

Annual Report 2017

NEW ZEALAND WINEGROWERS

14 NOV 2016

First earthquake affects Marlborough and North Canterbury vineyards and wineries

JAN 2017

90+ international wine media from ~20 countries arrive in New Zealand to attend Aromatics Symposium, Pinot Noir NZ 2017, and Classic Reds Symposium

MAR 2017

New Zealand becomes top 3 wine import into USA by value

26 OCT 2016

New Zealand wine industry Regional Research Centre secures government investment

17 NOV 2016

Parliament passes the Geographical Indications (Wine and Spirits) Registration Amendment Bill

FEB 2017

New Zealand Winegrowers releases first Sustainability Report



NEW ZEALAND WINE
PURE DISCOVERY

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Vision

Around the world, New Zealand is renowned for our exceptional wines

Mission

To create value for our members

Purpose

To protect the competitive position of our wine from New Zealand

To support the profitable growth of our wine from New Zealand

Activities

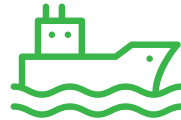
Advocacy/Research/Marketing/Sustainability

30 MAY 2017

New Zealand Winegrowers
signs Government Industry
Agreement with MPI
to become a partner in
biosecurity decision making

30 JUN 2017

Exports reach a record
high of \$1.66 billion



8 JUN 2017

New public and
member websites
launched





“New Zealand is now the only major wine producing nation with a single industry body, representing and advocating for the interests of its entire grape and wine industry.”



\$1.66bn

**NEW ZEALAND WINE
EXPORTS REACH A RECORD
HIGH (JYE 2017)**



1 July 2016 marked the start of a new phase in the maturity of the New Zealand wine industry. New Zealand Winegrowers Incorporated began operations, completing the process of consolidating the industry's member organisations which began decades earlier. New Zealand is now the only major wine producing nation with a single industry body, representing and advocating for the interests of its entire grape and wine industry.

This, our first Annual Report as New Zealand Winegrowers Incorporated, is a good opportunity to take stock of the year just completed, and the place of New Zealand wine on the world stage. In the sections that follow, we look at how the single industry organisation serves its members, and how it is positioned to continue protecting the competitive position of New Zealand wine and supporting industry growth in the years ahead.

From strength to strength

New Zealand wine continues to perform strongly on the global stage. We have now recorded over two decades of uninterrupted value growth. As a result, New Zealand wine now stands as our nation's fifth largest export good.

Over those two decades, the industry has achieved average annual export growth of 17% a year. With diversified markets and a strong upward

trajectory, the industry is in good shape to achieve \$2 billion of exports by around 2020. Maintaining focus on protecting and enhancing the reputation of New Zealand wine as a distinctive, quality product is critical to achieving this goal.

New Zealand wine exports to the USA passed \$500 million for the first time, and our wine became the third most valuable wine import into the USA, behind only France and Italy. Successes like these reflect decades of increasing business maturity and persistence in market development. They also reflect the agility our growers and wineries show in responding to challenges that come our way.

USA milestones lead strong export growth

In the year ended 30 June 2017, the value of exports grew by \$94 million (6%) to reach a new record high of \$1.66 billion.

With exports into over 90 countries, value growth was underpinned by continued strength in the USA market (up 12%), and supported by moderate growth in most other markets. In the UK – our second largest market – the lower British Pound against our dollar contributed to a rise in export value of just 2%, despite strong volume growth of 27%.

Vintage 2017

Given the strong export demand, wineries had been looking forward to a larger harvest this year. Despite a generally excellent summer, autumn weather in some parts of the country made for challenging harvesting decisions. As a result, in some regions more fruit was left in the vineyard, and the total harvest was 396,000 tonnes, down 9% on 2016. Quality, however, remained high, with wineries confident the 2017 vintage wines will add to New Zealand's reputation as a premium producer of cool climate wines.

With the smaller vintage, export volume growth is likely to be more muted in the year ahead.

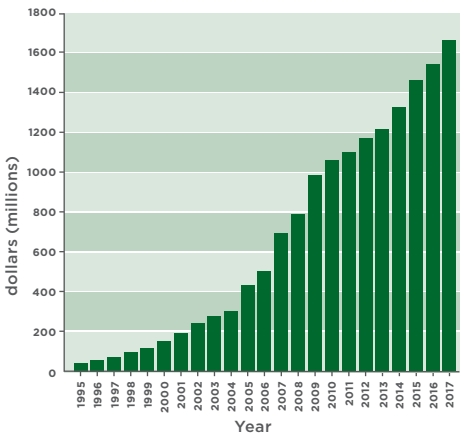
Shaken, but not deterred

In the early morning of 14 November 2016 the upper South Island was rocked by a magnitude 7.8 earthquake which produced the most violent ground shaking in New Zealand's recorded history. Many Marlborough wineries and vineyards suffered infrastructure damage, but no lives were lost in the region and relatively few injuries were reported.

Ceres Wines, Central Otago



WINE EXPORTS 1995-2017





17%

THE AVERAGE ANNUAL GROWTH IN NEW ZEALAND WINE EXPORTS OVER TWO DECADES



98%

OF NEW ZEALAND’S VINEYARD AREA IS SUSTAINABLE WINEGROWING NEW ZEALAND CERTIFIED



The quake damaged an estimated 20% of Marlborough’s tank capacity, and blocked normal logistical routes just four months before harvest. Undeterred, the industry immediately picked itself up and worked on overcoming obstacles. By harvest time essentially all of the lost capacity had been restored or replaced, tanks had been emptied, and our members were fully ready to focus on the coming vintage.

Without doubt the quake caused significant cost and made preparation for vintage 2017 a real challenge for many, but the industry’s rapid response is a testament to its resilience. Lessons learned will help further improve the industry’s ability to withstand future natural disasters, and to ensure that our people can be kept safe and well.

Innovating for the future

The New Zealand wine industry has a solid record of research and innovation. The Government recognised this in October by agreeing to invest \$12.5m over four years into the New Zealand Winegrowers Research Centre, a new national grape and wine research centre to be based in Marlborough.

Grape and wine research is currently spread across many providers, whose efforts are not necessarily well coordinated, and whose results are not necessarily transferred to industry as well as they should be.

Our vision is that the new research centre will act as a single national focal point to drive grape, wine, and other industry relevant research. By prioritising research that is of direct and immediate interest to grape growers and winemakers, New Zealand Winegrowers will help ensure that as many as possible of the country’s research dollars are spent on delivering tangible benefits to the New Zealand industry.

Telling our distinctive stories

As our industry has evolved, our separate wine regions have invested in developing their distinct and authentic identities, and awareness of their separate brands. Together with the overarching story of “New Zealand wine” and our broad commitment to

sustainability, these unique regional stories increasingly resonate with our consumers and draw them to New Zealand to experience its wine. In the past three years 24% of all holiday visitors to New Zealand visited a winery. They spent 26% more than the average holiday visitor and stayed six days longer.

This investment in our regional identities can now be better protected, thanks to the Geographical Indications (Wine and Spirits) Registration Act, which came into force on 27 July 2017. New Zealand Winegrowers helped 18 of our regions to write up their regional wine stories and apply to register their names.

Registration will make it easier to protect these regional identities overseas. Registration should also allow us access to less restrictive winemaking rules in some overseas markets.

Moving the movers

In January and February, New Zealand Winegrowers showcased the country’s diverse regions and wine styles to the world, hosting over 90 international wine media from 20 countries for an integrated series of events.

These events began with a Sommelier Summit in Auckland, an Aromatics Symposium in Nelson, and then Pinot Noir NZ 2017 in Wellington. A low-flying Air New Zealand Wine Flight took guests for an up close view of Marlborough, Nelson, Wairarapa and Hawke’s Bay, sampling some of each region’s most interesting wines during the flight. This delivered visitors to the Classic Reds Symposium in Hawke’s Bay, before a final Sommelier Summit in Wairarapa closed off the series.

The guests at these and other events, who included some of the world’s leading wine influencers, left with a new appreciation of the depth and excitement to be found in New Zealand wines. They are now spreading that enthusiastic message to their many followers.



Market access in interesting times

The waves of uncertainty from last year's Brexit decision continue to ripple through international wine markets, as the world's economies try to assess what the decision will mean for trade, and how it might play out in practice.

That uncertainty was compounded by the November election of a US President who had campaigned on promises to renegotiate the country's trade deals, focusing on bilateral rather than multi-lateral arrangements. He began to deliver on those promises by exiting the Trans-Pacific Partnership Agreement as one of his first acts in office.

On members' behalf, New Zealand Winegrowers has redoubled its efforts with a broad network who share a strong interest in protecting and increasing our ability to export wine competitively and without trade barriers.

This network includes the Ministry of Foreign Affairs and Trade, and the Ministry for Primary Industries; wine industry associations and trade organisations in New Zealand and in most of our significant trading partners; and international bodies focussed on wine and wine trade, such as the International Organisation of Wine and Vine (OIV), and the World Wine Trade Group.

Although the US change of heart on the Trans-Pacific Partnership Agreement is disappointing, an agreement between the remaining 11 states would still be an important win for New Zealand wine. It would be our first free trade agreement with Japan, Canada, Mexico and Peru and put us on even footing with competitors who already enjoy better access to those markets than us.

We welcome the likely start of negotiations on a Free Trade Agreement with the European Union later this year. Even without the United Kingdom, the EU is an important and growing market for New Zealand wine, and is the source of much of our vineyard and winery plant and equipment. As one of the few countries without an EU agreement covering wine, we look forward to

putting the rules on our wine trade into a tidier framework.

During the year we consulted with members on possible changes to our export tasting requirements. The responses showed a wide range of views, and suggest that a broader rethink of export requirements is needed. We continue to believe more needs to be done in our export legislation to ensure that the same standards apply to every bottle of New Zealand wine, no matter where it is bottled.

We are concerned at the Ministry for Primary Industries' plan to take part of New Zealand Winegrowers' Wine Export Certification Service contract in-house. We fought hard to retain the status quo, which has served our members well, and are disappointed with the level of industry consultation in MPI's decision making process. If the service changes, we will be seeking guarantees from the government that the current speedy issuance of export eligibility statements will be protected, at no additional cost to members.

Growing our people

As our industry grows, so too does our need to ensure we will have a skilled and fairly treated workforce available when and where it is needed, and talented leaders to drive future growth and innovation.

July 2017 marks the 10th anniversary of the Recognised Seasonal Employer scheme, a programme that has supported the wine industry and contributed to export growth. This year an additional 1,000 RSE workers were approved, bringing the total across all industries to 10,500.

Immigration and infrastructure pressure are hot topics in all sectors of the economy. Our industry must continue to reflect on the future sustainability of its labour practices, and how to sustainably secure its future labour needs.

This year we adopted a labour strategy to help guide activities in these areas over the long term. This will ensure coordination between national and regional labour and education initiatives.

As an industry we are heavily dependent on contract and casual labour to supplement the work of our full time employees – these workers enable us to manage the peak loads of pruning and harvest. Without them our industry would not be the success it is. Without them we would not employ the number of New Zealanders that we do. These workers, whether directly employed or engaged through contract services, must be treated fairly. There is no place in the industry for businesses who do not meet their legal obligations towards their workers.



Sommit Event, Auckland

Chair's Report

In June we released guidance including: *Working for You – Employing and contracting labour in your vineyard and winery*. This will help ensure all vineyards and wineries understand key employment obligations, and take practical steps to ensure all workers on their properties – including those employed by labour contractors – are treated fairly.

The Board agreed to provide financial support for two main Marlborough secondary schools to establish a programme known as The New Zealand School of Winegrowing. This programme will teach complete Level 2, and in 2019 Level 3, NCEA courses in the context of viticulture and winemaking. By bringing the classroom and our industry closer together, we hope to ensure that satisfying careers in wine are positioned as an attractive option for our best and brightest school leavers.

Members around the country reacted with enthusiasm to a proposal to establish a Women in Wine initiative to facilitate the participation and success of women in our industry. Regional meetings have already been held and a formal kick off is planned prior to the annual Romeo Bragato Conference in August.

Protecting our vines

As a remote island nation, New Zealand has good natural defences against the arrival of unwanted pests and diseases. But as international trade and tourism grows, so too does the likelihood these unwelcome visitors will reach our shores and harm our vines.

In May, New Zealand Winegrowers signed the Government Industry Agreement for Biosecurity Readiness and Response (GIA). This gives our industry a seat at the table with government when decisions are being made about how best to keep these biosecurity risks out, and how to respond to any incursions.

Already this agreement means we are being provided with better and more timely information about risks. We have also just signed a GIA agreement with other industries that would be affected by a Brown Marmorated Stink Bug incursion. This will help

coordinate efforts to protect against this growing risk, and help ensure an effective response to any arrivals that do make it to our shores.

Creating value for members

As the industry body, a core part of our role is to ensure that we provide members with practical, clear information that makes doing business easier.

In June we launched new versions of both our public and member websites. With their modern, easy-to-navigate interfaces and improved capabilities, the new sites make accessing our resources much easier for both members and the visiting public.

During the year we published numerous information guides for members, including *Working Well* (health and safety), the *International Winemaking Practices Guide*, the *Labelling Guide*, the *Legal Guide*, the *Spray Schedule*, the *Vineyard Register*, *Working for You* (employment), and a host of others.

We also had over 2000 attendees at information and knowledge transfer events. These events included the Bragato Conference; Grape Days; a post-earthquake meeting, regional workshop meetings on health and safety changes, Board elections and biosecurity; Spray Days, etc. Representatives from each region also compared notes, and shared information on initiatives, at two meetings of the Regional Membership Council.

The improvements we made last year to the Sustainable Winegrowing New Zealand (SWNZ) system have been well received by members. With data we now collect from members we published our first Sustainability Report, showcasing the breadth and extent of New Zealand wine's commitment to sustainability. The value of SWNZ certification for our premium wine export markets should never be underestimated. This year we are launching the SWNZ Continuous Improvement programme to position New Zealand as the world leader in sustainability. The voluntary extension programme is designed to add value to the operation of vineyards and wineries and to

enhance the world-class reputation of New Zealand wine as a premium and sustainable product.

Honouring our heritage

In June, with a touch of sadness and a strong sense of gratitude for the vision and efforts of the industry's pioneers, members of the New Zealand Grape Growers Council and the Wine Institute of New Zealand each formally resolved to liquidate those entities. Following the successful transition to a unified New Zealand Winegrowers at the start of this year, and the election by all growers and wineries of a new Board in October, the time had come for those original entities to be gracefully retired.

Going forward, our industry's prosperity will depend on our ability to anticipate and identify changing markets and preferences, and to innovate and adapt to those trends in our vineyards and wineries.

The 12 Directors of New Zealand Winegrowers – five of whom were new this year – each bring refreshingly different perspectives to the issues and opportunities facing the industry, and how best to steer a path to an increasingly competitive and profitable future for New Zealand wine. That diversity of viewpoints is essential for our future resilience, so we encourage all our members to consider getting involved at a regional or national level, on winegrower boards or committees, to help shape the path to future success of your industry.



STEVEN GREEN CHAIR



JOHN CLARKE DEPUTY CHAIR

Member Survey Results Summary 2017

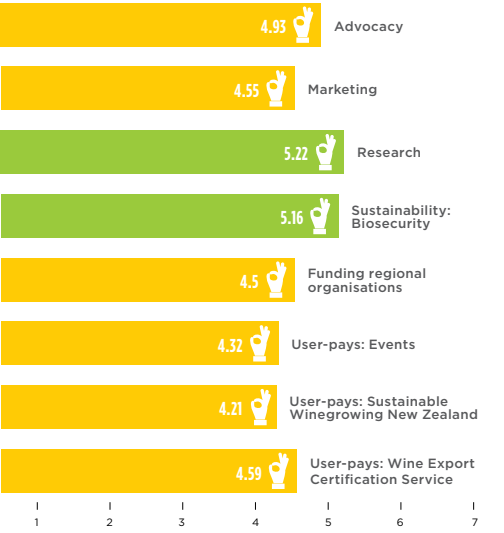
What is the outlook for your business for the next 12 months?*



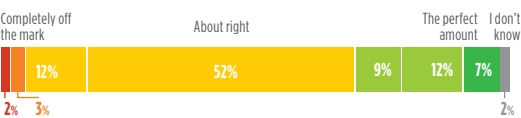
How well informed do you feel about New Zealand Winegrowers and its activities?*



How do you value the following services offered by New Zealand Winegrowers?*



Do you believe the volume of information you receive from New Zealand Winegrowers is:*



How do you value the information you receive from NZW (e.g. industry KPI snapshots, labelling guides, spray schedules, market data etc)?*



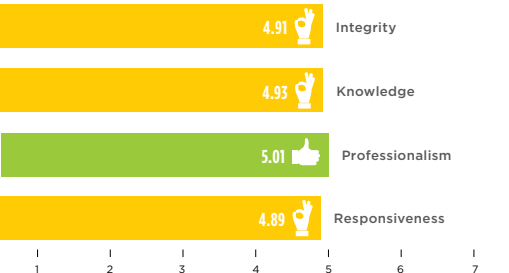
KEY Results are judged on a scale of 1 to 7.



How do you feel about your involvement with NZW and its activities?*



How do you value New Zealand Winegrowers personnel in terms of:*



How well do you believe the NZW Board represents the interests of your industry?*



How do you rate the new NZW member website?*



NZW is funded by grape and wine levies (apart from any user-pays funding). Considering the levy you pay and the value you receive in return, is your payment?



*Average rating





Advocacy

Protecting our members' ability to produce, market and sell competitively.



1,000

**ADDITIONAL
RSE WORKERS
APPROVED
IN 2016**



Palliser Estate, Wairarapa

Our activities focus on: guidance for members, product integrity standards, government engagement, intellectual property protection, growing our workers, promoting social responsibility, and encouraging free and fair trade.

Business information

The New Zealand Winegrowers' Advocacy team aims to ensure members have access to the information they need about legal, regulatory and procedural requirements for growing, making and selling wine.

A key channel for this is our regularly updated suite of core information publications: the *New Zealand Winegrowers Labelling Guide*, the *International Winemaking Practices Guide* and the *Winegrowers Legal Guide*. At the start of the year we added *Working Well*, a guide to assist members in identifying, managing and communicating health and safety risks in vineyards and wineries.

In June, we also released a fully updated and expanded guide to employment: *Working for You*. This new guide provides vineyard and wineries with clear and concise guidance on their obligations when hiring employees and engaging contractors. We know our members

want all workers on their properties to be treated fairly, so it also includes useful checklists of steps to take and questions to ask before engaging a labour contractor.

These publications provide a foundation of information which we then supplement by responding daily to members' calls and emails on a wide range of topics. The newly revamped members' website will also help us to provide members with better access to our resources. These are now conveniently grouped under a "compliance" tab within each section of the website.

Maintaining standards

One of the less visible activities of the Advocacy team is our work "behind the scenes" on the enormous range of rules and standards that affect our members. These standards include wine-integrity standards, export and import requirements, customs and excise rules, sale of alcohol, advertising, consumer protection, transport and more. Often this work involves helping members interpret

and apply rules, discussing with officials how they should be applied, or identifying where a law change is needed and discussing it with other affected parties and officials.

Other times this work involves reviewing export markets' standards, or proposed changes in those standards and alerting the country to any unwelcome impacts those standards might have on winegrowers in New Zealand.

Although this work advocating for the wine industry's interests is seldom seen publicly, it a key part of how we create and protect value for members.

Informing the decision-makers

The Advocacy team has an ongoing programme of engagement with officials and key stakeholders, providing them with up-to-date information about developments and issues in our sector.

Our six-monthly field trips remain popular with officials and are very effective. By spending a day walking government advisers through a vine-to-glass journey, we are able to build good connections, bring winegrowing alive and show them first-hand how their advice and decisions impact commercial outcomes. This year, we successfully included Nelson as a destination and will look to offer

“There is a worldwide thirst for fine New Zealand wine. Sauvignon blanc from Marlborough, Pinot Noir from Central Otago and Syrah from Hawke’s Bay have captured the imagination of wine lovers around the globe.”

Winsor Dobbin, Australia, www.travel-associates.com.au, October 2016

field trips to other wine regions in the future, as well as regularly returning to Marlborough.

Enhancing our regional brand investments

Unlike a trademark, nobody “creates” or “owns” a wine region name. Instead, those wine region names come into use and then become valuable through the collective efforts of growers and wineries over many years.

To protect the investment in this “collective intellectual property”, the long-awaited Geographical Indications (Wine and Spirits) Registration Act – the GI Act – was brought into force on 27 July 2017. The GI Act formally recognises this collective intellectual property by allowing for registration of the region’s name as a GI, which ensures that the name is reserved only for wine from that region.

Importantly, registration will also give the region’s winegrowers a greater ability to protect those GI names from misuse overseas. In some markets, GI wines are also able to use more generous winemaking rules than non-GI wines.

We worked with many of our regional winegrowers associations to help them gather data and prepare their applications for GI registration and helped the Intellectual Property Office test the new GI Registration system. We were very pleased to have 18 priority GI applications filed on the day the GI Act came into force. New Zealand Winegrowers paid the \$5,000 application fee for each of these priority applications.

Increasing our focus on people

New Zealand’s wine’s premium reputation starts in the glass, but it is

reinforced by the authentic stories we tell about our land and climate, about how we grow our grapes, and about the commitment, innovation and passion of our people.

In November, the Board adopted a labour strategy to help ensure our industry continues to care for and invest in our people in a way that sustains the industry’s long term growth.

As early achievements under the strategy, we helped secure an increase of 1,000 workers under the Recognised Seasonal Employer (RSE) scheme. We also gathered robust industry data to underpin better conversations with the government about the growing demand for RSE workers, worker accommodation and pastoral care. We made submissions on government proposals to change the ability to access skilled migrants where New Zealanders are not available.



Left: Aromatics Symposium, Nelson. Right: First ever RSE workers in Marlborough

We produced an updated and expanded guide to ensure members understand their employment obligations: *Working for You – Employing and contracting labour in your vineyard and winery*. We also developed a quick reference guide on employment conversations with labour contractors, which we released at Grape Days.

The 2017 national Recognised Seasonal Employer Conference was held in Marlborough and marked ten years since the RSE scheme was introduced. This allowed us to highlight the important contribution the RSE scheme has made to the growth of the national wine industry, its positive impact on the local communities and the efforts our industry makes to ensure workers' rights and conditions are protected.

A socially responsible industry

Our members believe strongly that wine should be enjoyed responsibly. They have made it clear to us that the industry needs to be actively engaged in making drinking responsibly the unquestionable norm in New Zealand.

This year our industry behaviour change programme, The Tomorrow Project, has been transformed. We employed a full-time Executive Director to lead both our 'Cheers!' brand and programme development for The Tomorrow Project. We also appointed two independent directors: an independent public health specialist and an independent Chair to ensure strong governance.

Our 'Cheers!' programme of activities now has a clear focus through a newly agreed strategic action plan. We will shortly announce some exciting partnerships, which will raise both the profile and reach of 'Cheers!' and begin a more effective journey to behaviour change.

Freedom to compete fairly

New Zealand's wine export success is premised on open access to international markets. We want our wine to be allowed to compete on its quality and reputation and get rid of unfair hurdles.

Our industry has benefitted from an international consensus that steadily removing barriers to trade benefits all countries. In the shadow of Brexit and "America first", it is possible we will look back on this year as a tipping point: the moment when our key trading partners began to erect, rather than remove, barriers to free trade. But equally, we might remember it as the time when those freedoms proved their worth; when the countries that rejected open markets began to lose their shine.



“They’ve carved out a national brand identity for quality like no other country, notably fetching an average export bottle price that is the envy of the world (and especially of its neighbour across the Tasman Sea).”

Beppi Crosariol, Canada, *Globe and Mail*, Feb 2016

In this context, we see it as more important than ever to advocate for free trade in wine. Although the USA has rejected the Trans-Pacific Partnership for now, we strongly support the implementation of that agreement by the remaining countries. A future US administration will likely want to access its benefits and, even without the US, the agreement will rapidly improve the competitiveness of our products in Japan, Canada, Mexico and Peru.

In this very fluid environment, New Zealand Winegrowers is working closely with government, industry bodies and national and international trade groupings to monitor UK and US developments and help advance wine’s interests.

We have closely followed Australia’s proposals to tighten up the Wine Equalisation Tax regime and made

submissions to ensure that New Zealand producers are not unfairly disadvantaged. The proposed law changes just introduced into the Australian Parliament will reduce the annual WET rebate cap and impose restrictions on which wine qualifies for the rebate. The changes will, however, apply equally to New Zealand and Australian wineries.

We strongly encouraged New Zealand’s decision to join the dispute with Canada in the World Trade Organisation, where we are challenging British Colombia’s retail laws which discriminate against imported wines.

Negotiation of a New Zealand/ European Union free trade agreement looks set to begin shortly. We believe both EU and New Zealand businesses stand to benefit from improvements in the rules relating to wine and

we are already engaged with New Zealand’s negotiators. The progress of those negotiations will need to be informed by assessments of possible post-Brexit arrangements between New Zealand and the UK. We keep in good contact with UK, European other international trade counterparts and will use this intelligence as those negotiations progress.

We support the government’s work to pursue new free trade agreements. The PACER Plus deal (between Pacific island nations) was signed in April, work on upgrades of both the China and Singapore free trade agreements are planned and New Zealand is examining participation in other quality free trade agreements, such as the Pacific Alliance (with Chile, Colombia, Mexico and Peru).



INTERNATIONAL MEETINGS 2016-17

New Zealand Winegrowers attended the following international meetings to directly advocate for the interests of New Zealand wine in key international regulatory and industry bodies:

FIVS SUMMER CONGRESS, OTTAWA (September 2016)	WORLD WINE TRADE GROUP (WWTG) PLENARY MEETING, OTTAWA (October 2016)	APEC WINE REGULATORY FORUM, OTTAWA (October 2016)
INTERNATIONAL ORGANISATION OF VINE AND WINE (OIV) CONGRESS, BRAZIL (October 2016)	OIV EXPERT GROUP MEETINGS, PARIS (March/April 2017)	FIVS GENERAL ASSEMBLY AND SPRING CONGRESS, BRUSSELS (April 2017)
WWTG INTER-SESSIONAL MEETING, BRUSSELS (April 2017)	APEC WINE REGULATORY FORUM, HANOI (May 2017)	INTERNATIONAL ORGANISATION OF VINE AND WINE (OIV), GENERAL ASSEMBLY, BULGARIA (June 2017)

SUBMISSIONS 2016-17

New Zealand Winegrowers made or contributed to direct submissions or written policy proposals on many matters, including the following:

INTERNATIONAL		
BRAZIL AMENDMENT TO WINE STANDARDS (July 2016)	TRANS-PACIFIC PARTNERSHIP AGREEMENT AMENDMENT BILL (July 2016)	NZ/EU AGRICULTURAL TRADE TALKS (September 2016)
IMPLICATIONS OF BREXIT (October 2016)	WINE EQUALISATION TAX (AUSTRALIA) REFORMS (October 2016)	EU-NEW ZEALAND FTA CONSULTATION (March 2017)
RESOURCING MFAT AND MPI FOR CONTINUED NEW ZEALAND TRADE SUCCESS (March 2017)	WINE EQUALISATION TAX ELIGIBILITY CRITERIA (April 2017)	WHO NON COMMUNICABLE DISEASES ACTION PLAN (ongoing)
WHO ENGAGEMENT WITH NON-STATE ACTORS (ongoing)		
DOMESTIC		
DEVELOPING A COST RECOVERY FRAMEWORK FOR MPI (July 2016)	NEW ZEALAND HEALTH RESEARCH STRATEGY (July 2016)	GEOGRAPHICAL INDICATIONS (WINE AND SPIRITS) REGISTRATION ACT REGULATIONS (July 2016)
ADDITION OF WATER TO FACILITATE WINE FERMENTATION (FSANZ) (August 2016)	FOOD SAFETY LAW REFORM BILL (September 2016)	REVIEW OF SKILLED MIGRANT CATEGORY (October 2016)
CUSTOMS AND EXCISE AMENDMENT REGULATIONS (October 2016)	CUSTOMS AND EXCISE ACT ADDITIONAL DUTY PAPER (January 2017)	CUSTOMS AND EXCISE AMENDMENT BILL (February 2017)
COUNTRY OF ORIGIN LABELLING (May 2017)	ESSENTIAL SKILLS VISA CATEGORY CHANGES (May 2017)	



Research

Building a knowledge platform that protects our members' ability to sustainably produce exceptional wines and supports innovation.



\$12.5m

**OF GOVERNMENT INVESTMENT
SECURED FOR THE NEW
ZEALAND WINEGROWERS
RESEARCH CENTRE**



Pask Winery, Hawkes Bay

The future of the New Zealand wine industry relies on research leading to technical innovation that will enable grape growers and winemakers to remain internationally competitive as leading producers of premium quality wines.

Key initiatives and results from 2016-2017

Breadth and depth of research:

New Zealand Winegrowers’ active research programme in June 2017 comprised of more than 20 individual programmes and projects covering all five focus areas. Research reports and other resources are updated frequently and can be accessed on the members website at nzwine.com.

New Zealand Winegrowers Research Centre (NZWRC)

New Zealand Winegrowers has long directed a substantial portion of member levies into grape and wine research, helping to support innovation and drive economic growth in the sector. The opportunity to seek longer-term investment for research arrived when the Ministry of Business, Innovation and Employment announced its intention to establish regional research institutes as part of Budget 2015.

In consultation with industry members, New Zealand Winegrowers submitted a proposal to create a national wine research centre based in Marlborough and was the first to receive approval for investment in October 2016.

Objective – To underpin the market success of the New Zealand wine industry with solid research, development and innovation.

Implementation – The new research centre will be based in Blenheim, but its focus will be national. The centre will ensure the New Zealand wine industry maintains control of its research activities but will also open new doors to collaboration with NZ and international research communities.

Initial investment of \$12.5 million over four years (2017 to 2020) is funded through the Government’s Regional Research Institute initiative.

Following the announcement of Government investment in the NZWRC, a limited liability company was formed, owned by New Zealand

FOCUS ON FIVE KEY AREAS:

PESTS AND DISEASES

REDUCING COSTS, INCREASING PROFITABILITY

SUSTAINABILITY AND ORGANICS

QUALITY WINE STYLES FOR EXISTING AND DEVELOPING MARKETS

TECHNOLOGY TRANSFER

Winegrowers Inc. The centre has applied for and received tax-exempt status and a board was appointed in April 2017. A contract between the NZWRC and the Government (MBIE) was signed in June 2017, enabling the establishment phase to begin. Work to date has focused on site selection, staffing, infrastructure, relationships with key stakeholders and recruitment of an independent chair.

Pests and diseases

The Powdery Project:

Objective – To research and develop best practice to manage powdery mildew in New Zealand vineyards and provide enhanced extension to vineyard managers and growers. The project started in July 2016 and continues for three years.

Total funding – \$610,000 (NZW levy contribution \$275,000; co-funded by MPI’s Sustainable Farming Fund \$335,000).

Results – With research trials focusing on the application of powdery mildew fungicides in trials located in Gisborne and Marlborough, the project is developing best practice guidance on usage, resistance management, cultural inputs in the vineyard, correct sprayer set-up and application.

A mobile app – Spray Mix Mate – was created in 2016 to assist with calculating fungicide application rates. In addition, a wide range of



education resources have been developed, including sprayer set-up guides, information sheets on canopy management and how to assess spray coverage.

Work was also initiated to develop 12 case studies profiling how individual vineyards are managing powdery mildew levels. The intention is to look at current practice, identify gaps and opportunities for improvement and revisit each vineyard before harvest 2018 to report on progress.

Tech transfer – An essential component of the Powdery Project is the “Spray Days” workshops that provide extension to growers throughout the country. In late 2016, 72 separate sessions were held over 10 days in eight regions, attracting more than 700 attendees. The Spray Days complement New Zealand Winegrowers’ Grape Days events, which are held in three regions in June each year and attract a similarly high level of participation from members. Spray Days Workshops will again be held in New Zealand winegrowing regions during the 2017/2018 growing season.

Practical Management of Grapevine Trunk Disease:

Objective – To develop strategies to reduce the impact of trunk diseases and enhance the sustainability of the New Zealand wine industry and the highly susceptible variety, Sauvignon Blanc. The project commenced in 2013 and ran through to the end of 2016.

Total funding – \$1.17 million (NZW levy contribution \$257,000; co-funded by MPI’s Sustainable Farming Fund \$500,000; in-kind contributions from wine companies \$413,000).

Results – The project delivered recommendations for practical application of pruning wound treatments using tractor-driven sprayers, along with advice on optimal timing of application and a range of effective treatments to provide chemical and non-chemical alternatives for growers. Trials assessed the efficacy of treatments, chemical manufacturers and subsequently registered products for use as wound treatment fungicides. Economic analysis provided decision support for growers and encouraged adoption of new practices for wound treatment following pruning.

Tech transfer – Field day demonstrations held early in the project (in 2014) were followed by a plenary session address at the 2016 Romeo Bragato Conference given by project manager and lead scientist, Dr Mark Sosnowski. A fact sheet was developed by Dr Sosnowski, with industry input and distributed to NZW members in December 2016.

Quality wine styles

Lighter wines:

Objective – Position New Zealand as Number 1 in the world for high-quality, lower alcohol and lower calorie wines. Programme runs to February 2021.

Total funding – \$16.97 million (industry contribution \$8.84 million; co-funded by MPI’s Primary Growth Partnership (PGP) \$8.13 million).

Results – Lighter wine sales in New Zealand reached \$33.5 million in retail value in June 2017 and exports continued to grow to \$4.3 million in FoB value.

Tech transfer – Seventy-seven percent of industry participants have now adopted vineyard techniques researched by the programme; 46% have adopted winery techniques. The programme continues to provide tailored tastings and extension services to participating companies, with research reports available to all industry members.

Aromatics Symposium, Nelson



RESEARCH PROJECTS FUNDED 2016/2017

Quality Wine Styles for Existing and Developing Markets

The pathway of volatile sulphur compounds in wine yeast – The Bragato Trust and NZW Scholarship
University of Auckland – (Dr B Fedrizzi - student M Kinzurb)

Lighter wines (PGP)

University of Auckland and Plant and Food Research (Various). Jointly funded by NZW and MPI Primary Growth Partnership (PGP) fund

High-throughput genotyping of transposon-induced mutations in vines

Lincoln University (C Winefield)

Population genomics of the wine spoilage yeast *Brettanomyces bruxellensis*

University of Auckland – (M Goddard)

Low alcohol-reduced calorie wines using molecular sponges for sugar removal

University of Auckland (B Fedrizzi)

Shoot trimming effects on Pinot Noir vine leaf area to fruit weight ratio, productivity and fruit composition

Lincoln University (G Creasy)

Assessment of commercially available yeast nutrient products on Sauvignon Blanc microvin ferments

K Creasy

PESTS AND DISEASES

Grapevine trunk disease; young vine ecology, diagnostics and preventative treatments

New Zealand Viticulture Nursery Association Incorporated (VINA) (N Hoskins)

Virus diversity in New Zealand grapevines: sequence, ecology and impact – The Rod Bonfiglioli Scholarship

Plant and Food Research (R MacDiarmid - student A Blouin)

Optimising management of grapevine trunk diseases for vineyard longevity

South Australian Research & Development Institute (M Sosnowski)

Developing powdery mildew best practice in New Zealand vineyards

Lewis Wright Valuation & Consultancy Ltd (T Lupton) Supported by MPI Sustainable Farming Fund

Powdery mildew case studies

A Lambourne

Mechanical thinning and botrytis

M Allen

SUSTAINABILITY/ORGANICS

Pinot Noir wine composition and sensory characteristics as affected by soil type and irrigation in the Waipara region

Lincoln University (G Creasy)

Vineyard ecosystems programme

University of Auckland and Plant and Food Research (Various). Jointly funded by NZW and MBIE

Sector weather data licence & tools

HortPlus (NZ) Ltd.

Cost efficient optimisation of weed management in vineyards

Thoughtful Viticulture (M Krasnow)

COST REDUCTION/INCREASED PROFITABILITY

Grapevine growth stage monitoring for prediction of key phenological events

Plant and Food Research (R Agnew) Supported by MPI Sustainable Farming Fund

REPORTS		
Optimal grape harvest and pressing method for early harvest grapes J Bennett et al. – Plant and Food Research	Developing powdery mildew best practice (Year 2) sulphur trials Gisborne & Marlborough 2015-16 T Lupton – Lewis Wright	Grapevine growth stage monitoring for prediction of key phenological events R Agnew et al. – Plant and Food Research
Phenolic compounds of importance to grape-growers and wine-makers R Harrison – Lincoln University	Rotundone in New Zealand Vitis vinifera L. Syrah: fruit, fermentation and functional food chemistry G Logan – University of Auckland	Sustaining vineyards through practical management of grapevine trunk diseases M Sosnowski – South Australian Research and Development Institute and D Mundy - Plant and Food Research
Effects of undervine weed management on vine performance and grape and wine quality M Krasnow et al.	The influence of deficit irrigation and soil class on Sauvignon Blanc maturation and wine composition in relation to low alcohol wine production M Greven et al. – Plant and Food Research	Sensory evaluation of Sauvignon Blanc wines varying systematically in alcohol concentration B Pineau et al. – Plant and Food Research
Evaluation of the efficacy of a range of commercial bentonites on New Zealand Sauvignon Blanc wine K Creasy – Hill Laboratories	Eutypa & Botryosphaeria dieback in vineyards M Sosnowski – South Australian Research and Development Institute and D Mundy - Plant and Food Research	Vineyard ecosystems - annual report L Malone et al. – Plant and Food Research
Vineyard ecosystems - Relating under-vine management, biota and leafroll virus annual report V Bell et al. – Plant and Food Research	Vineyard ecosystems RA 1.3 Pathogen management annual report R MacDiarmid et al. – Plant and Food Research	PGP Market Access – Substitution versus growth R Lee
PGP Market Access – Category descriptor ideation R Lee	PGP Market Access – Consumers of lower alcohol wine in key markets R Lee	PGP Market Access – Multi-market quantitative study R Lee
PGP Market Access – New Zealand consumers of lower alcohol wine R Lee	Testing of Saccharomyces cerevisiae and non-Saccharomyces yeast candidates for their potential to reduce final alcohol content in Sauvignon Blanc wine S Knight – University of Auckland	Influence of canopy trimming, harvest time and post-fermentation sugar addition or de-acidification on the sensory properties of research Sauvignon Blanc wines B Pineau et al. – Plant and Food Research
Influence of the duration of Sauvignon Blanc grape ripening on the composition of juice and wine in relation to low alcohol wine production C Grose et al. – Plant and Food Research	Influence of the duration of Sauvignon Blanc grape ripening on the composition of juice and wine in relation to low alcohol wine production Damian Martin et al. – Plant and Food Research	Skin contact annual report D Martin et al. – Plant and Food Research
The impact of Grapevine leafroll-associated virus 3 genetic variants on grapevines: final report K Chooi – Plant and Food Research		

ARTICLES		
The effect of leafroll 3 genetic variants on grapevines K Chooi et al. – Plant and Food Research	Economic impact of grapevine trunk disease management in Sauvignon Blanc vineyards of New Zealand M Sosnowski – South Australian Research & Development Institute	Serendipity in action: Towards a sustainable protocol to reduce adult grass grub damage in vines M González-Chang and Steve Wratten – Lincoln University
Brettanomyces in New Zealand C Curtin and M Goddard	Optimising management of grapevine trunk diseases for vineyard longevity M Sosnowski et al. – South Australian Research & Development Institute	The Powdery Project A Lambourne
Lighter wines – occasion to innovate New Zealand Winegrowers	Is fungicide resistance affecting botrytis control in our vineyards? R Beresford and P Wright – Plant and Food Research	Grapevine growth stage monitoring for prediction of key phenological events R Agnew et al. – Plant and Food Research
Leafroll virus monitoring in Marlborough vineyards: an update V Bell et al. – Plant and Food Research	Evaluation of the efficacy of a range of commercial bentonites on New Zealand Sauvignon Blanc wine Kirsten Creasy	The leaching and runoff of nutrients from vineyards B Clothier and S Green – Plant and Food Research
Bumper data harvest from the Vineyard Ecosystems Research Programme V Bell et al. – Plant and Food Research	Pinot Noir vine performance and grape and wine composition as affected by soil type and irrigation reduction in the Waipara region G Creasy et al. – Lincoln University	PGP programme spotlight New Zealand Winegrowers
Sustaining vineyards through practical management of grapevine trunk diseases M Sosnowski – South Australian Research & Development Institute – and D Mundy – Plant and Food Research	Grapevine growth stage monitoring for prediction of key phenological events R Agnew et al. – Plant and Food Research	Sulphur for powdery mildew control: it's all about coverage T Lupton – Lewis Wright Valuation & Consultancy Ltd
The vines are mutating. What does that mean for our industry? Darrell Lizamore – Lincoln University	An upcoming review of leafroll virus management in New Zealand vineyards V Bell – Plant and Food Research – and N Hoskins – Vine Managers Limited	High performance from lower alcohol wines New Zealand Winegrowers Fact Sheets <ul style="list-style-type: none">• Eutypa & botryosphaeria dieback in vineyards• Calcium tartrate stability in wine• Bertolini sprayer set-up for powdery mildew management• Silvan sprayer set-up for powdery mildew management• Croplands sprayer set-up for powdery mildew management• FMR sprayer set-up for powdery mildew management
BOOKLET		
Managing varietal thiols in Sauvignon Blanc New Zealand Winegrowers		



New Zealand Winegrowers information resources are highly valued by our members.

A core function of New Zealand Winegrowers is the provision of up-to-date information delivered in a timely manner to members, trade, media and consumers.

“For anybody who has visited New Zealand, you will understand what I mean when I say that the colours there seem brighter, the personalities bigger and the energy for life so great. I finally understood that this ‘dialled up’ expression I perceived in their wines was merely a translation of life in this truly beautiful place.”

Julie Dupouy Ireland, www.thetaste.ie, March 2017

All of the information published by New Zealand Winegrowers is available online at either nzwine.com or nzwine.com/members.

In order to make it easier and faster to access information online both

the public and member websites have been redesigned. The member website had the biggest transformation with new functionality, better navigation pathways, an improved search function, as well as a fresh look and feel.

New Zealand Winegrowers also produces a wide range of printed publications, brochures and promotional items, ranging from spray schedules to varietal sales guides.

SURVEYS, PUBLICATIONS AND REPORTS		
INDUSTRY SURVEYS AND REPORTS		
Monthly New Zealand Wine Export Report New Zealand Winegrowers	Monthly Domestic Market Reports New Zealand Winegrowers	New Zealand Wine Industry Key Performance Indicator Snapshots New Zealand Winegrowers
New Zealand Winegrowers Export Wine Grape Spray Schedule New Zealand Winegrowers	Vineyard Register Report 201. New Zealand Winegrowers	Viticulture Monitoring Programme New Zealand Winegrowers
LABELLING AND INTERNATIONAL MARKET ACCESS		
International Labelling Guide (26th Edition) April 2017 New Zealand Winegrowers	International Labelling Matrix Guide Poster (26th Edition) April 2017 New Zealand Winegrowers	
VINEYARD, WINEMAKING AND CELLAR DOOR PRACTICES		
International Winemaking Practices Guide (10th Edition) August 2016 New Zealand Winegrowers	International Winemaking Practices Guide (11th Edition) June 2017 New Zealand Winegrowers	
LABOUR / HEALTH AND SAFETY / LEGAL		
Working for You New Zealand Winegrowers	Working Well New Zealand Winegrowers and WorkSafe New Zealand	Legal Guide New Zealand Winegrowers and Bell Gully
MARKETING AND COMMUNICATIONS		
What's Fermenting? Monthly eNewsletter to Members New Zealand Winegrowers	New Zealand Winegrower Magazine Published By Rural News Group Ltd under Authority of New Zealand Winegrowers	New Zealand Winegrowers Sustainability Report New Zealand Winegrowers
New Zealand Winegrowers Post Event and Seminar Reports New Zealand Winegrowers	New Zealand Winegrowers Board Meetings Reports New Zealand Winegrowers	Euromonitor Country Market Reports for 18 Countries New Zealand Winegrowers
New Zealand Wine Promotional Material (Varietal and Regional Guides, Maps, Promo Items, Etc.) New Zealand Winegrowers (Available For Purchase)	Nielsen Scantrak Data Reports (UK) New Zealand Winegrowers	Guides to Market (Australia, Canada, USA, Germany, The Netherlands, Sweden, UK) New Zealand Winegrowers
Jean Smullen's Ireland Market Report New Zealand Winegrowers	Debra Meiburg's Guide to the Wine Trade (Beijing, Hong Kong, Shanghai, Singapore, Taiwan) New Zealand Winegrowers	Pricing Calculators (Australia, Canada, UK, China, Germany, Japan, Sweden, The Netherlands, Singapore) New Zealand Winegrowers
New Zealand Wine Educational Textbook (in English and Mandarin) New Zealand Winegrowers	New Zealand Wine Overview Presentation New Zealand Winegrowers	



Sustainability

Creating and communicating
a legacy of sustainability.



98%

**OF NEW ZEALAND'S
VINEYARD AREA
IS SUSTAINABLE
WINEGROWING
NEW ZEALAND
CERTIFIED**



Clos Henri, Marlborough

The inaugural Sustainability Report published in November 2016 highlights the sustainability achievements of our industry. Based on data from Sustainable Winegrowing NZ members' 2016 season, the report shows that New Zealand grape growers and wineries continue to produce premium wine whilst employing environmentally responsible and economically viable processes in vineyards and wineries.

For example, through the collective efforts of members, over 92,000 cubic metres of waste was diverted from landfill and 2,500 hectares of land were set aside for biodiversity plantings.

The report was showcased at the London tastings in January, featured at Pinot Noir NZ 2017 and has been quoted by national and international media including a feature in New Zealand's lifestyle MiNDFOOD magazine.

Creating value for our members and helping the industry be the best in the world is a motivating mantra for New Zealand Winegrowers and informs all of our activities, including Sustainability. These are the driving factors behind the development of the Sustainable Winegrowing New Zealand Continuous Improvement (SWNZ CI) programme.

We want to position New Zealand as the world industry leaders in sustainability - being second best is not enough. SWNZ CI will help us get to the top, stay at the top, and be the best we can be. The programme is voluntary and available to all Sustainable Winegrowing NZ members.

The launch of the Continuous Improvement Programme was supported by a series of regional workshops held to introduce members to the elements of the programme. The plan for 2018 is to have fifty members participating in the first year pilot of the programme.

A further focus for the year is education for members on effective spraying. A submission prepared in May for the agricultural compounds and veterinary medicines (ACVM) consultation on agrichemical labelling advocates for clear, effective and

consistent labelling on products. This supports our key message delivered by the extremely popular Spray Days events emphasizing sprayer set-up and correct spray mix calculation through the release of the 'spray mix mate' app.

Sustainable Winegrowing New Zealand

Sustainable Winegrowing New Zealand (SWNZ) continues to map internal processes to identify efficiencies that will make annual SWNZ submissions easy for members. Working closely with software suppliers has meant improvements to WiSE and GrapeLink this year and the development programme will continue into next year.

Changes to the 17/18 Scorecard signed off by the Sustainability Committee were implemented this year and it was agreed that a Scorecard review will be undertaken bi-annually.

Member use of the GrapeLink spray diary as a management tool continues to grow with a 10% increase in the number of members entering their spray applications during the season. This led to more robust reporting throughout the year, giving members the ability to compliance check a planned spray before it is applied.

“A sustainable wine growing and winemaking approach seems to be embraced by a more significant percent of producers than most other global regions of importance. The innate sense of respect for place was evident everywhere we travelled.”

Sara d’Amato, Wine Consultant, Writer and Sommelier, Canada



The Spray Schedule Working Group formed in May is providing both practical and technical input into the annual Spray Schedule. Recommended changes for 17/18 will ensure clear instruction is provided to all growers.

Biosecurity - Ensuring Healthy Vineyards

Mitigating biosecurity risk is fundamental to ensuring the sustainability of the New Zealand wine industry. 2016 marked the launch of the New Zealand Winegrowers Biosecurity Strategy and a specific biosecurity work programme to achieve its objectives. Our aim is to engage with the government and work with and alongside members to maximize the protection to the industry afforded by New Zealand’s biosecurity system.

A key goal for the Strategy was to sign the Government Industry Agreement (GIA) Deed for Biosecurity Readiness and Response. Following an industry wide consultation that confirmed a very high level of industry support, we signed the Deed in early June. As a GIA partner New Zealand Winegrowers can now work collaboratively with the Crown to prepare for and effectively respond to the wine industry’s high priority biosecurity threats.

While there were no major biosecurity responses that impacted the wine industry in the last 12 months the February 2017 discovery of dead Brown Marmorated Stink Bug (BMSB) on a grape harvester at the border highlighted the risks of a biosecurity incursion impacting our vineyards. We remain focused on mitigating the risks associated with this high impact pest which research has shown could reduce wine export values

by hundreds of millions of dollars per annum. As a component of our response to this threat we are involved in developing an application to the Environmental Protection Authority seeking to import the samurai wasp BMSB biocontrol into containment for use as a response tool.

In July 2017 we operationalised our GIA partnership by signing a BMSB Operational Agreement to help mitigate this risk. The Operational Agreement sets out how the industry partners and the government will work together to boost readiness for the pest and how costs will be shared between them. One of the first tasks likely to be completed under the Agreement is the development of a response plan to combat the pest should it arrive, with an accompanying research programme and public awareness campaign.

We have also been focused on maximising members’ awareness of potential biosecurity threats and their participation in biosecurity activities to mitigate risk. Regular biosecurity columns in a range of national and regional industry publications have helped raise awareness of the range of potential pests facing our industry.

At the 2017 Grape Days we engaged with over 600 members on the risks posed by BMSB, Pierce’s Disease and Glassy Wing Sharp Shooter. We have also consulted with members on best practice guidelines for in-vineyard biosecurity. Finalising these guidelines will be a key objective for the year ahead.

2,500ha

WAS SET ASIDE FOR BIODIVERSITY PROTECTION, RESTORATION OR ENHANCEMENTS BY SWNZ MEMBERS IN 2016



Above: Summit Event, Wairarapa
Below: NZW Sustainability Report 2016

Organics

Organic wine production continues to flourish. More than 60 New Zealand wineries now make fully certified organic wines, with more still in the organic conversion process.

The grower-led organisation Organic Winegrowers New Zealand (OWNZ) continues to focus on educating growers and winemakers about organic practices. New Zealand Winegrowers provides funding support and collaboration for these initiatives. Major organic events this year included a series of regional seminars on soil nutrition, and the second national Organic and Biodynamic Winegrowing Conference, a three-day event which drew over 300 delegates from over 100 wineries across New Zealand and Australia.

The 2016-17 season also saw new efforts to help growers learn about organic undervine weed management practices. OWNZ launched an undervine weeding mentoring programme, in which new organic

growers are mentored by experienced growers over the course of a growing season. OWNZ have also prepared a technical guide on the topic for all members of the industry.

As the number of certified organic producers grows, New Zealand Winegrowers and OWNZ are pioneering new joint marketing initiatives for organic wines. The first step in this process was the rollout of organic displays at NZW events in Europe in early 2017.



“I’m impressed with the almost single-minded commitment to sustainability that nearly all of the producers demonstrated. Maybe it’s just another aspect of the Kiwi ethos, but it is rarely encountered in similar scope in other countries.”

Troy Smith, Sommelier, USA



Developing and supporting the growth of the New Zealand wine brand.

“I really love the freshness of New Zealand Pinot Noir. But also really admire the distinctiveness across regions. There’s such a regional character in each area. Ranging from wonderful palate tension, and across an array of flavours.”

Elaine Chukan Brown, USA, Wine Writer

International Visit Programme 2016-2017

KEY STATS



100%

SATISFACTION RATE
(POST VISIT SURVEY RESULTS)



16

**REGIONAL & NATIONAL
ANCILLARY EVENTS AROUND
PINOT NOIR 2017**



56

**REGIONAL OVERVIEW
TASTINGS**



128

**ONLINE ARTICLES
ON PLATFORMS TALLING**

171 million

UNIQUE VISITORS PER MONTH



82

**INTERNATIONAL
TRADE & MEDIA
ATTENDED
PINOT NOIR 2017**



35m

10,000+

**TWEETS & INSTAGRAM POSTS
DURING PINOT NOIR 2017*
REACHING 35 MILLION
TIMELINES**

*Pinot Noir NZ 2017 – held in Wellington,
New Zealand

1 million

**VIEWERS/LISTENERS
FOR ONE RADIO & TWO
TELEVISION SEGMENTS**

- 34** NEW WINE LISTINGS
- 23** SEMINARS HOSTED
- 9** RADIO BULLETINS
- 9** RETAIL/RESTAURANT PROMOTIONS

43

**PRINTED ARTICLES WITH
A 4.8 MILLION CIRCULATION**

\$3.5m

**ESTIMATED
ADVERTISING VALUE*****

***Includes some online EAV

99 VISITORS

- 23** FROM THE USA
- 16** FROM THE UK & IRELAND
- 13** FROM EUROPE**
- 22** FROM AUSTRALIA
- 6** FROM CANADA
- 19** FROM ASIA**

**with support from NZTE

Marketing



USA

● MARKETING PROGRAMME

Seminars: 13
Trade/media visitors: 23

● USER PAYS EVENTS

Events: 8
Trade/media: 547
Consumers: 160
Wineries showcased*: 332
Wines*: 1,445



UK & IRELAND

● MARKETING PROGRAMME

Seminars: 13
Trade/media visitors: 16

● USER PAYS EVENTS

Events: 6
Trade/media: 810
Consumers: 5,092
Wineries showcased*: 216
Wines*: 865



EUROPE

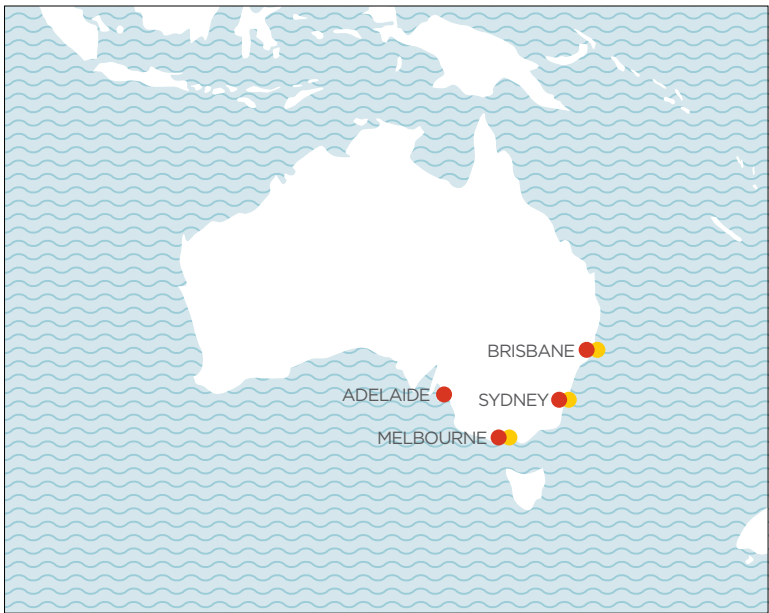
● MARKETING PROGRAMME

Seminars: 11
Trade/media visitors: 13

● USER PAYS EVENTS

Events: 5
Trade/media: 59,064
Consumers: 337
Wineries showcased*: 141
Wines*: 551





AUSTRALIA

MARKETING PROGRAMME

Seminars: 5
Trade/media visitors: 22

USER PAYS EVENTS

Events: 4
Trade/media: 71
Consumers: 2,440
Wineries showcased*: 139
Wines*: 205



CANADA

MARKETING PROGRAMME

Seminars: 12
Trade/media visitors: 6

USER PAYS EVENTS

Events: 6
Trade/media: 479
Consumers: 580
Wineries showcased*: 78
Wines*: 351

Plus participation in numerous consumer and trade events across Canada.



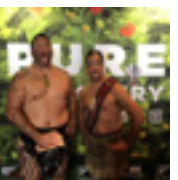
ASIA

MARKETING PROGRAMME

Seminars: 16
Trade/media visitors: 19

USER PAYS EVENTS

Events: 19
Trade/media: 4,850
Consumers: 1,100
Wineries showcased*: 145
Wines*: 762



*Calculated per event, some wineries/wines counted more than once.

International Education Programme 2016-2017



99%

SATISFACTION RATE
(POST SEMINAR SURVEY RESULTS)



96%

**LIKELY TO LIST, WRITE
OR EDUCATE**



750+

**WINES POURED FROM OVER
175 INDIVIDUAL WINERIES
TO ALMOST 7,000 ATTENDEES**



70

**SEMINARS, MASTERCLASSES,
EDUCATION PROGRAMMES &
SELF-POURS IN 16 MARKETS**

- 13** IN THE USA
- 12** IN CANADA
- 13** IN THE UK & IRELAND
- 11** IN MAINLAND EUROPE*
- 16** IN ASIA*
- 5** IN AUSTRALIA

*with support from NZTE

“The Sommit Scholarship is without question one of the great sommelier programs offered internationally. An incredible opportunity to spend time traveling the numerous wine regions of New Zealand with fellow sommeliers that come together from all parts of the globe to offer a different perspective on their markets. Created to encourage Sommeliers to share their knowledge with each other and grow as a community whilst sharing in some of the best food, wine and hospitality New Zealand has to offer.”

Alexander Kirkwood, Head Sommelier at ARIA, Australia

Thanks to our partners





BRAGATO WINE AWARDS 2016

Bragato Champion Wine of the Show Trophy and Champion Single Vineyard Wine

Villa Maria Single Vineyard
Ihumatao Chardonnay 2014
Ihumatao Vineyard, Auckland
Brett Donaldson

Richard Smart Trophy and Champion Domaine Wine

Villa Maria Reserve Gimblett
Gravels Hawke's Bay Cabernet
Sauvignon Merlot 2014
Vidal Vineyard, Hawke's Bay
Phil Holden

Friedrich Wöhnsiedler Trophy Winner and Champion Riesling

Maude, Mt Maude Vineyard East
Block Riesling Central Otago 2016
Mt Maude Vineyard, Central Otago
Dawn and Terry Wilson

Brother Cyprian Trophy Winner and Champion Pinot Gris

Aronui Pinot Gris Single
Vineyard Nelson 2016
Whenua Matua Vineyard, Nelson
Jonny Hiscox

Champion Gewürztraminer

Villa Maria Single Vineyard
Ihumatao Gewürztraminer 2014
Ihumatao Vineyard, Auckland
Brett Donaldson

Champion Other Red Wine

Coopers Creek SV Hawke's Bay
Malbec 'Saint John' 2013
Saint John Vineyard, Hawke's Bay
Wayne Morrow

Champion Sweet Wine

Villa Maria Reserve Marlborough
Noble Riesling Botrytis Selection 2015
Rocenvin Vineyard, Marlborough
Chris Fletcher

New Zealand Wine Cellars Spence Brothers Trophy Winner and Champion Sauvignon Blanc

Tohu Single Vineyard Sauvignon
Blanc Marlborough 2016
Tohu Awatere Vineyard, Marlborough
Mondo Kopua

Bill Irwin Trophy Winner and Champion Chardonnay

Villa Maria Single Vineyard
Ihumatao Chardonnay 2014
Ihumatao Vineyard, Auckland
Brett Donaldson

Champion Rosé

Wooing Tree Rosé
Central Otago 2016
Wooing Tree Vineyard,
Central Otago
Geoff Bews

Mike Wolter Memorial Trophy Winner and Champion Pinot Noir

Black Quail Estate Pinot Noir
Central Otago 2013
Keillor Vineyard, Central Otago
Rod and Mirani Kellior

Tom McDonald Memorial Trophy Winner and Champion Classical Red Wine

Villa Maria Reserve Gimblett
Gravels Hawke's Bay Reserve
Cabernet Sauvignon Merlot 2014
Vidal Vineyard, Hawke's Bay
Phil Holden

Alan Limmer Trophy Winner and Champion Syrah

Falcon Ridge Estate Syrah
Nelson 2015
Falcon Ridge Estate, Nelson
Alan J Eggers



AIR NEW ZEALAND WINE AWARDS 2016

Air New Zealand Champion Wine of the Show

Lowburn Ferry Home Block
Pinot Noir Central Otago 2014

O-I New Zealand Reserve Wine of the Show

Brancott Estate Letter Series "O"
Chardonnay Marlborough 2015

JF Hillebrand New Zealand Champion Pinot Noir

Lowburn Ferry Home Block
Pinot Noir Central Otago 2014

Label and Litho Ltd Champion Sauvignon Blanc

Babydoll Sauvignon Blanc
Marlborough 2016

Rabobank New Zealand Champion Chardonnay

Brancott Estate Letter Series "O"
Chardonnay Marlborough 2015

Quay Connect Champion Other White Styles

Nautilus Albariño Marlborough 2016

Fruitfed Supplies Champion Syrah

Mission Reserve Syrah
Hawke's Bay 2015

Guala Closures New Zealand Ltd Champion Pinot Gris

Wairau River Pinot Gris
Marlborough 2016

Plumm Glassware Champion Gewürztraminer

Lawson's Dry Hills Gewürztraminer
Marlborough 2015

Coast FM Champion Merlot, Cabernet and Blends

Villa Maria Reserve Gimblett
Gravels Cabernet Sauvignon/
Merlot Hawke's Bay 2014

Plant & Food Research Champion Riesling

Giesen Riesling New Zealand 2015

WineWorks Limited Champion Sparkling Wine

Deutz Cuvee Blanc
De Blancs Methode Traditionnelle
Marlborough 2013

Wine-Searcher Champion Sweet White Wine

Giesen The Brothers Late Harvest
Sauvignon Blanc Marlborough 2014

Liquorland Champion Rosé

Whitehaven Pinot Rosé
Marlborough 2016

New World Champion Open White Wine

Giesen Riesling New Zealand 2015

Dish Magazine Champion Open Red Wine

Yealands Estate Single Vineyard
Pinot Noir Marlborough 2015

Rangitikei Chicken Champion Exhibition White or Sparkling Wine

Maude Mt Maude Vineyard Dry
Riesling Central Otago 2016

New Zealand Winegrowers Champion Exhibition Red Wine

Mission Reserve Cabernet
Franc Hawke's Bay 2014



Statistics

“In a remarkably short space of time, New Zealand has gone from relative obscurity to becoming one of the world’s most exciting, evolving and energetic wine regions in the world with an enviable reputation for Pinot Noir.”

Lauren Eads UK, *The Drinks Business*, March 2017

NEW ZEALAND WINE INDUSTRY 2017 : A SNAPSHOT

TOTAL
PRODUCING AREA

37,129 HA

TOTAL PRODUCING
AREA BY VARIETY

RED 7,919 HA
WHITE 29,210 HA

PRODUCING AREA OF
SAUVIGNON BLANC

22,085 HA

NUMBER OF VINEYARDS

2005

AVERAGE AREA
OF VINEYARD

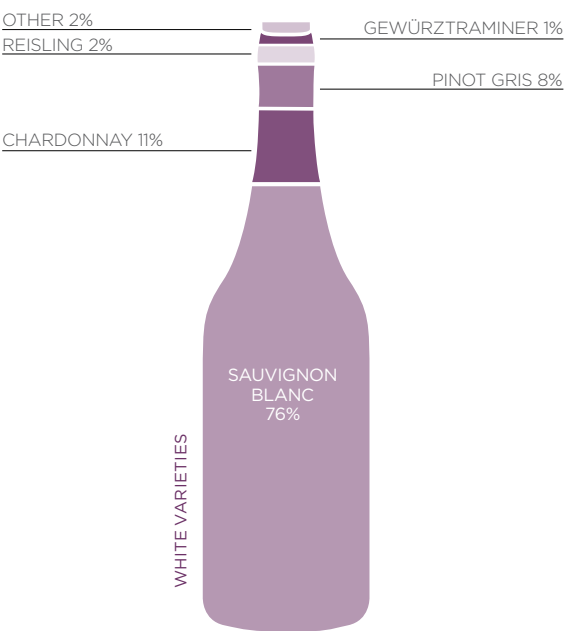
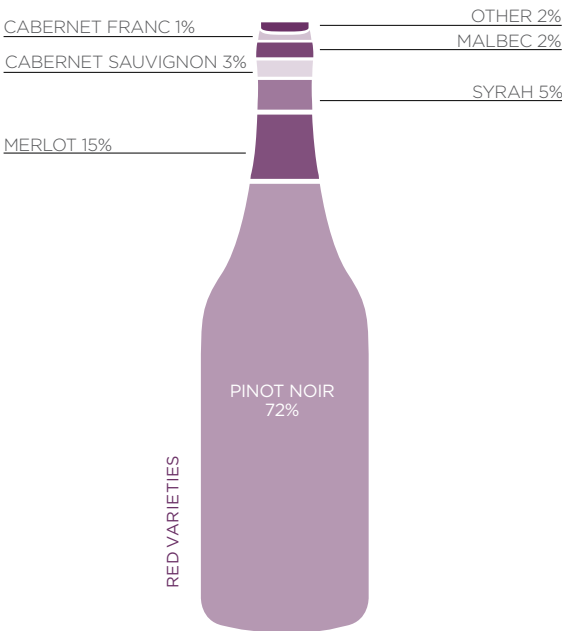
18.5 HA

PERCENTAGE
INCREASE ON
PRECEDING YEAR

↑ 2%



TOP PRODUCING VARIETIES



Statistics

Summary of New Zealand Wine (2008 - 2017)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Number of Wineries	585	643	672	697	703	698	699	673	675	677
Number of Growers	1007	1073	1128	853	824	835	858	762	747	726
Producing Area (hectares)	29,310	31,964	33,200	34,500	35,337	35,182	35,510	35,463	36,226	37,129*
Average Yield (tonnes per hectare)	9.7	8.9	8.0	9.5	7.6	9.8	12.6	9.1	12.0	10.7
Average Grape Price (NZ\$ per tonne)	2,161	1,629	1,293	1,239	1,359	1,688	1,666	1,732	1,807	N/A
Tonnes Crushed	285,000	285,000	266,000	328,000	269,000	345,000	445,000	326,000	436,000	396,000
Total Production (millions of litres)	205.2	205.2	190.0	235.0	194.0	248.4	320.4	234.7	313.9	285.1
Domestic Sales of NZ Wine (millions of litres NZ Wine)	46.5	59.3	56.7	66.3	64.6	51.7	49.9	61.9	56.2	54.0*
Consumption per Capita NZ wine (litres NZ wine)	11.1	13.9	13.0	15.2	14.7	11.6	11.2	13.7	12.2	11.4*
Total domestic sales of all wine (millions of litres)	87.4	92.7	92.1	93.9	91.9	92.5	90.6	96.0	93.4	93.8*
Consumption per capita all wines (litres)	20.8	21.5	21.1	21.3	20.9	20.8	20.3	21.2	20.2	19.8*
Export Volume (millions of litres)	88.6	112.6	142.0	154.7	178.9	169.6	186.9	209.4	213.4	253.0
Export Value (millions of NZ\$ FOB)	797.8	991.7	1,041	1,094	1,177	1,210	1,328	1,424	1,570	1,663

N/A – Not yet available

* Estimate only

New Zealand Winegrowers Membership (2008 - 2017)

WINERIES BY SIZE ¹	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Small	523	577	605	697	622	617	611	587	581	582
Medium	56	60	61	60	71	71	65	69	78	77
Large	6	6	6	6	10	10	23	17	16	18
TOTAL	585	643	672	697	703	698	699	673	675	677

¹ From 2008: Small – annual sales not exceeding 200,000 litres Medium – annual sales between 200,000 and 4,000,000 litres
Large – annual sales exceeding 4,000,000 litres

WINERIES BY REGION	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Northland	14	14	14	15	16	13	15	14	15	16
Auckland	103	109	111	117	118	116	114	111	110	109
Waikato/Bay of Plenty	19	20	21	17	15	13	13	12	9	8
Gisborne	22	24	26	24	24	21	19	18	18	18
Hawke's Bay	71	79	85	91	84	77	76	75	76	79
Wairarapa	58	61	63	64	64	65	67	67	68	64
Nelson	32	34	36	38	36	38	37	35	36	36
Marlborough	109	130	137	142	148	152	151	140	141	139
Canterbury/Waipara	54	62	61	66	68	70	66	67	64	65
Central Otago	95	103	111	115	120	124	132	127	133	137
Other Areas	8	7	7	9	10	9	9	7	5	6
TOTAL	585	643	672	698	703	698	699	673	675	677

GRAPE GROWERS BY REGION	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Auckland	25	38	44	17	9	11	11	10	5	4
Waitkato/Bay of Plenty	4	13	11	2	2	2	0	0	0	0
Gisborne	100	89	87	57	54	53	48	41	41	36
Hawke's Bay	186	172	171	122	103	104	102	74	71	65
Wairarapa/Wellington	25	44	48	24	24	30	17	14	15	17
Nelson	58	57	62	39	38	40	52	38	36	37
Marlborough	530	524	568	544	551	548	581	535	534	519
Waipara	12	20	22	11	6	12	14	14	10	11
Canterbury	4	41	38	2	2	2	1	4	4	3
Otago	63	75	77	35	35	33	32	32	31	
Central Otago										33
Waitaki Valley North Otago										1
TOTAL	1,007	1,073	1,128	853	824	835	858	762	747	726

Grower Membership has previously been reported as Otago, now split into Central Otago and Waitaki Valley North Otago.

Statistics

New Zealand Producing Vineyard Area (2008 - 2017)

BY GRAPE VARIETY (HA)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017**
Sauvignon Blanc	13,988	16,205	16,910	16,758	20,270	20,015	20,029	20,497	21,400	22,085
Pinot Noir	4,650	4,777	4,773	4,803	5,388	5,488	5,509	5,514	5,519	5,653
Chardonnay	3,881	3,911	3,865	3,823	3,229	3,202	3,346	3,117	3,116	3,203
Pinot Gris	1,383	1,501	1,763	1,725	2,485	2,403	2,451	2,422	2,439	2,469
Merlot	1,363	1,369	1,371	1,386	1,234	1,255	1,290	1,239	1,198	1,217
Riesling	917	979	986	993	770	787	784	767	753	737
Syrah	278	293	297	299	387	408	433	436	426	431
Cabernet Sauvignon	516	517	519	519	305	301	289	275	253	251
Gewürztraminer	316	311	314	313	347	334	376	277	242	237
Malbec	156	156	157	157	140	142	127	129	119	119
Sauvignon Gris***								104	113	113
Vigonier***								129	119	100
Cabernet Franc	166	163	161	161	119	119	113	109	99	92
Other varieties	1,696	1,782	2,312	2,723	661	728	764	448	430	422
TOTAL*	29,310	31,964	33,428	33,660	35,335	35,182	35,511	35,463	36,226	37,129

BY REGION (HA)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017**
Auckland/Northland	534	543	550	556	411	414	392	403	387	392
Waikato/Bay of Plenty	147	147	147	147	24	24	25	16	3	3
Gisborne	2,142	2,149	2,083	2,072	1,635	1,599	1,915	1,440	1,350	1,371
Hawke's Bay	4,899	4,921	4,947	4,993	5,030	4,846	4,774	4,638	4,641	4,694
Wairarapa	855	859	871	882	979	991	995	1,003	1,005	1,017
Marlborough	15,915	18,401	19,295	19,024	22,956	22,819	22,907	23,452	24,365	25,135
Nelson	794	813	842	861	1,011	1,095	1,123	1,141	1,135	1,155
Canterbury/Waipara	1,732	1,763	1,779	1,809	1,371	1,435	1,488	1,428	1,419	1,425
Central Otago	1,552	1,532	1,540	1,540	1,917	1,959	1,932	1,942	1,880	1,896
Waitaki Valley North Otago									41	41
Other & Unknown	740	836	1,374	1,516						
TOTAL*	29,310	31,964	33,428	33,400	35,334	35,182	35,551	35,463	36,226	37,129

* Total corrected to account for assumed vineyard survey underestimation

** Projections submitted in the 2016 Vineyard Register

*** Reported seperately since 2015

Central Otago and Waitaki Valley North Otago reported seperately from 2016

Source: New Zealand Winegrowers' Vineyard Surveys / Vineyard Register

New Zealand Vintages (2008 - 2017)

BY GRAPE VARIETY (TONNES)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Sauvignon Blanc	169,613	177,647	174,247	224,412	181,121	228,781	310,240	216,078	303,711	285,862
Pinot Noir	32,878	27,547	23,655	31,156	23,285	31,775	36,499	25,763	35,661	28,760
Chardonnay	33,346	34,393	26,322	25,580	22,855	27,184	28,985	27,015	29,162	26,843
Pinot Gris	12,417	11,410	12,810	17,787	15,347	22,042	23,880	19,707	24,892	20,755
Merlot	10,166	11,723	8,885	9,092	8,046	10,076	10,756	9,397	9,321	7,714
Riesling	8,547	6,316	5,416	6,118	4,989	5,932	6,013	4,535	5,937	3,880
Syrah	1,452	1,500	2,112	1,741	1,431	2,240	2,178	1,497	1,756	1,733
Gewürztraminer	2,101	2,123	1,556	1,836	1,249	1,788	2,264	1,761	2,221	1,047
Cabernet Sauvignon	2,270	2,304	2,203	1,667	1,120	1,465	1,742	1,376	1,537	974
Sauvignon Gris									1,182	944
Other Whites	1,997	865	848	898	618	1,052	1,646	1,294	727	824
Malbec	1,036	972	761	764	694	825	1,135	586	483	697
Muscat Varieties	1,697	1,505	793	550	578	634	455	301	329	450
Other Reds	291	262	602	556	307	262	537	457	677	401
Cabernet Franc	688	735	552	488	414	421	582	485	616	373
Viognier	573	784	854	781	839	519	1,148	720	771	266
Grüner Veltliner							341	228	276	253
Semillon	2,561	1,667	1,362	689	596	721	507	425	466	249
Arneis					163	220	336	268	257	239
Pinotage	719	694	467	476	292	400	425	494	374	145
SURVEY TOTAL	282,352	282,447	263,445	324,591	263,944	336,337	429,669	312,387	420,356	382,409
INDUSTRY TOTAL *	285,000	285,000	266,000	328,000	269,000	345,000	445,000	326,000	436,000	396,000

BY REGION (TONNES)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Northland	204	148	178	111	92	130	210	203	92	121
Auckland	1,604	1,615	1,325	1,464	1,220	789	1,392	824	1,267	934
Waikato/Bay of Plenty	192	202	118	51	7	12	63	ND	18	
Gisborne	23,911	23,093	18,316	14,450	15,590	15,567	16,192	17,280	15,944	16,337
Hawke's Bay	34,284	40,985	38,860	35,533	32,793	38,829	44,502	36,057	42,958	33,679
Wairarapa	4,105	4,421	3,942	3,598	4,271	4,798	5,743	3,559	5,049	3,822
Marlborough	194,639	192,128	182,658	244,893	188,648	251,630	329,571	233,182	323,290	302,396
Nelson	7,002	7,740	5,963	7,854	6,129	7,777	10,494	6,777	10,028	8,540
Canterbury/Waipara	6,881	5,476	5,870	9,485	7,079	8,348	10,962	5,395	12,170	8,240
Central Otago	9,495	6,218	6,196	7,104	8,115	8,407	10,540	8,951	9,177	8,324
Other	35	421	19	48		50		159	363	16
SURVEY TOTAL	282,352	282,447	263,445	324,591	263,944	336,337	429,669	312,387	420,356	382,409
INDUSTRY TOTAL *	285,000	285,000	266,000	328,000	269,000	345,000	445,000	326,000	436,000	396,000

* The data shown are the results from the New Zealand Winegrowers' Annual Vintage Surveys, whereas 'Industry Total' represents the tonnes crushed by the total wine industry. The difference between 'Total' and 'Industry Total' is data from wine companies who did not respond to the Vintage Survey.

ND: No data available

Source: New Zealand Winegrowers' Annual Vintage Surveys

Statistics

New Zealand Wine Exports By Market (2008 - 2017)

		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
USA	L	19.492	22.181	26.360	32.223	39.481	43.362	48.914	53.858	61.636	72.929
	NZ\$	159.787	223.666	211.613	231.922	251.329	283.651	328.049	372.241	460.600	517.258
United Kingdom	L	29.646	36.212	47.995	52.930	57.657	47.622	51.868	59.745	58.936	74.638
	NZ\$	240.730	267.913	298.656	293.631	284.021	278.415	318.611	353.931	381.809	389.272
Australia	L	24.633	37.343	45.937	45.263	53.474	49.764	53.709	57.528	52.960	59.672
	NZ\$	246.696	323.312	327.098	337.740	380.473	373.048	380.851	362.188	361.677	371.099
Canada	L	5.219	5.055	7.143	5.705	6.509	7.272	7.703	9.583	10.612	11.388
	NZ\$	47.060	49.498	59.141	59.180	70.906	78.177	78.941	94.906	107.372	107.434
Netherlands	L	1.363	2.354	2.746	4.060	4.586	4.128	5.022	6.744	6.801	8.203
	NZ\$	12.808	20.831	21.576	27.369	26.744	26.743	33.383	41.479	44.480	45.439
China	L	0.238	0.544	1.425	1.489	2.200	2.219	1.810	1.858	2.028	2.270
	NZ\$	2.436	6.130	17.165	16.872	25.234	26.868	24.803	27.069	27.593	31.758
Ireland	L	1.496	1.498	1.816	1.844	2.158	2.052	2.212	2.512	2.888	2.986
	NZ\$	15.012	16.501	15.784	15.643	16.326	14.420	16.353	17.472	21.309	21.658
Singapore	L	0.756	1.000	1.031	1.164	1.149	1.285	1.572	1.580	1.567	1.306
	NZ\$	9.507	13.370	12.464	13.984	14.515	16.148	21.326	20.691	20.570	18.596
Hong Kong	L	0.610	0.624	0.947	1.307	1.524	1.570	1.348	1.399	1.283	1.353
	NZ\$	6.171	8.870	11.951	17.629	18.393	20.474	16.853	17.680	17.333	18.553
Japan	L	0.545	0.504	0.674	0.897	1.119	1.152	1.196	1.193	1.150	1.273
	NZ\$	7.299	7.837	9.026	11.017	12.891	13.646	13.908	13.773	13.796	14.565
Sweden	L	0.545	0.604	0.942	1.367	1.459	1.563	1.562	1.630	1.843	1.779
	NZ\$	5.445	6.105	8.747	11.365	11.554	13.090	13.020	13.163	15.276	14.208
Germany	L	0.462	0.530	0.586	0.748	1.429	1.532	2.682	2.073	2.667	1.728
	NZ\$	5.342	5.680	4.954	5.302	7.639	9.532	14.459	10.018	14.501	10.740
Denmark	L	0.654	1.019	1.013	0.976	1.004	0.790	0.864	1.191	0.942	1.252
	NZ\$	5.836	6.510	5.946	6.646	6.566	5.388	6.652	8.042	7.182	8.368
Norway	L	0.033	0.069	0.068	0.169	0.205	0.224	0.334	0.270	0.284	0.320
	NZ\$	0.337	0.621	0.623	1.529	1.483	1.591	2.742	2.045	2.511	2.508
Finland	L	0.121	0.122	0.164	0.276	0.219	0.185	0.259	0.310	0.258	0.248
	NZ\$	1.202	1.502	1.528	2.532	2.134	1.572	2.283	2.455	2.388	2.004
Others	L	2.822	2.987	2.010	4.243	4.706	4.942	5.834	7.947	7.516	11.618
	NZ\$	32.129	33.374	23.358	41.614	46.638	47.758	56.124	67.307	70.938	89.507
TOTAL	L	88.636	112.647	142.032	154.661	178.880	169.669	186.889	209.419	213.371	252.962
	NZ\$	797.797	991.721	1,040.529	1,093.973	1,176.847	1,210.525	1,328.358	1,424.461	1,569.515	1,662.968

Note: All figures are in millions

Source: Statistics New Zealand

New Zealand Wine Exports By Market (Year End June 2017)

		WHITE 750ML	WHITE OTHER	WHITE TOTAL	RED 750ML	RED OTHER	RED TOTAL	SPARKLING	FORTIFIED	TOTAL
U.S.A	L	42.785	27.868	70.653	2.201	0.014	2.214	0.062		72.929
	\$	365.360	124.768	490.127	26.340	0.090	26.430	0.697		517.258
	\$/L	\$8.54	\$4.48	\$6.94	\$11.97	\$6.68	\$11.94	\$11.31		\$7.09
United Kingdom	L	35.560	34.648	70.208	3.505	0.746	4.252	0.174	0.005	74.638
	\$	224.140	125.238	349.379	34.043	4.077	38.120	1.730	0.042	389.272
	\$/L	\$6.30	\$3.61	\$4.98	\$9.71	\$5.46	\$8.97	\$9.96	\$9.28	\$5.22
Australia	L	32.301	22.178	54.479	3.855	0.747	4.602	0.590		59.672
	\$	239.035	77.639	316.675	42.516	5.013	47.529	6.890		371.099
	\$/L	\$7.40	\$3.50	\$5.81	\$11.03	\$6.71	\$10.33	\$11.68		\$6.22
Canada	L	10.091	0.434	10.525	0.789	\$0.001	0.790	0.074		11.388
	\$	95.833	1.441	97.275	9.295	\$0.008	9.303	0.856		107.434
	\$/L	\$9.50	\$3.32	\$9.24	\$11.79	\$8.36	\$11.78	\$11.63		\$9.43
Netherlands	L	4.416	3.312	7.728	0.448	0.025	0.473	0.003		8.203
	\$	28.110	13.323	41.433	3.841	0.134	3.974	0.031		45.439
	\$/L	\$6.37	\$4.02	\$5.36	\$8.58	\$5.36	\$8.41	\$9.77		\$5.54
China	L	0.870	0.017	0.886	1.309	0.068	1.377	0.007		2.270
	\$	10.460	0.174	10.634	19.237	1.780	21.017	0.091		31.758
	\$/L	\$12.03	\$10.44	\$12.00	\$14.70	\$26.11	\$15.27	\$12.87		\$13.99
Ireland	L	2.609	0.232	2.841	0.134		0.134	0.010		2.986
	\$	18.374	1.859	20.233	1.317		1.318	0.106		21.658
	\$/L	\$7.04	\$8.00	\$7.12	\$9.81		\$9.81	\$10.32		\$7.25
Singapore	L	0.972	0.005	0.977	0.308	0.001	0.309	0.020		1.306
	\$	13.263	0.046	13.310	4.983	0.016	4.999	0.288		18.596
	\$/L	\$13.64	\$9.29	\$13.62	\$16.17	\$14.27	\$16.17	\$14.48		\$14.24
Hong Kong	L	1.052	0.003	1.056	0.277	0.002	0.279	0.018		1.353
	\$	12.629	0.099	12.728	5.566	0.024	5.591	0.235		18.553
	\$/L	\$12.00	\$30.61	\$12.06	\$20.09	\$16.13	\$20.06	\$12.90		\$13.72
Japan	L	0.744	0.160	0.903	0.329	0.002	0.331	0.039		1.273
	\$	7.319	0.802	8.120	6.001	0.044	6.045	0.400		14.565
	\$/L	\$9.84	\$5.02	\$8.99	\$18.26	\$21.29	\$18.28	\$10.16		\$11.44
Sweden	L	1.483	0.005	1.487	0.224	0.013	0.237	0.054		1.779
	\$	10.828	0.008	10.836	2.703	0.083	2.786	0.585		14.208
	\$/L	\$7.30	\$1.65	\$7.29	\$12.08	\$6.38	\$11.76	\$10.78		\$7.99
Germany	L	0.892	0.752	1.644	0.073	0.001	0.074	0.010		1.728
	\$	6.701	2.881	9.582	1.034	0.014	1.048	0.110		10.740
	\$/L	\$7.51	\$3.83	\$5.83	\$14.19	\$11.77	\$14.15	\$11.45		\$6.22
Denmark	L	0.622	0.504	1.126	0.125		0.125			1.252
	\$	4.711	1.979	6.690	1.673		1.676			8.368
	\$/L	\$7.57	\$3.93	\$5.94	\$13.35		\$13.37			\$6.68
Norway	L	0.279		0.279	0.028	0.006	0.034	0.007		0.320
	\$	2.059		2.061	0.352	0.058	0.411	0.037		2.508
	\$/L	\$7.38		\$7.38	\$12.71	\$9.90	\$12.22	\$5.28		\$7.85
Finland	L	0.092		0.092	0.018		0.018	0.138		0.248
	\$	0.808		0.808	0.246		0.246	0.950		2.004
	\$/L	\$8.78		\$8.78	\$13.88		\$13.88	\$6.86		\$8.08
Others	L	5.678	4.684	10.362	0.973	0.169	1.142	0.114		11.618
	\$	55.589	17.814	73.403	13.531	1.250	14.781	1.292		89.507
	\$/L	\$9.79	\$3.80	\$7.08	\$13.91	\$7.40	\$12.95	\$11.32		\$7.70
TOTAL	L	140.446	94.802	235.248	14.594	1.795	16.389	1.320	0.005	252.962
	\$	1,095.220	368.073	1,463.294	172.679	12.595	185.275	14.301	0.099	1,662.968
	\$/L	\$7.80	\$3.88	\$6.22	\$11.83	\$7.02	\$11.30	\$10.83	\$19.22	\$6.57

Source: Statistics New Zealand

Statistics

New Zealand Wine Exports By Variety (2008 - 2017)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Sauvignon Blanc	66.849	91.527	115.810	131.653	150.883	144.551	160.580	177.776	181.944	217.890
Pinot Noir	5.703	6.183	8.207	9.498	10.560	10.170	10.705	10.886	12.171	12.510
Pinot Gris	1.256	2.036	2.769	2.648	4.091	3.612	4.688	4.479	4.713	7.151
Chardonnay	5.541	4.789	5.234	4.888	5.510	4.914	4.627	5.277	6.063	6.172
Rosé	0.963	0.704	0.559	0.622	0.586	0.490	0.712	0.835	0.942	2.389
Merlot	1.876	1.931	2.618	2.347	2.379	2.059	1.765	1.711	1.906	2.250
Riesling	1.003	0.776	0.971	1.062	1.057	0.924	0.996	0.113	0.150	1.099
Sparkling	2.064	1.976	1.737	1.271	1.392	1.451	1.700	1.441	1.412	1.088
Cabernet or Merlot Blend	1.072	1.067	1.022	1.094	1.254	1.424	1.030	0.754	0.836	0.972
Other White Varietals	0.039	0.081	0.069	0.076	0.118	0.103	0.127	0.282	0.341	0.453
Syrah	0.137	0.155	0.227	0.307	0.309	0.270	0.242	0.954	1.065	0.283
Gewürztraminer	0.131	0.146	0.162	0.306	0.202	0.192	0.212	0.017	0.026	0.182
Sauvignon Blend	0.024	0.128	0.154	0.077	0.140	0.422	0.034	0.014	0.013	0.135
Other Red Varietals	0.089	0.049	0.060	0.087	0.095	0.085	0.068	0.041	0.048	0.128
Generic Red	0.082	0.035	0.068	0.022	0.021	0.043	0.002	0.170	0.087	0.126
Generic White	0.700	1.117	0.991	0.532	0.719	0.266	0.043	0.384	0.380	0.085
Sparkling Sauvignon	0.000	0.000	0.000	0.000	0.217	0.360	0.107	0.175	0.183	0.059
Semillon	0.013	0.003	0.001	0.008	0.002	0.003	0.008	0.009	N/A	0.051
Sweet Wines	0.043	0.034	0.027	0.039	0.055	0.038	0.037	0.085	0.134	0.051
Cabernet Sauvignon	0.015	0.014	0.043	0.020	0.030	0.046	0.006	0.012	0.013	0.011
Chenin Blanc	0.008	0.009	0.010	0.017	0.013	0.016	0.017	0.041	0.028	0.008
Chardonnay Blend	0.159	0.208	0.426	0.415	0.149	0.997	0.047	0.005	0.132	0.007
Fortified	0.026	0.030	0.011	0.001	0.001	0.001	0.004	0.002	0.011	0.001
TOTAL*	87.793	113.000	141.139	156.990	179.783	172.437	187.757	205.460	212.594	253.099

* Data will differ slightly in total volume to those obtained through Statistics New Zealand

Note: All figures are in millions of litres

Source: Wine Export Certification Service

Wine Imports Into New Zealand (2008 - 2017)

BY COUNTRY OF ORIGIN	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Australia	22.412	20.019	26.502	22.512	21.897	32.565	31.658	25.668	28.715	28.961
France	1.990	1.872	0.984	1.095	1.449	2.023	2.153	2.344	2.869	2.807
Chile	2.593	0.858	0.102	0.062	0.530	1.936	2.456	1.905	1.842	2.397
South Africa	10.414	7.594	5.860	1.710	1.694	2.579	1.732	1.373	1.086	1.492
Italy	2.312	1.523	1.067	0.995	0.858	0.865	0.94	1.023	1.308	1.381
Spain	0.486	0.493	0.207	0.230	0.311	0.430	0.518	0.641	0.578	0.716
Argentina	0.362	0.380	0.053	0.051	0.082	0.112	0.161	0.229	0.212	0.223
Others	0.381	0.605	0.283	0.631	0.511	0.382	1.106	1.307	0.603	1.958
TOTAL	40.949	33.344	35.059	27.287	27.331	40.892	40.724	34.490	37.212	39.935
BY PRODUCT TYPE	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
White	17.014	11.312	13.773	8.005	7.555	16.76	17.28	11.217	14.088	18.206
Red	20.763	18.633	18.475	16.012	17.011	20.958	20.541	19.830	19.070	17.579
Sparkling	2.444	2.762	2.376	2.760	2.008	2.962	1.849	2.268	2.632	4.048
Champagne	0.609	0.559	0.381	0.447	0.679	0.883	0.896	1.049	1.315	1.397
Fortified	0.119	0.077	0.054	0.063	0.078	0.0211	0.158	0.126	0.058	0.076
TOTAL	40.949	33.344	35.059	27.287	27.331	40.892	40.724	34.490	37.212	39.935

Note: All figures are in millions of litres

Wine Imports Into New Zealand (Year End June 2017)

COUNTRY OF ORIGIN		WHITE	RED	SPARKLING	FORTIFIED	TOTAL
Australia	L	14.365	12.860	1.667	0.069	28.961
	\$	21.708	56.373	7.910	0.947	86.939
France	L	0.262	1.074	1.471		2.807
	\$	3.425	10.796	48.418		62.707
Chile	L	1.485	0.912			2.397
	\$	2.080	1.807			3.890
South Africa	L	0.681	0.764	0.047		1.492
	\$	1.167	1.871	0.240		3.285
Italy	L	0.142	0.659	0.578	0.002	1.381
	\$	1.150	4.468	4.520	0.083	10.220
Spain	L	0.028	0.567	0.116	0.003	0.716
	\$	0.247	2.964	0.694	0.279	4.183
Argentina	L	0.016	0.207			0.223
	\$	0.088	1.285			1.377
Others	L	1.228	0.535	0.169	0.002	1.958
	\$	5.125	3.114	1.436	1.661	11.336
TOTAL	L	18.206	17.579	4.048	0.076	39.935
	\$	34.990	82.677	63.223	3.046	183.937

Note: All figures are in millions

Source: Statistics New Zealand

Financials

New Zealand Winegrowers Incorporated was established on 1 July 2016 to take over the activities of the New Zealand Grape Growers Council Incorporated and the Wine Institute of New Zealand Incorporated.

These are the accounts for New Zealand Winegrowers Incorporated and its subsidiaries, NZW Wines Limited Partnership and New Zealand Winegrowers Research Centre Limited.

Operating income includes the grape and wine levies. These are used to fund marketing, research, sustainability and advocacy activities.

User Pays activity includes marketing events in New Zealand and overseas.

the Sustainable Winegrowing New Zealand programme, provision of the Wine Export Certification Service and the Romeo Bragato Conference.

The one off restructuring entry arose on the establishment of New Zealand Winegrowers Inc. From 1 July 2016, the new organization invoiced New Zealand Grape Growers Council and Wine Institute an amount equivalent to their accumulated reserves to cover the costs of services that it would be providing to levy payers

on an ongoing basis. The resulting income will not be received again in subsequent years.

New Zealand Winegrowers reserves policy is to hold reserves at a level of \$3 million (a biosecurity reserve of \$1 million and \$2 million to cover income reduction in the event of a small vintage) in addition to a user pays reserve of \$440,000. New Zealand Winegrowers is currently actively managing its future expenditure to bring reserves to that level, by funding ongoing activity that targets our strategic objectives.

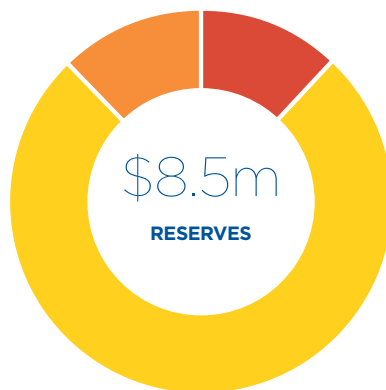
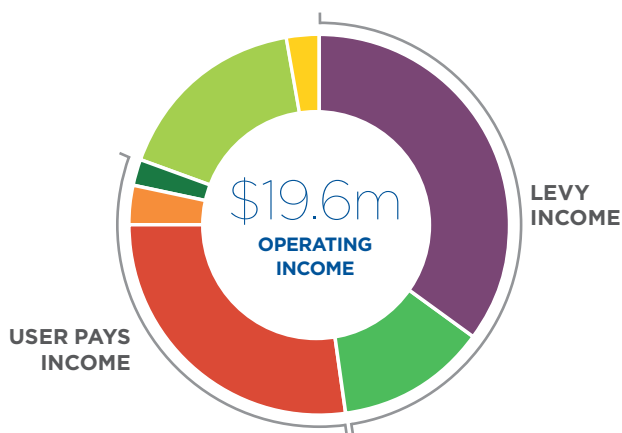
The financial information presented below has been extracted from the audited financial statements of New Zealand Winegrowers Incorporated for the year ended 30 June 2017.

High Level Breakdown

YEAR TO 30 JUNE 2017



OPERATING INCOME AND RESERVES SUMMARIES



- | | | | |
|--------------|--------|--------------------|--------|
| ● WINE LEVY | \$6.9m | ● ROMEO BRAGATO | |
| ● GRAPE LEVY | \$2.5m | CONFERENCE | \$0.4m |
| ● MARKETING | | ● EXTERNAL FUNDING | |
| USER PAYS | \$5.3m | FOR RESEARCH | \$3.3m |
| ● SWNZ | \$0.7m | ● OTHER | \$0.5m |

- **LEVY/OTHER** \$6.5m
- **BIOSECURITY** \$1.0m
- **USER PAYS** \$1.0m

Breakdown of Expenditure by Objective

KEY ACHIEVEMENTS	LEVY	NON LEVY
Research & Innovation 29 Projects funded NZ Winegrowers Research Centre Established	\$2.6m	\$2.4m
International Marketing 99 International trade & media 38 in Market Events 68 in Market Seminars	\$3.1m	\$1.6m
Administration	\$1.6m	-
Events in New Zealand Air New Zealand Wine Awards Pinot Noir 2017 Bragato Wine Awards	\$0.01m	\$3.6m
Sustainability Sustainable Winegrowing Programme Development of SWNZ Continuous Improvement	\$0.6m	\$0.8m
Member Information 624 attended Grapedays Romeo Bragato Conference Website Redevelopment	\$0.8m	\$0.4m
Regions Regional Membership Council Regional funding	\$1.0m	-
International Trade (Advocacy) Attendance @ FIVS, WWTG, OIV & APEC meetings Registration of Geographic Indications 9 International Submissions & Policy Proposals	\$0.5m	\$0.3m
Domestic Trade (Advocacy) Labour Strategy & RSE Cheers! 11 Domestic Submissions & Policy Proposals	\$0.9m	-
Biosecurity Signing of Government Industry Agreement	\$0.2m	-
TOTAL	\$11.3m	\$9.1m
TOTAL EXPENDITURE		\$20.4m



Board Members

New Zealand Winegrowers (NZW)

Steve Green, Carrick (Chair)
John Clarke, Ilfracombe Trust (Deputy Chair)
James Dicey, Ceres Wines Ltd
Peter Holley, Mission Estate Winery
Katherine Jacobs, Big Sky Wines
Clive Jones, Nautilus Estate
Patrick Materman, Pernod Ricard Winemakers NZ
Duncan McFarlane, Indevin Group Ltd
Dominic Pecchenino, Buena Vista Vineyards
Rachel Taulelei, Kono NZ
Simon Towns, Constellation Brands
Fabian Yukich, Villa Maria Estate Ltd

Roll of Honorary Life Members

New Zealand Winegrowers

2005 Margaret Harvey MW

Wine Institute of New Zealand

1997 Bryan Mogridge ONZM, BSc
1998 James S Fraser B.Food Tech, Dip.Dy
1999 Stanley L Harris QSM

Roll of Life Members

New Zealand Grape Growers Council

1995 Ross Goodin ONZM, QM
2000 Kevyn Moore QSM
2004 Jim Hamilton
2005 Willie Crosse

Roll of Fellows

New Zealand Winegrowers

2006 Ross R Spence QSO
2006 Reid Fletcher
2008 Tim Finn
2008 John Webber
2012 Robin Dicey
2013 Stuart Smith
2013 Sir George Fistonich
2014 Hermann Seifried
2014 Agnes Seifried
2014 Richard Riddiford
2015 Kate Radburnd
2015 Mike Trought
2015 Alan Brady
2016 Larry McKenna

Industry Organisations

New Zealand Society of Viticulture & Oenology

c/o New Zealand Winegrowers

President
Glen Creasy

Wine Institute of New Zealand

1982 George T Mazuran OBE, JP
Bogoslav (Bob) Sokolich
Alexander A Corban OBE, BSc, RD Oen
Thomas B McDonald OBE, JP
1987 Mate G Brajkovich OBE
1988 Peter D Fredatovich MBE, JP
1990 Mate I Selak
1991 Joseph A Corban MBE
1992 Frank I Yukich
1993 John (Jock) C Graham MNZM
1994 Robert O Knappstein RD Oen
1995 Peter J Babich MBE
1996 Terence J Dunleavy MBE, JP
1997 Donald M Maisey
1998 Anthony F Soljan
1999 John Buck OBE
2003 Kerry Hitchcock

Regional Winegrowing Associations

Hawke’s Bay Winegrowers Association Inc

Sue Schmidt
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www.hawkesbaywine.co.nz

Marlborough Winegrowers Association Inc & Wine Marlborough Ltd

Marcus Pickens (General Manager)
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www.winemarlborough.nz

Nelson Winegrowers Assn Inc & Wine Nelson

Meg Matthews (Marketing)
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Jane Docherty (Admin)
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www.winenelson.co.nz

Wairarapa Winegrowers Association & Wellington Wine Country

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www.wairapawinegrowers.co.nz

Waipara Valley North Canterbury Winegrowers

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www.waiparavalleynz.com

Central Otago Winegrowers’ Association

Glenys Coughlan (General Manager)
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Natalie Wilson (Executive Officer)
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www.cowa.org.nz

Gisborne Wine Growers Society Inc

Annie Millton (Chair)
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Bobby Clark (Admin)
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www.gisbornewine.co.nz

Northern Winegrowers & Grapevine Improvement Assn Inc

Stephen Nobilo
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stephen@waimariewines.co.nz

Wines Of Canterbury Inc

Gillian Walsh
gill.walsh@winesofcanterbury.co.nz
www.winesofcanterbury.co.nz

Sub-Region Winegrowing Associations

Wellington Wine Country Ltd

Jo Parker (General Manger)
jo.parker@wellingtonwinecountry.co.nz
www.wellingtonwinecountry.co.nz

Waiheke Island Winegrowers Association

Craig Biggs (President)
craig.biggs@temotu.co.nz

West Auckland Wine Growers

Michael Brajkovich MW
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www.kumeuriver.co.nz

Central Otago Pinot Noir Ltd

Vikki Kricher (Promotional Manager)
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Matakana Winegrowers Inc

Richard Robson (President)
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Northland Winegrowers Association

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Waitaki Valley Winegrowers Association

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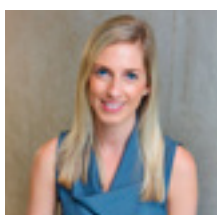
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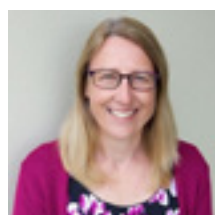
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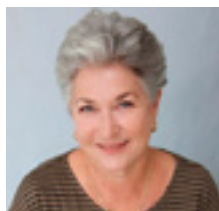
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