WORLD AND LOCAL NEWS 2008

IN THIS ISSUE …

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S A WYNBEDRYF-INLIGTING & -STELSELS
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Good day readers

The global wine industry has faced a series of escalating economic and natural challenges over the past year, but the underlying fundamentals remain positioned to fuel long-term volume and value growth. According to Impact Databank, the strong growth in consumption experienced in China (+34.5% or an increase of 171 million litres) and the USA (+4% or 103 million litres) helped offset steady declines in mature European wine markets like France (-2.5%), Italy (-1.6%) and Spain (-1.8%). Hence, total world wine consumption inched ahead 0.3% to approximately 24 200 million litres in 2007.

This publication provides you with information that will add value to your knowledge on the South African wine industry. It also shows how South Africa is performing in comparison to the rest of the world. The information covers a wide spectrum of local and international aspects like production, sales, consumption, exports and much more. We believe it will contribute to the continued prosperity of the South African wine industry.

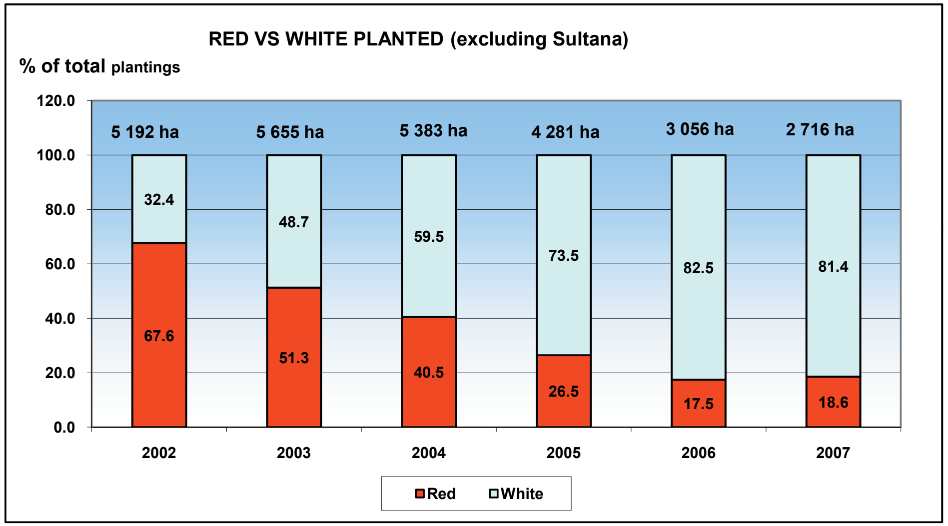
Greetings till next year
Lizelle

December 2008

AREA UNDER VINES

SOUTH AFRICA

Total area under vines decreased, for the first time since 1992, by 0.2% to reach 101 957 ha (excluding Sultana) in 2007. White varieties now represent 55.8% of the total area under vines, compared to 55.1% in 2006. The South African landscape comprises mainly of young vineyards. In 2007, 71.3% of red varieties were under the age of 10 years, while 38.4% of white varieties fell into this category.



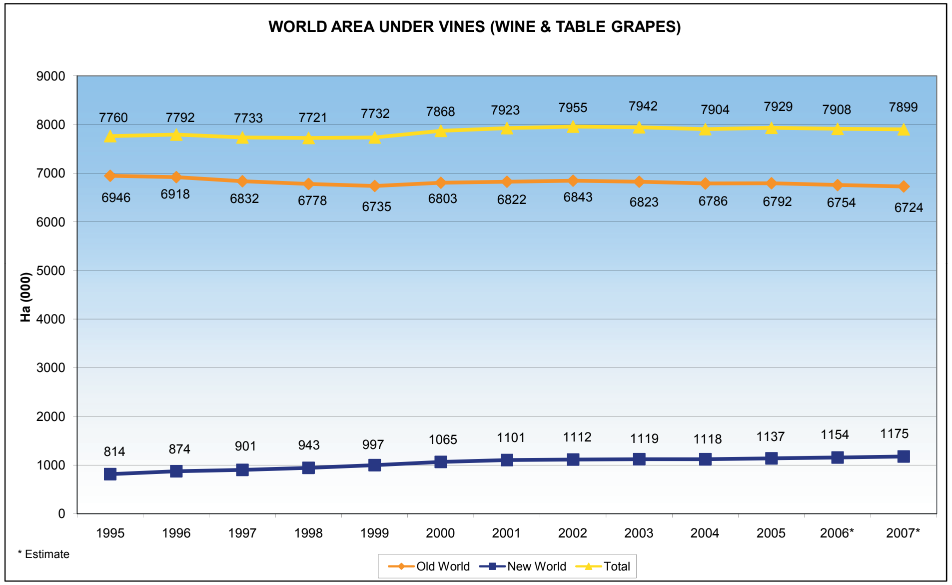
In 2004 plantings of white varieties exceeded that of red varieties for the first time since 1997. In 2007, however, red varieties experienced an increase in its share of total plantings; this is mainly due to a decrease in the planting of white varieties (-12.2%). Chenin blanc remained the most planted variety in 2007 (31.1% of total plantings), followed by Sauvignon blanc (17.3%) and Colombar (15.4%); while Cabernet Sauvignon reclaimed the top spot from Shiraz to once again become the most planted red variety in 2007 (4.3%). Total uprooting amounted to 3 879 ha in 2007. Chenin blanc has also remained the most uprooted variety in 2007 (23.8% of total uprootings), followed by Cabernet Sauvignon (12.0%) and Colombar (9.0%). In 2007 Chenin blanc represented 18.8% of the total area under vines, while Cabernet Sauvignon accounted for 12.8% and Colombar for 11.6%.

WORLD

The objective of the EU's wine reform, that came into force on 1 August 2008, is mainly to deal with the large overproduction of wine in the EU. In the past twenty years, the overall trend has been towards a reduction in the areas under vines, with a 10% drop between 1986 and 2004. According to the adopted proposal, a three year voluntary uprooting scheme, about 5% of the total vine area should be uprooted. The proposed uprooting concerns all producers, who will decide on a voluntary basis whether or not to participate. The uprooting scheme will not be open to member states that produce less than 50,000 hectolitres of wine per year. The budget available to member states for uprooting on a voluntary basis covers a maximum area of 175 000 ha over three years.

The overall growth rate of areas under vines in the Southern hemisphere and in the USA has slowed compared to rates observed in 2000, but growth has not come to a halt. While Argentina should mark a pause, Chile should grow by 2 to 3 million ha to reach 200 million ha (wine and table grapes) in 2008. The total areas under vines of all these countries together has experienced modest growth compared to 2007, although this does not signify a stabilisation in production level in the short run (for some countries the proportion of vines not yet in production is significantly higher than the mere needs for maintaining a stable planting population pyramid).

Although it is difficult to draw conclusions on the overall trend of world vineyards due to a lack of information, a certain stabilisation trend seems to be appearing. However, this may be put to question at the next harvest with the implementation of the EU's wine reform.



Source: OIV

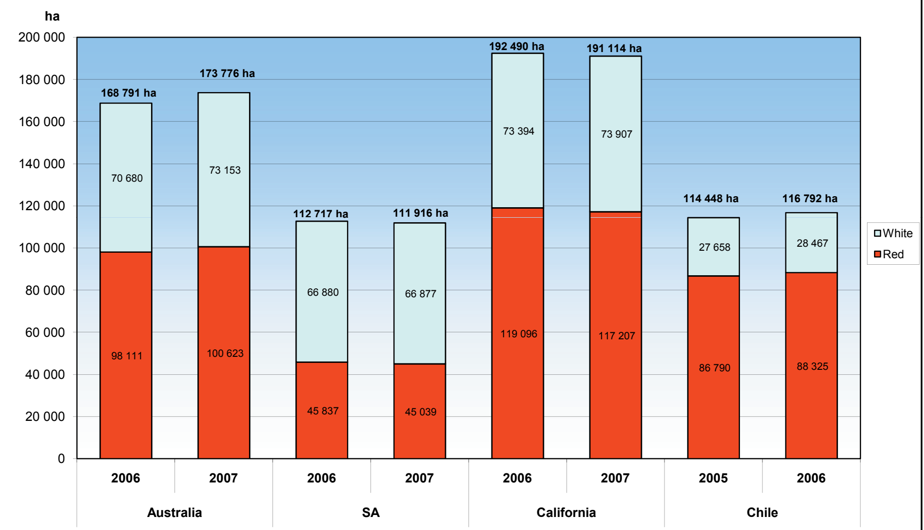
New World Countries:

Despite a 1 376 ha decrease in 2007, California holds the largest area under vines compared to Australia and South Africa. The area of non-bearing white wine grapes increased from 4 725 ha in 2006 to 4 899 ha in 2007, while the area of non-bearing red wine grapes fell from 6 322 ha in 2006 to 5 798 ha in 2007. California's leading wine varieties continues to be Chardonnay and Cabernet Sauvignon.

South Africa's total area under vines also showed a decrease of 801 ha, to reach 111 916 ha (including Sultana) in 2007. 14.5% of the area under white wine grapes were under the age of 4 years, while 5.2% of the area under red wine grapes were under 4 years old. 26% of white wine varieties are older than 20 years, while Chenin blanc and Colombar older than 20 years amount to 38.9% and 20.5% respectively.

Australia, on the other hand, continues to enjoy an increase in its vineyard status (+4 985 ha) in 2007. The total area of vines bearing wine grapes increased from 158 167 ha to 163 951 ha, an increase of 3.7%. The area of non-bearing wine grapes fell by 7.5% to reach 9 825 ha (10 624 ha in 2006) in 2007. Shiraz and Chardonnay remain Australia's leading wine grape varieties.

STATUS OF WINE GRAPE VINES FOR SELECTED NEW WORLD COUNTRIES*



*Including Sultana

TOTAL VINEYARD STATUS
COMPARISON BY VARIETY – HECTARES*

VARIETY	Australia				South Africa			
	2006	% of total	2007	% of total	2006	% of total	2007	% of total
RED								
Cabernet Sauvignon	28 103	16.6%	27 909	16.1%	13 336	11.8%	13 006	11.6%
Shiraz	41 115	24.4%	43 417	25.0%	9 832	8.7%	9 856	8.8%
Merlot	10 593	6.3%	10 790	6.2%	6 863	6.1%	6 719	6.0%
Pinotage					6 297	5.6%	6 139	5.5%
Ruby Cabernet	1 468	0.9%	1 203	0.7%	2 599	2.3%	2 469	2.2%
Pinot Noir	4 254	2.5%	4 393	2.5%	577	0.5%	648	0.6%
Other red	12 578	7.5%	12 911	7.4%	6 333	5.6%	6 202	5.5%
TOTAL	**98 111**	**58.1%**	**100 623**	**57.9%**	**45 837**	**40.7%**	**45 039**	**40.2%**
WHITE								
Chardonnay	31 219	18.5%	32 151	18.5%	8 181	7.3%	8 230	7.4%
Sauvignon Blanc	4 661	2.8%	5 545	3.2%	8 406	7.5%	8 872	7.9%
Semillon	6 236	3.7%	6 752	3.9%	1 085	1.0%	1 129	1.0%
Other white	28 564	16.9%	28 705	16.5%	49 208	43.7%	48 646	43.5%
TOTAL	**70 680**	**41.9%**	**73 153**	**42.1%**	**66 880**	**59.3%**	**66 877**	**59.8%**
GRAND TOTAL	**168 791**	**100.0%**	**173 776**	**100.0%**	**112 717**	**100.0%**	**111 916**	**100.0%**

VARIETY	California				Chile			
	2006	% of total	2007	% of total	2005	% of total	2006	% of total
RED								
Cabernet Sauvignon	31 269	16.2%	30 627	16.0%	40 441	35.3%	40 789	34.9%
Shiraz	7 604	4.0%	7 593	4.0%	2 988	2.6%	3 370	2.9%
Merlot	21 621	11.2%	20 161	10.5%	13 142	11.5%	13 368	11.4%
Ruby Cabernet	2 795	1.5%	2 588	1.4%				
Pinot Noir	11 145	5.8%	11 822	6.2%	1 361	1.2%	1 382	1.2%
Other red	44 662	23.2%	44 416	23.2%	28 858	25.2%	29 416	25.2%
TOTAL	**119 096**	**61.9%**	**117 207**	**61.3%**	**86 790**	**75.8%**	**88 325**	**75.6%**
WHITE								
Chardonnay	38 513	20.0%	38 184	20.0%	8 156	7.1%	8 548	7.3%
Sauvignon Blanc	6 292	3.3%	6 224	3.3%	8 379	7.3%	8 697	7.4%
Semillon	439	0.2%	416	0.2%	1 708	1.5%	1 727	1.5%
Other white	28 150	14.6%	29 083	15.2%	9 415	8.2%	9 495	8.1%
TOTAL	**73 394**	**38.1%**	**73 907**	**38.7%**	**27 658**	**24.2%**	**28 467**	**24.4%**
GRAND TOTAL	**192 490**	**100.0%**	**191 114**	**100.0%**	**114 448**	**100.0%**	**116 792**	**100.0%**

*Includes Sultana

PRODUCTION OF WINE

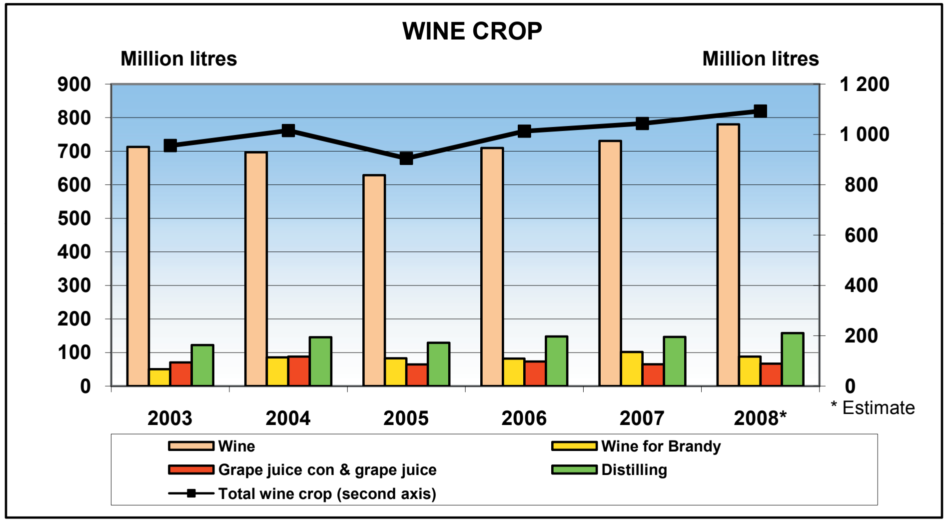
SOUTH AFRICA

The latest estimates indicate that the total grape harvest is 5% more than the record harvest of 2007. The total wine harvest for 2008 is estimated at 1 093,0 million litres, an increase of 4.8% on the 2007 harvest. Red grapes have again been used in the production of white wine, wine for brandy and distilling wine, admittedly to a lesser extent than during 2007.

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008*
Red varieties as % of grape crop	13.4	15.0	21.1	22.7	28.1	29.9	33.5	33.4	34.4	33.9
Natural red wine as % of wine	16.3	21.0	25.2	27.9	32.1	36.2	38.9	36.5	36.1	37.4

* Estimate

In 2008, the estimated breakdown of the total wine crop is as follows: wine (71.4%), wine for brandy (8.1%), distilling wine (14.4%) and grape juice concentrate and grape juice (6.1%). Production of wine is expected to increase by 6.8%, from 730,4 million litres in 2007 to an estimated 780,2 million litres in 2008. Wine for brandy is the only wine crop component that is estimated to show a decrease (-13.3%) in 2008. Indications show that the equivalent of 7,2 million litres @ 10% alc/vol distilling wine/raw spirits will be imported in 2008. It is estimated that no natural wine will be imported during 2008, but only the equivalent of 17,8 million gross litres of must for sweetening purposes, respectively 11,0 and 6,8 million litres by wholesalers and producer cellars. The imports are necessitated by the fact that the market requirements cannot be met domestically.



WORLD

WINE CROP												
	1999	2000	2001	2002	2003	2004	2005	2006*	2007*	2008*	Growth rate 07/06	Average % of total world production 1999 - 2008
Country/group	'000 hectolitres										%	
France	60 435	57 540	55 339	50 353	46 360	57 386	52 105	52 127	45 800	43 500	-5.0	18.9%
Italy	56 454	51 620	52 293	44 604	44 848	53 181	54 021	52 036	46 600	51 300	10.1	18.4%
Spain	33 723	41 692	30 500	33 478	41 843	42 988	36 158	38 137	34 331	34 850	1.5	13.3%
USA	20 691	25 551	19 200	20 300	19 500	20 109	22 888	19 440	20 100	20 550	2.2	7.6%
Argentina	15 888	12 537	15 835	12 695	13 225	15 464	15 222	15 396	15 046	14 676	-2.5	5.3%
China	10 261	10 500	10 800	11 200	11 600	11 700	11 200	11 500	13 225	13 225	0.0	4.2%
Germany	12 123	9 852	8 891	9 885	8 191	10 007	9 153	8 916	10 161	10 400	2.4	3.5%
South Africa	9 141	8 372	7 465	8 342	9 560	10 157	9 052	10 130	10 435	10 930	4.7	3.4%
Australia	8 511	8 592	10 756	11 509	10 835	14 679	14 301	14 298	9 620	12 400	28.9	4.2%
Chile	4 807	6 674	5 658	5 623	6 682	6 301	7 886	8 449	8 227	8 688	5.6	2.5%
Portugal	7 859	6 710	7 789	6 677	7 340	7 481	7 266	7 543	6 049	5 400	-10.7	2.5%
Russia	2 903	3 050	3 430	4 060	4 530	5 120	5 035	5 339	5 691	5 691	0.0	1.6%
Romania	6 054	5 456	5 090	5 461	5 555	6 166	2 602	5 014	5 289	6 300	19.1	1.9%
Greece	3 680	3 558	3 477	3 085	3 799	4 248	4 027	3 938	3 511	3 750	6.8	1.3%
Brazil	3 116	3 638	2 968	3 212	2 620	3 925	3 199	2 372	3 500	3 500	0.0	1.2%
Hungary	3 339	4 299	5 514	3 333	3 880	4 340	3 567	3 271	3 168	3 400	7.3	1.4%
Total top 16	258 985	259 641	245 005	233 817	240 368	273 252	257 682	257 906	240 753	248 560	3.2	91.3%
Other	22 054	20 774	21 636	24 047	26 449	26 769	24 594	28 694	25 947	18 340	-29.3	8.7%
Total world	281 039	280 415	266 641	257 864	266 817	300 021	282 276	286 600	266 700	266 900	0.1	100.0%
Southern Hemisphere**	38 347	36 175	39 714	38 169	40 302	46 601	46 461	48 273	43 328	46 694	7.8	15.4%
New world***	59 038	61 726	58 914	58 469	59 802	66 710	69 349	67 713	63 428	67 244	6.0	23.0%
EU****	174 274	170 972	158 289	148 082	152 381	175 291	162 730	162 697	146 452	149 200	1.9	58.1%

* Estimate
** Australia, Argentina, Chile and South Africa
*** Australia, Argentina, Chile, South Africa and the USA
**** France, Italy, Spain, Portugal, Germany and Greece

Growth in Romania and to a lesser extent in Germany, Greece and Hungary has not prevented the overall EU-27 production with 160 million hectolitres (not including juice and musts), to register a decrease of 1% compared to an already low production in 2007.

Outside the EU-27, following a decrease in 2007, the Southern hemisphere countries, the USA and Switzerland have an overall production level close to 2006 levels. This is mainly due to the recovery of Australian production, which may record an increase of over 2 million hectolitres.

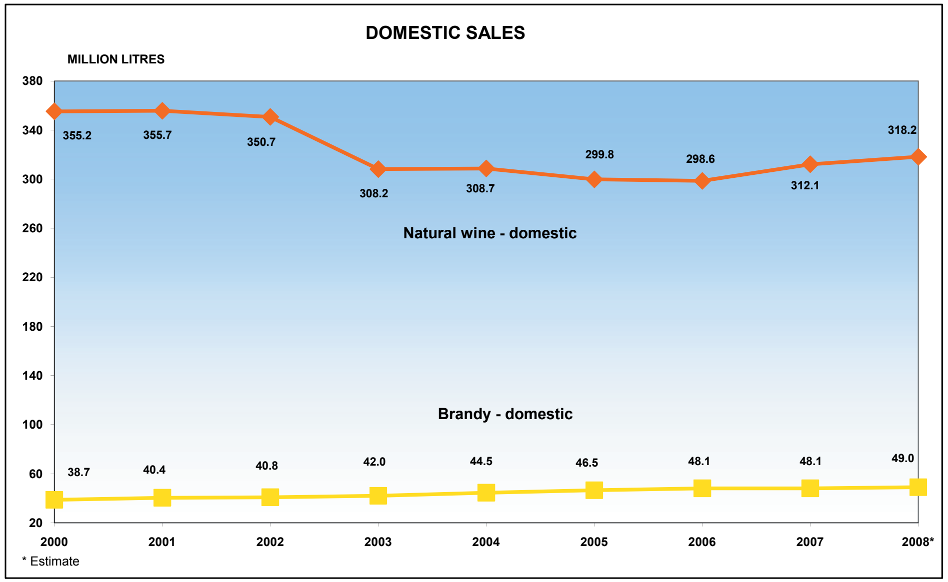
The 2008 world wine production is estimated between 260,4 and 273,4 million hectolitres (266,9 million hectolitres estimated mean).

DOMESTIC SALES

Domestic sales of natural wine increased by 4.5% in 2007, reaching its highest level since 2002. Domestic sales of fortified and sparkling wine also increased amounting to 34,2 million litres (+1.9%) and 9,5 million litres (+9.9%) respectively. It is estimated that domestic sales of natural wine will increase by 2% to reach 318,2 million litres in 2008.

Domestic sales of brandy amounted to 48,1 million litres in 2007, the same as in 2006. Brandy sales are estimated to reach 49,0 million litres, increasing by 1.9% in 2008.

For the period July 2007 to June 2008 volume sales of alcoholic fruit beverages increased by 7.4% compared to a 23.6% increase for the previous corresponding period. Beer sales increased by 1.9% to reach 2 573 million litres by the end of June 2008. Furthermore, sales of white spirits (gin, cane and vodka) increased by 2.7%, while that of total spirits (white spirits, liqueurs, whiskey and rum) increased by 2.1%.

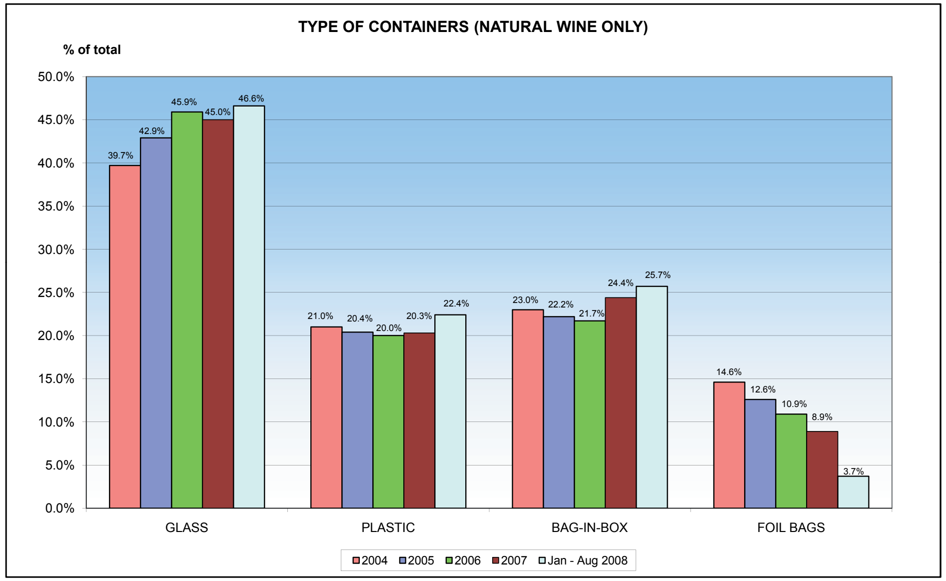


DOMESTIC PACKAGED WINE INFORMATION

By the end of 2007 total packaged wine sales reached its highest level since 2002. Wine sold in foil bags experienced yet another drop of 13.9%, while wine sold in bag-in-box showed an 18.4% increase from 2006.

It is clear that wine sold in glass containers continues to hold the biggest share of the total packaging market. With a total increase of 19.4% from 2004 to 2007, it accounted for 135,3 million litres of total packaged wine sales in 2007. Wine sold in plastic containers increased by a total of 1.6% over the specified period to reach 61,1 million litres in 2007. Wine sold in bag-in-box amounted to 73,3 million litres in 2007, 11.5% more than in 2004. Only 26,8 million litres of wine were sold in foil bags in 2007, a substantial 35.7% less than in 2004. This is due to the fact that, according to an amendment to the Regulations of the Liquor Products Act, 60 of 1989, published by the Minister of Agriculture on 14 September 2007, any liquor product destined for off-consumption by the public may only be sold in a self-supporting container, i.e. banning foilbags (papsakke).

Total packaged wine sales for the period January to August 2008 amounted to 193,8 million litres, with wine sold in foil bags showing a further loss in market share (3.7% of total packaging market).



STOCK OF WINE

The wine stock situation at Private and Producer cellars:

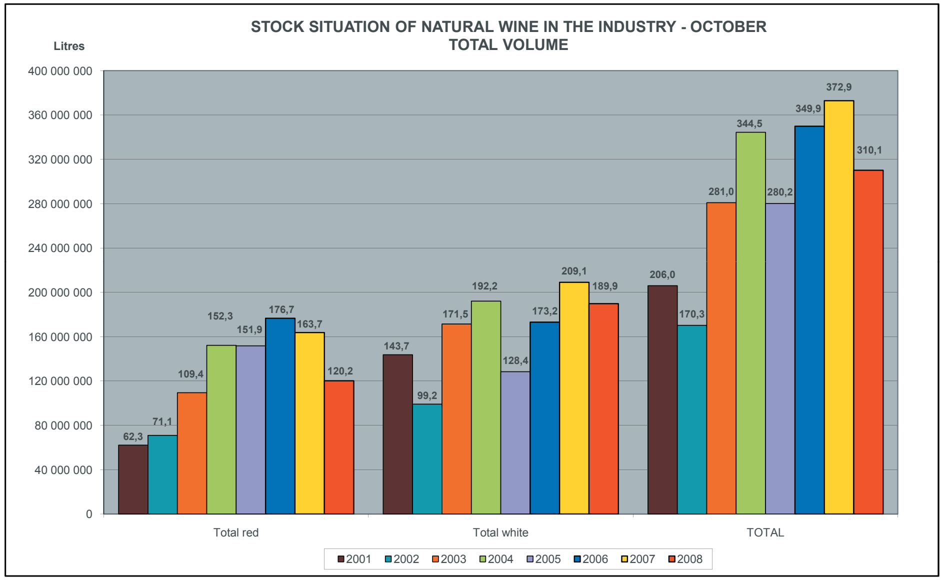
	31 December 2004	31 December 2005	31 December 2006	31 December 2007	31 December 2008*	07/06	08/07
	million litres					%+/-	%+/-
Red	160.8	184.0	203.6	186.7	155.6	91.7	83.3
White	202.9	155.4	199.5	238.5	245.5	119.5	102.9
Total	363.7	339.4	403.1	425.2	401.1	105.5	94.3

*Estimate

The October 2008 survey at producer cellars, found that there were 310,1 million litres of natural wine stock of which 61.2% was white wine and 38.8% red wine. The stock situation of fortified wine, including spirits was estimated at 8,0 million litres (2007 - 7,7 million litres). In 2008 there was only 105 876 litres of sparkling wine stock (2007 - 0 litres). Distilling wine and the non-alcoholic part of the wine stock (grape juice concentrate and grape juice) was 6,9 and 6,7 million litres respectively (2007 - 1,2 and 14,7 million litres).

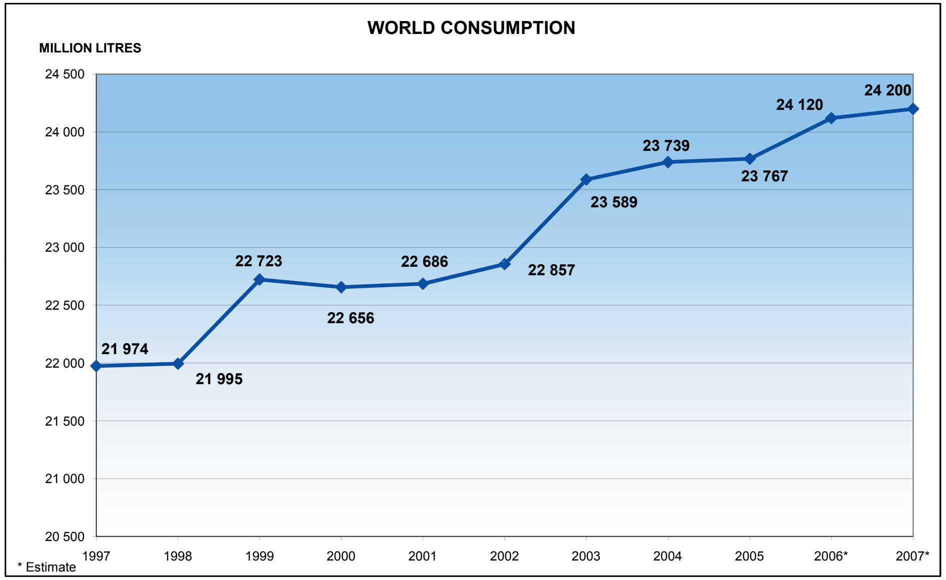
The stock of all red wine varieties showed a decrease from 2007 to 2008, even Pinotage, the only variety showing an increase in volume of stock in 2007. Sauvignon Blanc and Other white are the only variety/category to show an increase in stock levels in 2008. Although the latter's stock levels increased in volume, the part of the stock that is considered to be contracted increased in the case of Sauvignon Blanc from 79.8% to 89.4% while Other white increased from 89.0% to 96.7%.

The contracted and bottled part of the total stock of natural wine accounted for 96.6%, compared to 87.3% in 2007 and 81.4% in 2006. Contracted red wine accounted for 98.6% of the total red wine stock compared to 83.4% in 2007 and 71.7% in 2006. Contracted white wine accounted for 95.4% of the total white wine stock compared to 90.3% in 2007 and 91.4% in 2006.



WORLD CONSUMPTION

World wine consumption has been following an increasing trend since the late 1990's. It is estimated that world wine consumption amounted to 24 200 million litres in 2007, an increase of 0.3% on 2006.



Source: OIV

France is still the biggest wine market in the world. However, the latest OIV report shows that consumption has yet again decreased, by 2.5%, to reach an estimated 3 217 million litres in 2007.

Despite economic challenges, the **USA** wine market experienced robust growth and is estimated at 2 650 million litres in 2007. This is the result of the campaign on the health benefits of wine and effective marketing. According to a Databank study, the USA will be the number one consumer of wines in the world by 2015.

Russia's wine market has remained relatively stable at around 1 000 million litres since 2005. Moldovan and Georgian wines accounted for roughly half of the Russian wine market, thus the recent ban on wine imports from Moldova and Georgia has opened the way for bulk imports (about 60% of total imports) from the EU.

The **Indian** wine market continues to grow strongly from a small base, rising by 47.2% in 2007 to reach 8,8 million litres, according to estimates by The IWSR. Locally produced wines accounted for 6,9 million litres of consumption, nevertheless imports showed a 25% increase in 2007.

EXPORTS

SOUTH AFRICA

In 2007, 42.8% (312,6 million litres) of the wine produced was exported. Exports of natural wine amounted to 309,5 million litres, an increase of 15% on 2006. Exports of sparkling wine also showed an increase of more than 37%, reaching 2,8 million litres in 2007. However, exports of fortified wine, at 405 696 litres, were 16.6% less than in 2006.

In 2007 exports of packaged natural wine increased by 8.2% and accounted for 61.6% (65.5% in 2006) of total natural wine exports. Exports of bulk natural wine reached an impressive 118,8 million litres, increasing by 27.9% in 2007. This is mainly due to a phenomenal 40.9% increase in the exports of bulk red wine, which amounted to 61,2 million litres.

Total exports of natural wine reached 403,1 million litres for the twelve month period from November 2007 to October 2008, an increase of 33.3% compared to the previous corresponding period.

The countries responsible for strong growth in bulk exports over the specified period are as follows:

• Angola	18,8 million litres
• Russia	14,8 million litres
• Germany	12,3 million litres
• Australia and New Zealand	8,1 million litres
• USA	7,1 million litres

There has been concern with regards to the sustainability of bulk exports at discounted prices (R1,70/litre for red wine to Angola in April 2008). However, recent wine exports to Angola were sold at R4,00/litre, a considerable improvement in price. Nonetheless, the weaker exchange rate still plays a role and experts in the industry are of the opinion that the sustainability of the strong growth in bulk exports are still uncertain.

Natural wine exported in glass reached 125,8 million litres (107,2 million litres - 2007) and bag-in-box reached 38,0 million litres (30,0 million litres - 2007) for the period January to September 2008. Together the above mentioned packaging types represent 99.9% of packaged wine exports.

The UK remains our biggest market with a share of 28.1%, followed by Germany (19.2%) and The Netherlands (9.4%). However, it is evident that South Africa's export markets have diversified, as in 2007 the collective share of the top 5 markets amounted to 69.4% compared to 72.6% in 2006 and 77.8% in 2005.

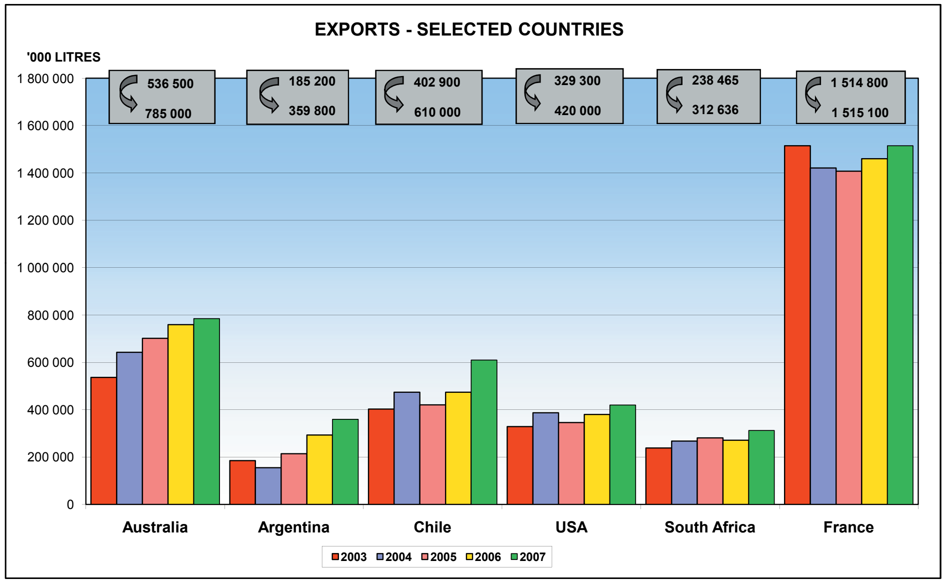
WORLD

A strong **Australian** dollar, tax increases in the UK and increased costs of production and distribution are putting pressure on demand for Australian wine and export margins. For the year ended September 2008, the volume of total Australian wine exported declined by 13% to 698 million litres and on the back of a decline in average price to A$3.69 per litre (A$3.77 per litre in 2007), value fell by 15% to A$2 600 million.

According to the Instituto Nacional de Vitivinicultura, **Argentina's** wine exports, for the period January to August 2008, amounted to 272,7 million litres, an increase of 29.1% compared to the same period for 2007. Argentina's main export markets remain to be the USA, the UK, Canada and the Scandinavian countries.

Vinos de Chile reports that **Chilean** wine exports reached 595 million litres for the period October 2007 to September 2008. This represents a decrease of 0.5% compared to the previous corresponding period. However the average price of exports increased from US$1.96 per litre to US$2.31 per litre and as a result the value of wine exports increased by 17.7% to reach US$1 378 million.

Despite the economic downturn, wine drinkers are apparently abandoning cheaper **French** wines in favour of more upmarket alternatives. The trend contributed to a six-month period in which French export volumes fell by 8.7% but the value of sales increased by 8.2% to £2 600 million.



Source: OIV

GRAPE PRICES – SOUTH AFRICA

AVERAGE PRICES OF GRAPES SOLD FOR THE PRODUCTION OF WINE

VARIETY	2002 Producer cellars	2002 Non Producer cellars	2003 Producer cellars	2003 Non Producer cellars	2004 Producer cellars	2004 Non Producer cellars	2005 Producer cellars	2005 Non Producer cellars	2006 ** Producer cellars	2006 Non Producer cellars	2007 ** Producer cellars	2007 Non Producer cellars	% ± 2007/2006 Producer cellars	% ± 2007/2006 Non Producer cellars
Cabernet Sauvignon	4 590	5 458	4 080	5 605	3 228	5 476	2 366	4 212	1 925	3 428	1 537	3 026	-20.16	-11.73
Merlot	3 987	5 331	3 602	5 477	2 477	5 327	1 997	3 963	1 731	3 186	1 565	2 960	-9.59	-7.09
Pinotage	3 561	4 673	3 198	4 827	2 139	4 376	1 770	3 202	1 630	2 602	1 467	2 631	-10.00	1.11
Cinsaut	2 712	2 521	2 718	2 753	2 088	2 757	1 410	2 271	1 257	2 139	1 290	2 126	2.63	-0.61
Pinot Noir	2 868	4 211	2 784	4 806	2 437	5 191	2 491	4 549	1 725	4 172	1 899	4 163	10.09	-0.22
Shiraz	3 717	5 111	3 524	5 294	2 633	5 036	2 091	3 907	1 854	3 027	1 562	3 255	-15.75	7.53
Other red *	2 741	3 902	2 661	4 172	1 836	4 231	1 211	3 773	1 186	2 979	1 086	2 412	-8.43	-19.03
Chenin Blanc	930	1 093	1 240	1 735	1 217	2 032	1 236	2 198	1 262	2 141	1 325	2 352	4.99	9.86
Sauvignon Blanc	1 880	3 380	2 214	3 705	2 577	4 166	2 675	4 439	2 665	4 561	2 395	4 580	-10.13	0.42
Chardonnay	2 014	3 075	2 309	3 567	2 478	3 733	2 403	3 841	2 395	3 711	2 176	3 630	-9.14	-2.18
Cape Riesling	888	1 396	1 283	1 614	1 308	1 750	1 387	2 040	1 520	2 021	1 430	2 370	-5.92	17.27
Colombar	801	738	1 089	1 111	1 045	1 079	1 085	1 180	1 043	1 168	1 270	1 263	21.76	8.13
Hanepoot White	790	841	1 069	770	1 135	1 074	1 075	1 348	1 238	1 211	1 347	1 521	8.80	25.60
Semillon	1 215	1 837	1 595	2 480	1 711	2 587	1 617	2 563	1 813	2 811	1 633	2 774	-9.93	-1.32
Other white *	648	1 680	884	1 211	867	1 142	904	1 587	804	1 566	1 147	1 293	42.66	-17.43
All Varieties	1 333	3 953	1 624	4 041	1 458	4 133	1 387	3 593	1 328	3 128	1 416	2 971	6.63	-5.02

* Includes all red or white varieties not in this table
** Producer cellars estimated

GRAPE PRICES – SELECTED COUNTRIES

COMPARISON OF SOUTH AFRICAN GRAPE PRICES WITH COMPETITOR COUNTRIES IN RAND VALUE FOR 2007

Cultivar	Australia WAVG (ZAR/ton)	Australia Trend	New Zealand WAVG (ZAR/ton)	New Zealand Trend	California WAVG (ZAR/ton)	California Trend	South Africa WAVG (ZAR/ton)
Cab Sauvignon	4,215	206	9,703	475	6,989	342	2,042
Merlot	3,646	183	8,341	419	4,188	210	1,991
Shiraz	4,376	217	10,539	522	4,667	231	2,019
Pinotage		0	6,253	368	6,208	366	1,698
Total Red	**4,201**	**215**	**8,632**	**443**	**5,633**	**289**	**1,951**
Sauv. blanc	6,750	220	11,979	391	4,862	159	3,064
Chardonnay	3,194	133	7,530	313	5,073	211	2,408
Chenin blanc	3,131	227	3,742	272	1,581	115	1,377
Total White	**3,522**	**191**	**10,746**	**583**	**4,587**	**249**	**1,843**

WAVG - Weighted Average

Notes:
1. Australian National Winegrape Crush & Price Report : 2007
2. Californian Grape Crush Report : 2007
3. New Zealand Wine Growers Statistical Annual 2007
4. SAWIS 2007 (combined sales from independent and cooperative grape producers)
5. "The Currency Site" http://www.oanda.com/

BULK PRICES

In 2007 most of the main varieties experienced a decrease in their average bulk wine price, this is reflected in yet another decrease of the average bulk wine price for all varieties (-1.1%). The average price of Ruby Cabernet fell from R3.93 per litre to R3.03 per litre in 2007. Other varieties that experienced relatively sharp decreases in average price were Cabernet Sauvignon (from R4.76 per litre to R4.15 per litre in 2007) and Shiraz (from R5.14 per litre to R4.58 per litre in 2007). On the other hand, the average price of Pinot noir recovered from R4.20 per litre in 2006, to reach R6.73 per litre in 2007. While Chardonnay (R4.74 per litre) and Sauvignon blanc (R5.17 per litre) experienced slight decreases in their average price, the average price of Chenin blanc showed a 1.9% increase to reach R3.23 per litre.

The average price of wine for brandy was R2.22 per litre @ 10% alc/vol (+5.6%), while that of distilling wine was R0.93 per litre @ 10% alc/vol (-0.8%). The average price of concentrate / sweet must for sweetening reached R2.62 per litre, an increase of 10.7% on 2006.

For the period January to September 2008, the average bulk wine price for all varieties amounted to R3.38 per litre, a 1% increase compared to the price for the corresponding period in 2007.