



Australia & NZ
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Riesling grapes tapping into the zeitgeist

White variety finds its demand “outstripping” its supply

With such a massive focus on tumbling winegrape prices it makes one wonder which varieties are seeing a boost. In fact, there are several grape varieties that have seen increases in value over the past year or so, but few on such a broad scale as Riesling. **Harrison Davies** spoke with industry players about how Riesling could pave a positive pathway for the industry.



Colmar Estate's vines in the Orange region. Photo: David Cummings.

Riesling has been the underdog of Australian wine for decades and people throughout the industry insist year on year that it will, inevitably, have “its moment”.

But what if its moment is now as it is currently demonstrating a way forward for an industry in flux.

The prevailing story of the industry coming into the current vintage was winegrape prices were at their lowest point in years, with major varieties like Shiraz and Cabernet seeing their values tumble.

Amongst white varieties, however, the story is quite different, with most major white varieties seeing either a gain on the previous year or seeing their value hold steady.

Most interestingly is the case for Riesling.

According to Wine Australia, the 2022 crush of Riesling exceeded 20,000 tonnes and, on average, Riesling grapes were sold at around \$1,171 per tonne (See Figure 1) and much higher in premium regions. ▶



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Comar Estate winemaker Bill Shrapnel. Photo: David Cummings

This is a big step ahead of other major white varieties like Sauvignon Blanc (\$756/tonne), Chardonnay (\$517/tonne) and Prosecco (\$960/tonne), the last of which had a similarly sized crush to Riesling.

There are several reasons for this value, but regardless of what factors may be contributing to it, there are lessons to be learned from a grape that seems to be succeeding in trying times.

Mudgee-based Robert Stein chief winemaker Jacob Stein said he thought Riesling grapes were a variety that was under-represented in Australia.

“The demand for Riesling fruit is currently outstripping supply from the already very limited amount available,” he said.

“This is the same in both Mudgee and Orange, so there is an opportunity to produce more Riesling fruit in the

[NSW] central west to meet the demand.

“Currently, numerous producers, including Robert Stein, are sourcing Riesling fruit from outside of our state to meet the demand.”

Supply and demand

As with any value, supply and demand are the major factors determining what people will pay for any product. Riesling winegrapes are no different.

According to Wine Australia figures, 20,822 tonnes of Riesling winegrapes were crushed in the 2022 vintage, of which about a quarter came from the Clare Valley region alone.

About half of the national crush was winery grown, meaning only half of the grapes grown across the country were available for purchase, contributing to the cost.

Wine Australia market insights manager





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Currently, numerous producers including Robert Stein are sourcing Riesling fruit from outside of our state to meet the demand. Jacob Stein

Peter Bailey said that the story is a little more nuanced than that, however.

“There’s probably a few factors that play into it,” he said.

“One would be the regions where it’s grown. It’s grown in regions such as Clare, Eden Valley, Tasmania, Canberra district and these are those cooler climate regions, which traditionally attract a higher average price for the grapes.

“That reflects part of the market where those wines are being sold; if you look at the domestic market, Riesling would be mostly sold above \$20 a bottle. That’s sort of a premium space in the market.

“Whereas if you looked at varieties such as Chardonnay, Pinot Grigio and Sauvignon Blanc, they do have wine sold in that higher price bracket, but for the bulk of them [they are in] that sort of \$10-\$20 price range.” ▶





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While Riesling is not grown as widely as the other varieties, it does demonstrate the way that the industry is going.

Studies conducted by the IWSR reveal that while global wine sales are contracting in volume, they are expanding in value – suggesting that the premium band of the market is remaining strong.

The premium bracket of wine has seen the most growth globally over the last year and Riesling's place in the market, particularly the Australian market as a more expensive wine on average, could help with bolstering its value and its demand.

However, the average price of Riesling is still fuelled by its wide growth in premium regions. While there are plantings of Riesling in warm inland regions like the Riverland, the majority

of Riesling vines can be found in regions like Clare and the Eden Valley.

The Eden Valley has the highest price for Riesling winegrapes per tonne at \$1,944/tonne, followed by Orange (\$1,833/tonne) and Great Southern in Western Australia (\$1,798/tonne).

Sales reports show that a lot of the demand for Riesling has been fuelled by domestic sales, as export numbers for the variety are relatively low, although producers say that they have seen interest from visitors.

Orange-based Colmar Estate winemaker Bill Shrapnel said that interest in the variety has increased over the last few years.

“It's generally an eye-opening experience, especially for younger consumers. Riesling is just off young people's radars

but when they taste a good Orange Riesling there is genuine surprise and delight,” Shrapnel said.

Shrapnel also agreed that prices for Riesling were going up, and that much of this was due to a high quality of product combined with growing consumer awareness.

“Eight years ago we sold double-trophy winning Riesling for \$28 a bottle. Now we are selling our three ranges for \$35, \$45 and \$55 a bottle,” he said.

“The sheer quality of the wines is driving the price. At the 2015 Orange Wine Show there wasn't even a Best Riesling Trophy on offer. At last year's show there were five gold medals in the Riesling class and it was one of the best classes in the show.”

Shrapnel added that he thought it was a mistake that there were so few Riesling



Riesling vines. Photo: Wine Australia



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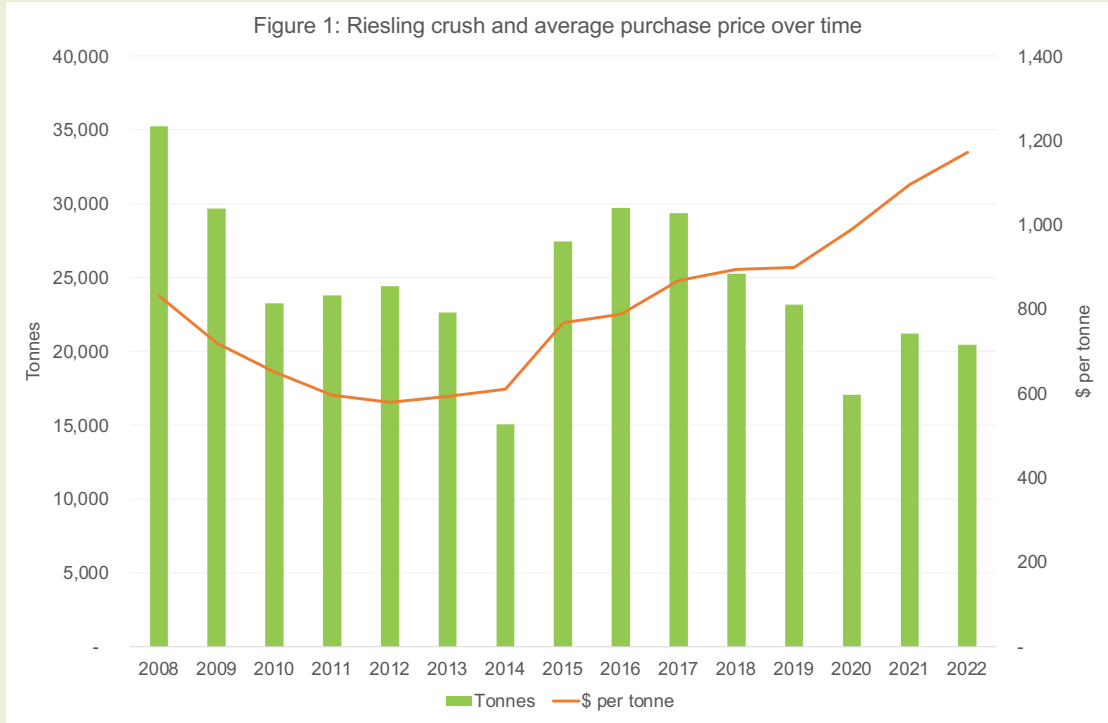


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Figure 1: Riesling crush and average purchase price over time



Riesling crush and average purchase price over time. Courtesy of Wine Australia



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vines planted in Orange, and that growing demand for the fruit was only driving prices up further.

“When most of the Orange vineyards were planted, the white varieties in demand were Sauvignon Blanc and Chardonnay – relatively little Riesling was planted.

“At Colmar Estate we have increased the proportion of our vineyard dedicated to Riesling by grafting onto Sauvignon Blanc.”

A future for grapes

The demand for Riesling looks to be outstripping the supply in many regions, partially due to the fact that major Riesling plantings are limited to only a few regions, but also because most Riesling from these regions is winery grown.

Riesling could be an opportunistic grape variety for growers to consider when planting new vines.

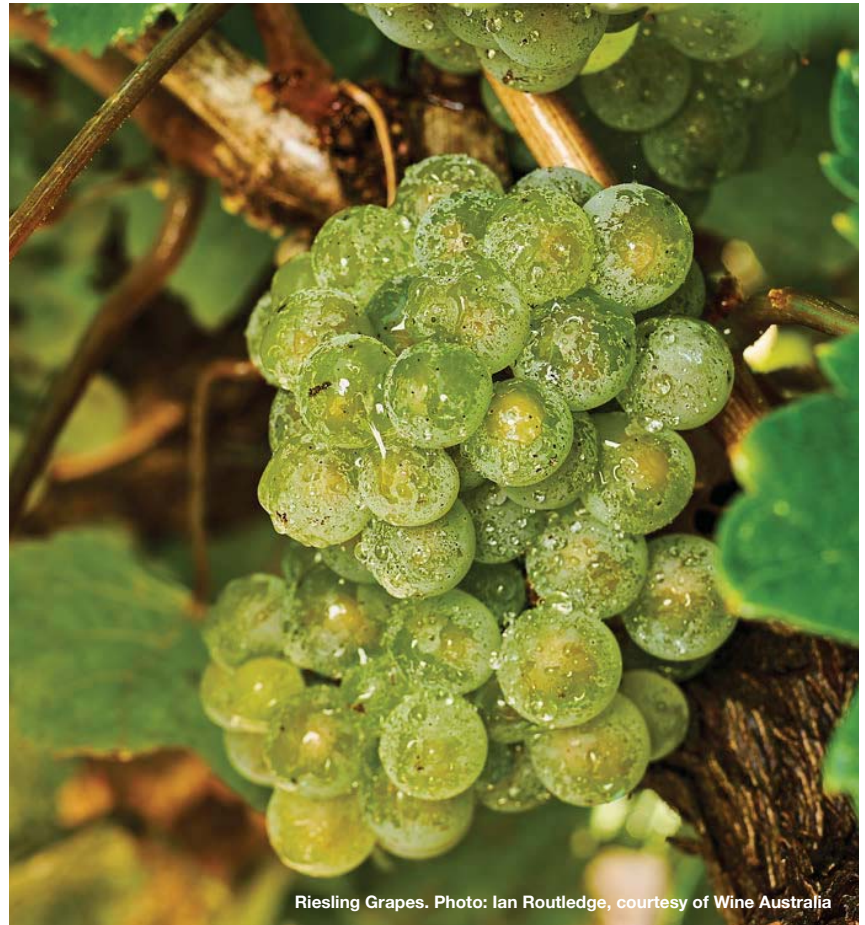
A good case study for this is in the Adelaide Hills, the highest value region for Riesling where the vast majority of Riesling grapes are sold to winemakers rather than winery grown.

For context, the average price for Adelaide Hills Riesling grapes is \$1,787/tonne. The region only produced 254 tonnes of the variety in 2022, but 81 per cent of those grapes were sold to other producers.

This provides an interesting context wherein Adelaide Hills Riesling is being used by growers who see its value for winemakers, and the value of Adelaide Hills Riesling has steadily increased

over the last five years, with a greater proportion of the crush being sold as grapes each year as well.

Adelaide Hills Wine Region president Alex Trescowthick said that the high



Riesling Grapes. Photo: Ian Routledge, courtesy of Wine Australia



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This upward trend indicates that our growers are thriving due to the growing demand for premium Riesling grapes, despite our relatively low volume.

Alex Trescowthick

quality of Adelaide Hills Riesling, as well as a massive demand, was a big opportunity for the region.

“While it may not receive as much attention as Clare and Eden Valley Riesling, Adelaide Hills growers

consistently receive a premium price of 1.3 to 1.5 times the average Riesling grape price in recent years and this trend has continued in 2022,” he said.

“With signs pointing to an ongoing and increasing demand for high-quality Riesling grapes in the market, we are delighted to see the consistent and significant rise in the price of our Adelaide Hills Riesling grapes, with an average annual increase of 12% over the past five years.

“This upward trend indicates that our growers are thriving due to the growing demand for premium Riesling grapes, despite our relatively low volume. It’s certainly a very positive outlook for our growers with Riesling plantings.”

Stein said that Riesling was a variety that held a special place in the industry and that the 2022 vintage helped to demonstrate that

“We have found consumers have acknowledged that the [NSW] Central West does produce great Riesling, and this is also reflected in sales figures,” Stein said.

“The 2022 vintage was a high rainfall and cool season, which meant the ripening period was long and flavours were well developed with very nice natural acidity.

“The vineyard site is of most importance for the Riesling variety. Riesling expresses its site more than any other grape variety, because of its purity and subtleness it shows all of the characteristics of where it is grown.

“Winemaker intervention is minimal with Riesling, but it shows how attention to detail in the vineyard and winery can make some outstanding Riesling wines by letting the wine express the vineyard terroir by using a soft and gentle approach in the winery.” **GW**