



Department of
Primary Industries

Skills Development Program Pinot Noir workshop and masterclass

30 October 2019

RSL Memorial Hall Tumbarumba

JOHN MACARTHUR 1767?-1834

- A key figure in the Rum Rebellion (1808)
- Colonial entrepreneur,
- After exoneration 1815 – travelled to France with sons James and William
- Entrusted cuttings to London Nurseryman

When fruiting four years later realised that vine stock not the same.

BUT – brought in “little black cluster” and planted at Camden.

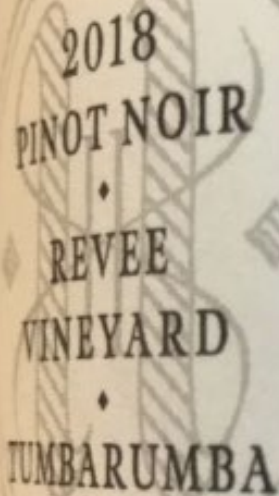


Source: Andrew Caillard MW 2019 Pinot Celebration

ESTD 1967

The Revee vineyard is located in Tumbarumba, NSW, and is the oldest vineyard in the region. Tumbarumba is a high altitude cold climate region in the western foothills of the Snowy Mountains; it has long cold winters with frequent snow, followed by summers of warm days and cold nights.

The Pinot Noir MV6 clone was planted in 1981, and grows on a deep red loam soil. The 2018 vintage was warm and dry after good spring rains with perfectly ripe Pinot Noir picked on the 11th of March. A fragrant and floral wine with aromas of red cherry and earthy spice matched with a long and silky palate which has intense flavour and complexity.



2018
PINOT NOIR
•
REEVE
VINEYARD
•
TUMBARUMBA

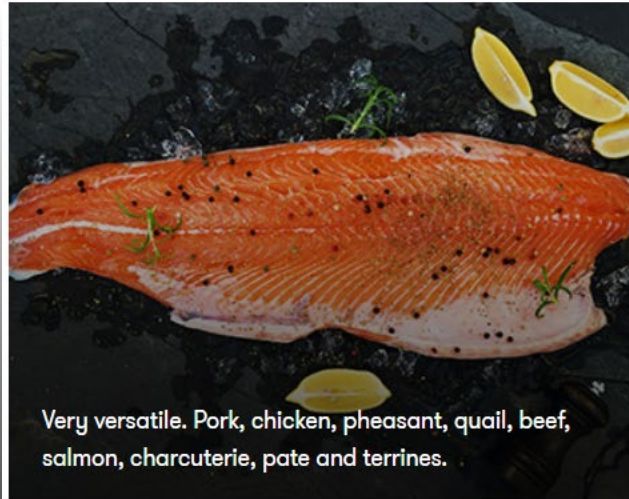
In the glass

Style and character



Light to medium bodied Pinot Noir wines show lively cherry and strawberry fruit flavours. The very best wines can age for 10-15 years.

Pairs with



Very versatile. Pork, chicken, pheasant, quail, beef, salmon, charcuterie, pate and terrines.

Typical flavours



Source: <https://www.wineaustralia.com/discover-australian-wine/pinot-noir>

Session 1	
8.30 – 8.35	Welcome Darren Fahey (NSW DPI)
8.35 – 8.40	Introduction and scene setting Mark Bourne (NSW WIA President)
8.40 – 9.10	Overview of Australian Pinot Noir markets Peter Bailey (Wine Australia)
9.10 – 9.40	Future prospects for Pinot Noir in China MW Rob Geddes
9.40 – 10.10	Pruning for success Mia Fischer (Simonit and Sirch)
10.10 – 10.40	Cluster thinning and its effects on wine aroma and phenolics Professor Paul Kilmartin (University of Auckland)
10.40 – 11.00	Morning Tea
Session 2	
11.00 – 12.00	Pinot Noir clones: performance and expectations (Tasting included) Daniela Gaggi (Yalumba Nursery)
12.00 – 12.30	Managing vine balance and optimising yield Brett McClen (Brown Family Wine Group)
12.30 – 13.15	Pinot Noir, a local perspective and an outsider's view Cathy Gairn (Courabyra Wines), Adrian Brayne , (Obsession Wines) and Dan Shaw (Philip Shaw Wines)
13.15 – 14.00	Lunch
Session 3	
14.00 – 15.20	Masterclass tasting of Pinot Noir and general discussion MW Rob Geddes
15.20 – 15.30	Summary of the day Darren Fahey (NSW DPI)

**Wine
Australia
providing
insights
on
Australian
Wine**

**Pinot Noir
Workshop
Tumbarumba**

October 2019

Peter Bailey

Manager, Market
Insights

Wine Australia

Presentation outline

Global context

Australian context

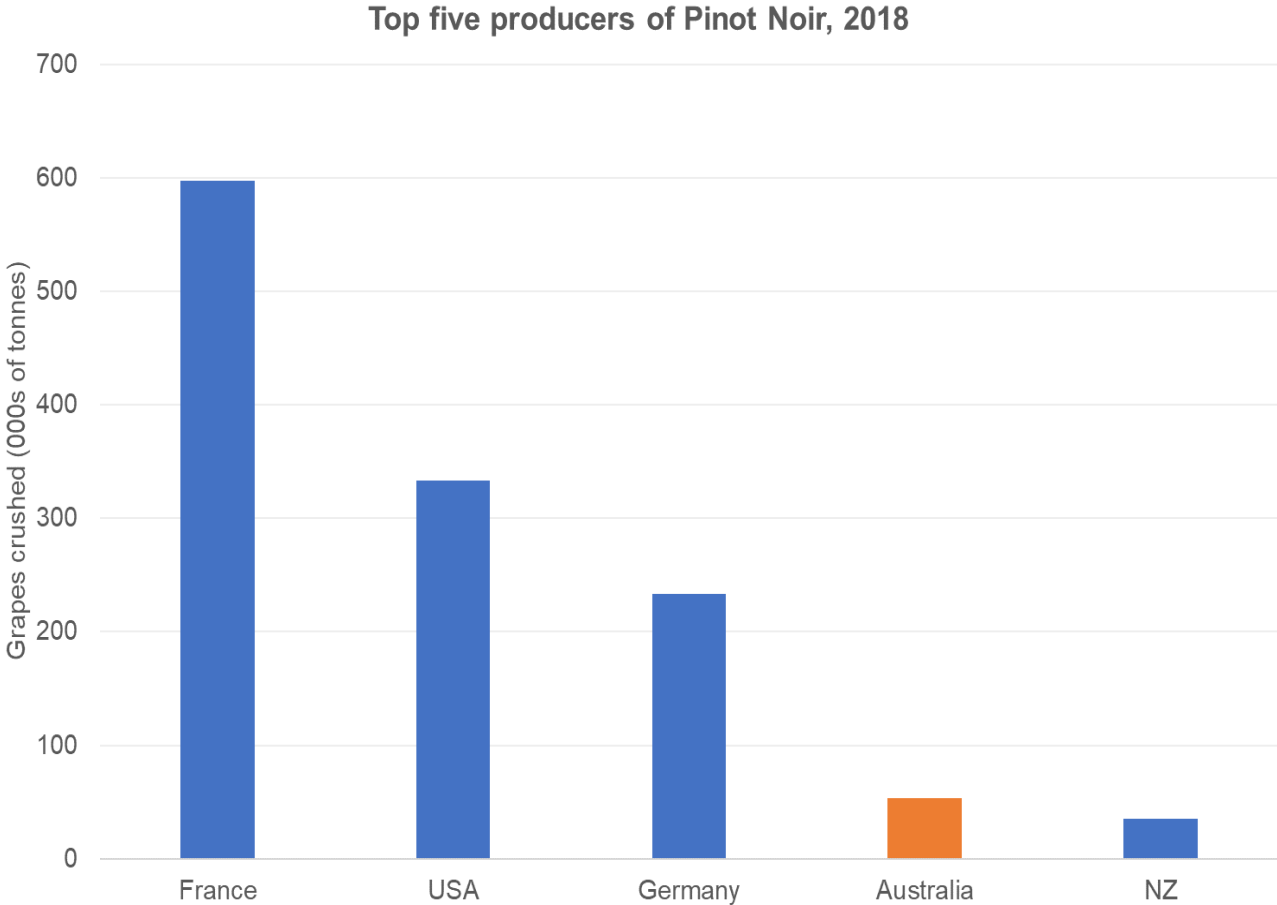
Domestic market trends

- Off-trade
- On-trade
- Broader consumer trends

Exports

Decanter World Wine Awards

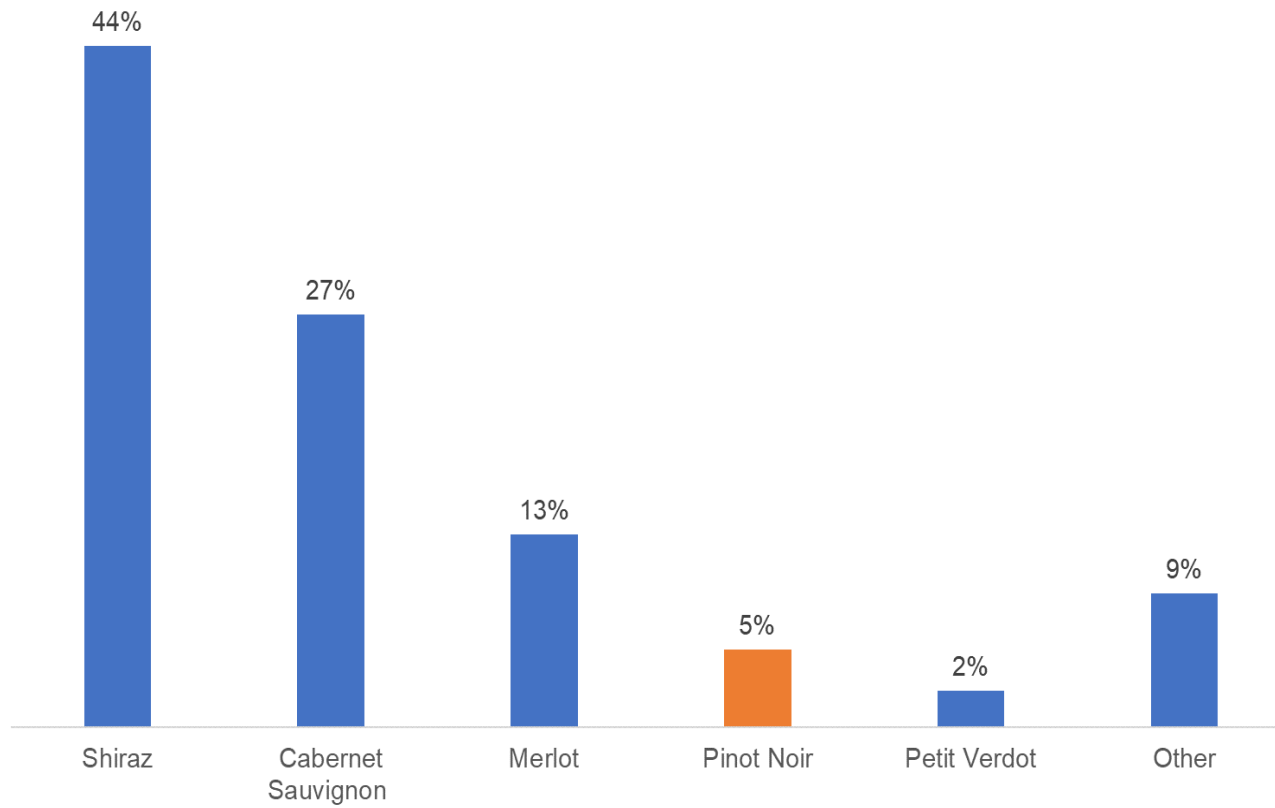
Australia is the world's fourth biggest producer of Pinot Noir



Source: Various

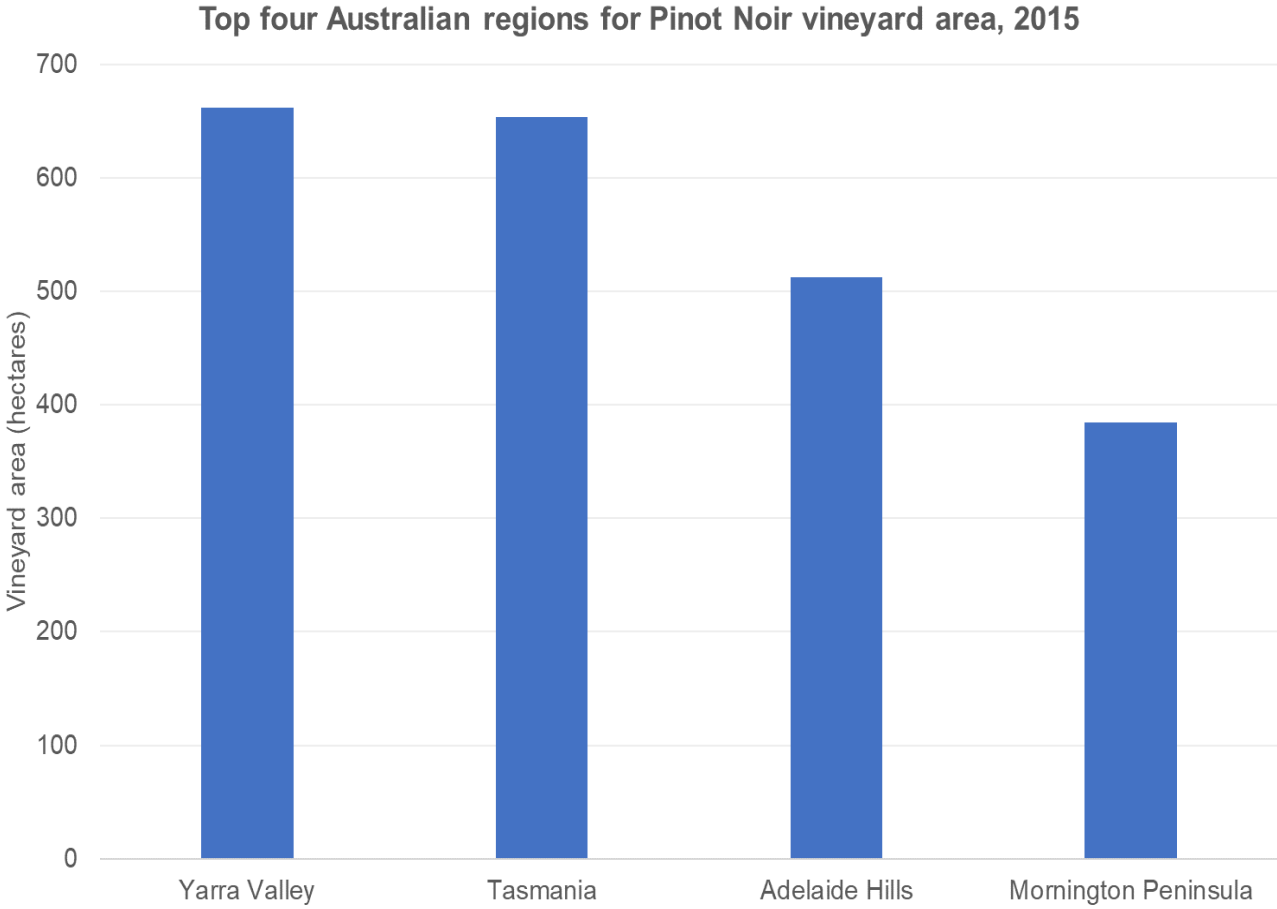
Pinot Noir is Australia's fourth most crushed red variety

Top five red varieties crushed in Australia by share, 2019



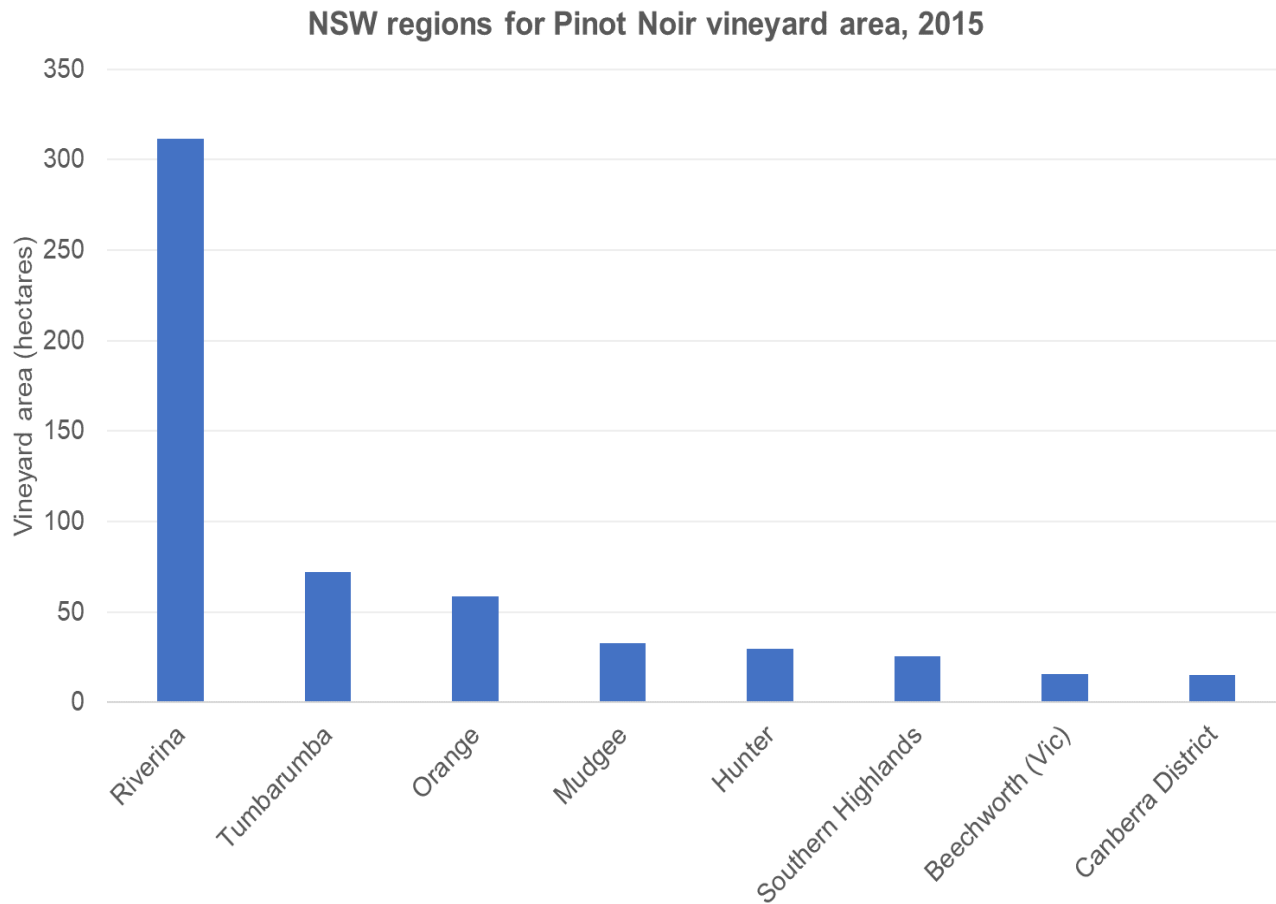
Source: Wine Australia

Australian Pinot Noir dominated by four cool climate regions



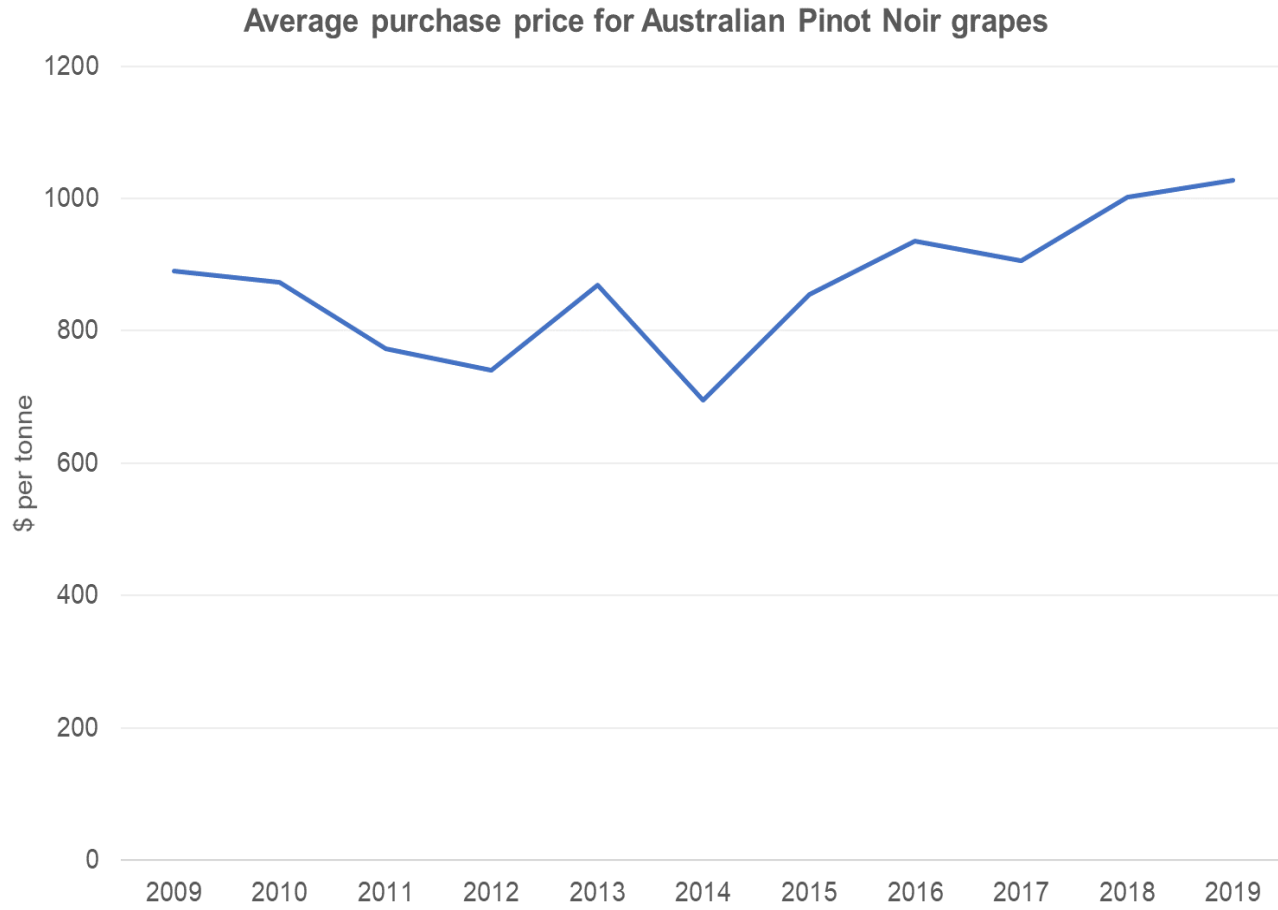
Source: Wine Australia

Pinot Noir has a profile in key NSW regions



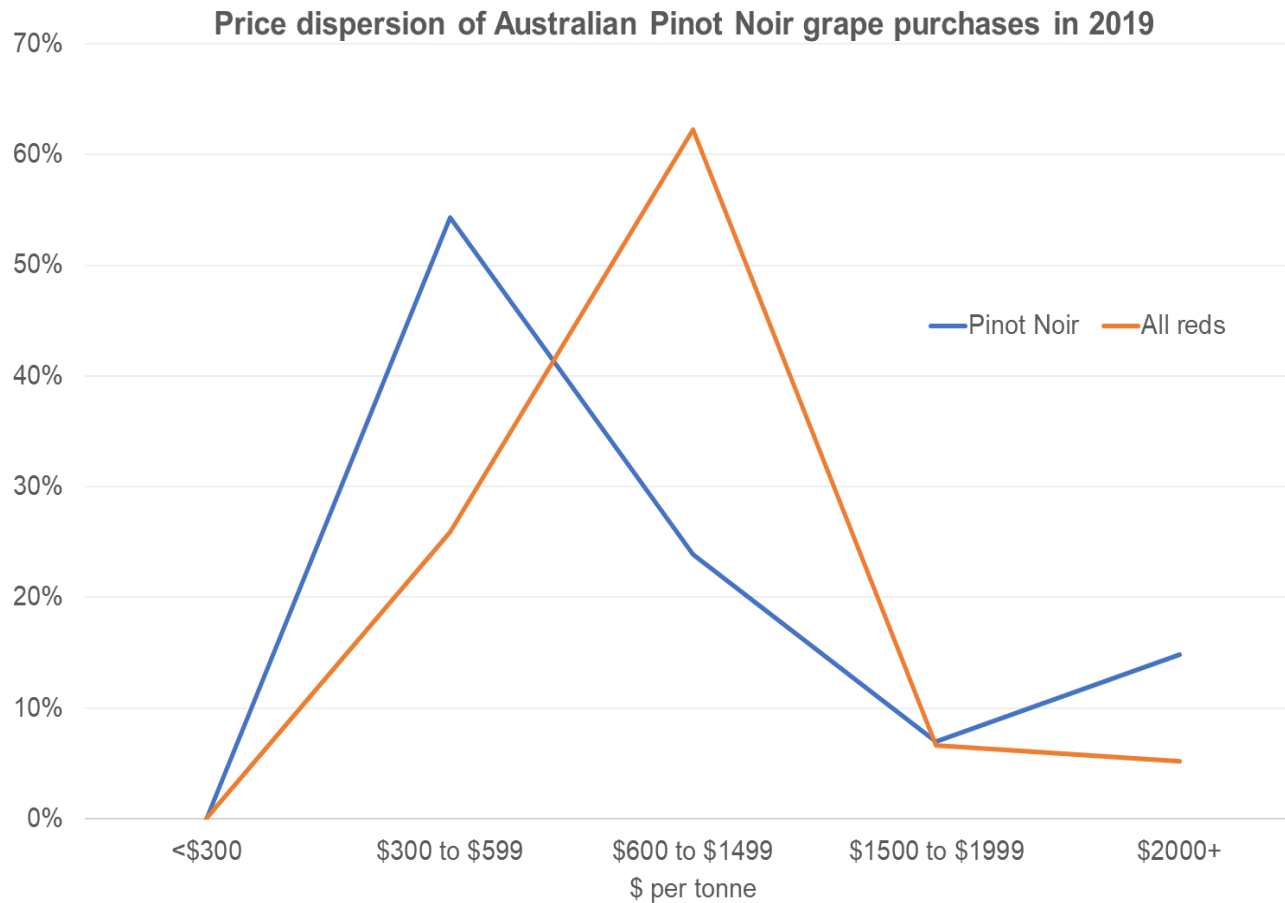
Source: Wine Australia

Prices paid for Pinot Noir grapes on the rise



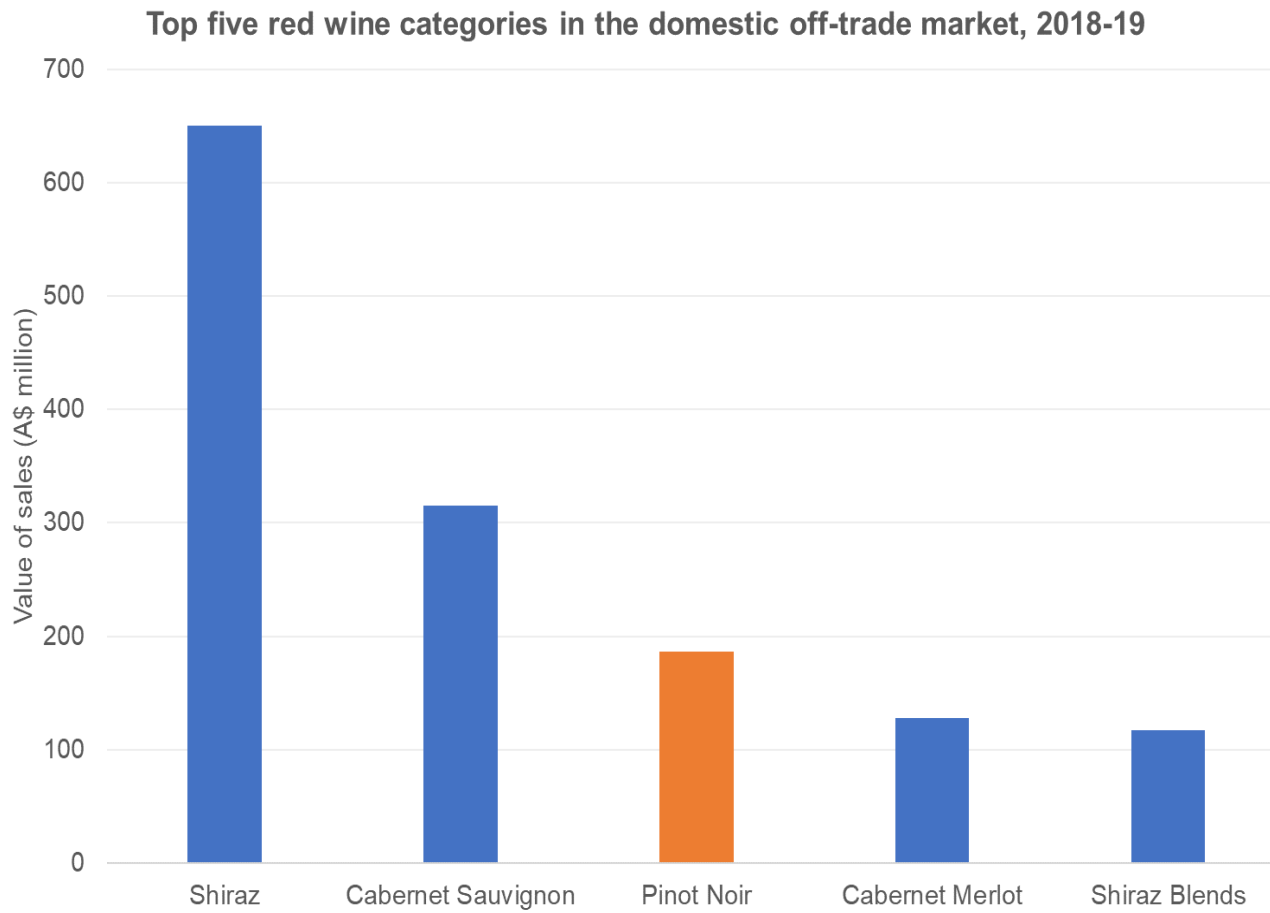
Source: Wine Australia

Pinot Noir grapes more heavily weighted to premium end



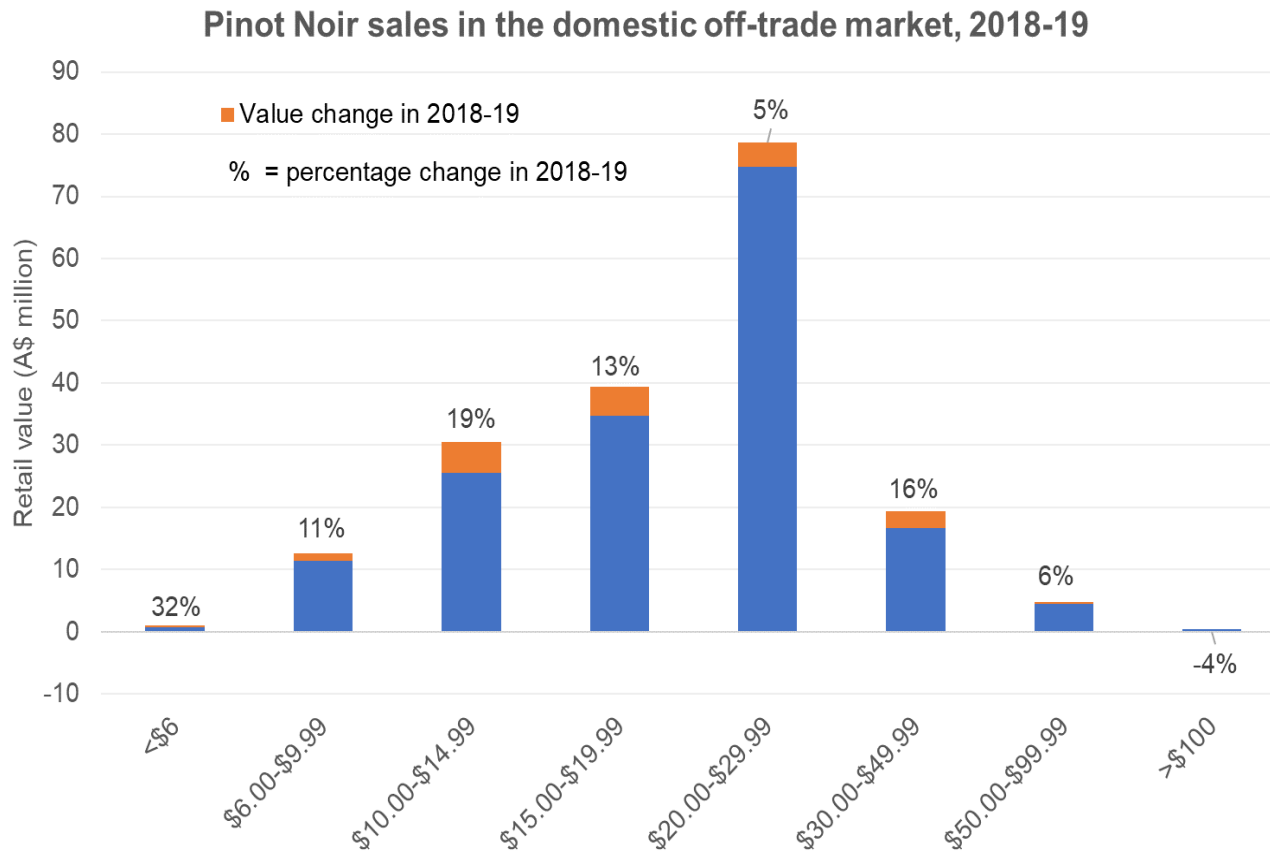
Source: Wine Australia

Pinot Noir the third biggest selling red wine in the domestic off-trade market



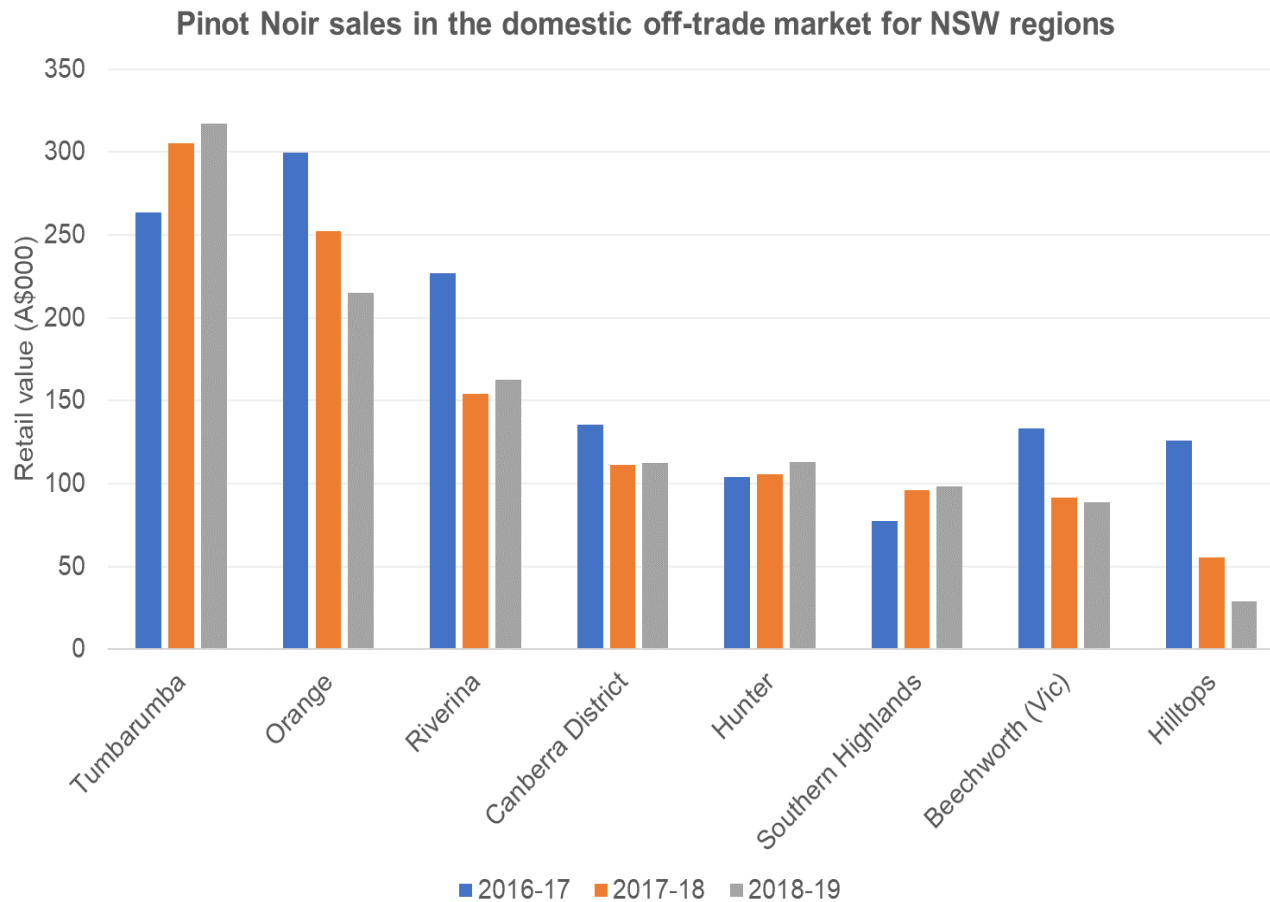
Source: IRI MarketEdge

Pinot Noir sales centred at \$20-30 in domestic off-trade market



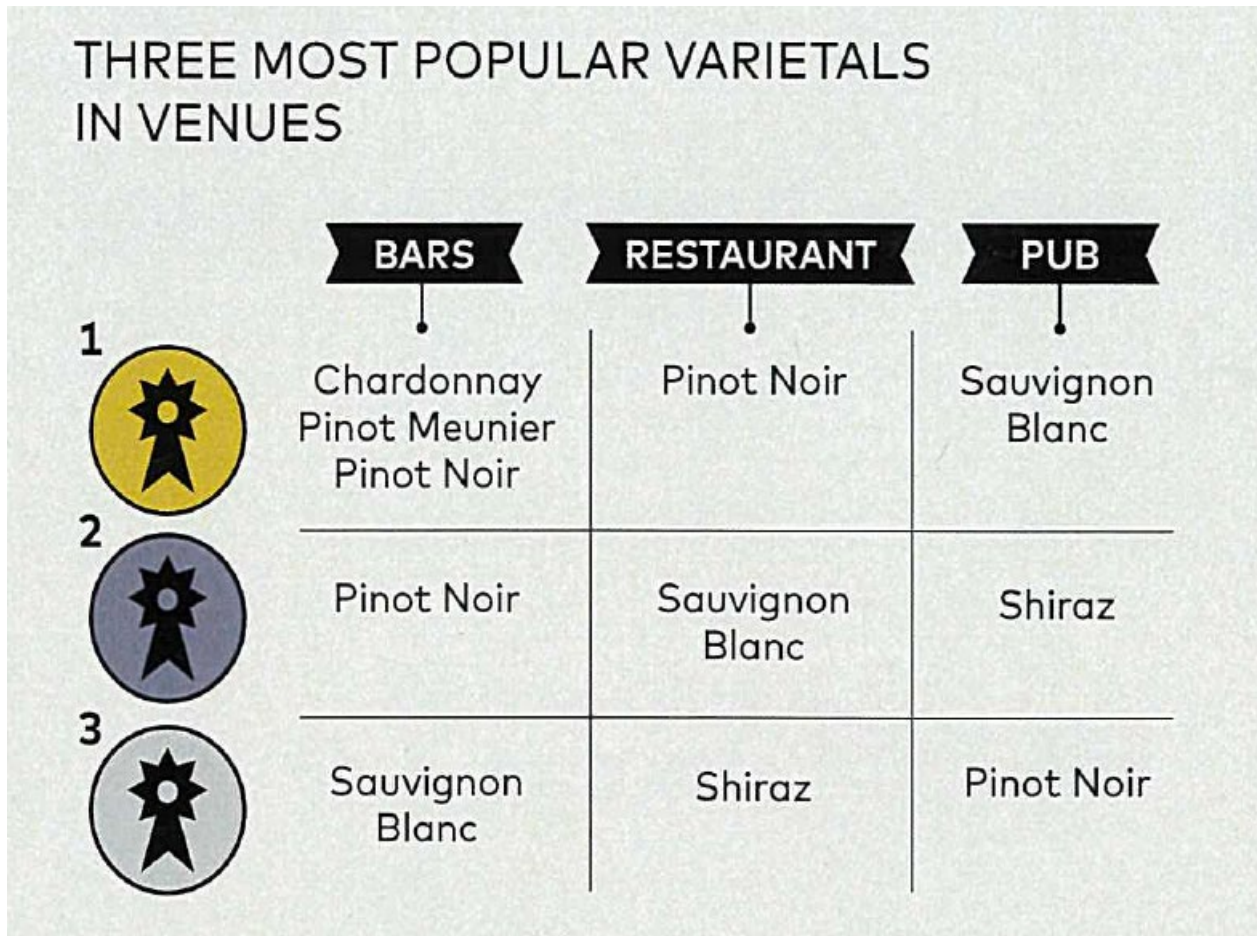
Source: IRI MarketEdge

Tumbarumba: the stand-out NSW region in the domestic off-trade



Source: IRI MarketEdge

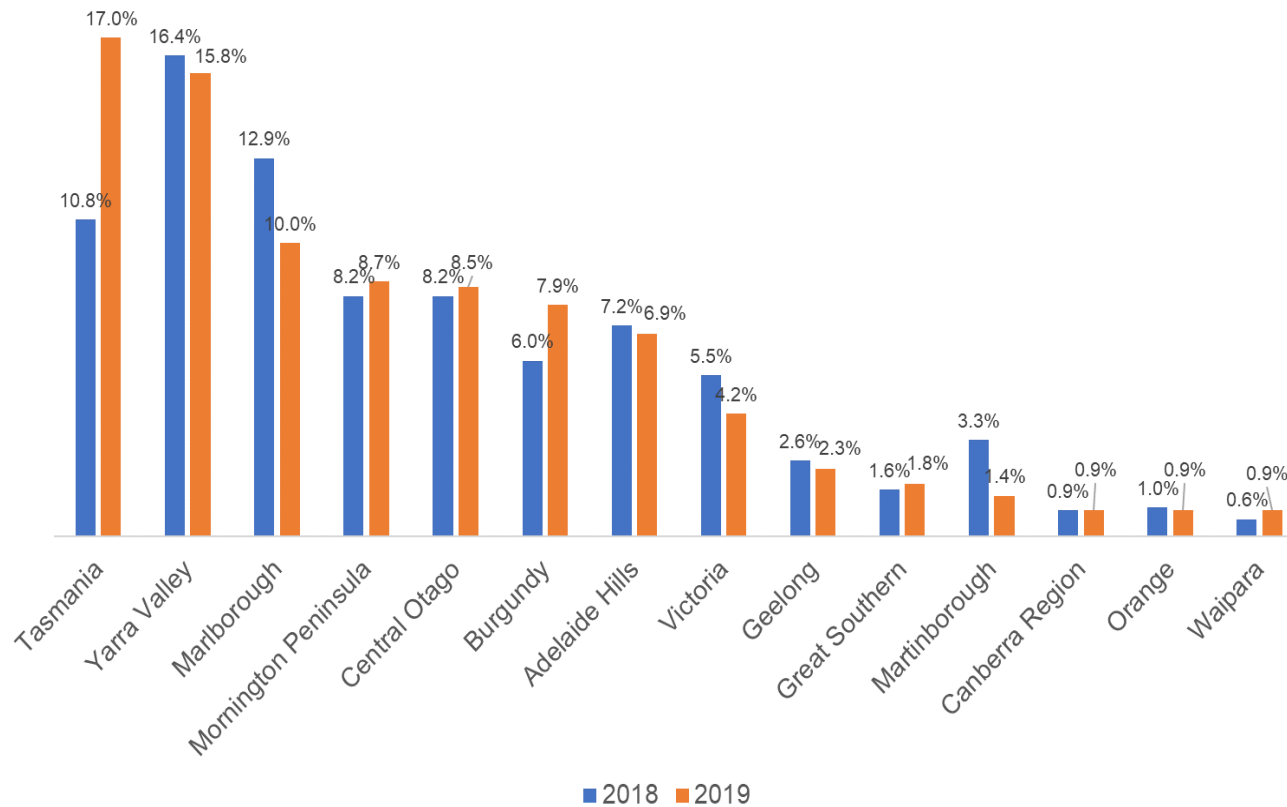
Pinot Noir over-indexes in the domestic on-trade market



Source: eBev

Big jump in listings of Tasmanian Pinot in the on-trade

The most listed Pinot Noir producing regions in the the Australian on-premise



Source: Wine Business Solutions

Broader consumer trends in the Australian market

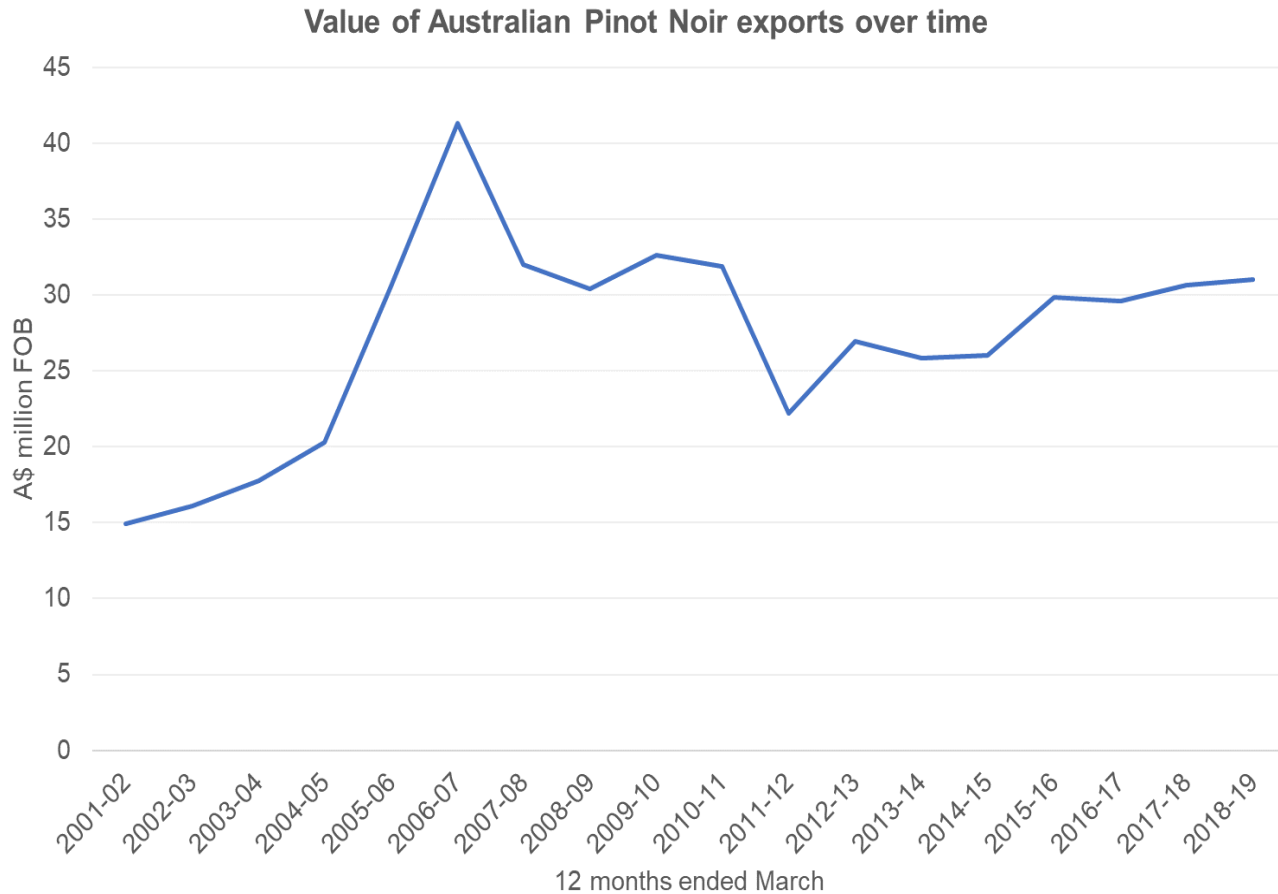
Choice cues: Tracking

% who quoted the following as 'important' or 'very important' when selecting wine
Base = All Australian regular wine drinkers (n>1,006)

Rank in 2018	Choice Cue	n=	2012	2017	2018	Long-term trend '12-'18	Short-term trend '17-'18
1	Grape variety		73%	78%	75%	→	↓
2	A brand I am aware of		70%	72%	68%	→	↓
3	The country of origin		56%	65%	62%	↑	→
4	Recommendation by friend or family		63%	64%	60%	→	↓
5	Wine that matches or compliments food		n/a	52%	60%	n/a	↑
6	Taste or wine style descriptions displayed on the shelves or on wine labels		n/a	60%	59%	n/a	→
7	The region of origin		54%	60%	58%	↑	→
8	Promotional offer		57%	61%	58%	→	→
9	Recommendations from shop staff or shop leaflets		35%	40%	40%	↑	→
10	Alcohol content		31%	37%	38%	↑	→
11	Appeal of the bottle and/or label design		29%	41%	36%	↑	↓
12	Recommendation by wine critic or writer		29%	33%	30%	→	↓
13	Whether or not the wine has won a medal or award		29%	33%	29%	→	↓
14	Recommendation by wine guide books		27%	29%	26%	→	↓

Source: Wine Intelligence

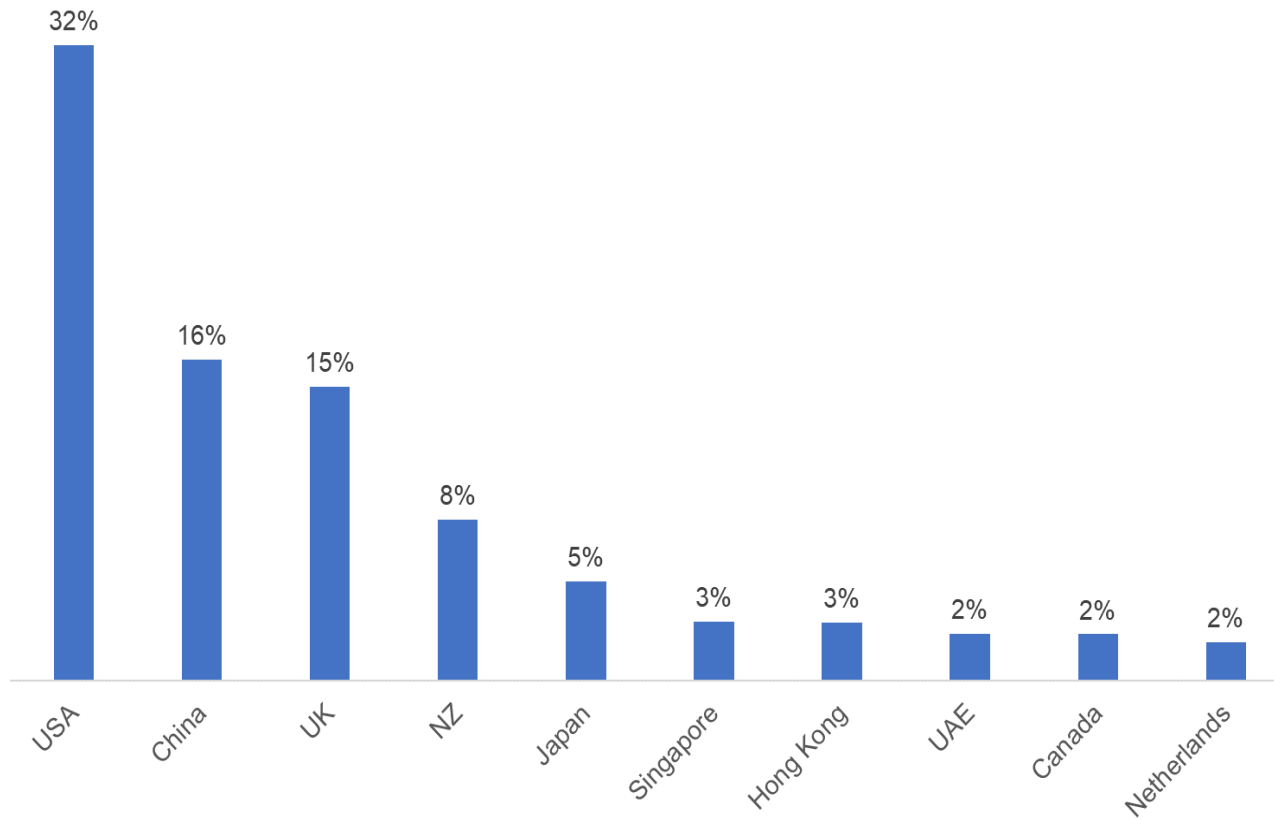
Exports of Australian Pinot showing signs of recovery



Source: Wine Australia

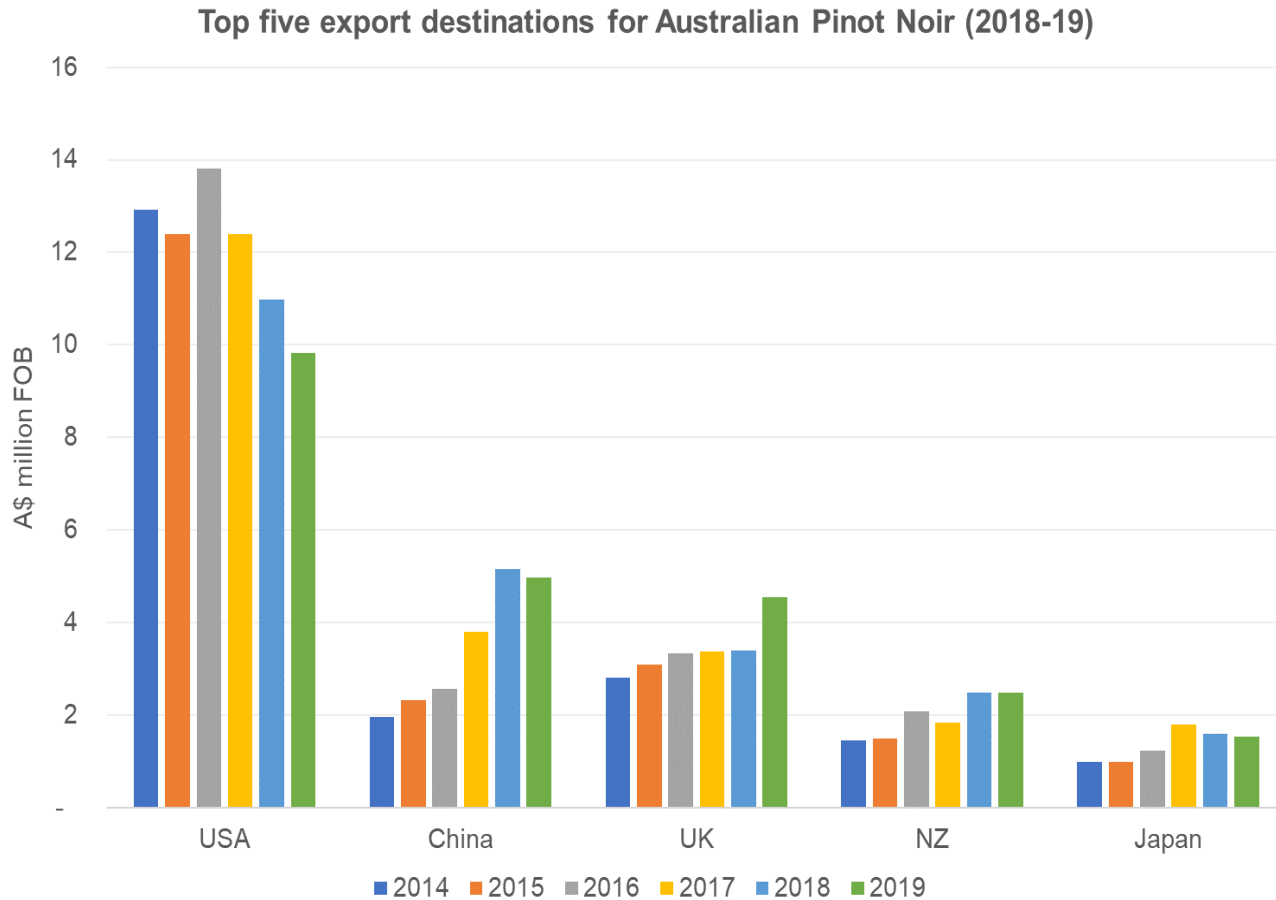
USA is the biggest export market for Australian Pinot Noir

Top 10 export destinations for Australian Pinot Noir (2018-19)



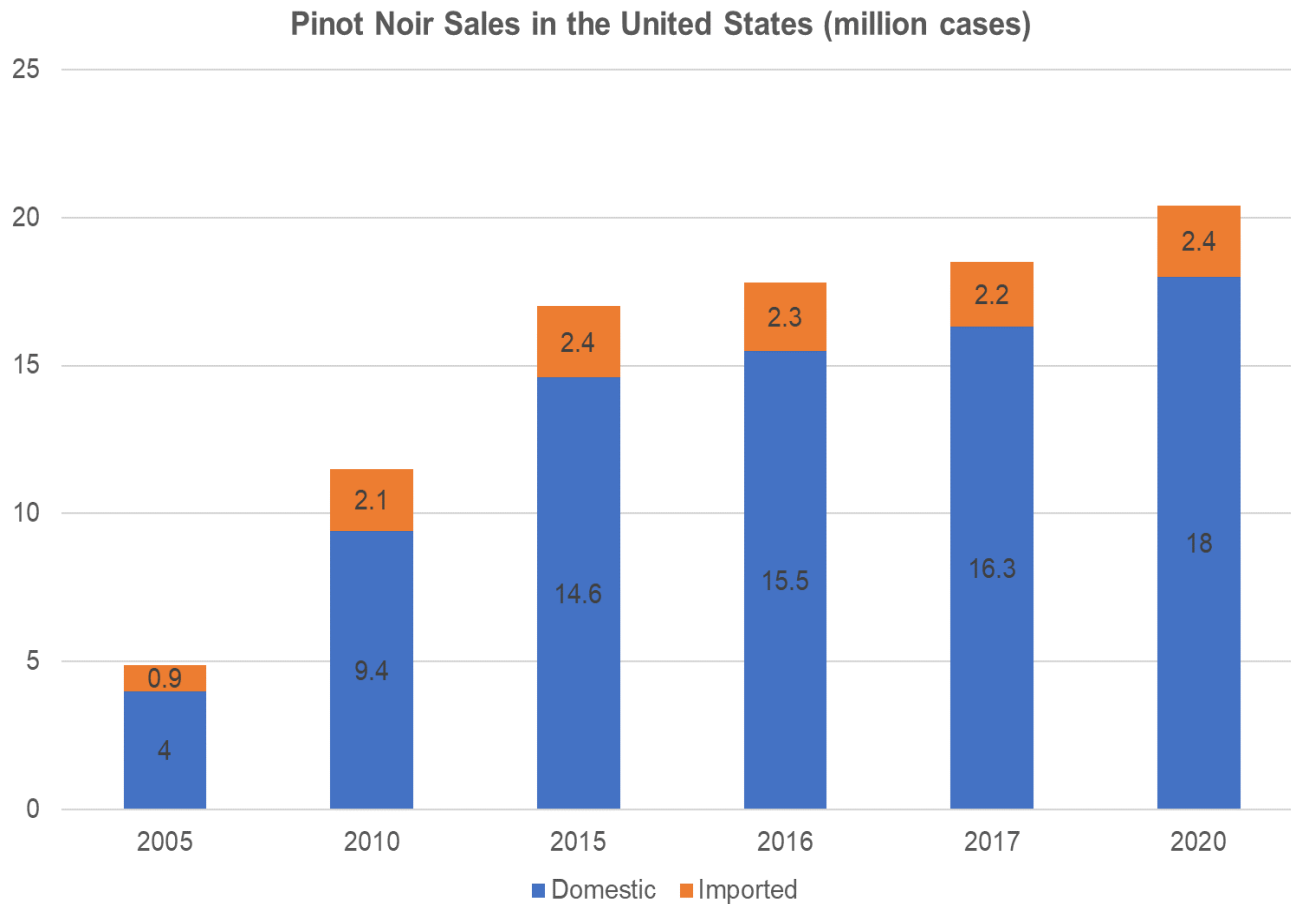
Source: Wine Australia

USA exports in decline; growth to China, UK, NZ



Source: Wine Australia

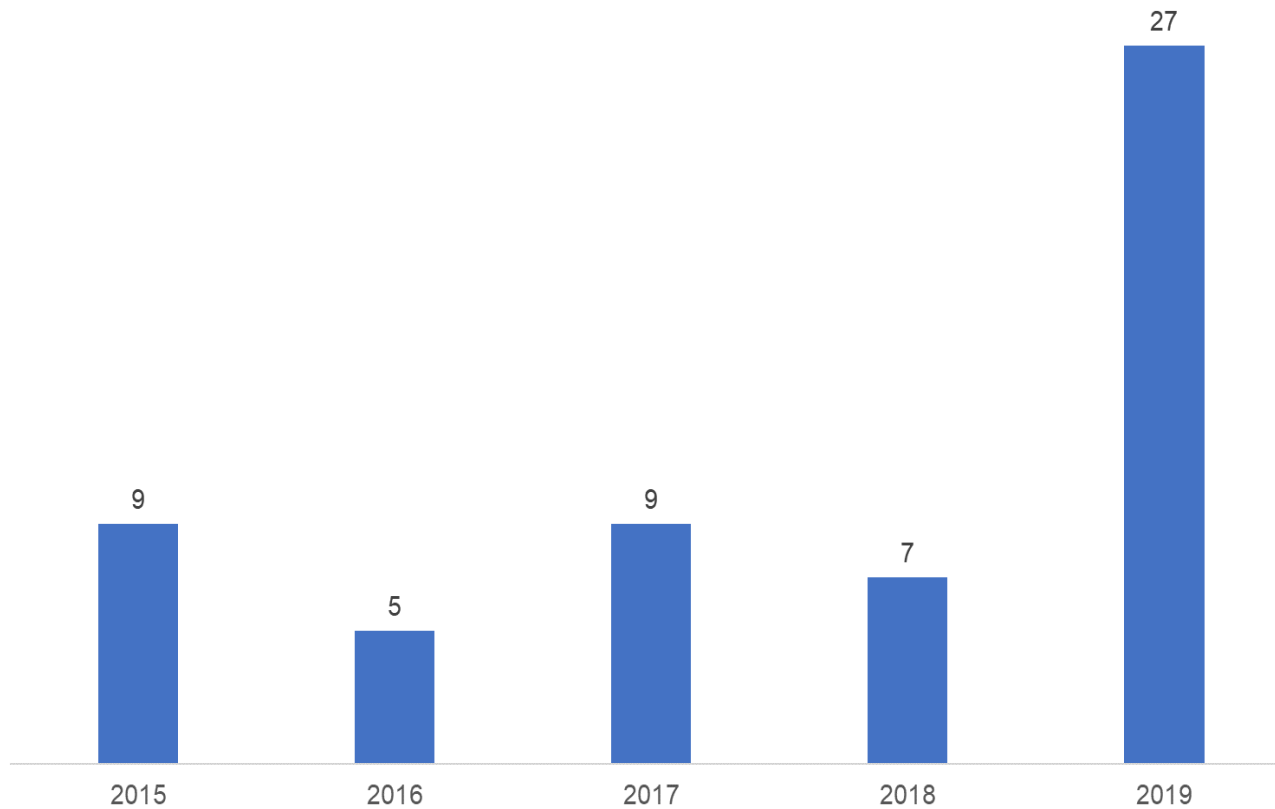
Pinot Noir is a growth driver in the US market



Source: 2018 Shanken's Impact Databank Review and Forecast

Profile of Australian Pinot Noir improving internationally

Decanter World Wide Awards - Australian Pinot Noir scoring 90+ points



Source: Decanter World Wine Awards

Summary

Australia is the world's fourth biggest producer of Pinot Noir

Australian Pinot Noir is dominated by cool climate regions

Pinot Noir grape prices are on the rise

The sweet spot in the domestic off-trade is at \$20-\$50

Increasing role of food in Australian culture is assisting growth in Pinot Noir sales, particularly in the on-trade

Exports of Pinot Noir are showing signs of recovery

There are opportunities in the most key markets, particularly in the US

The profile of Australian Pinot Noir is improving internationally



Tumbarumba Pinot Noir Workshop and Masterclass

29/30th October 2019

Robert Geddes MW

Future prospects for Pinot Noir in China.



- Looking at different markets, cities and regions
- The Chinese palate
- On premise
- Pricing
- Pace of change
- Tier one cities
- Tier two cities

About wine in China



The China wine market at this time has a need for *benchmarks*, hence the intense focus on a few names:

- Château Lafite
- Penfolds
- DRC
- Grange, and...
- New Zealand Sauvignon Blanc

“Sauvignon Blanc”, “的中文翻译词是“长相思”, In Chinese, can be interpreted as “Missing each other for a long time”

There is no single Chinese palate but...



- They are acid avoiders compared to Australia and Germany.
- They prefer soft fine tannins more like Spain and America.
- They do not like sweet wines.
- They do not like iced drinks.
- They prefer medium 12.0 to 13.5% alcohol.
- Certainly in Shanghai they prefer Pinot Noir to other red varieties because it is less confronting as in astringent or demanding hence it fits with the sea food based cuisine.
- In general Chinese prefer Pinot Noir because it is less tannic.

Riesling.....unlucky again



- No recognised benchmark country (German names are impossible to translate)
- “Riesling”, “的中文翻译是“雷司令”, can literally be read as “Lei”
commander
- Literal translation means “highest commander in army”

Pinot Noir



- *Inside Burgundy* wine bar has just opened in Shanghai
- Small Burgundy allocations mean more demand than bottles available
- The bottles that you can see are mainly in On Premise wine lists
- Thus, very high visibility and desirability

Current situation

1 Chinese Yuan ¥ ≈ \$0.21 AUD



Pinot has good price share across the top spectrum of prices ¥50,000 (\$10,500) to ¥100,000 (\$21,000) so it always appears amongst the most expensive and exclusive wines, yet Burgundy has an asymmetrical market:

- High visibility and a high price of ¥60,000 (\$12,600) for very rare wines
- Lower value wines that sell for around ¥300 (\$63) per bottle in larger volume
- It's in the middle price range that Burgundy is challenged for supply

Australia and NSW



- Overall Italy is likely to take market share from Australia - has such a large varietal diversity
- Australia's reputation in the Pinot Noir area is fragmented compared to our neighbours in New Zealand and Central Otago
- Pinot Noir will be the important third string after Shiraz and Cabernet to give producers a news story
- The best opportunity is on wine lists at middle prices

But Australia has a problem with wine lists in China...



France

39.7% of the import trade

36.7% of on-premise market

Italy

6.3% of import trade

17.9% of on-premise market

Australia

27.1% of the import trade

10.8% of the on-premise market

Shifts in first-tier cities



- The market demographics are shifting to young, educated, enthusiastic drinkers, and requests for “diversity” are being heard in the trade
- Consumers in Tier 1 cities are ready to spend on quality, whereas second and third-tier cities are more volume-driven
- Quality wines price at ¥200 (\$42) and up
- Consumers in Tier 1 cities, especially Shanghai and Beijing, are looking for niche wines, boutique wines, and specific terroirs and varietals
- Bordeaux is losing share to Australia, and interest is growing in regions like Beaujolais, Ribera, Piedmont and Alto Adige



Income per head in top 2 cities:

- Shanghai ¥64,000 (\$13,440 AUD)
- Beijing ¥62,000 (\$13,000)
- National average \approx ¥28,000 (\$5,880)

Shanghai customers are typically aged between 20 and 35 years-old, spend an average ¥168 (\$35) per bottle

Two years ago we were lucky to break ¥100 (\$21)

What customers want



- Red still dominates
- Buy more for personal consumption than gift giving
- More consumers want to know where the wine comes from and the story behind it
- Bordeaux listings decreases by 30% over the past 18-24 months, replaced by French options from Provence Alsace, Côtes du Rhône and Burgundy and New World wines from Chile, Australia and South Africa.

Future prospects for Pinot Noir in China.



- We need to talk about different markets, cities and regions
- On premise
- Pricing
- Tier one cities
- Tier two cities

Future prospects for Pinot Noir in China.



Tier one cities (19)

Beijing, Shanghai, Shenzhen, Guangzhou.

Now also: Chengdu, Hangzhou, Chongqing, Wuhan, Xián, Suzhou, Tianjin, Nanjing, Changsa, Zhengzhou, Dongguan, Qingdao, Shenyang, Ningbo, Dalian.

Tier two cities (30)

Incl: Kunming, Xiamen, Wuxi, Fuzhou....

Tier three cities (70)

Incl: Weifang, Baoding, Zhenjiang, Yangzhou.....

Change is fast in China



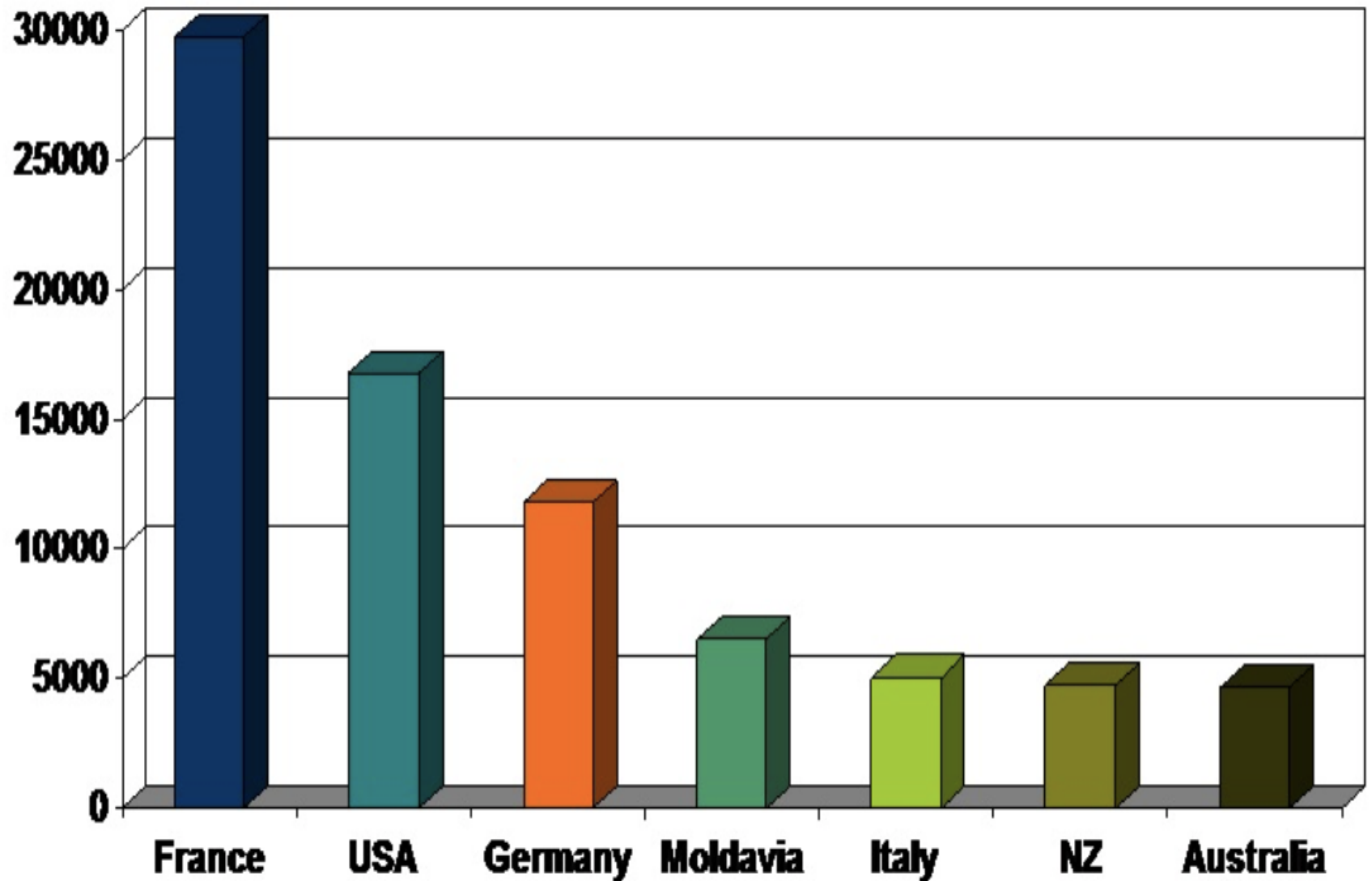
- The 9 percent slide in demand for bottled imports in 2018 has continued into this year, with imports down 14 percent by volume and 20 percent by value in the first six months of 2019.
- This, China Business Network recently pointed out, means the thousands of wine importers who sprang up throughout the country in recent decades have been slashed from 6,400 in 2018 to fewer than 4,200 this year.

Future prospects for Pinot Noir in China



- Need to understand markets, cities and regions
- The Chinese palate plays a role
- Need On-premise data to see where the market is going
- Keep up to date with the city tier system to understand where to target
- Understand that change in China is FAST

Pinot Noir plantings (in ha)



Source: University of Adelaide (2010) - Federal Statistical Office of Germany (2013)

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Managing Vine Balance & Optimising Yield

Brett McClen



Agenda

- What we do
- Why vine balance matters
- How we assess vine balance





What we do

Pinot Noir - Vineyards

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What we do

- 320 Ha in Tas – 160 Ha is Pinot Noir
- Majority is table wine
- Devils Corner Pinot – currently 620,000 units per annum
- MAT growth +7%

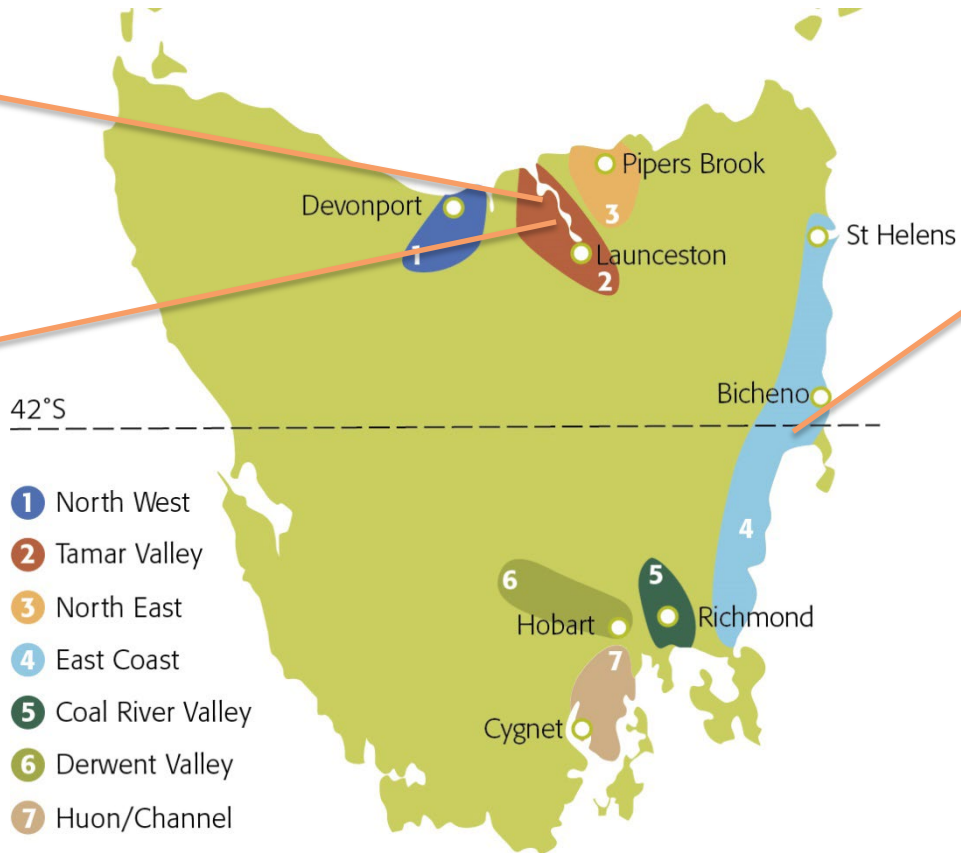
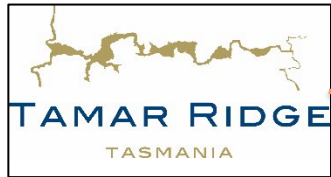


Yarra Valley

- Innocent Bystander
- 200K units of Pinot Noir 750ml
- All fruit purchased externally



Tasmania



What we do

- Planting density ranges from 2424 to 3788 vines/Ha
- Vineyard age ranges from 1995 to 2015
- 5 year average PIN yield = 7.5 t/ha
- BUT – varies widely
- Typically range from 2 kg/vine to 4 kg/vine
- Average opex = \$15,800 / Ha \approx Average \$2,100 / tonne

What we do

Clones

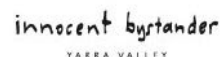
Clone	% of Area
115	37%
MV6	15%
D4V2 (“Pommard”)	13%
114	8%
D5V12	6%
Abel	6%
D2V5	4%
777	4%
G5V15	4%
Other	3%
	100%

Training Systems

- All VSP
- 2, 3 & 4 cane
- Spur
- Arched-cane
- Scott-Henry (v. high vigour)
- 75% cane pruned
- 25% spur

What we do

- Cost is a significant factor
- Fruit cost highly yield driven
- Quality requirement
- Yield stability is a major focus









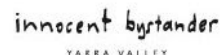






Why does vine “balance” matter

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Why Vine Balance Matters

- *“balance is achieved when vegetative vigour and fruit load are in equilibrium and consistent with high fruit quality”*
(Gladstones 1992)
- Predominate goal is to optimise quality at an economic yield
- With Pinot Noir in cool climate, vine balance is critical for yield **and** quality

Why Vine Balance Matters

- Yield
 - If try to exceed biological capacity of vine, it will erode vine strength.
 - If vigour is repeatedly compromised by yield, its a long road to restore balance
 - Decreases future yield and quality

Why Vine Balance Matters

- Quality
 - *“as long as grapes have been grown....the best wines come from those vineyards where vegetative growth and yield are in balance”, (Dry et. al. 2004)*
 - if vigour has been eroded by overcropping, unlikely to optimise quality
 - If vigour is excessive relative to yield, not always great
 - **Vine balance is absolutely central to everything we are trying to do in Pinot Noir**



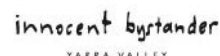
How we measure vine balance

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How we measure vine balance

- Not very scientifically
- Y/P, LA/Y, PW/m
- Useful indicators, but highly specific to clone, site, wine style
- But - suspect Y/P ratio closer to 3 is more realistic for cool climate PIN



How we measure vine balance

Agricultural approach

- Visually assess vines **after leaf fall**, prior to pruning
- Look “healthy” canes – colour, length, thickness

How we measure vine balance



How we measure vine balance

Agricultural approach

- Visually assess vines **after leaf fall**, prior to pruning
- Look “healthy” canes – colour, length, thickness
- Trimmed? Or have shoots just petered out. Are there any laterals nears the end?

How we measure vine balance



- just at the tips! Not in the fruit zone

How we measure vine balance

Agricultural approach

- Visually assess vines **after leaf fall**, prior to pruning
- Look “healthy” canes – colour, length, thickness
- Trimmed? Are there any laterals nears the end? Or have shoots just petered out
- What’s bud burst like?









How we measure vine balance

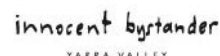
Excessive buds

- blind budding
- overcrowding at ends of canes
- removal of old canes becomes expensive
- quality of replacement canes deteriorates
- yields become more erratic

How we measure vine balance

What's the repeatability of the system like?

- does it provide your target yield?
- does it provide your target quality?
- are you able to prune the same way each season?
- can be a good indicator of “balance”





SUMMARY

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- Difficult to achieve sustainable yield and quality without vine balance
- Look at the vines after leaf fall
 - bud break
 - shoot length
 - shoot vigour
 - shoot distribution
 - fruit distribution
- What's the repeatability of the system like?

SUMMARY

- Vine balance is critical in Pinot Noir
- The vine will tell you





Thank-you





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Masterclass wines



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Eden Road 2017 – Tumbarumba



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McWilliams 2017 McW 660 Reserve – Tumberumba



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Lark Hill 2017 Biodynamic wine – Canberra



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Colmar Estate 2018 Block 1 – Orange



Swinging Bridge 2018 M.A.W. - Orange



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Philip Shaw 2018 No.8 - Orange



LiangZhou 2018 Ecological dry red wine – China



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Centennial Vineyards 2018 reserve – Sth Highlands



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Tertini 2018 – Sth Highlands



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Coppabella 2018 Sirius - Tumbarumba



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Hungerford Hill 2018 Reeve Vineyard – Tumbarumba



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Clonakilla 2018 – Murrumbateman