

Australia's 2007 vintage - from feast to famine

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In the wake of the recent grape glut, the Australian Wine and Brandy Corporation pronounced on the short 2007 crop as predicted [here](#), readying us for a price increase on Australian wine.

As just over half complete, the 2007 Australian winegrape harvest is expected to come in at 1.35 million tonnes, making it the smallest harvest since 2000 and a third smaller than last production in 2006, according to an assessment released today by the Australian Wine and Brandy Corporation.

The Corporation's Manager, Information and Analysis, Lewis Starford said if the current estimate estimates, Australian winegrowers will have 400 million litres less wine than last year.

"The 2007 harvest stands out as one in which seasonal conditions are conspiring to reduce yields (tonnes per hectare) to levels to a 30-year low. The national vintage this season was subjected to frost, drought, early-harvest rain episodes and every prospect of a healthy finish," Mr Starford said.

"As a result, yields in 2007 are expected to be around 20% down on the average of the last three years. This reduction will be only marginally offset by an expected 2% increase in hectares of bearing vines after at least five years of sub-optimal planting."

Mr Starford said several factors point to good but not exceptional prospects for quality. Most importantly, it has been a relatively disease-free season. In addition, smaller berry sizes and lower bunch weights this season are expected to increase colour and flavour intensity.

He said the 2004, 2005 and 2006 harvests were all above average at around 1.8 to 1.9 million tonnes and the smaller 2007 harvest is a 'compensator' for the supply lost from these seasons.

He emphasised that a firm harvest forecast is still some time away with more than half the red winegrape crop to be picked and about a third of the whites. The 2007 harvest commenced two to six weeks early, with many regions indicating that was the earliest in living memory.

"The 2007 crush has proved difficult for the industry to accurately predict with the extraordinary conditions providing previously unexperienced conditions for many," Mr Starford said. "In these circumstances, vineyard owners are finding that, on harvesting, there are fewer tonnage to be cropped than was previously estimated during the ripening period."

Mr Starford said it was possible that the estimate of 1.35 million could prove to be too high and the Corporation will release its second harvest update in April with the Winegrowers' Federation of Australia to release another assessment in June.

"Yields in cooler-climate regions were more reduced than those in the warm-temperate districts because of the concentration of frost incidences in the cooler districts that added to the effect of drought. Yields in the warm-temperate regions (Riverland, Murray Darling/Swan Hill and Riverina) are anticipated to be down 32% on last year with the cooler climate regions down 47%," he said.

"Reds were more affected than whites by the seasonal conditions with yields thought to be 40% down compared to a 20% decline in whites. The higher proportion of reds in the cooler-climate regions would have contributed to the greater effects on reds than whites."

Mr Starford said severe drought conditions were experienced across much of Australia and frost events occurred on a sporadic basis, principally in the cooler-climate districts.

"It is possible that the harsh 2007 conditions are likely to have carry-over effects into the 2008 harvest by virtue of poor development of the perennial buds that sit behind those flowering this year (and which will produce fruit next year)," he said.

"This, together with expectations of reduced irrigation water availability in the warm-irrigated districts, means the industry looks with some concern to the 2008 season. There is the full expectation that yields will again be reduced in 2008."

Mr Stanford said while some individual grapegrowers will suffer financial hardship from smaller crops, from a whole-of-industry perspective, the prospect of a very low yielding season will be viewed with some relief as it will allow excess wine stocks to be reduced to more reasonable levels and accelerate a return to more sustainable operating conditions.

The earlier 2007 harvest has formed up the Corporation's assessment, released in November last year, that a return to supply-demand balance is a likely scenario by 2008 or 2009.