

# World and Local news 2010

## Editorial

The global wine market for 2010 amount to 26 000 million litres, 4% lower than in 2009, according to the OIV. The global wine surplus is estimated to be 19 400 million litres, excluding industrial needs. Although the global wine market increased in value by 2.6% in 2008, the market showed a slower increasing trend in 2009 (1.6%). The 2009 - 2014 forecasts are that the global wine market will increase by a further 3.4%.

Natural wine represents 80.5% of the global wine market and holds the largest share in value of the global wine market. Europe represents 74.9% of the global wine market in value.

Wine production in 2007 - 2009 for both EU-15 and EU-27 member states reached the lowest level of production over the past 15 years. The total global grape crop decreased by 0.5% since 2009. Between 2008 and 2009 the vineyard area within the EU-27 was reduced by approximately 94 000 hectares. The vineyard areas outside the EU-27 remained relatively stable.

Global consumption showed a decreasing trend of 830 million litres since 2007. China is one of the few countries where consumption increased.

This publication provides information that will add to your knowledge of the South African wine industry. It also shows how South Africa compares with

the rest of the world. The information covers a broad spectrum of local and international aspects such as wine production, consumption, exports and much more. We believe it will contribute to the continued prosperity of the South African wine industry.

**Greetings until 2011.**

**Nadine  
November 2010**

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**SAWIS**

SA WYNBEDRYF-INLIGTING & -STELSELS  
SA WINE INDUSTRY INFORMATION & SYSTEMS

## Area under vines World (Wine and Table Grapes)

The communal regulation implemented on the 1 August 2008 within the EU-27 member states contributed to the decline in vineyard areas. The vineyard area within the EU-27 was reduced by approximately 94 000 hectares (2.5%) between 2008 and 2009. 160 000 hectares within the EU-27 were requested for permanent renunciations and 73 000 hectares declared eligible to communal financing.

In Spain, the reduction of vineyard area amounts to 52 000 hectares, which corresponds to a decrease of 4.5% since 2008. Italy has a reduction of approximately 16 000 hectares of which 12 000 hectares can be attributed to the EU premium scheme. France started reducing vineyard area before the implementation of the new regulation and has reduced vineyard areas by a further 12 000 hectares. Bulgarian vineyard area has been reduced by 5 000 hectares, Portugal by 3 000 hectares and Hungary by 2 000 hectares; other communal vineyards remained relatively stable.

Vineyard surfaces outside the EU-27 remained relatively stable characterized by a small increase in

Argentinean, Chilean and New Zealand vineyards and a slight decrease in Turkish and South African vineyards. It is estimated that vineyard areas outside the EU-27 should reach 3.932 million hectares in 2009, which is roughly the same as in 2008 (3.931 million hectares).

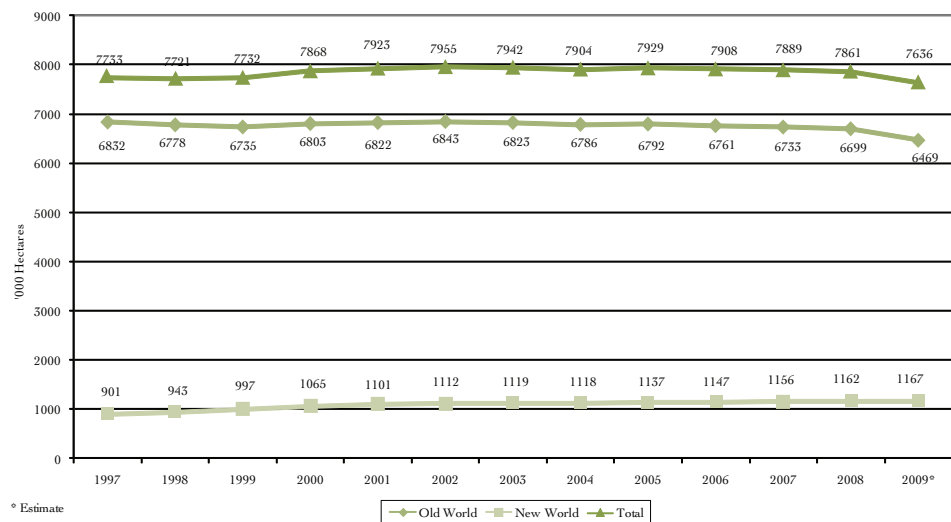
After a severe oversupply of grapes in 2008, the wine industry forced Australia to uproot 20% of vines. According to the National Bureau of Statistics, grape growers felt the effects of the glut and 360 grape farmers chose to reduce vineyard areas. Approximately 1 250 hectares were abandoned.

According to Just-drinks vineyards are also being uprooted in India due to the recession, tax hikes and poor quality.

The vineyard area in China show an increasing trend and is currently 470 000 hectares.

The global area under vines shows a declining trend and the 2009 estimated global area under vines will amount to 7 636 000 hectares; 2.9% less than in 2008.

WORLD AREA UNDER VINES (WINE AND TABLE GRAPES)



Source: OIV

## Area under vines New world countries

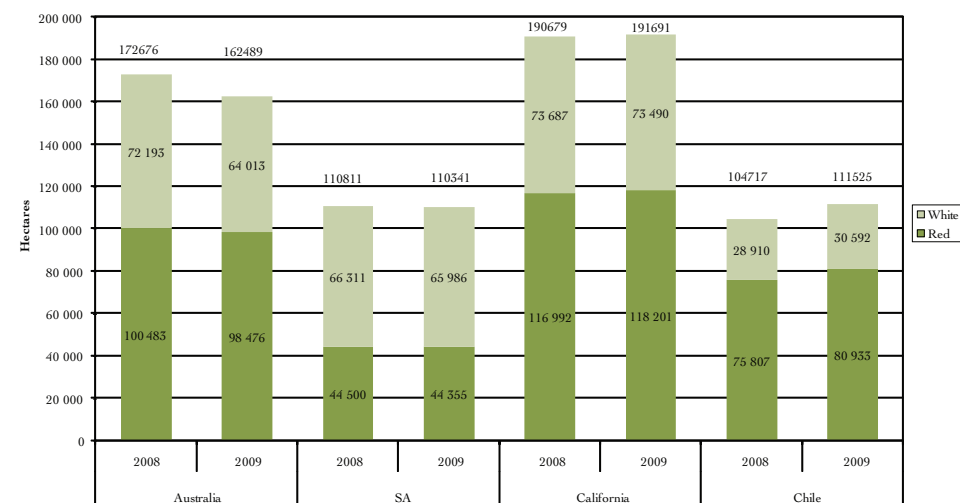
Australia's area under wine grape vines decreased by 10 187 hectares (5.9%) since 2008 and 5 260 hectares (3.2%) of the total area were non-bearing. Shiraz and Chardonnay are still the leading wine grape varieties and together they represent almost 46.4% of the total area under wine grape vines.

The area under wine grape vines in California increased by 1 012 hectares, since 2008. Chardonnay

and Carbernet Sauvignon are the leading wine grape varieties and represent 36.1% of the total area under vines.

Chile's area under wine grape vines amount to 111 525 hectares in 2009. The area under vine increased by 6 808 hectares. The leading wine grape varieties, Chardonnay and Carbernet Sauvignon, represent 48.2% of the total area under vine.

STATUS OF WINE GRAPE VINES FOR SELECTED NEW WORLD COUNTRIES (INCLUDING SULTANA)



Sources: ABS Wine & Grape Industry 1329.0  
California Grape Acreage Report  
Catastro Viticola Nacional

## Area under vines New world countries

### TOTAL VINEYARD STATUS – COMPARISON BY VARIETY IN HECTARES (INCLUDING SULTANA)

VARIETY	Australia				South Africa			
	2008	% of total	2009	% of total	2008	% of total	2009	% of total
<b>RED</b>								
Cabernet Sauvignon	27 553	16.0%	28 028	17.2%	12 697	11.5%	12 469	11.3%
Shiraz	43 977	25.5%	45 313	27.9%	9 907	8.9%	10 006	9.1%
Merlot	10 764	6.2%	11 038	6.8%	6 614	6.0%	6 588	6.0%
Pinotage					6 088	5.5%	6 105	5.5%
Ruby Cabernet	1 142	0.7%			2 381	2.1%	2 281	2.1%
Pinot Noir	4 490	2.6%	5 106	3.1%	727	0.7%	844	0.8%
Other red	12 557	7.3%	8 991	5.5%	6 086	5.5%	6 062	5.5%
<b>TOTAL</b>	<b>100 483</b>	<b>58.2%</b>	<b>98 476</b>	<b>60.6%</b>	<b>44 500</b>	<b>40.2%</b>	<b>44 355</b>	<b>40.2%</b>
<b>WHITE</b>								
Chardonnay	31 564	18.3%	30 137	18.5%	8 255	7.4%	8 349	7.6%
Sauvignon blanc	6 404	3.7%	7 010	4.3%	9 155	8.3%	9 446	8.6%
Semillon	6 716	3.9%	6 707	4.1%	1 153	1.0%	1 167	1.1%
Other white	27 509	15.9%	20 159	12.4%	38 262	34.5%	37 942	34.4%
<b>TOTAL</b>	<b>72 193</b>	<b>41.8%</b>	<b>64 013</b>	<b>39.4%</b>	<b>66 311</b>	<b>59.8%</b>	<b>65 986</b>	<b>59.8%</b>
<b>GRAND TOTAL</b>	<b>172 676</b>	<b>100.0%</b>	<b>162 489</b>	<b>100.0%</b>	<b>110 811</b>	<b>100.0%</b>	<b>110 341</b>	<b>100.0%</b>
<b>California</b>								
<b>Chile</b>								
VARIETY	California				Chile			
	2008	% of total	2009	% of total	2008	% of total	2009	% of total
<b>RED</b>								
Cabernet Sauvignon	30 394	15.9%	30 695	16.0%	38 806	37.1%	40 728	36.5%
Shiraz	7 644	4.0%	7 787	4.1%	5 391	5.1%	6 027	5.4%
Merlot	19 142	10.0%	18 723	9.8%	9 656	9.2%	10 041	9.0%
Ruby Cabernet	2 502	1.3%	2 427	1.3%				
Pinot Noir	13 491	7.1%	14 737	7.7%	2 598	2.5%	2 884	2.6%
Other red	43 819	23.0%	43 832	22.9%	19 355	18.5%	21 254	19.1%
<b>TOTAL</b>	<b>116 992</b>	<b>61.4%</b>	<b>118 201</b>	<b>61.7%</b>	<b>75 807</b>	<b>72.4%</b>	<b>80 933</b>	<b>72.6%</b>
<b>WHITE</b>								
Chardonnay	38 358	20.1%	38 469	20.1%	12 739	12.2%	13 082	11.7%
Sauvignon blanc	6 154	3.2%	6 246	3.3%	11 244	10.7%	12 159	10.9%
Semillon	382	0.2%	373	0.2%	779	0.7%	846	0.8%
Other white	28 792	15.1%	28 401	14.8%	4 148	4.0%	4 504	4.0%
<b>TOTAL</b>	<b>73 687</b>	<b>38.6%</b>	<b>73 490</b>	<b>38.3%</b>	<b>28 910</b>	<b>27.6%</b>	<b>30 592</b>	<b>27.4%</b>
<b>GRAND TOTAL</b>	<b>190 678</b>	<b>100.0%</b>	<b>191 691</b>	<b>100.0%</b>	<b>104 717</b>	<b>100.0%</b>	<b>111 525</b>	<b>100.0%</b>

Sources: ABS Wine & Grape Industry 1329.0  
SAWIS  
California Grape Acreage Report

## Area under vines South Africa (excluding Sultana)

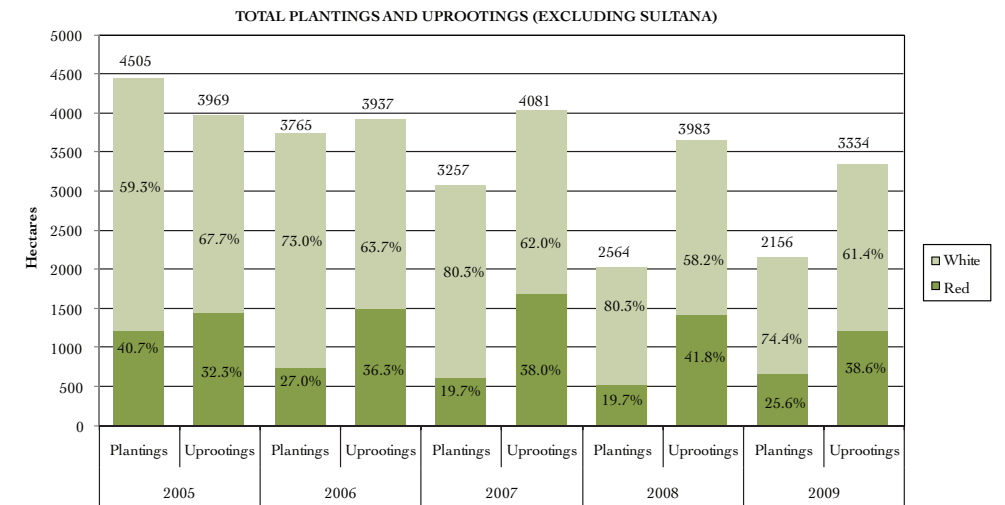
Total hectares for 2009 are 101 259 compared to 101 325 for 2008. Until 2006 the total area showed an annual increase; since then a steady decrease.

Since 2008 white and red wine grape varieties remained relatively stable, with 56% white and 44% red.

Individual wine grape varieties: In 1999 Chenin blanc represented 27% of the total wine area, Colombar 13%, Cabernet Sauvignon 8%, Sauvignon blanc 6%, Chardonnay 6%, and Pinotage 6%. Up and until 2009 both Chenin blanc (18%) and Muscat d'Alexandrie (2%) decreased significantly. Red varieties such as Cabernet Sauvignon, Shiraz and Merlot increased significantly over this period.

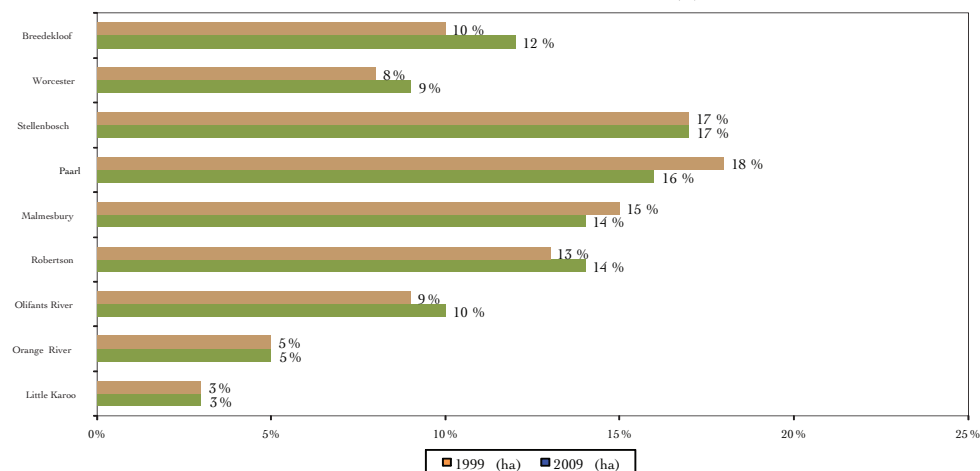
A great concern is that since 2005 the industry has not been able to replace an annual 5%, about 5 000 hectares, of existing vineyards. This is based on an economic life span of 20 years. A life span of 20 years serves as guideline, but according to role players this is especially with regard to red varieties not attainable and a life span of 15 years is considered to be more realistic.

The wine grape areas of different districts remained relatively constant over the past 10 years. Uprooting and planting of Sultana continue to show a downward trend.



## Area under vines South Africa (excluding Sultana)

DISTRIBUTION OF WINE GRAPE VINEYARDS (%) PER DISTRICT



## Production of wine World

WINE CROP (NOT INCLUDING JUICE AND MUST)

Country/ group	2001	2002	2003	2004	2005	2006	2007	2008*	2009*	2010*	Growth rate 10/09	Average % of total world production 2001 - 2010
											%	
Argentina	15 835	12 695	13 225	15 464	15 222	15 396	15 046	14 676	12 135	16 250	-17.3	4.7%
Australia	10 756	11 509	10 835	14 679	14 301	14 263	9 606	12 431	11 600	10 900	-6.7	3.9%
Brazil	2 968	3 212	2 620	3 925	3 199	2 372	3 502	3 683	2 950	2 500	-19.9	1.1%
Chile	5 658	5 623	6 682	6 301	7 886	8 448	8 227	8 683	9 869	9 140	13.7	2.5%
China	10 800	11 200	11 600	11 700	12 000	12 000	12 000	12 000	12 000	12 000	0.0	3.8%
France	55 339	50 353	46 360	57 386	52 105	52 127	46 000	41 640	45 558	44 750	9.4	16.7%
Germany	8 891	9 885	8 191	10 007	9 153	8 916	10 263	9 991	9 180	8 762	-8.1	3.1%
Greece	3 477	3 085	3 799	4 248	4 027	3 938	3 511	3 873	3 600	3 100	-7.0	1.2%
Hungary	5 514	3 333	3 880	4 340	3 567	3 271	3 222	3 460	3 400	2 700	-1.7	1.3%
Italy	52 293	44 604	44 848	53 181	54 021	52 036	45 900	46 970	47 699	42 585	1.6	16.4%
Portugal	7 789	6 677	7 340	7 481	7 266	7 543	6 042	5 595	6 000	6 000	7.2	2.3%
Romania	5 090	5 461	5 555	6 166	2 602	5 014	5 289	5 159	5 600	4 700	8.5	1.7%
Russia	3 430	4 060	4 530	5 120	5 035	6 280	7 280	7 110	7 000	7 000	-1.5	1.8%
South Africa	6 471	7 188	8 853	9 279	8 406	9 398	9 753	10 165	9 788	8 900	-3.7	2.9%
Spain	30 500	33 478	41 843	42 988	36 158	38 137	36 781	35 913	32 506	35 141	-9.5	12.3%
USA	19 200	20 300	19 500	20 109	22 888	19 440	19 870	19 330	20 620	19 920	6.7	6.9%
<b>Total top 16</b>	<b>244 011</b>	<b>232 663</b>	<b>239 661</b>	<b>272 374</b>	<b>257 836</b>	<b>258 579</b>	<b>242 292</b>	<b>240 679</b>	<b>239 505</b>	<b>234 348</b>	<b>-0.5</b>	<b>82.5%</b>
Other	22 630	25 201	27 156	27 647	24 440	26 221	26 108	28 721	28 495	35 552	-0.8	8.6%
<b>Total world</b>	<b>266 641</b>	<b>257 864</b>	<b>266 817</b>	<b>300 021</b>	<b>282 276</b>	<b>284 800</b>	<b>268 400</b>	<b>269 400</b>	<b>268 000</b>	<b>269 900</b>	<b>-0.5</b>	<b>91.0%</b>
Southern Hemisphere**	41 688	40 227	42 215	49 648	49 014	49 877	46 134	49 638	46 342	47 690	-6.6	15.0%
New world***	57 920	57 315	59 095	65 832	68 703	66 945	62 502	65 285	64 012	65 110	-1.9	20.8%
EU****	158 289	148 082	152 381	175 291	162 730	162 697	148 497	143 982	144 543	140 338	0.4	52.0%

\* Estimate

\*\* Argentina, Australia, Brazil, Chile and South Africa

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

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

The wine production in 2007 - 2009 for both EU-15 and EU-27 member states reached the lowest level of wine production over the past 15 years.

The 2010 production, excluding juice and must, is expected to amount to 15 196 million litres (compared to 15 981 million litres in 2009) for the EU-27.

France has shown a decline in production volume in 2010 of 81 million litres, whereas Spain has shown an increase of 264 million litres. A significant decline in production has occurred in Germany, Romania and Austria. Italy has shown a decline in production volume of 511 million litres.

In 2010, the USA should record quite a sharp decline in wine production in comparison to the high production of 2009 which was revised upwards (1 992 million litres excluding juice and musts, compared with 2 062 million litres).

In South America Argentina's 2010 production records a marked increase after the low 2009 production (1 625 million litres compared to 1 214 million litres). Chile has shown a decline in production of 73 million litres.

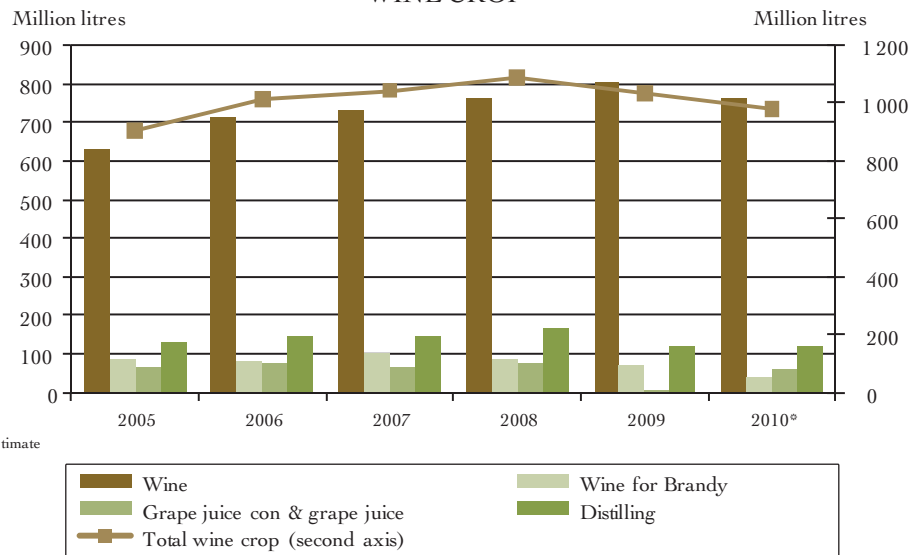
The world production of wine for 2010 (excluding juice and must) is estimated to be between 25 490 and 26 350 million litres.

# Production of wine South Africa

The total wine grape harvest decreased with 6.5% since 2009. The estimated wine grape harvest for 2010 (including juice and must) is 1 260 591 ton compared to 1 347 621 ton in 2009. At a recovery of 778 litres and 767 litres per gross ton it translates to 980.9 and 1 033.6 million litres for 2010 and 2009 respectively.

The estimated breakdown of the total wine crop is as follows: wine 763.2 million litres, wine for brandy 37.6 million litres, distilling wine 120.9 million litres, grape juice concentrate and grape juice 59.2 million litres. An increase in the import of distilling wine @10% alcohol/volume for 2010 is estimated to a total of 10.3 million litres to meet domestic market requirements.

WINE CROP



\* Estimate

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010*
Red varieties as % of grape crop	15.0	21.1	22.7	28.1	29.9	33.5	33.4	34.4	33.9	33.1	31.2
Natural red wine as % of wine	21.0	25.2	27.9	32.1	36.2	38.9	36.5	36.1	37.6	35.2	36.2

\* Estimate

# World consumption

World consumption decreased by 830 million litres since 2007. The global wine consumption is estimated to be 23 660 million litres in 2009. The EU-15 consumption shows a significant decrease of 582 million litres between 2008 and 2009. Italy (167 million litres), Spain (149 million litres) and France (90 million litres) have showed a significant decline in terms of demand. The economic downturn also affects the demand for some importing countries such as Germany (50 million litres) and United Kingdom (80 million litres).

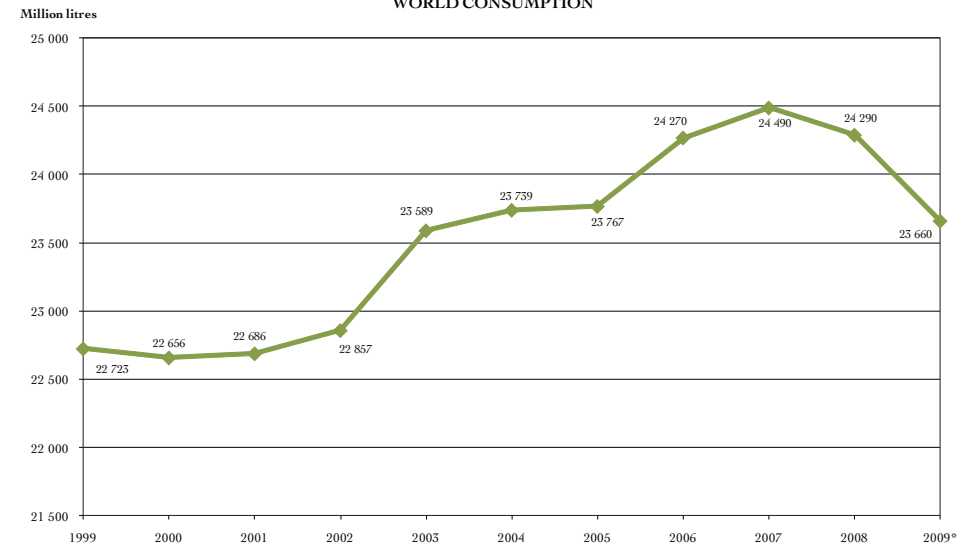
Switzerland, Australia and the Czech Republic; the latter two which showed a noticeable growth during the year.

The USA experienced a decrease of 70 million litres between 2008 and 2009. New Zealand maintained a high level of consumption although slightly eroded. A significant reduction in demand has also been recorded in Argentina (40 million litres) and in South Africa (15 million litres).

Wine consumption in China has shown an increase during the past years and amounts to 1 402.5 million litres. China is currently the 8th largest wine consumer market in the world.

Outside the EU-15 the effects of the economic downturn are also felt except for countries such as

WORLD CONSUMPTION



\* Estimate

Source: OIV

PER CAPITA CONSUMPTION DURING 2007

DISTILLED PRODUCTS			
COUNTRY	LITRES AA	COUNTRY	LITRES AA
Estonia	16.5	Hungary	5.5
Russia	13.4	USA	5.2
Belarus	12.8	China	2.8
Ukraine	10.5	Chile	3.2
Japan	9.0	Australia	2.7
Finland	6.8	South Africa	2.8
Spain	6.3	Argentina	1.4

Source: Euromonitor

WINE			
COUNTRY	LITRES	COUNTRY	LITRES
Italy	46.1	Australia	21.1
Portugal	45.8	Sweden	19.9
France	41.8	Croatia	19.0
Switzerland	39.4	Chile	15.4
Slovenia	37.1	USA	8.5
Denmark	30.8	South Africa	7.2
Argentina	29.0	Russia	7.9
Spain	27.1	Japan	7.4
Uruguay	24.9	Global	4.0
UK	22.7	China	1.9

Source: Euromonitor

## Domestic sales

Domestic sales of natural wine (including wine used in grape-based liquor and alcoholic fruit beverages) has remained relatively constant at 296.8 million litres since 2009. Domestic sales of sparkling wine is estimated to amount to 8.5 million litres in 2010 and domestic sales of fortified wine 33.4 million litres.

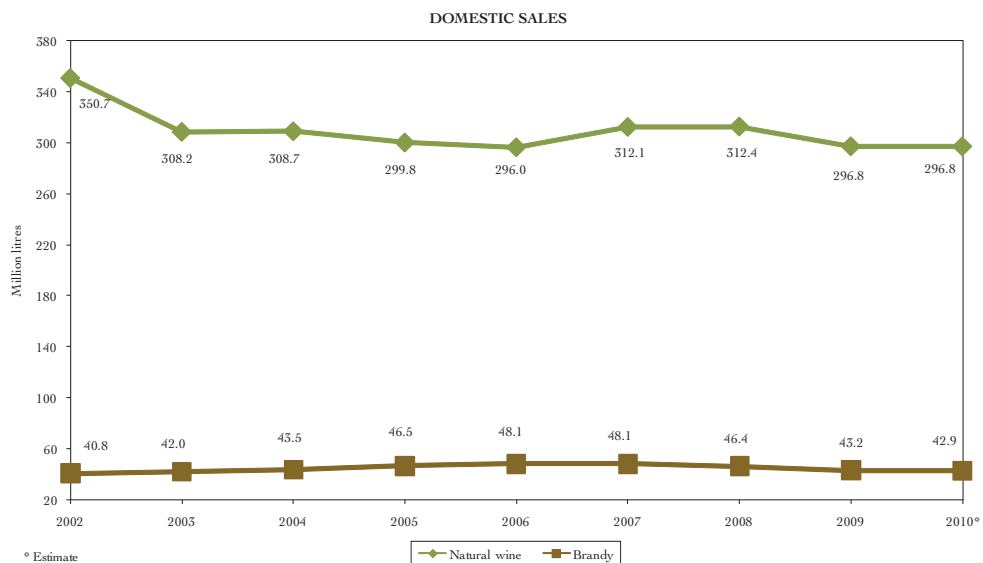
Domestic sales of brandy is expected to decrease with 0.6% in 2009 to 42.9 million litres in 2010.

The twelve month trend up to the end of June 2010 indicate that all alcohol categories decreased, wine -3%, brandy -5.8%, whisky -1.7%, white spirits

-0.3% and beer -2.6%. Only vodka and Ready-to-Drink (RTDs) products increased; the latter by 2.6%.

Trends also indicate a lively medium price (MP) segment which is estimated to grow between 8 to 10% in 2010.

Feedback from the market place confirms that consumers trade down during recessionary times and based on previous experience purchase more well known brands. The use of screw caps is also increasing.



## Domestic packaged wine information

By the end of 2009 total packaged wine sales reached 291.7 million litres<sup>1</sup>. The total packaged wine sales decreased with 4.1% in 2009.

Wine sold in glass containers continues to hold the largest share of the total packaging market and continues its increasing trend. In 2009 48.2% of natural wine was packaged in glass containers, from which 55.1% in 750 ml. Richard Halstead, chief officer of Wine Intelligence, said that consumers remain wedded to the glass bottle because it fulfills all their emotional notions of what wine represents.

Wine sold in bag-in-box reached 26.9% in 2009, with 5 litre containers being the most popular form of package. 20.7% is sold in plastic containers (60.3 million litres) with 46.2% and 35.8% in 1 litre and 5

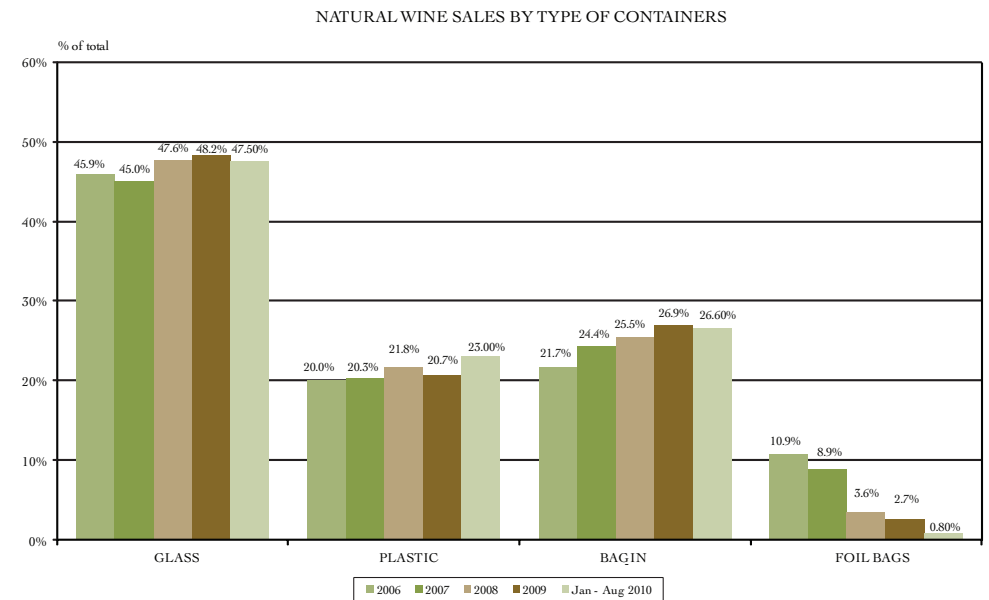
litres respectively. Only 2.7% is packaged in foil bags and 1.5% in tetrapak.

Glass is the most popular form of package among private cellars and wholesalers. Bag-in-box is the most popular form of package among producer cellars and is showing an increasing trend compared to the previous corresponding period.

Wine sold in foil bags decreased by 78% since 2005. Wine sold in all sizes of foil bags amounted to 7.8 million litres.

The total packaged wine sales for the period January to April 2010 were 183.7 million litres with no significant deviation from current packaging trends.

*This figure differs from the domestic sales figure in the previous section because not all role players participate.*



<? This figure differs from the domestic sales figure in the previous section because not all role players participate.

# Stock of Wine

## Wine stock situation at private and producer cellars

|       | 31 December 2006 | 31 December 2007 | 31 December 2008 | 31 December 2009 | 31 December 2010* | Trend |       |
|-------|------------------|------------------|------------------|------------------|-------------------|-------|-------|
|       |                  |                  |                  |                  |                   | 09/08 | 10/09 |
| Red   | 203.6            | 186.7            | 138.6            | 131.4            | 120.7             | 94.8  | 91.8  |
| White | 199.5            | 238.5            | 218.6            | 230.3            | 226.6             | 105.3 | 98.4  |
| Total | 403.1            | 425.2            | 357.2            | 361.7            | 347.3             | 101.3 | 96.0  |

\*Estimate

The October 2010 survey at producer cellars found that there were 290.7 million litres of natural wine stock of which 65.3% was white wine and 34.7% red wine. Total wine stock at producer cellars on 31 December 2009 was 232.7 million litres and total stock at private cellars for 2009 was 129.0 million litres.

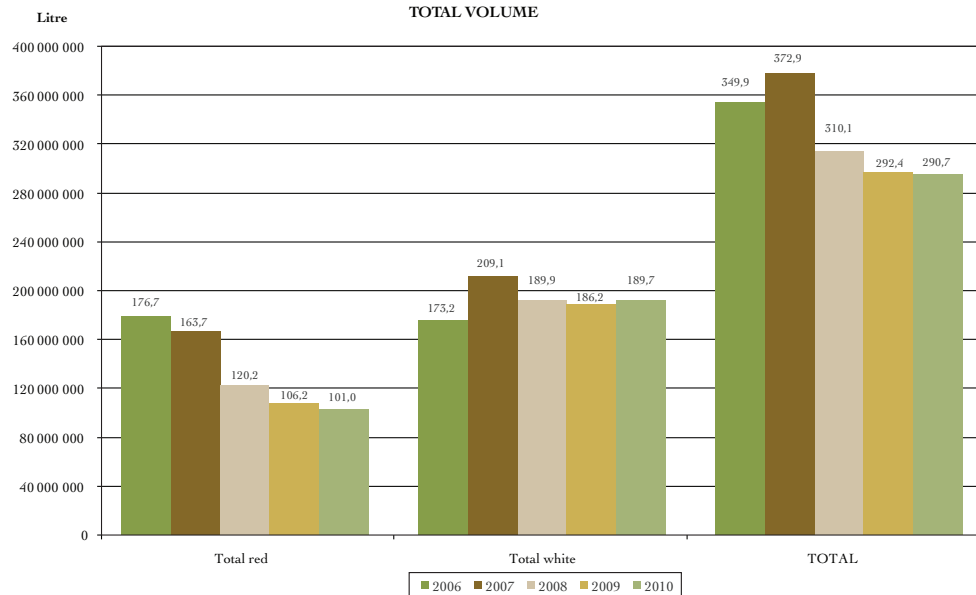
The stock situation of fortified wine, including spirits, remained relatively constant at 7.1 million litres. Sparkling wine has increased with 42% since 2009 and is 320 185 litres in 2010. Distilling wine has decreased to 1.19 million litres in 2010 and the non-

alcoholic component of the wine stock (grape juice concentrate and grape juice) was 0.3 million litres.

From 2009 to 2010 the stocks of red wine decreased with 5.2 million litres (4.8%) and stocks of white wine increased with 3.5 million litres (1.8%).

The contracted and bottled component of the total stock of natural wine accounted for 93.8%, compared to 96.9% in 2009. Contracted and bottled red wine accounted for 95.5% of the total red wine stock compared to 98.3% in 2009. Contracted and bottled white wine accounted for 92.9% of the total white wine stock compared to 96.1% in 2009.

STOCK SITUATION OF NATURAL WINE IN THE INDUSTRY - OCTOBER TOTAL VOLUME



# Exports

## World

The world market, considered as the sum of exports from all countries (monitored countries represent 94% of world exchanges) reached 8 610 million litres in 2009 (-3.6%/2008). This regression is the first recorded since 2000.

The global downturn impacted negatively by reducing demand, especially in wine importing countries where wine, a product that is not essential in people's lifestyle, is diminished in volume.

The downturn also emphasizes the trend that was noted last year, namely increased exchanges in bulk wines.

The combination of factors such as the economic downturn, environmental issues and marketing opportunities leads to changes in transcontinental exchanges and place of value creation with a tendency to move closer to distribution and consumption locations. Within this context the question could be raised as to the sustainability of some vineyards.

In 2009 Italy exported more than 1 860 million litres of wine, reinforcing its position as the leading

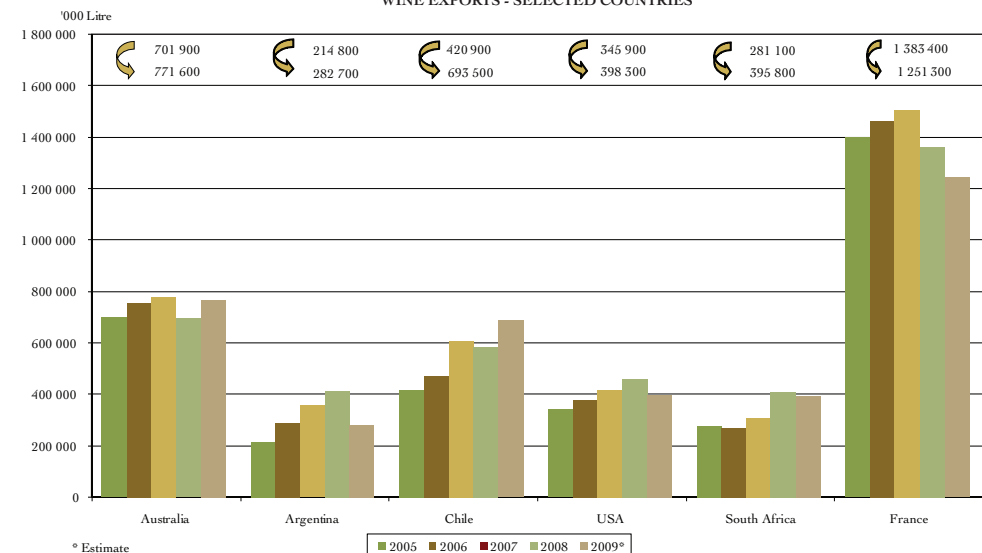
exporter in the world in terms of volume. Chile recorded a significant increase in exports to the volume of 690 million litres (+100 million litres/2008), and Australia in 2009 almost reached the record level of exports of 2007 (775 million litres in 2009, 786 million litres in 2007).

Spain exported 1 440 million litres in 2009 (-11%/2008), and France, with 1 250 million litres exported (-9%/2008), aiming to maintain their level of wine exports unfortunately experienced weaker export results, as well as an erosion of the average value per unit of their exports.

The USA experienced a 16% decrease in the volume exported (390 million litres in 2009).

As for Argentina, there has been a marked progression over the past few years on the basis of exports mainly composed of products with a low margin per unit (bulk or tetrapak). Argentina finds it difficult to further increase the value share of its exports and has been hit by the downturn in full force: 280 million litres exported (-32%/2008).

WINE EXPORTS - SELECTED COUNTRIES



Source: OIV

# Exports South Africa

In 2009, 395.8 million litres of the wine produced was exported. It represents 49.1% of the wine production. Exports decreased by 3.9% during the period of 2008 - 2009.

The Soccer World Cup 2010 contributed to the increase of wine exports. The volume of packaged wine exported to Germany increased by 50%. Wine exports to USA increased by 32% and sales to Canada, Finland, Belgium and the Republic of Ireland showed a significant increase.

Wine exports to Japan increased by 33%. Exports to France, New Zealand and Australia also showed an increasing trend.

Natural wine exports to China and African islands have shown a remarkable upward trend since 2009 of 37.9% and 36.5% respectively. Russia has shown a decline in wine exports of 43.8% and African countries have declined by 52.4%.

It is estimated that the wine industry lost R300 million as a result of the 15 day transport strike by SATAWU during May 2010. This caused logistic export problems leading to cancellation of wine tastings, late deliveries, increased warehousing costs, fines and loss of sales.

# Grape Prices Selected countries

## COMPARISON OF SOUTH AFRICAN GRAPE PRICES WITH COMPETITOR COUNTRIES IN RAND VALUE FOR 2009

| Cultivar           | New Zealand             |        |           | California              |        |           | South Africa            |       |           |
|--------------------|-------------------------|--------|-----------|-------------------------|--------|-----------|-------------------------|-------|-----------|
|                    | Average price (ZAR/ton) |        | % growth  | Average price (ZAR/ton) |        | % growth  | Average price (ZAR/ton) |       | % growth  |
|                    | 2008                    | 2009   | 2009/2008 | 2008                    | 2009   | 2009/2008 | 2008                    | 2009  | 2009/2008 |
| Cabernet Sauvignon | 11,250                  | 10,630 | -5.51%    | 9,207                   | 9,021  | -2.02%    | 2,440                   | 2,710 | 11.03%    |
| Merlot             | 10,022                  | 8,421  | -15.97%   | 5,372                   | 5,272  | -1.87%    | 2,281                   | 2,467 | 8.14%     |
| Shiraz             | 12,905                  | 12,118 | -6.10%    | 5,828                   | 5,450  | -6.48%    | 2,333                   | 2,692 | 15.37%    |
| Pinotage           | 7,468                   | 5,968  | -20.22%   | 13,239                  | 12,192 | -7.90%    | 1,881                   | 2,128 | 13.14%    |
| Total Red          | 10,374                  | 8,972  | -13.52%   | 7,331                   | 7,131  | -2.73%    | 2,255                   | 2,534 | 12.38%    |
| Sauvignon blanc    | 15,539                  | 8,670  | -55.96%   | 6,409                   | 6,014  | -6.15%    | 3,220                   | 3,324 | 3.22%     |
| Chardonnay         | 9,252                   | 7,267  | -21.45%   | 6,761                   | 6,385  | -5.56%    | 2,712                   | 2,666 | -1.69%    |
| Chenin blanc       | 5,621                   | 5,016  | -10.77%   | 2,217                   | 2,273  | 2.54%     | 1,376                   | 1,482 | 7.73%     |
| Total White        | 12,829                  | 8,441  | -34.20%   | 6,170                   | 5,964  | -3.34%    | 1,905                   | 1,982 | 4.06%     |

Sources: New Zealand Wine Growers Statistical Annual 2009  
 Californian Grape Crush Report: 2009  
 Oanda, The Currency Site  
 Australia do not publish grape prices as from 2009.

# South Africa

## AVERAGE PRICES OF GRAPES SOLD FOR THE PRODUCTION OF WINE

| VARIETY                           | 2003                |                            | 2004                |                            | 2005                |                            | 2006                |                            | 2007                |                            | 2008                |                            | 2009                |                            | % +<br>2009/2008 |        |
|-----------------------------------|---------------------|----------------------------|---------------------|----------------------------|---------------------|----------------------------|---------------------|----------------------------|---------------------|----------------------------|---------------------|----------------------------|---------------------|----------------------------|------------------|--------|
|                                   | Producer<br>collars | Non<br>Producer<br>collars | Producer<br>collars | Non<br>Producer<br>collars | Producer<br>collars | Non<br>Producer<br>collars | Producer<br>collars | Non<br>Producer<br>collars | Producer<br>collars | Non<br>Producer<br>collars | Producer<br>collars | Non<br>Producer<br>collars | Producer<br>collars | Non<br>Producer<br>collars |                  |        |
|                                   | Cabernet Franc      | 3,331                      | 5,436               | 2,504                      | 5,426               | 1,862                      | 4,275               | 1,533                      | 3,019               | 1,547                      | 3,011               | 1,756                      | 2,970               | 1,959                      |                  | 3,722  |
| Cabernet Sauvignon                | 4,080               | 5,605                      | 3,228               | 5,476                      | 2,366               | 4,212                      | 1,987               | 3,428                      | 3,026               | 2,232                      | 3,196               | 2,163                      | 3,984               | 3,099                      | -3.09            | 24.66  |
| Carignan                          | 4,335               | 3,055                      | 0                   | 3,315                      | 1,814               | 4,454                      | 1,289               | 3,860                      | 2,103               | 3,660                      | 1,297               | 4,403                      | 2,812               | 4,400                      | 116.81           | -0.07  |
| Cinsaut                           | 2,718               | 2,753                      | 2,088               | 2,757                      | 1,410               | 2,271                      | 1,326               | 2,139                      | 1,333               | 2,126                      | 1,374               | 2,092                      | 1,642               | 2,311                      | 12.33            | 16.47  |
| Gamay noir                        | 1,605               | 3,315                      | 1,476               | 3,336                      | 0                   | 2,807                      | 0                   | 2,438                      | 0                   | 2,311                      | 0                   | 2,366                      | 0                   | 1,965                      | 0.00             | -16.95 |
| Merlot                            | 3,662               | 5,477                      | 2,477               | 5,327                      | 1,997               | 3,963                      | 1,774               | 3,186                      | 1,764               | 2,960                      | 1,931               | 3,079                      | 2,010               | 3,651                      | 4.09             | 18.65  |
| Petit Verdot                      | 3,662               | 5,423                      | 2,490               | 5,326                      | 1,848               | 4,284                      | 1,525               | 3,708                      | 1,416               | 3,476                      | 1,847               | 3,608                      | 1,960               | 3,968                      | 6.12             | 9.98   |
| Pinot noir                        | 2,794               | 4,806                      | 2,437               | 5,191                      | 2,491               | 4,549                      | 1,725               | 4,172                      | 2,295               | 4,165                      | 2,453               | 4,603                      | 2,649               | 4,885                      | 6.54             | 6.08   |
| Pinotage                          | 3,198               | 4,827                      | 2,319               | 4,376                      | 1,770               | 3,202                      | 1,673               | 2,602                      | 1,632               | 2,631                      | 1,773               | 2,655                      | 1,889               | 3,393                      | 6.54             | 27.80  |
| Roussanne                         | 2,739               | 4,681                      | 2,030               | 3,607                      | 1,572               | 2,948                      | 1,125               | 1,823                      | 1,067               | 2,857                      | 1,486               | 3,313                      | 1,667               | 2,776                      | 12.18            | -16.21 |
| Ruby Cabernet                     | 2,806               | 3,775                      | 1,850               | 3,639                      | 1,355               | 2,783                      | 1,311               | 1,822                      | 1,345               | 1,703                      | 1,012               | 1,607                      | 1,683               | 2,641                      | 11.31            | 75.25  |
| Shiraz (Syrah)                    | 3,524               | 5,294                      | 2,633               | 5,036                      | 2,091               | 3,907                      | 1,906               | 3,027                      | 1,845               | 3,255                      | 2,104               | 3,329                      | 2,214               | 4,090                      | 5.23             | 22.86  |
| Tinta Baroeca                     | 2,807               | 3,182                      | 1,767               | 3,240                      | 1,681               | 3,068                      | 1,387               | 2,812                      | 1,298               | 2,817                      | 1,083               | 3,084                      | 1,741               | 4,243                      | 9.98             | 15.17  |
| Other red                         | 1,515               | 4,663                      | 1,546               | 4,675                      | 931                 | 4,205                      | 1,016               | 3,622                      | 912                 | 1,916                      | 905                 | 2,993                      | 1,069               | 4,033                      | 18.12            | 34.75  |
| Bukettauhe                        | 946                 | 1,100                      | 1,018               | 1,229                      | 965                 | 1,500                      | 1,310               | 1,714                      | 1,401               | 1,610                      | 1,471               | 1,322                      | 1,541               | 1,800                      | 4.76             | 36.16  |
| Crouchen (Cape Riesling)          | 1,283               | 1,614                      | 1,308               | 1,750                      | 1,387               | 2,040                      | 1,522               | 2,021                      | 1,455               | 2,370                      | 1,376               | 2,018                      | 1,466               | 2,450                      | 6.47             | 21.41  |
| Chardonnay                        | 2,309               | 3,567                      | 2,478               | 3,733                      | 2,403               | 3,841                      | 2,453               | 3,711                      | 2,456               | 3,630                      | 2,660               | 3,739                      | 2,396               | 4,185                      | -6.41            | 11.93  |
| Chenin blanc                      | 1,240               | 1,735                      | 1,217               | 2,032                      | 1,256               | 2,198                      | 1,295               | 2,141                      | 1,544               | 2,532                      | 1,355               | 2,549                      | 1,424               | 2,813                      | 5.09             | 19.75  |
| Chateau blanche                   | 1,340               | 724                        | 1,255               | 819                        | 1,339               | 1,000                      | 1,436               | 966                        | 1,329               | 1,455                      | 1,317               | 1,373                      | 1,333               | 1,718                      | 1.12             | 25.13  |
| Columbar                          | 1,089               | 1,111                      | 1,045               | 1,079                      | 1,085               | 1,180                      | 1,060               | 1,168                      | 1,174               | 1,263                      | 1,199               | 1,169                      | 1,284               | 1,257                      | 7.09             | 7.53   |
| Faloumis (White French)           | 789                 | 799                        | 769                 | 879                        | 822                 | 1,502                      | 866                 | 1,450                      | 983                 | 1,300                      | 972                 | 855                        | 1,073               | 869                        | 10.39            | 4.07   |
| Gewurztraminer                    | 1,577               | 3,386                      | 1,819               | 2,247                      | 1,407               | 2,766                      | 2,138               | 3,079                      | 3,668               | 2,564                      | 3,964               | 2,847                      | 3,517               | 2,952                      | -11.28           | 3.69   |
| Muscat d'Alexandrie (Hamppost)    | 1,069               | 770                        | 1,135               | 1,074                      | 1,074               | 1,348                      | 1,277               | 1,211                      | 1,397               | 1,521                      | 1,380               | 1,528                      | 1,401               | 2,215                      | 1.52             | 44.96  |
| Muscat de Frontignan (Muscadelle) | 1,295               | 1,050                      | 1,348               | 1,794                      | 1,388               | 2,295                      | 1,476               | 2,655                      | 1,514               | 3,010                      | 1,703               | 2,594                      | 1,850               | 6,302                      | 8.63             | 142.95 |
| Pinot gris                        | 1,265               | 2,909                      | 1,767               | 2,827                      | 2,083               | 3,070                      | 1,985               | 2,031                      | 3,266               | 3,166                      | 3,491               | 3,692                      | 2,828               | 4,444                      | -18.99           | 20.37  |
| Sauvignon blanc                   | 2,214               | 3,705                      | 2,577               | 4,166                      | 2,675               | 4,439                      | 2,709               | 4,561                      | 2,689               | 4,680                      | 2,656               | 4,668                      | 2,669               | 5,165                      | -3.28            | 10.65  |
| Sémillon                          | 1,095               | 2,480                      | 1,711               | 2,587                      | 1,617               | 2,563                      | 1,862               | 2,811                      | 1,701               | 2,774                      | 1,750               | 2,952                      | 1,813               | 3,682                      | 3.60             | 24.75  |
| Vignier                           | 948                 | 4,294                      | 2,494               | 4,088                      | 2,565               | 4,177                      | 2,761               | 4,046                      | 2,476               | 3,950                      | 2,374               | 3,311                      | 2,120               | 4,119                      | -10.70           | 24.40  |
| Weisser Riesling (Rhine Riesling) | 1,453               | 2,638                      | 1,564               | 2,870                      | 1,428               | 3,077                      | 1,513               | 3,811                      | 2,274               | 3,791                      | 2,086               | 3,849                      | 1,476               | 5,567                      | 29.24            | 44.63  |
| Other white                       | 728                 | 701                        | 725                 | 738                        | 816                 | 935                        | 649                 | 707                        | 881                 | 799                        | 917                 | 927                        | 992                 | 1,481                      | 8.18             | 69.76  |
| All varieties                     | 1,624               | 4,041                      | 1,408               | 4,133                      | 1,387               | 3,093                      | 1,362               | 3,128                      | 1,434               | 2,971                      | 1,589               | 3,173                      | 1,600               | 3,917                      | 11.65            | 31.84  |
| All red varieties                 | 3,271               | 5,112                      | 2,887               | 4,947                      | 1,803               | 3,864                      | 1,649               | 3,140                      | 1,635               | 2,961                      | 1,799               | 3,127                      | 1,898               | 3,865                      | 16.09            | 30.53  |
| All white varieties               | 1,201               | 2,438                      | 1,195               | 2,715                      | 1,237               | 3,103                      | 1,235               | 3,109                      | 1,338               | 2,998                      | 1,400               | 3,241                      | 1,405               | 3,998                      | 9.94             | 33.90  |

\* Producer collars preliminary

# Bulk Wine Prices

## South Africa

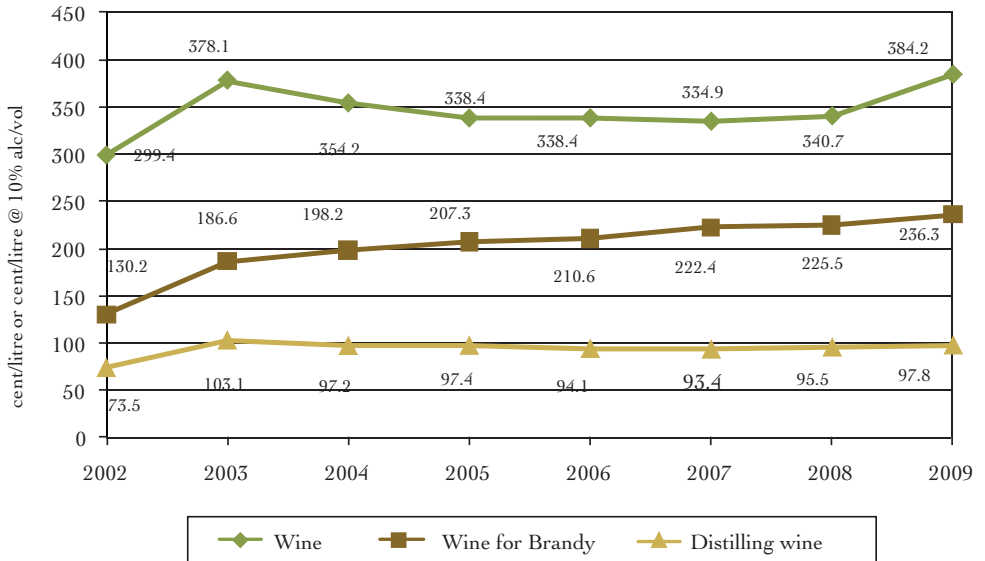
The average bulk wine prices have shown a slight increase. The average prices for all varieties increased from R3.40 per litre in 2008 to R3.84 per litre in 2009.

Pinot Noir was the most expensive of the main varieties in 2009 with R7.80 per litre, followed by Shiraz (R5.61 per litre), Sauvignon blanc (R5.46 per litre), Carbenet Sauvignon (R5.40 per litre) and Chardonnay (R5.24 per litre).

The average price of Pinot Noir increased by 49% in 2008/2009. The average price for Carbenet Sauvignon increased by 19%.

The average price of wine for brandy was R2.36 per litre @10% alc/vol (+4.8%), while that of distilling wine was R0.98 per litre @10% alc/vol (+2.5%). The average price of concentrate/sweet must for sweetening reached R3.62 per litre, an increase of 23.5% compared to 2008.

AVERAGE PRICES OF WINE SOLD IN BULK



## For something different – the South African Industry Structure

Since 1998 the number of primary producers decreased from 4 664 to 3 667 in 2009. The number of wine cellars crushing grapes increased from 295 to 604 over the same period. In 2009 71% of wine cellars crushed between 1 – 500 tons compared to 52% in 1998.