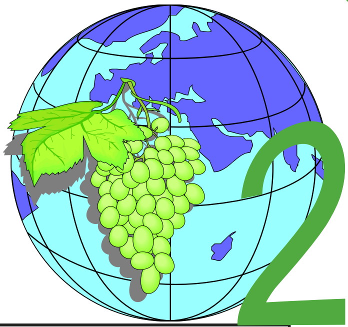
WORLD AND LOCAL INFORMATION 2005



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A PUBLICATION OF:

SAWIS

S A WYNBEDRYF-INLIGTING & -STELSELS
S A WINE INDUSTRY INFORMATION & SYSTEMS

Good day readers

"Don't judge each day by the harvest you reap but by the seeds that you plant." *Robert Louis Stevenson*

According to Wine Spectator, growth in the world wine market was driven in a large part by the newly augmented European Union (EU). The expanded EU is consuming the majority of wine, accounting for a 58% share of the world market in 2004. Two years ago, the 15 EU members combined for wine consumption of 1,52 billion cases, or 56% of the global market. But the admittance of 10 new member nations in 2004 added 66 million cases to the EU wine market. The US accounts for 10.5% of global consumption. World production is estimated to decrease by 4.7% in 2005, whereas world consumption has increased by 2.3% in 2003 and is estimated to increase a further 1% in 2004. In terms of production South Africa was ranked 8th in the world in 2003, with the 2004 harvest increasing by 6.2% on 2003. Wine production in South Africa decreased with an estimated 11% in 2005. Exports are forecasted to increase by 13% in 2005 and a further 11.4% in 2006.

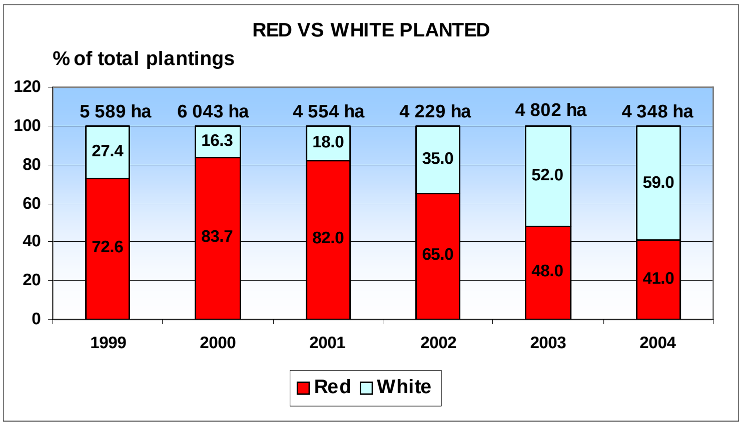
This publication provides you with information that will add value to your knowledge on the South African wine industry. It also shows how South Africa is performing in comparison with the rest of the world. The information covers a wide spectrum of local and international aspects like packaging, sales,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

Sawis greetings till next year
Natalie

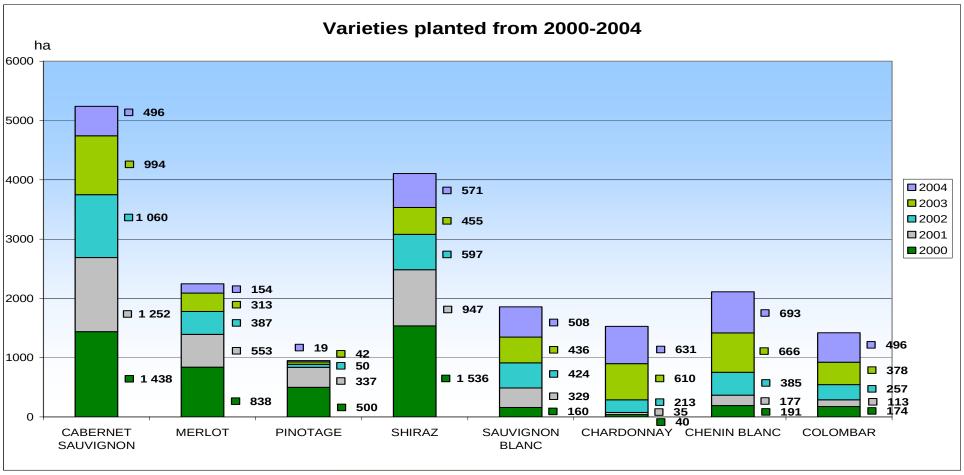
AREA UNDER VINES

SOUTH AFRICA

The total area under vines increased by 1 399 ha (1.3%) to 111 599 ha (including Sultana) during 2004. About 59% of plantings during 2004 was white and 41% was red. In 2004 the plantings of red varieties decreased by 27.8% compared to 2003.

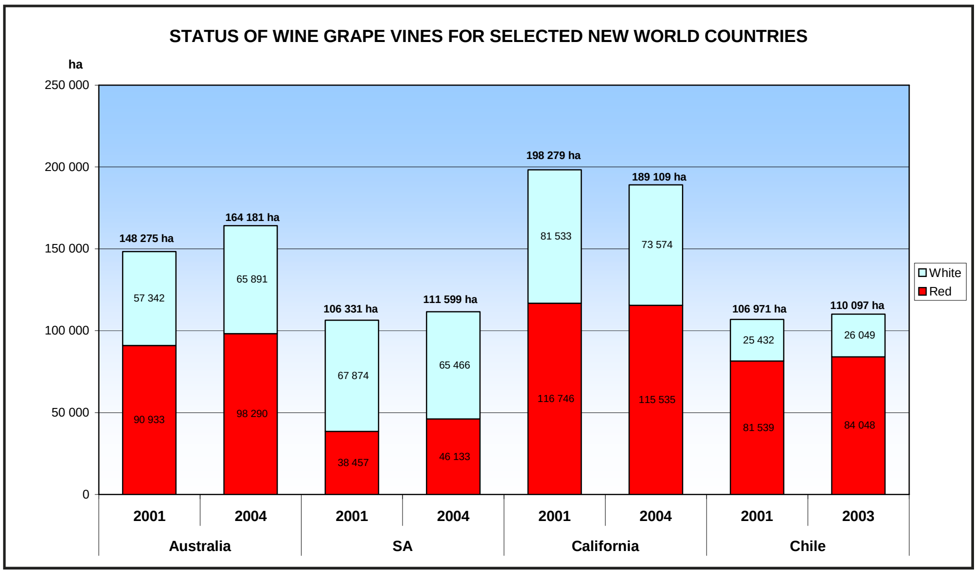


In 2004 the red varieties planted the most were Shiraz with 571 hectares and Cabernet Sauvignon with 496 hectares. The white varieties planted the most were Chenin Blanc with 693 hectares and Chardonnay with 631 hectares. From 1996 to 2001 there was an increase in the plantings of red varieties while in contrast, the plantings of white varieties showed a decline. In 2003 the plantings of red varieties, however, decreased by 11.8% and with a further 27.8% in 2004, plantings of white varieties increased by 9.7% in 2004 compared to 2003.



NEW WORLD COUNTRIES

The status of red wine grapes shows an increasing trend from 2001 to 2004 in South Africa and Australia from 2001 to 2003 in Chile. On the other hand, California's status of red wine grapes decreased from 2001 to 2004. In Australia 90 933 hectares of the total area under vine were red grapes in 2001 compared to 98 290 hectares in 2004, an increase of 8.1%. In South Africa red wine grapes were 38 547 hectares of the total area under vines in 2001 compared to 46 133 hectares in 2004, an increase of 19.7%. In California 116 746 hectares of the total area under vines were red wine grapes in 2001 compared to 115 535 hectares in 2004, a decrease of 1.04%. In Chile red wine grapes were 81 539 hectares of the total area under vines in 2001 compared to 84 048 hectares in 2003, a 3.1% increase. The status of white wine grapes in Australia increased with 8 549 hectares from 2001 to 2004, and in Chile from 2001 to 2003 with 617 hectares. The status of white wine grapes in California decreased with 7 959 hectares from 2001 to 2004, and decreased in South Africa with 2 408 hectares from 2001 to 2004. The latest figures available for selected New World countries show that South Africa from 2001 to 2004, with 111 599 hectares, has the third biggest area under vines after California (189 109 hectares in 2004) and Australia (164 181 hectares in 2004). In 1998 South Africa was in second place after California.



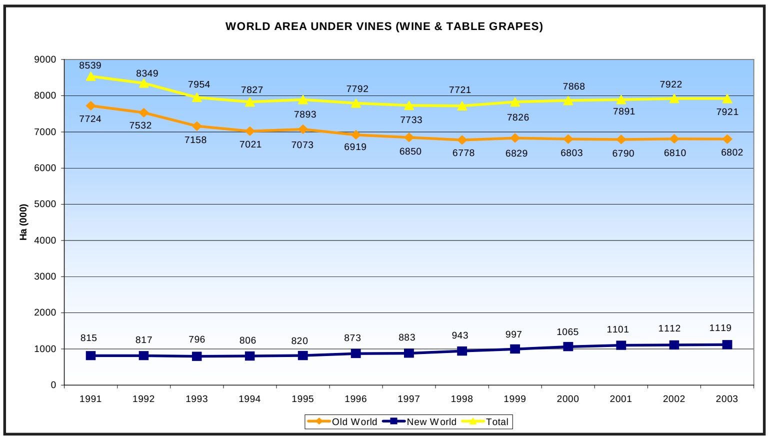
TOTAL VINEYARD STATUS - COMPARISON BY VARIETY - HECTARES

VARIETY	Australia 2001	% of total	2003	% of total	2004	% of total	South Africa 2001	% of total	2003	% of total	2004	% of total
RED												
Cabernet Sauvignon	28 609	19.3%	28 871	18.3%	29 313	17.9%	10 390	9.8%	13 160	11.9%	13 531	12.1%
Shiraz	33 676	22.7%	37 016	23.5%	39 182	23.9%	7 078	6.7%	8 724	7.9%	9 415	8.4%
Merlot	9 330	6.3%	10 352	6.6%	10 804	6.6%	5 706	5.4%	6 781	6.2%	6 969	6.2%
Pinotage							6 880	6.5%	6 829	6.2%	6 664	6.0%
Ruby Cabernet	2 780	1.9%	2 530	1.6%	1 998	1.2%	2 281	2.1%	2 533	2.3%	2 648	2.4%
Pinot Noir	4 142	2.8%	4 270	2.7%	4 424	2.7%	509	0.5%	536	0.5%	522	0.5%
TOTAL	**90 933**	**61.3%**	**95 491**	**60.6%**	**98 290**	**59.9%**	**38 457**	**36.2%**	**44 731**	**40.6%**	**46 133**	**41.3%**
WHITE												
Chardonnay	18 434	12.4%	24 138	15.3%	28 008	17.1%	5 990	5.6%	6 689	6.1%	7 283	6.5%
Sauvignon Blanc	2 766	1.9%	2 953	1.9%	3 425	2.1%	5 758	5.4%	6 844	6.2%	6 944	6.2%
Semillon	6 803	4.6%	6 283	4.0%	6 728	4.1%	988	0.9%	997	0.9%	1 003	0.9%
TOTAL	**57 342**	**38.7%**	**62 001**	**39.4%**	**65 891**	**40.1%**	**67 874**	**63.8%**	**65 469**	**59.4%**	**65 466**	**58.7%**
GRAND TOTAL	**148 275**	**100.0%**	**157 492**	**100.0%**	**164 181**	**100.0%**	**106 331**	**100.0%**	**110 200**	**100.0%**	**111 599**	**100.0%**

VARIETY	California 2001	% of total	2003	% of total	2004	% of total	Chile 2001	% of total	2002	% of total	2003	% of total
RED												
Cabernet Sauvignon	29 955	15.1%	30 437	16.0%	30 320	16.0%	38 227	35.7%	39 261	36.2%	39 371	35.8%
Merlot	20 781	10.5%	21 009	11.0%	21 682	11.5%	12 887	12.0%	12 768	11.8%	12 879	11.7%
Ruby Cabernet	3 332	1.7%	3 026	1.6%	2 716	1.4%						
Pinot Noir	9 334	4.7%	9 700	5.1%	9 722	5.1%	1 450	1.4%	1 434	1.3%	1 422	1.3%
TOTAL	**116 746**	**58.9%**	**116 265**	**60.8%**	**115 535**	**61.1%**	**81 539**	**76.2%**	**82 947**	**76.4%**	**84 048**	**76.3%**
WHITE												
Chardonnay	41 758	21.1%	39 560	20.7%	39 069	20.7%	7 567	7.1%	7 561	7.0%	7 565	6.9%
Sauvignon Blanc	5 643	2.8%	6 200	3.2%	6 151	3.3%	6 673	6.2%	7 041	6.5%	7 368	6.7%
TOTAL	**81 533**	**41.1%**	**75 076**	**39.2%**	**73 574**	**38.9%**	**25 432**	**23.8%**	**25 622**	**23.6%**	**26 049**	**23.7%**
GRAND TOTAL	**198 279**	**100.0%**	**191 341**	**100.0%**	**189 109**	**100.0%**	**106 971**	**100.0%**	**108 569**	**100.0%**	**110 097**	**100.0%**

WORLD

World-wide, after sustained growth until 1980, areas planted under vines started to decline. This decline continued at a fairly slow rate until 1998. At that time, with 7 721 000 ha, world area under vines hit its lowest level since 1950. In 2003 vineyards world-wide accounted for a total area under vines of 7 921 000 ha, a decrease of 1 000 ha compared to 2002.



PRODUCTION OF WINE

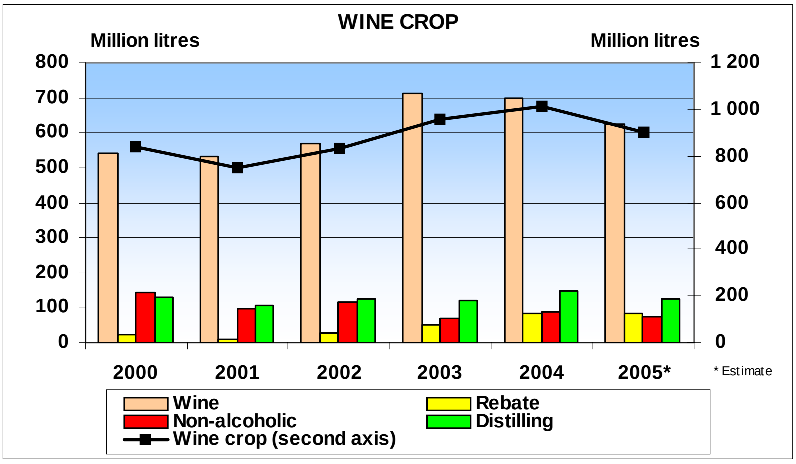
SOUTH AFRICA

The total 2004 wine crop was 1 016 million litres, approximately 60 million litres more than the 2003 wine crop. The 2005 wine crop is estimated at 903,7 million litres, 11% less than in 2004. The latest estimates show that the total wine stock at cellars and producer cellars will be 304,7 million litres on 31 December 2005, compared to 363,7 million litres on 31 December 2004. Red varieties again represent a larger percentage in both the grape and wine crop with a share of 34% and 39% respectively.

	1997	1998	1999	2000	2001	2002	2003	2004	2005*
Red varieties as % of grape crop	11.6	13.2	13.4	15.0	21.1	22.7	28.2	29.9	34.0
Natural red wine as % of wine	15.1	15.2	16.3	21.0	25.2	27.9	32.1	36.1	39.0

* Estimate

During 2005 an estimated 68.9% of the crop was produced as wine compared to 68.6% during 2004. Production of wine decreased from 696.8 million litres to 622.8 million litres, a decrease of 11%. Production of rebate wine and distilling wine decreased by an estimated 2.6 million litres (3%) and 21.5 million litres (14.7%) respectively. According to the latest information available 10 million litres of white wine will be imported which will mainly be utilised for the SP (standard price) market segment and 9 million litres of concentrate for sweetening and 34,3 million litres @ 10% alc/vol distilling wine will be imported in 2005, of which 10 million litres @ 10% alc/vol is destined for utilisation in 2006. The imports are necessitated by the fact that the market requirements cannot be met domestically. The figures quoted above are preliminary and it may therefore be adjusted upwards in future estimates.The production of juice for non-alcoholic purposes decreased with 14 million litres(15.9%).



WORLD

WINE CROP													
	1990	1996	1997	1998	1999	2000	2001	2002	2003	2004*	2005*	Growth rate 05/04	Average % of total world production 1997 - 2005
Country/group	'000 hectolitres											%	
France	65 529	57 047	53 561	52 671	60 435	57 541	53 389	50 535	46 360	58 800	55 200	-6.1	20.0%
Italy	54 866	58 772	50 894	54 188	56 454	51 620	52 293	44 604	44 086	53 000	47 500	-10.4	18.6%
Spain	38 658	31 000	33 218	31 172	33 723	41 692	30 500	33 478	42 802	43 162	40 000	-7.3	13.5%
USA	15 791	17 415	17 660	20 504	19 050	21 500	19 200	20 300	20 770	23 483	24 135	2.8	7.6%
Argentina	14 036	12 681	13 500	12 673	15 888	12 537	15 835	12 695	13 225	19 203	19 100	-0.5	5.5%
Australia	4 446	6 734	6 174	7 415	8 511	8 064	10 347	11 509	10 194	14 712	14 000	-4.8	3.7%
China	900	3 000	3 200	3 550	5 200	10 500	10 800	11 200	11 200	11 200	11 200	0.0	3.2%
Germany	9 487	8 642	8 495	10 834	12 123	9 852	8 891	9 885	8 191	10 047	10 000	-0.5	3.6%
South Africa	8 286	8 993	8 809	8 156	9 141	8 372	7 465	8 342	9 560	10 157	9 037	-11.0	3.2%
Portugal	11 372	9 712	6 124	3 750	7 859	6 710	7 789	6 677	7 340	7 475	7 483	0.1	2.5%
Chile	3 978	3 878	4 549	5 475	4 807	6 674	5 658	5 623	6 682	5 750	6 400	11.3	2.1%
Romania	5 900	7 663	6 688	5 002	6 054	5 456	5 090	5 461	5 555	5 460	5 460	0.0	2.1%
Greece	3 525	4 109	3 987	3 826	3 680	3 558	3 477	3 085	3 799	4 295	4 200	-2.2	1.4%
Russia	2 800	2 500	2 230	2 180	2 903	3 050	3 430	4 060	4 530	4 100	4 100	0.0	1.3%
Hungary	5 472	4 188	4 472	4 334	3 339	4 299	5 514	3 333	3 880	4 340	4 000	-7.8	1.5%
Brazil		3 128	2 743	2 782	3 190	3 638	2 968	3 212	2 620	3 250	3 500	7.7	1.1%
Total top 16	245 046	239 512	226 304	228 512	252 357	255 063	242 646	233 999	240 794	278 434	265 315	-4.7	91.0%
Other	32 620	31 019	34 990	27 854	24 814	24 915	23 817	23 954	26 121	16 166	16 166	0.0	9.0%
Total world	277 666	270 531	261 294	256 366	277 171	279 978	266 463	257 953	266 915	294 600	281 481	-4.5	100.0%
Southern Hemisphere**	30 746	32 286	33 032	33 719	38 347	35 647	39 305	38 169	39 661	49 822	48 537	-2.6	14.6%
New world***	46 537	49 701	50 692	54 223	57 397	57 147	58 505	58 469	60 431	73 305	72 672	-0.9	22.2%
EU****	183 437	169 282	149 227	156 441	166 574	171 113	161 190	150 554	156 318	177 737	165 483	-6.9	59.6%

* Estimate

** Australia, Argentina, Chile and South Africa

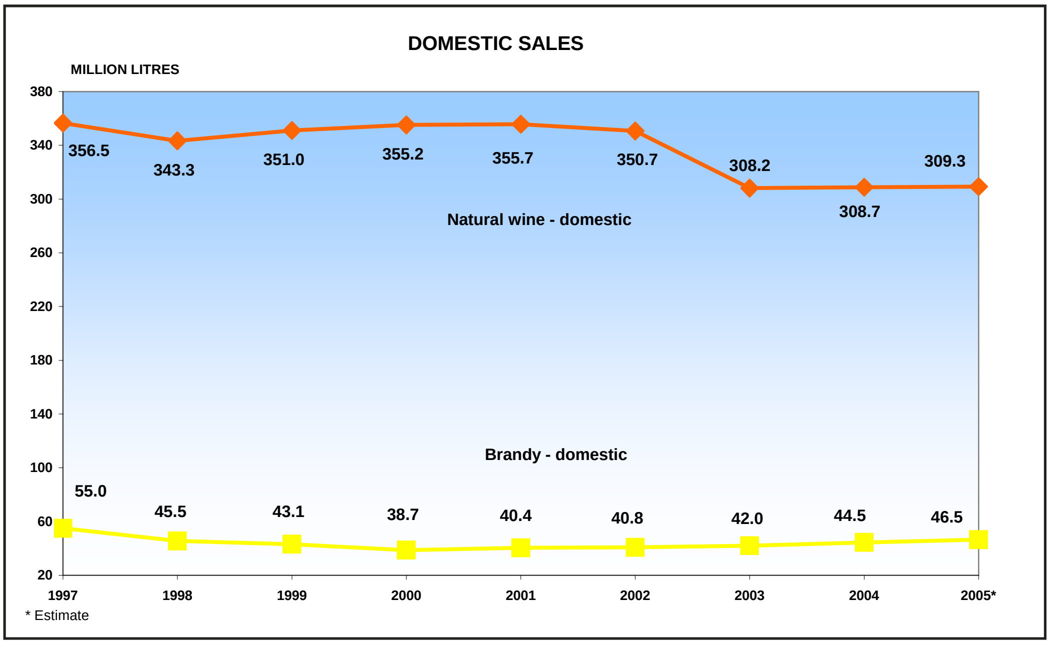
*** Australia, Argentina, Chile, South Africa and the USA

**** France, Italy, Spain, Portugal, Germany and Greece

DOMESTIC SALES

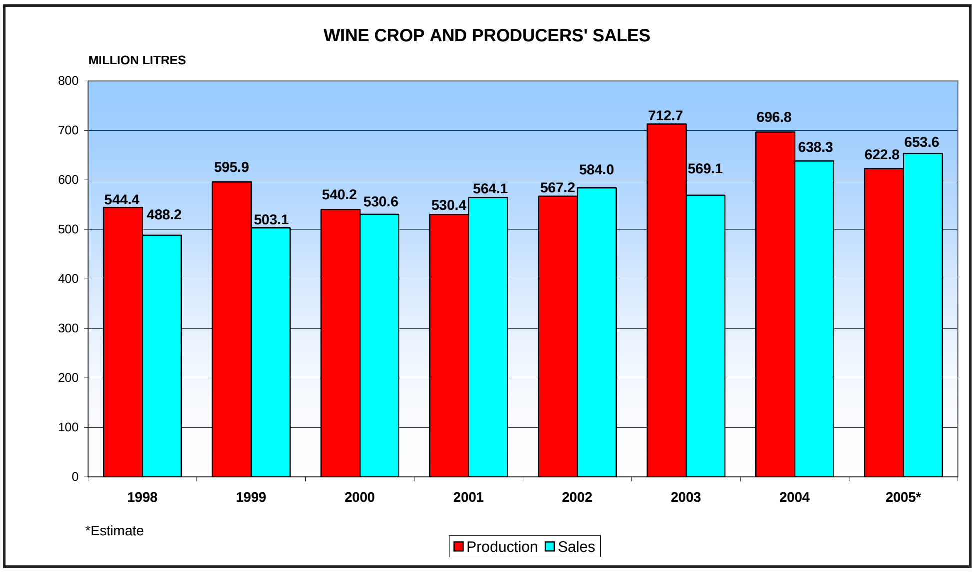
Domestic sales of natural wine (including wine used in grape-based liquor and alcoholic fruit beverages) increased by 0.2% during 2004. Sales for the twelve month period from September 2004 to August 2005 decreased by 0.3%. It is estimated that domestic sales of natural wine will increase by 0.2% in 2005 to 309.3 million litres.

Domestic sales of brandy increased by 6% during 2004. Sales for the twelve month period from October 2004 to September 2005 increased by 6.7%. Brandy sales is estimated to increase with 4.5% in 2005 to 46,5 million litres.



WINE CROP AND PRODUCERS' SALES

Production of wine for 2005 is estimated to be approximately 30,8 million litres less than 2005 sales of wine. Total sales of wine by producers is estimated to increase by 2.4% during 2005.



STOCK OF WINE

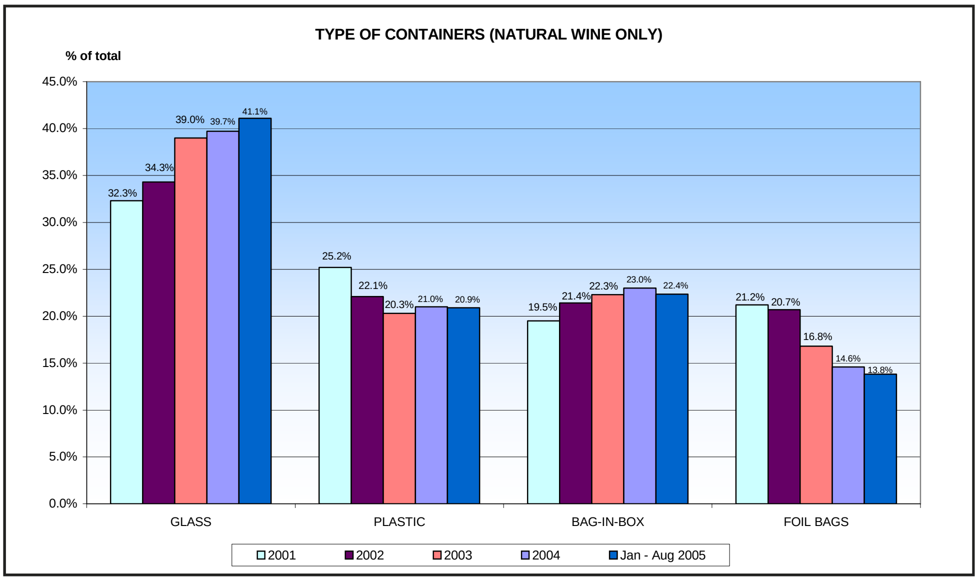
The situation with regard to wine stock at private wine cellars and producer cellars on 31 December 2001 to 31 December 2005 was or is estimated to be as follows:

	31 December 2001	31 December 2002	31 December 2003	31 December 2004	31 December 2005*	04/03	05/04
	million litres					%+/-	%+/-
Red	73.2	87.3	131.4	160.8	165.1	122.4	102.7
White	169.1	122.0	205.4	202.9	139.6	98.8	68.8
Total	242.3	209.3	336.8	363.7	304.7	108.0	83.8

*Estimate

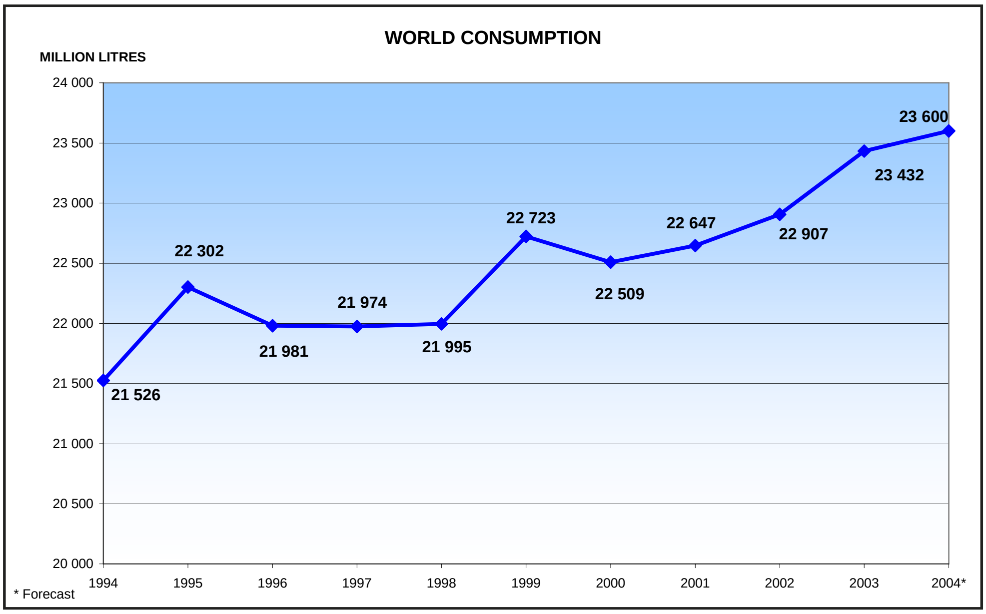
DOMESTIC PACKAGED WINE INFORMATION

In 2004 the total market for domestically sold packaged wine amounted to 285 565 845 litres of which glass, plastic, bag-in-box and foil bags represented 39.7%, 21%, 23% and 14.6% respectively. In 2001 the total market for all types of containers was 306 265 748 litres. It decreased by 6.8% from 2001 to 2004. The total market for glass containers amounted to 98 838 233 litres in 2001. From 2001 to 2004 this figure increased by 14.7% to 113 342 914 litres. In 2001 the total market for plastic containers amounted to 77 321 370 litres. From 2001 to 2004 it decreased by 22.3% to 60 064 857 litres. The total market for bag-in-box in 2001 amounted to 59 695 764 litres. From 2001 it increased by 10.2% to 65 757 802 litres in 2004. In 2001 the total market for foil bags amounted to 64 991 675 litres. From 2001 this figure decreased by 35.9% to a total market figure of 41 672 329 litres in 2004.



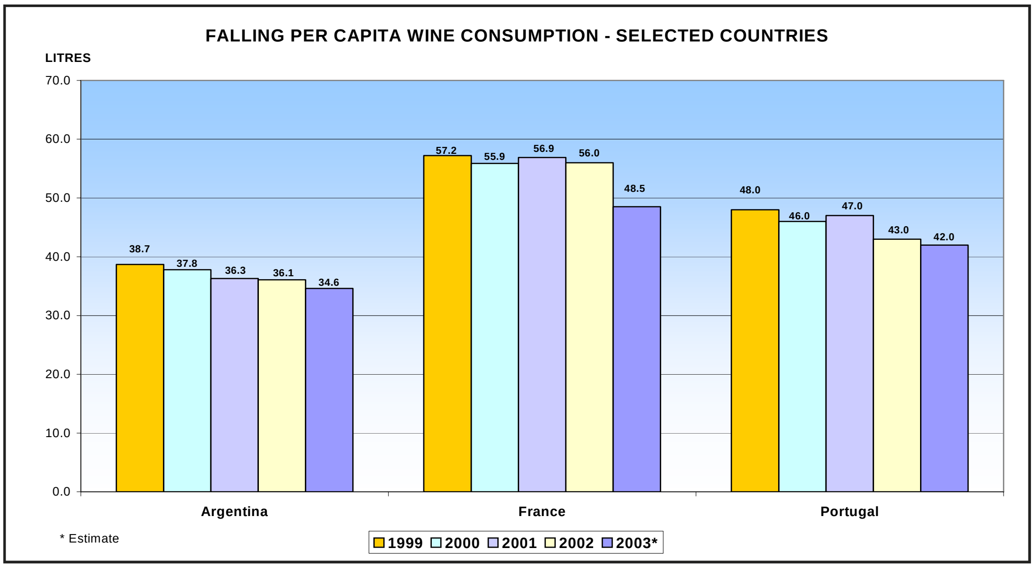
WORLD CONSUMPTION

After a mere 0.1% increase in 2004, global wine consumption is expected to expand by another 2 million cases, or nearly 1% in 2005. By the end of the decade, the world wine market is projected to amount to 2,58 billion cases, according to Impact Databank.



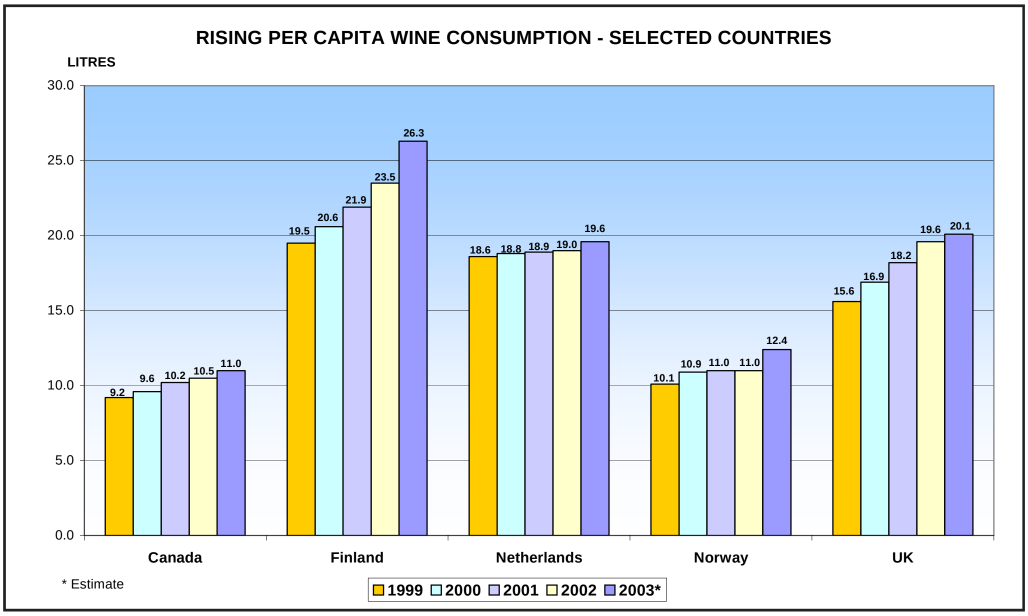
Source: OIV

While global consumption in 2003 was 23 432 million litres, consumption in 2004 is an estimated 23 600 million litres, an increase of 1% on 2003. According to Wine Spectator, wines from the US and the Southern Hemisphere represented 24.3% of the global wine market in 2004, up from 19% in 2001. Wines from Spain had a 18% market share. Those from France and Italy had market shares of 19% and 18% respectively. Consumption was up in Ireland (+13%), Finland (+10%), the UK (+5.1%) and even in France (+0.6%). However, consumption of wine dropped considerably: -25% in France and -20% in Italy. From 2000 to 2002, consumption of wine dropped by 50% in Spain.



Source: World Drink Trends 2005

According to Euromonitor, global wine consumption is expected to show steady growth in both volume and value terms between 2004 and 2009, underpinned by continuing strong demand for still red wine and increasing consumption per capita in developing regions such as Eastern Europe. A forecast volume compound annual growth rate (CAGR) of 2.3% between 2004 to 2009 compares favourably with a volume CAGR of 1% between 1999 to 2004.



Source: World Drink Trends 2005

EXPORTS

SOUTH AFRICA

Compared to 2003, total exports of wine increased by 12.2% to 268,5 million litres during 2004. Exports of packaged natural wine and bulk natural wine increased by 14.0% and 8.3% respectively. Bulk red wine showed the largest increase in exports with a 19.7% increase compared to the previous year, while packaged white wine increased by 11.9%. The exports of packaged red wine increased by 14.1%, while bulk white wine decreased with 1.5%.

Total exports of wine reached 239,9 million litres in volume and R3 037 million (US$19.3 million) in value during the ten month period from January to October 2005. Wine exported in glass reached 122,3 million litres and bag-in-box reached 25,6 million litres during January to September 2005. From January to September 2005, wine exported in a 750ml bottle made up the biggest percentage of the total market, with 51.8% exported to the UK. The second largest is the 3 litre bag-in-box, with 54.3% exported to Sweden.

According to the Production and market estimates 2006 - 2010, exports are forecasted to increase with 13.0% in 2005 and 11.4% in 2006.

WORLD

Australia's wine export boom continues, despite continued pressures. Records in volume and value have been achieved for the year to 30 September 2005. The Wine and Brandy Corporation logged sales of 689 million litres, up 13% on 2004 worth A$2.797 billion (US$2.116 billion), an increase of 7%. The continuing downside was the decline in average price per litre, A$4.06, a fall of 5.7%.

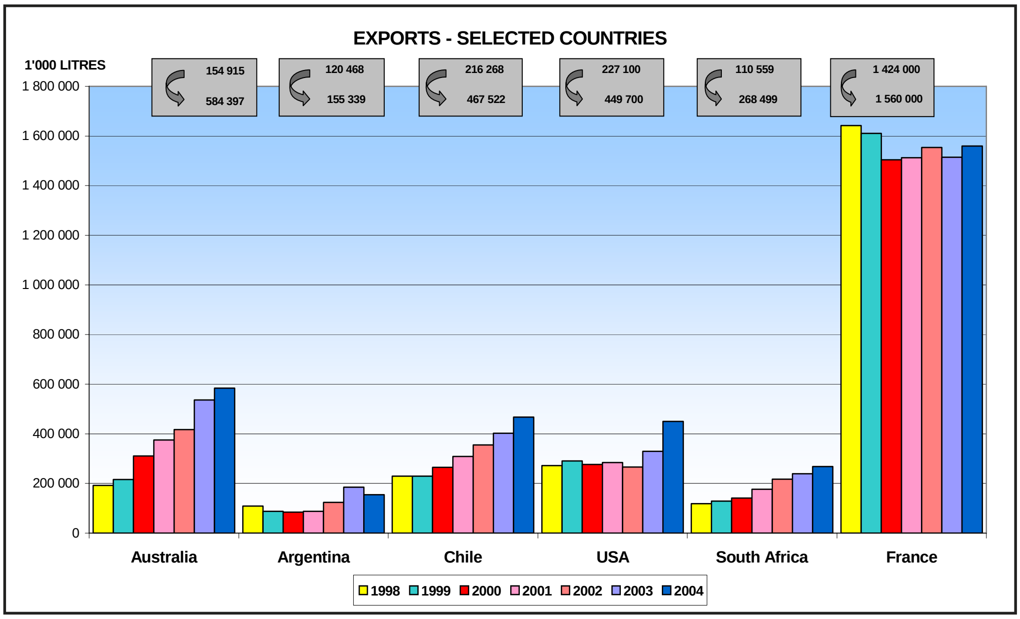
Argentine wine exports rose by 35% in value terms to US$129.4 million for the first half of 2005, from US$96.1 million for the first six months of 2004, according to Argentine customs data. In volume terms, exports increased from 67,7 million litres to 83.5 million litres for the first half of the year. The Argentine National Vitiviniculture Institute (INV) expects wine exports to top US$400 million for 2005. The principal export markets for Argentine wine are the US, the UK, Brazil, the Netherlands, Canada, Denmark, Finland and Germany.

Exports of **Chilean** wine rose by 21% in value terms during the first half of 2005 to US$325.4 million, according to figures released by the national agricultural policy and research office ODEPA. In volume terms, exports of Chilean wine were also up by 21% in the first half, from 94,6 million litres to 114,5 million litres. The largest markets for

Chilean appellation wines in the first six months of this year were the UK and the US, both with an 18% share. Germany accounted for 7% of exports and Denmark 6%, while Canada, the Netherlands and Ireland each accounted for 5%. Other export markets include Japan, Belgium and Brazil.

U.S. wine exports, 95% of which come from California, surged 28% in 2004 to $794 million. The state exports about 20% of its production, nearly double what it sent overseas a decade ago.

The slump in **French** wine exports shows little sign of abating according to half-year figures released by export trade federation, FEVS. Overall, French still wines declined by 6.2% in volume and 10% in value during the six-month period. Bordeaux in particular, however, faired much worse, with volumes sold falling by 11.4% compared to a decline of 18% in value. It was a more positive picture for French spirits with exports up 3.5% in value, thanks to Cognac and Vodka sales. Champagne was up by 3.7% in value.

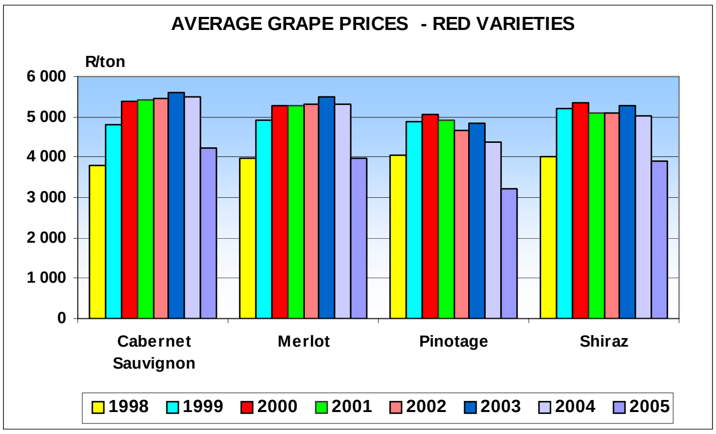


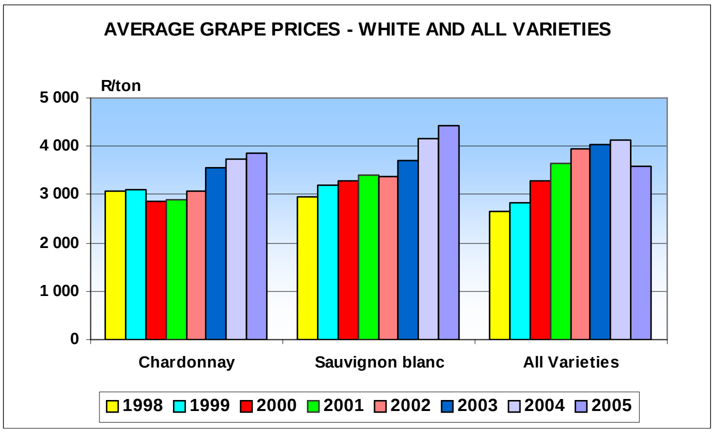
PRICES

GRAPE PRICES - SOUTH AFRICA

VARIETY	Producer cellars 2000	Non Producer cellars 2000	Producer cellars 2001	Non Producer cellars 2001	Producer cellars 2002	Non Producer cellars 2002	** Producer cellars 2003	Non Producer cellars 2003	** Producer cellars 2004	Non Producer cellars 2004	** Producer cellars % ± 2004/2003	Non Producer cellars % ± 2004/2003	Non Producer cellars 2005	Non Producer cellars % ± 2005/2004
Cabernet Sauvignon	5 109	5 393	4 849	5 423	4 590	5 458	3 978	5 605	2 822	5 476	-29.06	-2.30	4 212	-23.08
Merlot	4 649	5 281	4 300	5 285	3 987	5 331	3 543	5 477	2 420	5 327	-31.70	-2.74	3 963	-25.61
Pinotage	4 426	5 070	3 991	4 911	3 561	4 673	3 127	4 827	2 069	4 376	-33.83	-9.34	3 202	-26.83
Cinsaut noir	2 163	2 347	2 257	2 302	2 712	2 521	2 690	2 753	1 966	2 757	-26.91	0.15	2 271	-17.63
Pinot Noir	2 311	3 877	3 140	4 147	2 868	4 211	3 071	4 806	2 275	5 191	-25.92	8.01	4 549	-12.37
Shiraz	4 533	5 333	4 159	5 106	3 717	5 111	3 415	5 294	2 400	5 036	-29.72	-4.87	3 907	-22.42
Other red *	2 621	3 640	2 835	3 818	2 741	3 902	2 637	4 172	1 808	4 231	-31.44	1.41	3 773	-10.82
Chenin Blanc	682	1 088	725	1 074	930	1 093	1 207	1 735	1 071	2 032	-11.27	17.12	2 198	8.17
Sauvignon Blanc	1 828	3 278	1 713	3 399	1 880	3 380	2 114	3 705	2 440	4 166	15.42	12.44	4 439	6.55
Chardonnay	1 461	2 875	1 732	2 896	2 014	3 075	2 194	3 567	2 264	3 733	3.19	4.65	3 841	2.89
Cape Riesling	626	1 413	611	1 354	888	1 396	1 289	1 614	1 227	1 750	-4.81	8.43	2 040	16.57
Colombar	585	826	639	667	802	738	1 055	1 111	952	1 079	-9.76	-2.88	1 180	9.36
Hanepoot White	518	764	585	668	790	841	1 074	770	1 064	1 074	-0.93	39.48	1 348	25.51
Semillon	830	1 915	970	1 829	1 215	1 837	1 588	2 480	1 549	2 587	-2.46	4.31	2 563	-0.93
Other white *	395	1 439	491	1 560	648	1 680	843	1 211	862	1 142	2.25	-5.70	1 587	38.97
All Varieties	966	3 278	1 136	3 640	1 333	3 953	1 583	4 041	1 321	4 133	-16.55	2.28	3 593	-13.07

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





GRAPE PRICES—SELECTED COUNTRIES

	South Africa*		California		Australia		New Zealand		Argentina	
	Average Grape Prices - R/Ton									
	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
Sauvignon Blanc	3 705	4 166	6 177	4 469	5 188	5 159	10 702	9 465	921	1 559
Chardonnay	3 567	3 733	5 171	4 482	5 208	5 016	7 016	17 994	941	1 646
Chenin Blanc	1 735	2 032	1 196	1 511	2 289	1 742	2 718	2 834	477	1 084
Colombar	1 111	1 079	871	1 298	1 818	1 699	-	-	-	-
Semillon	2 480	2 587	4 474	3 707	3 017	2 803	5 037	5 512	707	1 488
Cabernet Sauvignon	5 605	5 476	7 767	6 317	4 751	3 874	8 897	8 289	1 631	1 857
Merlot	5 477	5 327	6 503	5 161	4 245	3 417	8 486	8 289	1 287	1 685
Pinotage	4 827	4 376	-	-	-	-	5 675	5 504	-	-
Pinot noir	4 806	5 191	13 468	10 463	6 264	5 554	-	-	-	-
Pinot noir (Sparkling wine)							4 618	4 998		
Pinot noir (Tablewine)							12 470	11 347		
Shiraz	5 294	5 036	7 381	4 308	4 938	4 245	10 699	9 249	1 024	1 401

All prices converted to Rand by using the average year exchange rate for the various currencies

***Excluding deliveries to producer cellars by members**

BULK PRICES - SOUTH AFRICA

During 2004 the bulk wine prices of quality red varieties decreased by an average of R0.95 per ℓ (14.8%) and that of other red varieties decreased by R0,80 per ℓ (16.6%). On the other hand, the average prices of Sauvignon Blanc and Chardonnay increased R0.16 per ℓ#and R0,15 per ℓ#respectively and that of other white varieties decreased by R0.04 per ℓ (1.7%). The average price of all bulk drink wine was R0,24 per ℓ (6.3%) less than the previous year and the average price of rebate for brandy R0.11 (6.2%) more and distilling wine R0.08 less.

During the period January to September 2005 the average bulk wine prices for Cabernet Sauvignon, Merlot, Shiraz and Pinotage decreased 20.9%, 26.7%, 16.3% and 19.0% respectively compared to prices during the corresponding period in 2004. Other red varieties showed a further decrease of 8.9% compared to the prices during the corresponding period in 2004. On the other hand, the average price of Sauvignon Blanc (4.5%) and Chardonnay (1.7%) increased further compared to the corresponding period in 2004. The average prices for all varieties decreased by 6.3%.