


**Wine
Australia**



**Australian Wine:
Production, Sales
and Inventory 2020-21**

December 2021



Summary

Total Australian wine production in 2020–21 is estimated to be just under 1.5 billion litres, or 165 million 9-litre case equivalents, after near-perfect growing and ripening conditions in most states and regions delivered a record crush of 2.03 million tonnes.

Production of red wine was 854 million litres or 95 million 9-litre cases, making up 58 per cent of production and increasing its share by one percentage point since 2019–20. Red wine production was 40 per cent above 2019–20 and 32 per cent above the 10-year average.

White wine production was 628 million litres (70 million cases), an increase of 27 per cent compared with last year and 10 per cent above the 10-year average.

Based on these figures and preliminary estimates from the International Organisation of Vine and Wine (OIV), Australia was the fifth largest wine producer in the world, accounting for 5.7 per cent of the 2021 harvest.

Total sales volume decreased by 4 per cent to 1.17 billion litres or 130 million cases, with both exports and domestic sales declining. Domestic wine sales accounted for 41 per cent of total sales volume, the largest share since 2013–14.

As a result of the big increase in production and slight reduction in sales, the national wine inventory increased by 24 per cent to 2.1 billion litres. Stock-to-sales ratios increased to 2.05 for reds and 1.53 for whites, above the 10-year averages of 1.58 and 1.30 respectively.

The market conditions over the next 2 to 3 years are likely to be challenging, due to a number of factors including a long-term decline in demand in most mature wine markets. High inventory levels combined with global shipping difficulties in getting wine to market could place pressure on winery storage capacity heading into vintage 2022.

Overview

Production Vintage 2021



2.03m **31%**

TONNES OF GRAPES CRUSHED



1.48b **34%**

LITRES OF WINE PRODUCED

Sales 2020-21



\$5.89b **-9%**

TOTAL VALUE (AUD)



1.17b **-4%**

LITRES OF WINE



\$2.6b **-10%**

EXPORT VALUE (AUD)



\$3.3b **-8%**

DOMESTIC VALUE (AUD)



693m **-5%**

EXPORT VOLUME (LITRES)

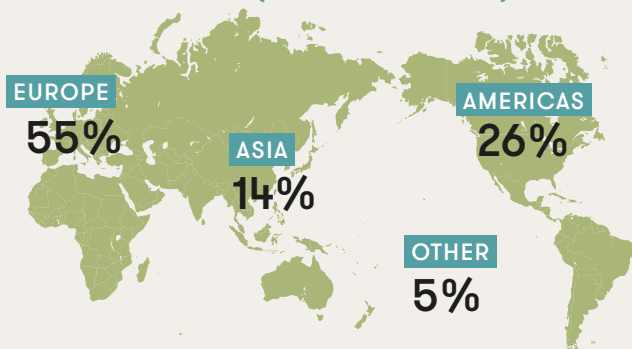


474m **-3%**

DOMESTIC VOLUME (LITRES)

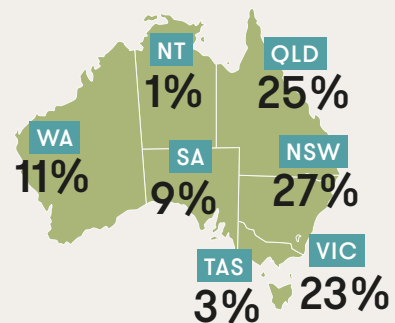
59%

EXPORTED VOLUME (SHARE OF EXPORTS)



41%

DOMESTIC VOLUME (SHARE OF OFF-TRADE SALES)



Inventory 30 June 2021



2.10 billion **24%**

LITRES OF WINE

Key statistics

Table 1: Grape crush by colour (thousand tonnes)

	2020	2021	YoY change	10-year average	Change from 10-year average
Red grapes	849	1163	37%	899	29%
White grapes	695	865	25%	827	5%
Total grape crush	1544	2028	31%	1727	17%

Table 2: Wine production by colour (million litres)

	2019-20	2020-21	YoY change
Wine from red grapes	612	854	40%
Wine from white grapes	495	628	27%
Total wine production	1107	1482	34%

Table 3: Extraction rates (litres of wine per tonne)

	2019-20	2020-21	YoY change	10-yr average	Change from 10-year average
Red	720	734	2%	717	2%
White	713	727	2%	691	5%
Total	717	731	2%	704	4%

Table 4: Wine inventory by colour (million litres)

	2019-20	2020-21	YoY change
Red and rosé	997	1242	25%
White	544	706	30%
Total still wine	1541	1948	26%
Sparkling	84	71	-15%
Fortified and other products	76	85	12%
Total inventory	1701	2103	24%

Table 5: Stock to sales ratios (years)

	2019-20	2020-21	10-year average
Red	1.54	2.05	1.58
White	1.11	1.53	1.30
Total	1.39	1.80	1.46

Table 6: Domestic wine sales by wine style (million litres)

	2019-20	2020-21	YoY change
Red and rosé	206	194	-6%
White	210	199	-5%
Sparkling (inc carbonated)	59	62	5%
Fortified	16	19	16%
Total	491	474	-3%

Table 7: Domestic wine sales value

	2019–20	2020–21	YoY change
Total value (\$ million)	3613	3333	-8%
Average value (\$/litre)	7.36	7.03	-5%

Table 8: Export wine sales by wine style (million litres)

	2019–20	2020–21	YoY change
Red and rosé	440	412	-6%
White	280	263	-6%
Sparkling (inc carbonated)	9	17	79%
Fortified and other	0.71	0.75	6%
Total	730	693	-5%

Table 9: Export wine sales value (A\$ million FOB)

	2019–20	2020–21	YoY change
Export sales	2840	2559	-10%

Table 10: Total sales volume (million litres)

	2019–20	2020–21	YoY change
Red and rosé	646	607	-6%
White	490	463	-5%
Sparkling (inc carbonated)	68	78	15%
Fortified	17	20	16%
Total sales	1221	1167	-4%

Table 11: Total sales value (A\$ million)

	2019–20	2020–21	YoY change
Total sales	6453	5892	-9%



Production

Winegrape crush

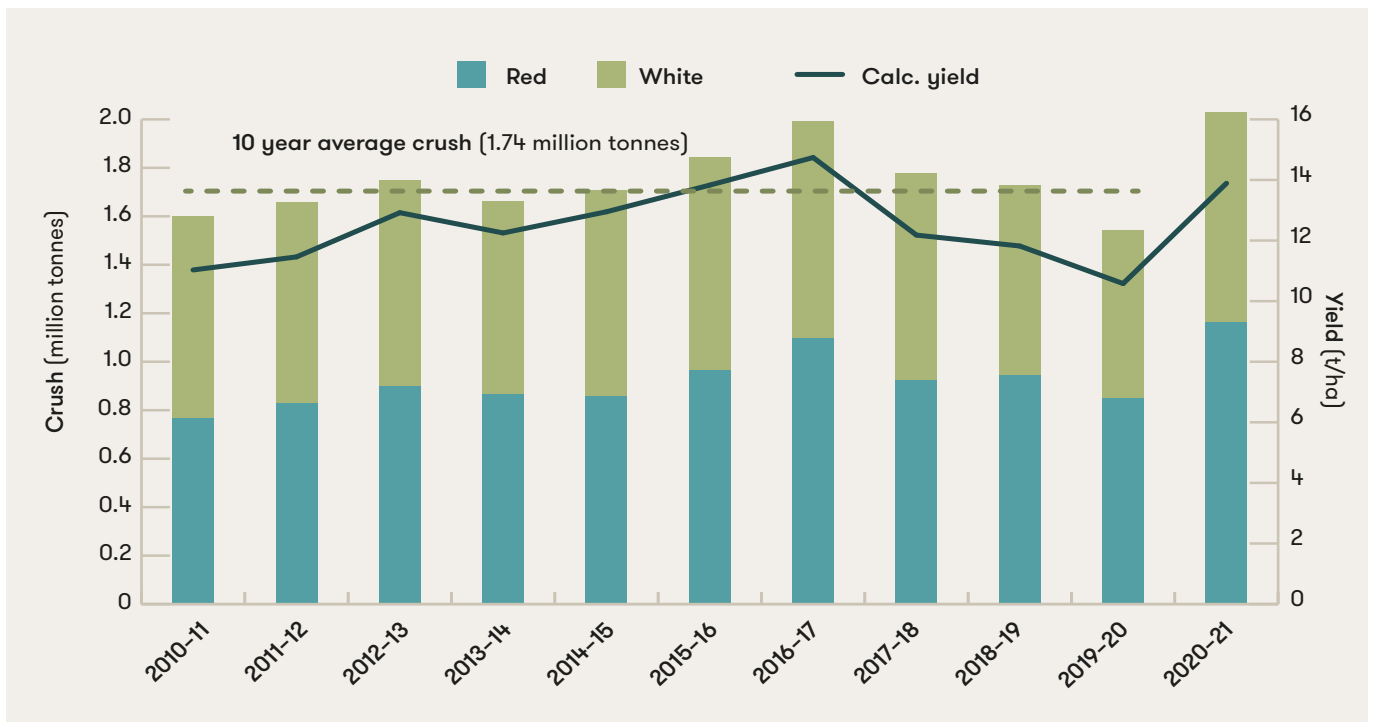
The Australian winegrape crush in 2021 was 2.03 million tonnes, the largest ever recorded, and 17 per cent above the 10-year average of 1.74 million tonnes. The record crush balanced out the two previous below-average vintages, with the average of the three being closely in line with the long-term average of 1.75 million tonnes.

Australia's vineyard area is approximately 146,000 hectares¹, giving an average yield of just under 14 tonnes per hectare in 2021, slightly lower than in 2017 when it is estimated that the area of vineyards was about 5000 hectares smaller (see Figure 1).

The 2020–21 season was characterised by near-perfect growing and ripening conditions across most states and regions. The 2020–21 summer was the coolest in 10 years (0.28°C below average) under the influence of the La Niña climate pattern. Fewer heatwaves and good rain at the right time allowed grapes to ripen optimally, reducing bottlenecks at wineries and ensuring maximum quality potential could be realised. There were good water allocations through the inland regions, while a lack of disease pressure meant low levels of rejected fruit.

The increase in tonnes was largely driven by red varieties, which contributed two-thirds of the 500,000 additional tonnes compared with 2020. The red crush was the largest for at least 15 years and 29 per cent above the 10-year average. It was 4 per cent higher than in the previous record year (2017). By contrast, the white crush increased by 25 per cent to be just 5 per cent above the 10-year average and 3 per cent lower than in 2017. This disparity between reds and whites reflects the increasing demand for reds over recent years.²

Figure 1: Australian winegrape harvest by colour (historical)



1 National Vineyard Scan 2019

2 For more details on the crush, see the [National Vintage Report 2021](#)

Wine production

Total Australian wine production in 2020–21 is estimated to be just under 1.5 billion litres, or 165 million 9-litre case equivalents³. This is the largest production for at least 15 years, and 22 per cent above the 10-year average of 1.2 billion litres. It compensated for the exceptionally low production in 2019–20, with the average of the two being just above the 10-year average.

Red wine accounted for 58 per cent of total production, the largest share recorded since 2003–04. Production of red wine was 854 million litres or 95 million 9-litre cases. It increased by 40 per cent compared with 2019–20 and was 32 per cent above the 10-year average. White wine production was 628 million litres (70 million cases), an increase of 27 per cent compared with 2019–20 and 10 per cent above the 10-year average.

The extraction rate for reds and whites increased slightly compared with 2019–20, meaning that the increase in wine production was greater than the increase in crush.

Sparkling wine production⁴ in 2020–21 is estimated to be 59 million litres, of which 90 per cent was white. Fortified wine production (also from earlier vintage grapes) is estimated to be 15 million litres, of which 17 per cent was white. Sparkling and fortified volumes are not included in the total wine production figures as the base wine would have been included in the 2020 or earlier figures. Sparkling wine production did not change much compared with the previous year, while fortified wine production, particularly red, increased significantly in percentage terms, but from a low base.

It is estimated that a total of 80 million litres of ‘other products’⁵ was made from the 2021 crush in addition to wine. This represents an increase of 10 per cent compared with 2019–20.

The global context

Global wine production in 2021 is estimated by the International Organisation of Vine and Wine (OIV) to be 25 billion litres⁶. This is one of the lowest ever reported global vintages, at 7 per cent below the long-term average, and is very similar to production in 2017, which was the lowest in 20 years. It is the third year in a row that world wine production has been below average.

The 7 per cent shortfall compared with an average global harvest amounts to 1.8 billion litres, which is more than Australia’s total production in 2020–21.

The low total production was driven mainly by the northern hemisphere harvest, which was reduced as a result of unfavourable climatic conditions primarily affecting the major wine-producing countries in Europe. Ongoing drought conditions also kept the US harvest below average, although it was larger than in 2020 when there were significant impacts of fire and smoke taint.

The southern hemisphere producers (except for New Zealand) had relatively favourable climatic conditions, leading to record high production levels in Argentina, Chile, South Africa and Australia. Overall, the southern hemisphere production is estimated to be a record high 5.9 billion litres, up 19 per cent compared with 2020. Australia contributed most to the increase, and (based on these preliminary figures) retains its position as fifth-largest wine producer in the world and largest in the southern hemisphere, with a 5.7 per cent share of global production.

3 Estimate based on the annual *Wine Production, Sales and Inventory Survey* – see Method section page 20

4 Bottled and bulk fermented sparkling wine that underwent second fermentation in the 2020–21 financial year

5 Juice, concentrate, wine products and wine-based beverages. Estimate is of the total volume including other ingredients.

6 Preliminary estimate, November 2021



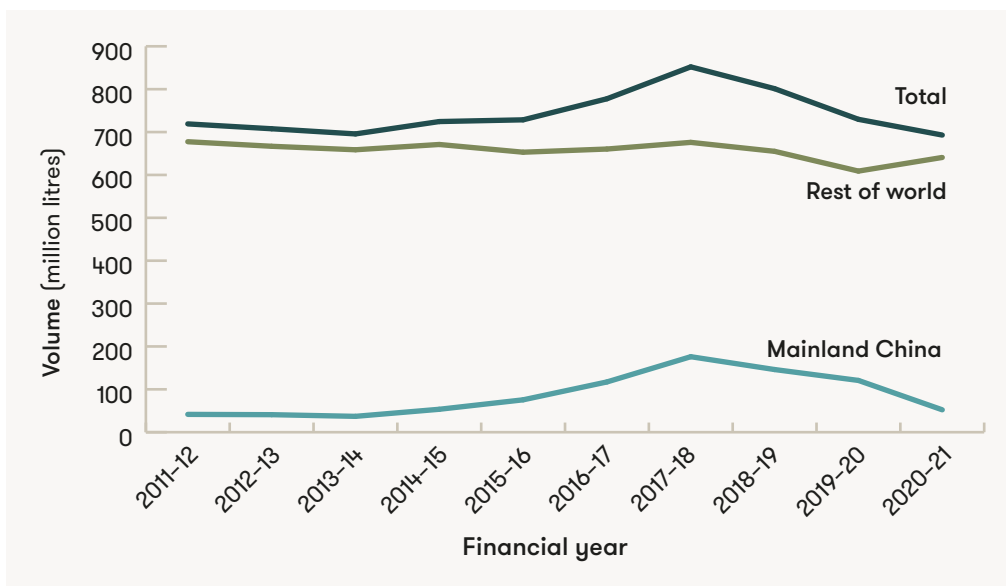
Sales

Exports

The volume of Australian wine exported in 2020–21 was 693 million litres (77 million 9-litre case equivalents), a decrease of 5 per cent compared with 2019–20⁷. After reaching a record volume⁸ of 852 million litres in 2017–18, exports have now declined for three successive years, in line with lower vintages, including a record low crop in 2020.

Aside from the size of the crush, the other main driver of export volume since 2015 has been demand from mainland China. Exports to mainland China grew from less than 40 million litres in 2013–14 to a peak of 176 million litres in 2017–18, while exports to the rest of the world (RoW) remained stable (partly constrained by supply). Exports of Australian wine to mainland China started to decline in 2018–19 as its overall demand for imported wine decreased. In November 2020, significant import tariffs were introduced for Australian bottled wine under 2 litres, which saw exports further decline dramatically.

Figure 2: Australian wine export volume to mainland China and the rest of the world over time

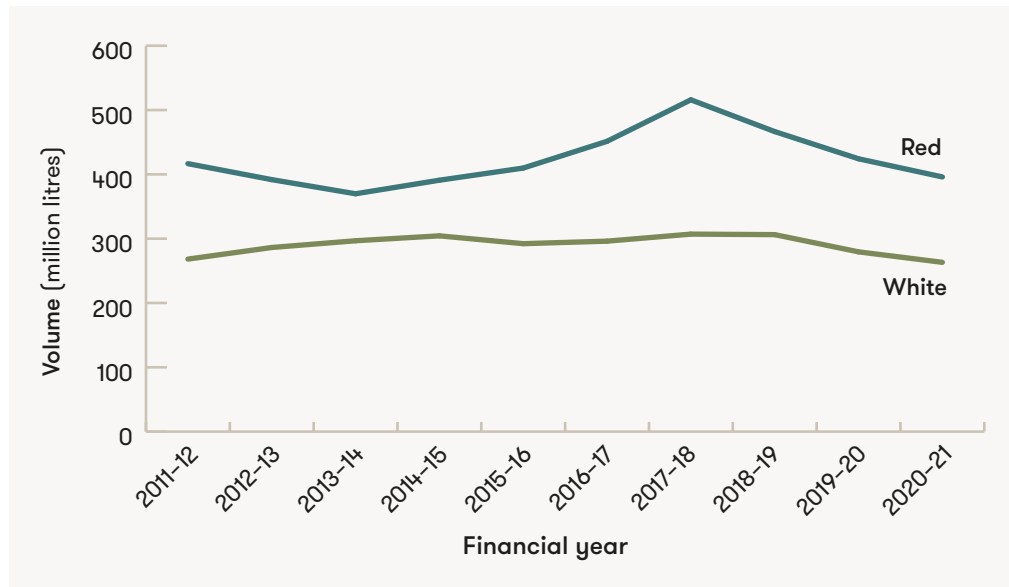


⁷ Export data extracted from the Wine Australia Wine Licensing and Approval System.

⁸ For a financial year

The overwhelming majority (90–95 per cent) of wine exported to mainland China by Australia is red still wine. Therefore, demand from mainland China has underpinned the growth and subsequent decline in exports of still red wine between 2014–15 and 2020–21, during which time white wine exports have remained more stable (see Figure 3).

Figure 3: Australian still wine export volume by colour over time



The 2020–21 reporting period was the first full financial year since the start of the global COVID-19 pandemic. However, global wine sales did not seem to be negatively affected overall by the pandemic. The top 10 wine-importing countries imported just over 7 billion litres of wine in 2020–21, almost exactly the same as the previous year and only 1 per cent less than in the 2018–19 financial year, prior to COVID-19⁹.

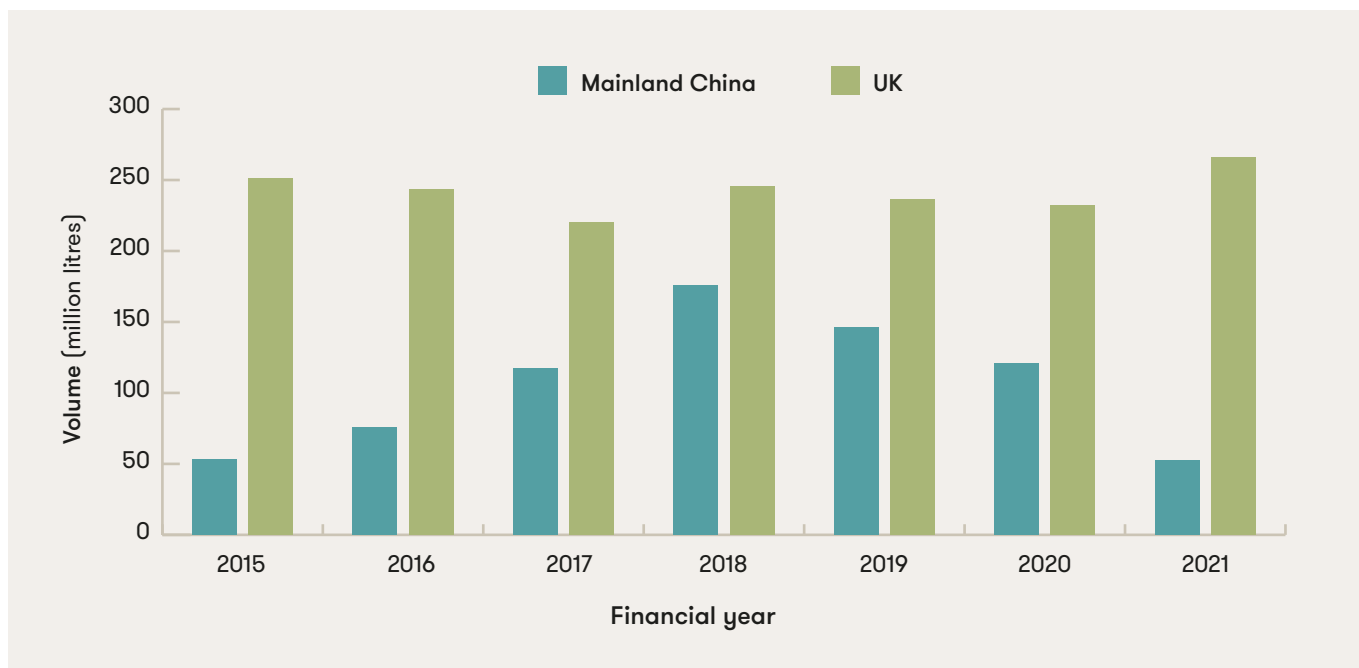
Excluding mainland China, Australia’s wine exports increased by 5 per cent in volume to 641 million litres (71 million 9-litre case equivalents) in 2020–21. This growth was underpinned by exports to the United Kingdom (UK), which are now at their highest level in a decade, receiving 266 million litres in 2020–21 (up 15 per cent compared with the previous years).



⁹ Source: IHS-Markit (Global Trade Atlas data) December 2021

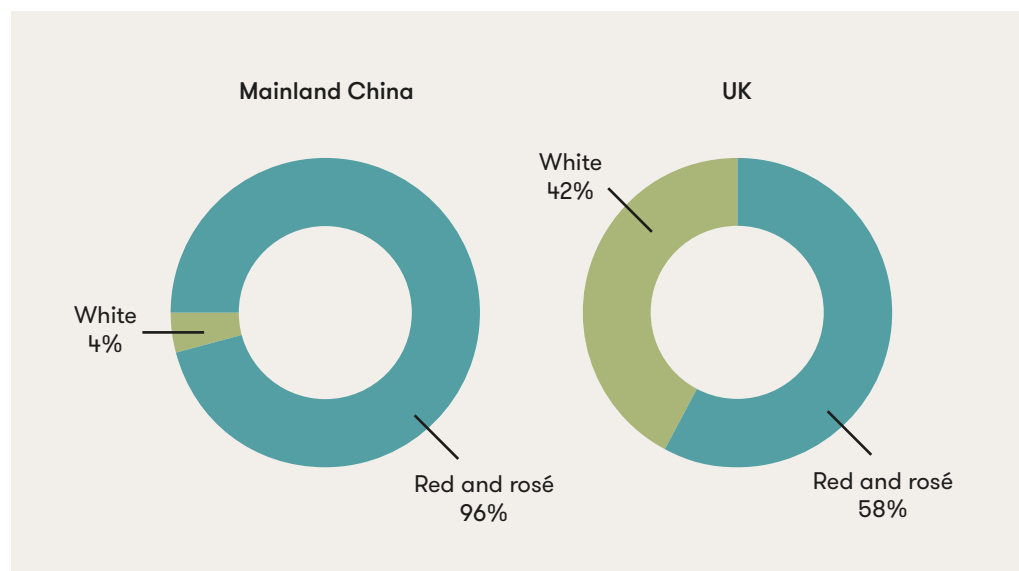
The UK is Australia's largest export market by volume and has been for at least 20 years. The volume of wine exported to the UK over the past 5 years prior to 2020-21 has been nearly twice the amount sent to mainland China (see Figure 4).

Figure 4: Exports of Australian wine to China and the UK by financial year



However, the colour profile of exports to the UK is different from that to mainland China, with 42 per cent being white, compared with just 4 per cent to mainland China (Figure 5).

Figure 5: Share of exports by colour to mainland China and the UK



Overall, red or rosé wine accounted for 59 per cent of the export volume and declined by 6 per cent. White wine accounted for 38 per cent and also declined by 6 per cent. Sparkling wine (including carbonated) increased by 79 per cent but only accounted for 2 per cent of total exports. The dramatic increase is primarily attributable to a change in the Wine Australia Licensing and Approval system, which previously excluded Moscato from sparkling wine figures. Almost all the sparkling Moscato is exported to the United States of America (US) and Canada.

Domestic sales

The Australian domestic wine market is the largest single market for Australian wine, accounting for more than 40 per cent of all Australian wine sales by volume.

The results of the *Wine Production, Sales and Inventory Survey 2021* indicate that the volume of Australian wine sold domestically in 2020–21 declined by 3 per cent from 491 million litres to 474 million litres (53 million cases). This finding is consistent with the IWSR-reported 2 per cent decline in consumption of Australian wine on the domestic market in the 2020 calendar year. It reflects the long-term trend of declining consumption in mature wine markets including Australia over the past five or so years, as well as a small overall reduction due to COVID-19-related disruptions.

The survey found that the red wine segment declined by 6 per cent and white decreased by 5 per cent. Red (including rosé) and white still wines held almost equal shares of domestic sales (41 and 42 per cent respectively). Sparkling wine increased by 5 per cent, against the overall trend. This growth was primarily driven by Australian Prosecco, which accounted for 17 per cent of Australian sparkling wine sales on the domestic off-trade market and grew by 29 per cent in 2020–21¹⁰.

The average value of sales was found to decrease by 5 per cent to \$7.03 per litre in 2020–21. The decrease in volume combined with the decrease in average value meant that the overall estimated value to Australian winemakers of domestic wine sales decreased by 8 per cent to \$3.3 billion. This amount is a mix of wholesale and retail value, with wholesale making up an estimated 82 per cent of the value.

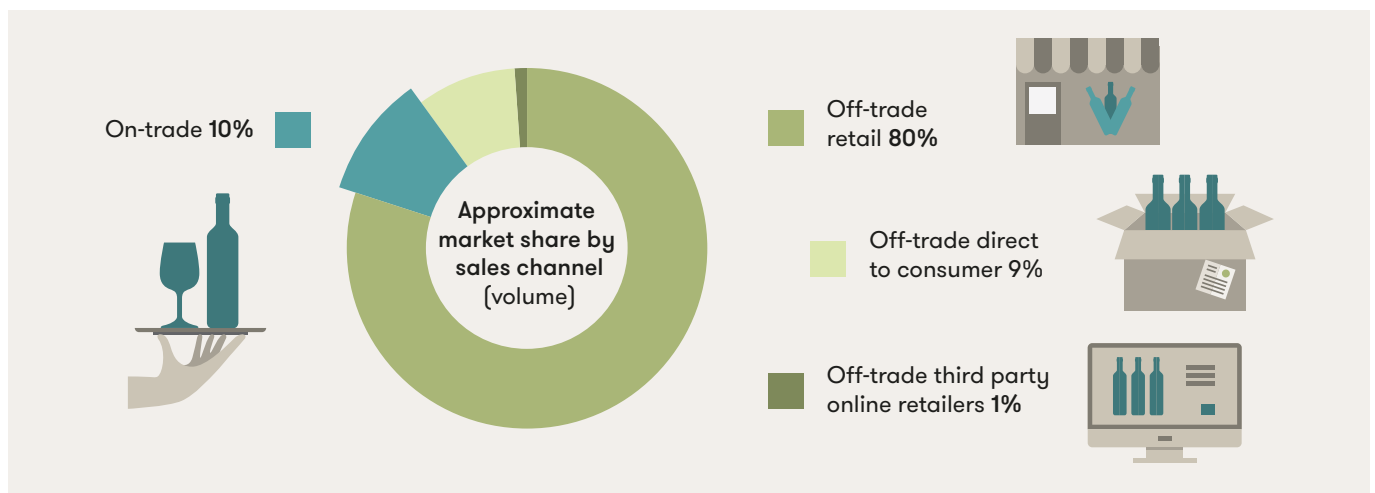
The domestic market is made up of four main channels:

- on-trade (restaurants, hotels, pubs and clubs)
- off-trade retail ('big box' retailers including their website sales, independent retail shops including Aldi)
- off-trade direct-to-consumer (wine clubs, cellar door, wineries' own websites); and
- off-trade third-party online retailers

While COVID-19 had a limited effect on overall domestic consumption volume, it did have a major effect on sales share by channel. Wine Australia estimates that the on-trade decreased its share (by volume) from 17 per cent to 10 per cent, while off-trade retail increased to 80 per cent and direct-to-consumer (DTC) to 9 per cent.

Each channel's approximate share of the market¹¹ is illustrated in Figure 5 below.

Figure 5: Domestic market sales channels



¹⁰ IRI MarketEdge 04 July 2021

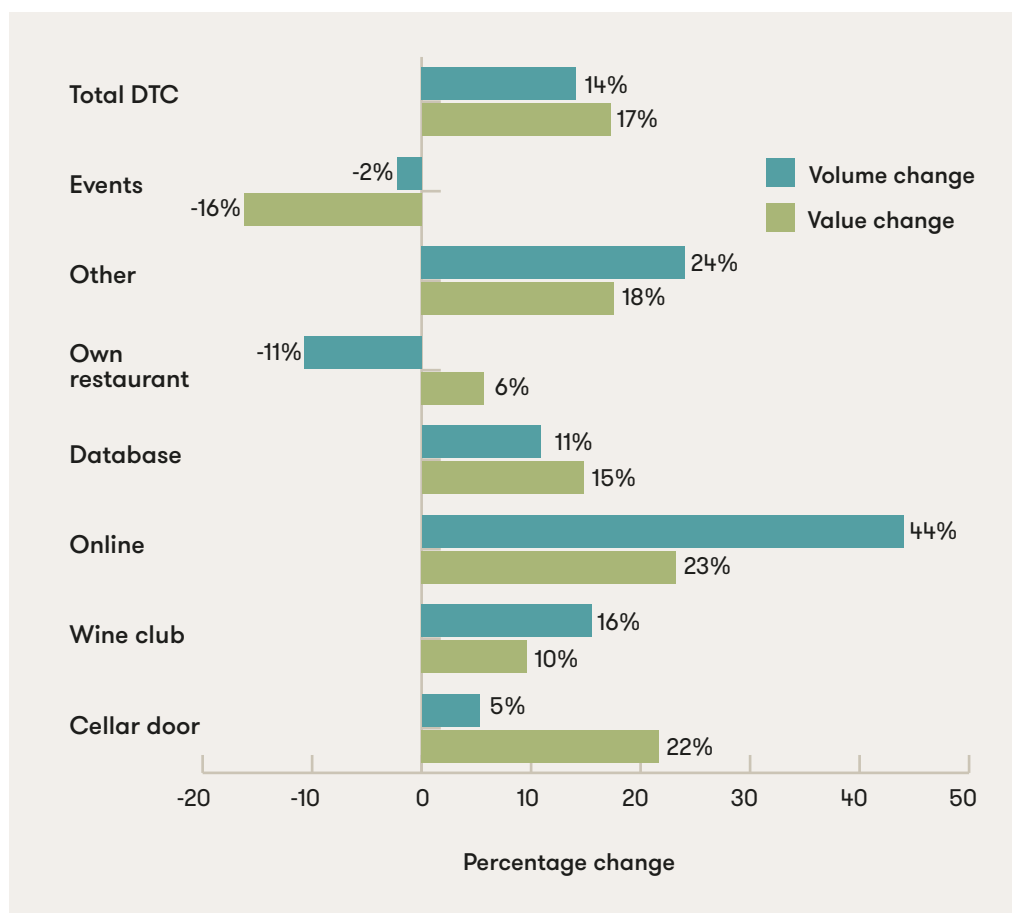
¹¹ Shares are based on estimates and modelling drawn from a number of sources as there is very limited data available on DTC and on-trade sales volumes in Australia.

Off-trade retail was the main driver of the overall decline. IRI MarketEdge data indicates that off-trade retail sales of Australian wine declined by 2.7 per cent in volume in 2020–21. This decline reflects a reversal of the increase in sales in 2019–20, when all sales shifted to the off-trade in the early months of the pandemic.

Conversely, sales of imported wine in the off-trade increased by 12 per cent, while Global Trade Atlas data indicates that total imports of wine into Australia increased by 7 per cent and reached a financial year record of 110 million litres in 2020–21. This strong growth in volume is driven by France (up 18 per cent) and Italy (up 14 per cent), while imports from New Zealand declined by 10 per cent.

The Wine Australia *Wine Direct to Consumer survey 2021* found that sales volume for DTC increased by 14 per cent in 2020–21, while value increased by 17 per cent. During 2020–21, Victoria was in lockdown for over four months (July–October), while all states were affected by continuing international border closures, cross-border restrictions and limitations on retail and hospitality activities. These factors saw a further shift towards online purchasing, which increased by 44 per cent in volume (on top of an increase of 50 per cent in 2019–20¹²); however, cellar door sales also increased: up 22 per cent in value and 5 per cent in volume, indicating a shift to higher value experiences and strong support from local visitors (see Figure 6).

Figure 6: DTC sales percentage change year-on-year by channel (2020–21 vs 2019–20)

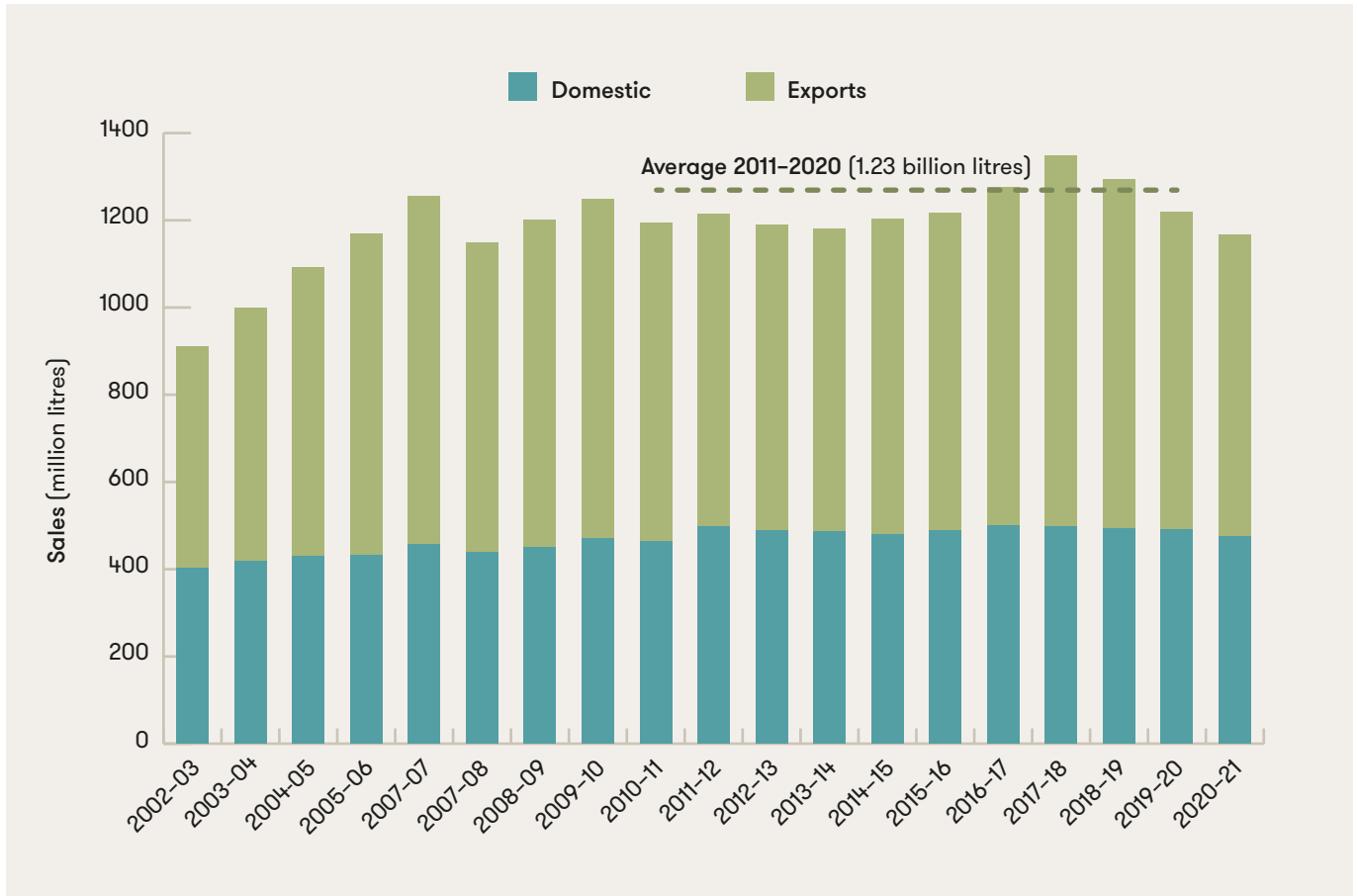


There are no statistics available on the on-trade; however, based on the overall figures, it is estimated that the on-premise declined by 21 per cent in volume in 2020–21.

Total sales

The total sales volume of Australian wine in 2020–21 was 1.17 billion litres (130 million 9-litre cases), a reduction of 4 per cent compared with 2019–20, and just below the average for the past 10 years of 1.23 billion litres (Figure 7). Domestic sales made up 41 per cent of total sales, an increase of 1 percentage point since last year, and 4 percentage points higher than in 2017–18, when exports were at their peak. This is the highest the domestic share of total sales has been since 2013–14. The change is driven by the fall in exports; domestic sales have remained largely static for the past 10 years.

Figure 7: Historical sales of Australian wine by destination



Red and rosé wine accounted for 52 per cent of total sales, and declined by 6 per cent, while white wine accounted for 40 per cent and declined by 5 per cent. Sparkling wine sales accounted for 7 per cent and increased by 15 per cent, while fortified and ‘other’ accounted for 2 per cent and increased by 16 per cent.

The combined revenue to Australian wine producers from export and domestic sales is estimated to be \$5.89 billion, a decrease of 9 per cent compared with the previous year. The decrease reflects the combination of the reduced volume and lower average value for both exports and domestic sales.

Inventory

Current stock levels

Inventory of Australian wine as at 30 June 2021 is estimated to be 2.1 billion litres, an increase of 400 million litres (24 per cent) compared with the same time last year. The additional volume reflects the gap between the record production in 2020–21 (including other grape products) and sales in the same year, which were constrained by supply from the previous year and affected by the China tariffs.

The total inventory is the highest since 2005–06, and 17 per cent above the 10-year average.

The inventory of white wine increased by 30 per cent to 706 million litres, 8 per cent above the 10-year average, while the inventory of red wine increased by 25 per cent to 1242 million litres – 25 per cent above the 10-year average and the largest reported in that timeframe.

Supply–demand balance

For the past three years, the red share of total production has exceeded its share of total sales, despite the high proportion of red in exports. Consequently, the stock-to-sales ratio (SSR) for reds has been increasing, while the SSR for whites has been declining (see Figure 8). After being below average in 2019–20, the SSR for reds has jumped dramatically in 2020–21, reaching its highest level in at least 15 years and exceeding 2.0 for the first time in that period. This means that the stock of red wine as at 30 June 2021 was equal to two years of sales.

The SSR for whites also increased sharply from being the lowest in at least 15 years to the highest since 2005–06 at 1.53 – the equivalent of 18 months of sales.

Figure 8: Stock-to-sales ratio for red and white wine over time





Outlook

Market conditions

The large crush in 2021 means that the volume available for export in the next 12–18 months will not be constrained by supply shortages.

The loss of over 100 million litres in exports to mainland China, and the increase in production in 2021 mean that Australian winemakers will be looking to sell around 300 million litres of wine (mostly red) more than in 2019–20. The domestic market has very limited capacity to absorb additional volumes and has recently been experiencing unprecedented competition from imported wine (predominantly white and sparkling).

The small global harvest in 2021 provides an opportunity for Australian wine producers to fill supply shortfalls, including where other wine producers such as Chile have diverted supply from their traditional markets to China. However, this is not always possible, depending on whether there is alignment between the variety/style available and the demand. Forecasting demand over the next 2–3 years is particularly difficult due to the after-effects of COVID-19 in terms of recessions, ongoing disruptions to travel/international tourism and enduring changes in purchasing behaviour. Even reductions in immigration can affect consumption through creating a lack of hospitality staff. The IWSR has forecast that global wine consumption will not return to pre-pandemic levels until at least 2025.

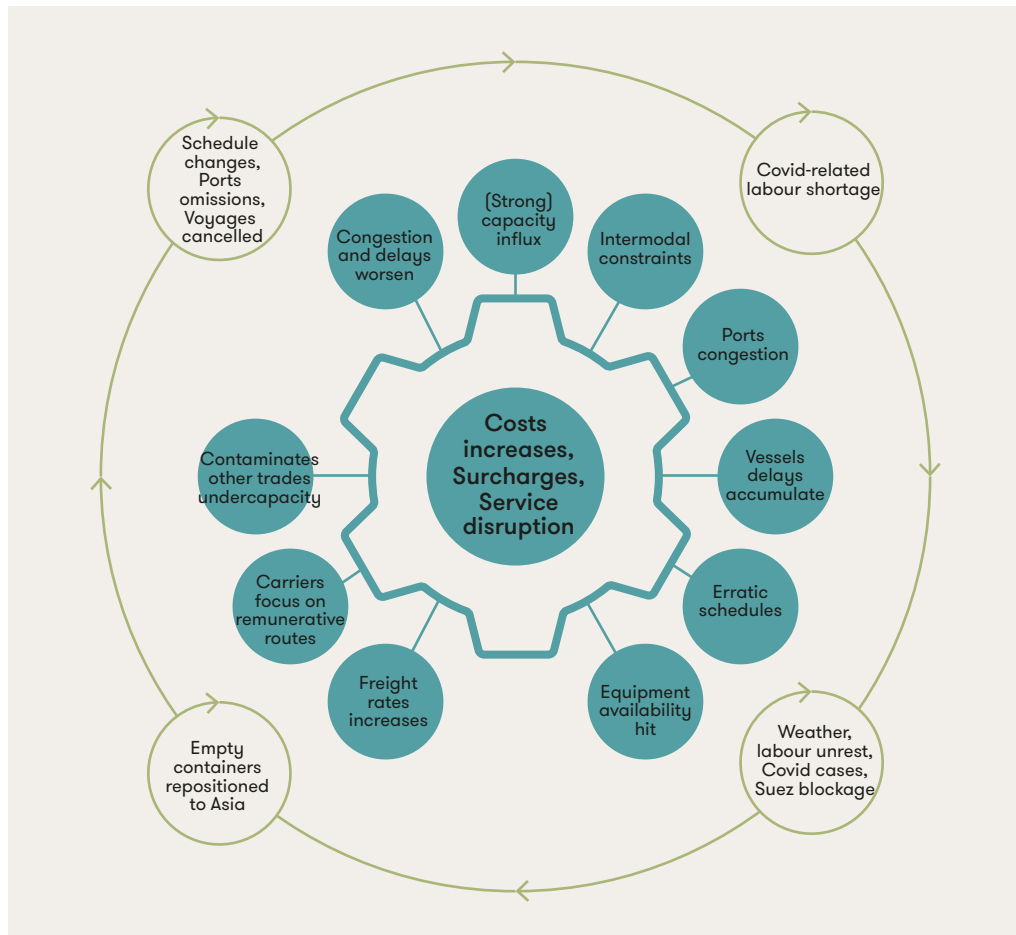
It is also not clear how much market distortions such as over-ordering in anticipation of Brexit and ‘pantry-loading’ in response to COVID-19 lockdowns have artificially raised sales figures in 2020–21; these would in turn cause demand to fall in the next 12 months as the excess stocks are consumed.

A crisis in global transportation, described by *The Economist* as ‘a perfect storm for container shipping’¹³ has emerged in the second half of 2021, hampering wineries’ ability to get wine into markets particularly in the US and Europe. The combination of a fundamental shortage of container ships and a sudden and strong rebound in global demand driven by the US and China, compounded by COVID-19 related labour shortages, industrial action and other factors have led to port congestion, schedule delays and increased costs that have escalated and snowballed between August and November 2021 (see Figure 9). Costs of freight (when available) have substantially increased. The World Container Index assessed by Drewry in July 2021 was around US\$9000 per 40-ft container, compared with US\$2000 in July 2020¹⁴. More recently, this issue has begun affecting not only exports but also imports of goods required for vintage such as barrels and chemicals. Industry commentators such as *The Economist* and Hillebrand do not expect these issues to be resolved before the end of 2022.

¹³ *The Economist*, 18 Sept 2021

¹⁴ Hillebrand Oceania Operations Update Nov 2021

Figure 9: Factors affecting global shipping – October 2021 (source: Hillebrand)



The record crop in 2021 and the need to find new customers for wine originally destined for mainland China, exacerbated by COVID-19 restrictions on visiting markets and logistical issues with transport, are putting pressure on winery storage capacity ahead of the 2022 vintage.

On a more positive note, the Australian Dollar has been weakening against the US Dollar since the beginning of 2021. After peaking at just under 78¢ in May 2021, it hovered around 73¢ for six months, and dropped to below 71 cents in early December. This makes Australian exports more competitive. In addition to this, *The Economist's* 'Big Mac Index'¹⁵, which uses the price of Big Macs in different countries to assess each currency's relative purchasing power, indicates that the Australian Dollar is under-valued by about 15 per cent compared with the US Dollar, giving our exporters a cost advantage.

In the long term, the number of regular wine drinkers in most wine markets is gradually declining as younger generations turn to alternative alcohol products and/or reduce their alcohol consumption. These underlying trends make it difficult to grow sales volumes in key markets like the US, UK and Australia, although there is evidence that regular wine drinkers are becoming more engaged with the category and willing to spend more on average¹⁶.

The market conditions over the next 2–3 years are likely to be challenging, with increased uncertainty and disruption in an already complex market facing a long-term decline in demand. The slight improvement in balance between global supply and demand as a result of the below-average global harvest in 2021 is a small positive for Australian wineries, as is the relative competitiveness of the Australian Dollar.

¹⁵ *The Economist* Big Mac Index can be accessed at www.economist.com/big-mac-index

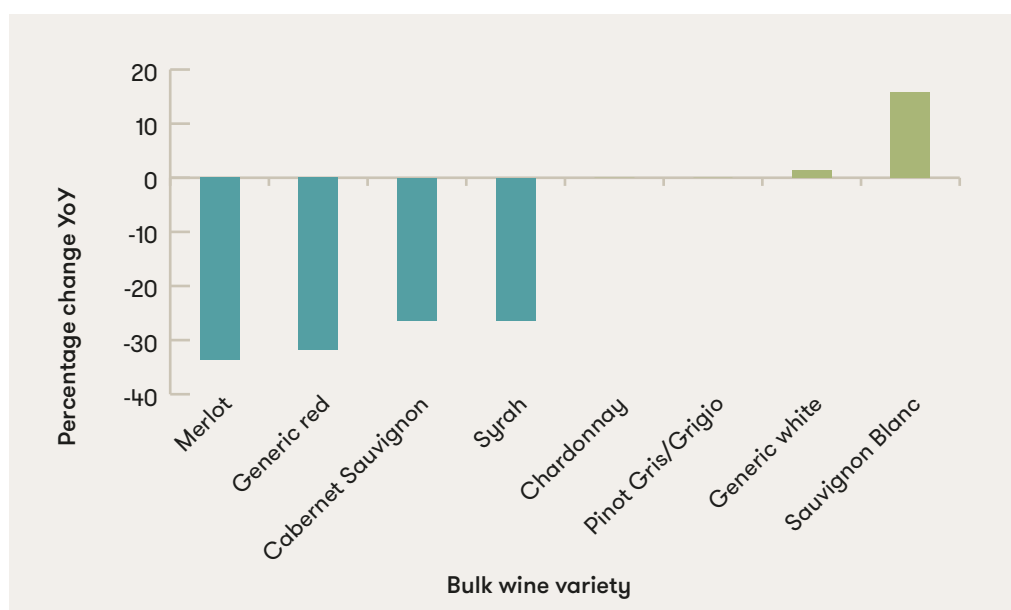
¹⁶ *Wine Intelligence Global Consumer Trends 2021*

Wine and grape prices

The large crop in 2021, compounded by a reduction in sales, has seen stocks-to-sales ratios increase significantly. This is likely to put downward pressure on winegrape and wine prices, particularly for red varieties. White wine is in short supply on the global market, and this is not likely to be corrected by the small 2021 global vintage, meaning whites are in relatively high demand.

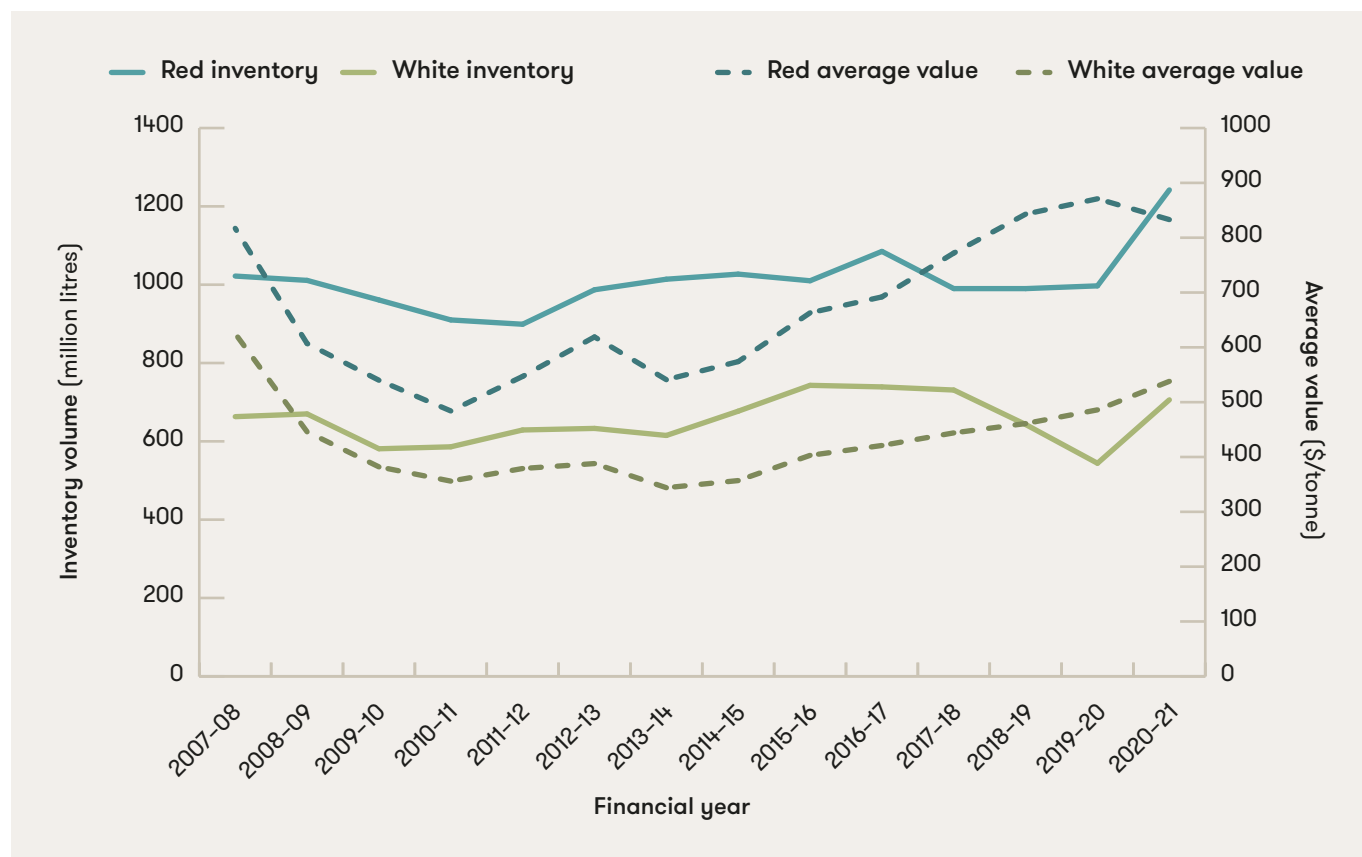
Australian wine prices on the global bulk wine market reflect this difference between reds and whites. The prices for bulk red varieties in September 2021 were around 30 per cent lower than they were in 2020, whereas the prices for white varieties were similar – and in the case of Sauvignon Blanc up by 15 per cent (Figure 10).

Figure 10: Change in bulk wine prices for Australian wine by variety in Sept 2021 compared with Sept 2020 (source: Ciatti)



Average winegrape values for red and white have been increasing generally since 2010–11, but red prices decreased in 2020–21, again reflecting the differential in current demand between reds and whites. The increases in inventory as well as the prevailing market conditions are likely to put downward pressure on both reds and whites next vintage (Figure 11).

Figure 11: Inventory and average grape value by colour over time



Looking ahead to vintage 2022

Ahead of vintage 2022, seasonal conditions have so far been generally favourable. The Bureau of Meteorology outlook for spring-summer is for mostly above-average rainfall and lower maximum and higher minimum temperatures, with a La Niña influence likely to prevail until at least January 2022. Water storage levels in the southern part of the Murray Darling basin were at 82.7 per cent at the end of August 2021 compared with 62 per cent at the same time in 2020, while the northern part was at 80 per cent compared with 25 per cent the previous year. However, localised severe hailstorms during November and December 2021 have had an impact on crop potential in some regions.

Based on production and sales over the past 10 years up to 2019–20, an average vintage of 1.74 million tonnes would be expected to lead to an average production of 1.21 billion litres of wine, which is just slightly less than the average total sales of 1.23 billion litres. This indicates that the Australian wine sector is fundamentally in balance over the long term.

Historic wine production sales and inventory statistics

		2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Red															
Crush	(thousand tonnes)	959	913	866	766	830	898	866	857	965	1096	925	942	836	1163
Extraction rate	(litres per tonne)	703	689	718	732	728	733	703	703	715	697	717	726	720	734
Wine production	(million litres)	674	629	622	561	604	658	609	602	690	764	663	684	602	854
Red share of total production	(percentage)	54	54	55	51	50	54	51	51	53	56	52	57	56	58
Inventory	(million litres)	1022	1011	961	910	899	987	1014	1027	1010	1085	990	990	997	1242
Exports (still wine)	(million litres)	446	442	468	447	435	406	385	406	424	465	530	483	440	412
Domestic sales (still wine)	(million litres)	161	171	176	173	186	182	182	183	191	202	208	212	206	194
Total sales (still wine)	(million litres)	607	612	644	620	621	588	567	589	615	667	738	695	646	607
SSR	(years)	1.68	1.65	1.49	1.47	1.48	1.70	1.82	1.78	1.64	1.63	1.34	1.42	1.54	2.05
White															
Crush	(thousand tonnes)	873	819	707	837	828	851	797	850	879	896	854	787	684	865
Extraction rate	(litres per tonne)	651	662	715	644	733	659	725	693	692	680	715	653	713	727
Wine production	(million litres)	568	543	505	539	607	561	578	589	609	609	611	514	488	628
Inventory	(million litres)	663	670	581	586	629	633	615	677	743	739	731	643	544	706
Exports (still wine)	(million litres)	243	292	291	267	268	281	296	304	292	296	307	307	280	263
Domestic sales (still wine)	(million litres)	212	212	219	219	235	230	230	223	225	224	215	208	210	199
Total sales (still wine)	(million litres)	456	504	511	486	503	511	526	527	518	520	522	515	490	463
SSR	(years)	1.46	1.33	1.14	1.21	1.30	1.29	1.20	1.33	1.44	1.42	1.40	1.25	1.11	1.53
Total															
Crush	(thousand tonnes)	1832	1733	1573	1602	1658	1748	1663	1707	1845	1992	1779	1728	1521	2028
Extraction rate	(litres per tonne)	678	676	716	686	730	697	713	698	704	690	716	691	717	731
Wine production	(million litres)	1242	1172	1127	1100	1211	1219	1186	1191	1299	1374	1274	1197	1090	1482
Inventory (table wine)	(million litres)	1685	1681	1542	1496	1528	1620	1629	1704	1752	1824	1721	1633	1541	1948
Inventory (total*)	(million litres)	1878	1879	1723	1662	1694	1776	1785	1850	1905	1970	1876	1769	1701	2103
Exports (table wine)	(million litres)	690	734	759	714	703	687	681	710	716	761	837	790	720	675
Exports (sparkling, fortified)	(million litres)	19	17	18	17	15	15	14	14	12	16	14	12	10	18
Domestic sales (still wine)	(million litres)	373	383	396	393	421	412	411	406	416	426	423	420	416	394
Domestic sales (sparkling, fortified)	(million litres)	66	67	75	72	77	76	75	74	73	74	74	74	75	81
Total sales	(million litres)	1148	1201	1248	1195	1216	1191	1180	1204	1218	1277	1348	1295	1221	1167
SSR	(years)	1.64	1.56	1.38	1.39	1.39	1.49	1.51	1.56	1.56	1.54	1.39	1.37	1.39	1.80

* includes fortified, sparkling and wine products

Explanatory notes

Survey method

Wine Production, Sales and Inventory Survey 2021

Wine Australia's *Wine Production, Sales and Inventory survey 2021* was sent to the top 40 wineries based on grape crush size in 2021. The survey was conducted in October–November 2021.

Wine Australia received responses from 33 wineries, including 25 of the top 30 by volume, accounting for an estimated 75 per cent of the total grape crush in 2021. While the data accounts for a substantial share of the Australian wine production and sales, it is not representative of smaller wine business models and is likely to under-state the average sales value for the whole wine sector.

Other data sources

In addition, a number of other data sources are used to inform the final figures, including: Australian Bureau of Statistics, IRI Market Edge, IWSR, Levies Revenue Service, Wine Intelligence, Winetitles and Wine Australia.

Notes on calculations

Grape crush and wine production

The grape crush figure is obtained from the *National Vintage Survey 2021* and is used as the basis for calculating wine production. The proportion of the crush accounted for by the survey respondents to the *Wine Production, Sales and Inventory Survey* is used to raise the wine production figure reported by these respondents to obtain a national figure.

Extraction rates

Extraction rates are calculated as beverage wine produced divided by total tonnes crushed. Wine-based beverages and other grape products are excluded from the calculation of extraction rates.

Domestic sales value

Domestic sales value is based on winemaker receipts comprising mostly wholesale transactions but also cellar door and direct sales and is therefore a mix of wholesale and retail prices (including GST). Total domestic sales value has been estimated by multiplying the average value per litre (calculated from the survey results) by the total estimated sales volume.

Exports

Export sales figures are obtained from the *Wine Australia Licensing and Approval System*, which records the volume and value of all exported shipments of Australian wine over 100 litres.

Inventory

The inventory figures published in this report are obtained from the survey, with a raising factor applied based on the respondents' share of the crush.

The calculated figure has been validated by checking the balance calculation (*production minus sales equals change in inventory*). While the alignment is not perfect due to a number of variables such as change in use of red grapes to white wine, production of sparkling and fortified from different vintage grapes and allowance for wastage etc., it is within one percent of the reported figure.

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