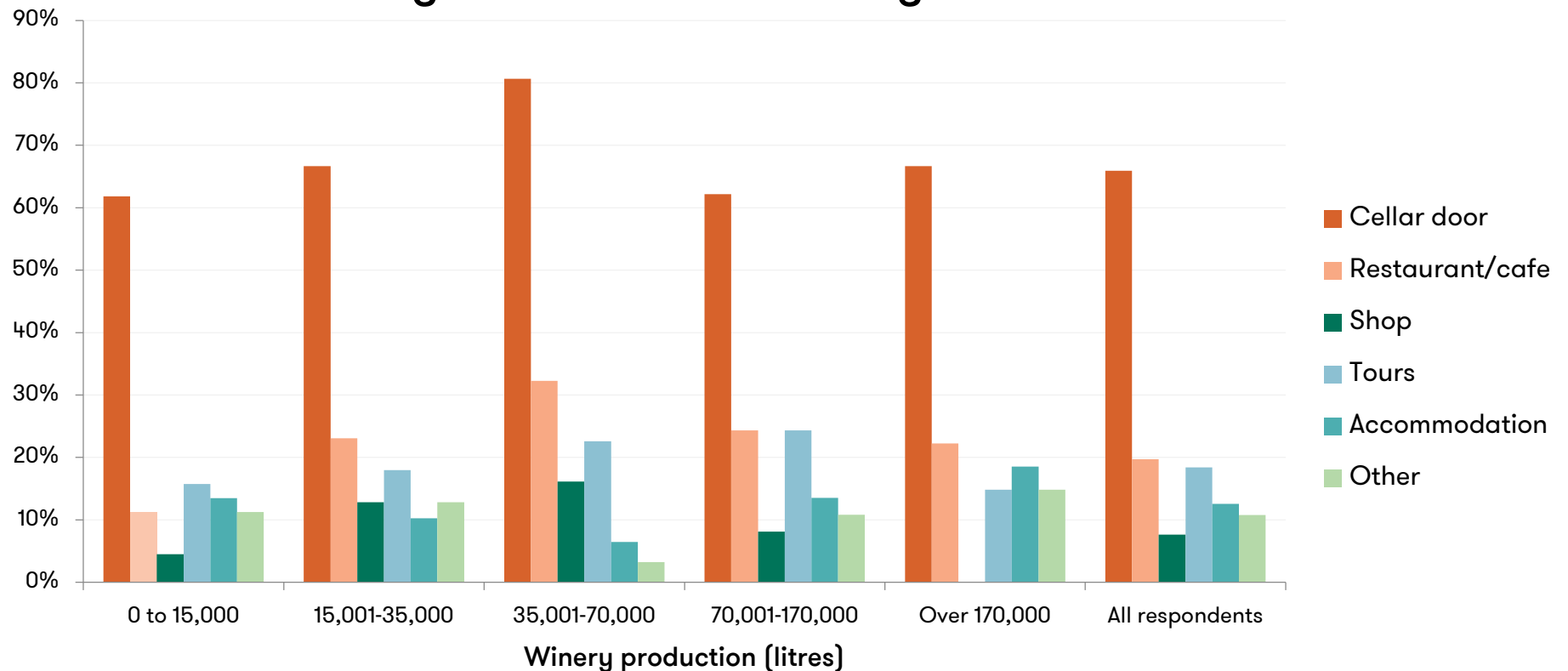
Average number of employees by winery size





# Small winemaking businesses offer a diverse range of services

Percentage of businesses offering different services



# Examples of other services provided



Function centre



Local produce



Guided tastings



Local artisans



Artist in residence



Smokehouse



Day spa



Wine bar

# Methodology

- Small Winemaker Production and Sales survey conducted in November 2016
- Surveyed 2098 wine businesses estimated to crush up to 500 tonnes (based on Winetitles' Wine Industry Directory)
- Survey Monkey survey tool used – results anonymous
- Responses received from 223 wineries (10.6 per cent) – a good response rate for surveys of this kind and sufficient for reliable conclusions to be drawn

For more information visit [wineaustralia.com/winefacts](http://wineaustralia.com/winefacts) or ring the Market Insights team on 8228 2000

# Data tables

Table 1 *Share of sales by market*

<b>Winery production (litres)</b>	<b>Domestic</b>	<b>Export</b>
0 to 15,000	<b>95%</b>	<b>5%</b>
15,001-35,000	<b>91%</b>	<b>9%</b>
35,001-70,000	<b>91%</b>	<b>9%</b>
70,001-170,000	<b>79%</b>	<b>21%</b>
Over 170,000	<b>73%</b>	<b>27%</b>
<b>All respondents</b>	<b>88%</b>	<b>12%</b>

Table 2 *Share of income by channel*

<b>Winery production (litres)</b>	<b>Retailer/ wholesaler/ distributor</b>	<b>Online - online retail site (eg Cellarmasters, Grays Online)</b>					
		<b>Cellar door</b>	<b>Online - own website</b>	<b>Mail order / wine club</b>	<b>Sales to other wineries</b>	<b>Other category</b>	
0 to 15,000	<b>40%</b>	<b>33%</b>	<b>10%</b>	<b>1%</b>	<b>9%</b>	<b>2%</b>	<b>4%</b>
15,001-35,000	<b>50%</b>	<b>33%</b>	<b>6%</b>	<b>0%</b>	<b>9%</b>	<b>0%</b>	<b>2%</b>
35,001-70,000	<b>47%</b>	<b>32%</b>	<b>8%</b>	<b>1%</b>	<b>11%</b>	<b>1%</b>	<b>0%</b>
70,001-170,000	<b>52%</b>	<b>22%</b>	<b>4%</b>	<b>6%</b>	<b>9%</b>	<b>5%</b>	<b>3%</b>
Over 170,000	<b>58%</b>	<b>15%</b>	<b>2%</b>	<b>9%</b>	<b>7%</b>	<b>9%</b>	<b>1%</b>
<b>All respondents</b>	<b>47%</b>	<b>29%</b>	<b>7%</b>	<b>3%</b>	<b>9%</b>	<b>3%</b>	<b>3%</b>

# Data tables

Table 3 *Production and revenue growth in 2015-16*

Winery production (litres)	Production growth	Revenue growth
0 to 15,000	7%	9%
15,001-35,000	1%	13%
35,001-70,000	7%	16%
70,001-170,000	11%	13%
Over 170,000	11%	14%
<b>All respondents</b>	<b>7%</b>	<b>12%</b>

Table 4 *Change in channel revenue in 2015-16*

Winery production (litres)	Retail	Cellar Door	Own website	Online retail	Mail order	Other winemakers
0 to 15,000	5%	7%	3%	0%	4%	-1%
15,001-35,000	6%	7%	6%	1%	8%	-1%
35,001-70,000	7%	10%	5%	2%	8%	0%
70,001-170,000	7%	6%	6%	4%	7%	7%
Over 170,000	5%	7%	8%	5%	10%	-1%
<b>All respondents</b>	<b>6%</b>	<b>7%</b>	<b>5%</b>	<b>2%</b>	<b>7%</b>	<b>1%</b>

# Data tables

Table 5 *Source of fruit*

<b>Winery production (litres)</b>	<b>Own grown</b>	<b>Purchased</b>	<b>Juice</b>
0 to 15,000	<b>78%</b>	<b>21%</b>	<b>2%</b>
15,001-35,000	<b>69%</b>	<b>29%</b>	<b>2%</b>
35,001-70,000	<b>51%</b>	<b>49%</b>	<b>1%</b>
70,001-170,000	<b>58%</b>	<b>41%</b>	<b>1%</b>
Over 170,000	<b>57%</b>	<b>41%</b>	<b>3%</b>
<b>All respondents</b>	<b>67%</b>	<b>32%</b>	<b>2%</b>

Table 6 *Where wine is made*

<b>Winery production (litres)</b>	<b>Contract processor</b>	<b>Own winery</b>	<b>Mix of both</b>
0 to 15,000	<b>49%</b>	<b>40%</b>	<b>10%</b>
15,001-35,000	<b>36%</b>	<b>56%</b>	<b>8%</b>
35,001-70,000	<b>29%</b>	<b>61%</b>	<b>10%</b>
70,001-170,000	<b>41%</b>	<b>43%</b>	<b>16%</b>
Over 170,000	<b>41%</b>	<b>52%</b>	<b>7%</b>
<b>All respondents</b>	<b>42%</b>	<b>48%</b>	<b>10%</b>

# Data tables

Table 7 *Direct employment*

<b>Winery production (litres)</b>	<b>Average number of employees</b>
0 to 15,000	<b>2.8</b>
15,001-35,000	<b>5.2</b>
35,001-70,000	<b>5.3</b>
70,001-170,000	<b>7.1</b>
Over 170,000	<b>11.0</b>
<b>All respondents</b>	<b>5.3</b>

Table 8 *Services offered by small winemaking businesses – percentage offering each service*

<b>Winery production (litres)</b>	<b>Cellar door</b>	<b>Restaurant/cafe</b>	<b>Shop</b>	<b>Tours</b>	<b>Accommodation</b>	<b>Other</b>
0 to 15,000	<b>62%</b>	<b>11%</b>	<b>4%</b>	<b>16%</b>	<b>13%</b>	<b>11%</b>
15,001-35,000	<b>67%</b>	<b>23%</b>	<b>13%</b>	<b>18%</b>	<b>10%</b>	<b>13%</b>
35,001-70,000	<b>81%</b>	<b>32%</b>	<b>16%</b>	<b>23%</b>	<b>6%</b>	<b>3%</b>
70,001-170,000	<b>62%</b>	<b>24%</b>	<b>8%</b>	<b>24%</b>	<b>14%</b>	<b>11%</b>
Over 170,000	<b>67%</b>	<b>22%</b>	<b>0%</b>	<b>15%</b>	<b>19%</b>	<b>15%</b>
<b>All respondents</b>	<b>66%</b>	<b>20%</b>	<b>8%</b>	<b>18%</b>	<b>13%</b>	<b>11%</b>