



QUARTERLY PROGRESS SUMMARY: April - June 2016

Producing premium naturally produced lower alcohol, lower calorie New Zealand Wines “Lifestyle Wines”

Summary of progress during this quarter

- All projects related to the ‘Lifestyle Wines’ PGP programme are on track for the third quarter (YE 2016) reporting period.
- As harvest came to a close in April, attention turned to finishing off lower alcohol fermentations in the winery, followed by end-of-season vineyard activities. Companies participating in the Lifestyle Wines PGP programme have again produced a range of lower alcohol and lower calorie wines in 2016, comprising trial and commercial products.
 - Project 1 (Market Access) completed lower alcohol wine category performance analyses based on retail scan data for New Zealand, Australia, the UK and Sweden, and analysis of the substitution-versus-growth effect of lower alcohol wines on the total wine category versus key varietal segments.
 - Project 2 (Sensory Perception) conducted a panel comprising 100 consumers tasting commercially available 2015 Sauvignon Blanc lower alcohol wines manipulated to vary in alcohol content, to explore how alcohol content influences consumers’ product experiences.
 - Project 3 (Vineyard Manipulations) completed field experimentation and early grape harvest for irrigation, nutrition and canopy manipulation trials. An overlay of a subsequent time of harvest has also been completed, and in-depth chemical analysis of juice composition is under way.
 - Project 4 (Winery Manipulations) completed winemaking trials for selected 2016 juices from the vineyard manipulation and skin contact trials. Blending of 18-L ferment replicates has also been completed and chemical analysis of the wines is under way. Evaluation of native yeasts continues with the goal to identify yeasts that result in wines with lower alcohol levels.
 - Project 5 (Communications and Tech Transfer) provided a marketing workshop for grantors on 5 April, focusing on further development of a ‘category story’ for New Zealand Lifestyle Wines.

Key highlights and achievements

- Marketing workshop, 5 April, Blenheim, Marlborough Vintners. Led by the Marketing Manager and a facilitator, participants at this the second marketing workshop revisited the critical success factors identified for marketing lower alcohol and lower calorie wines produced within the PGP programme. Interactive, breakout sessions focused on creating a consistent, compelling ‘Brand NZ’ category development story, and speakers reported on latest market trends and company case studies.
- Research reports developed within the ‘Lifestyle Wines’ PGP programme have been posted to the general members’ area of nzwine.com, providing tech transfer to the wider industry. The reports cover nutrition and canopy management trials conducted as part of the R&D programme.

Upcoming

Grantors Workshop

- The annual Lifestyle Wine October workshop will be held 12 and 13 October 2016 in Marlborough for participating companies (grantors). It provides Grantor company representatives a snapshot of progress for Projects 1, 2, 3, and 4, via presentations of research results and other commentary. The updates are followed by extensive tailored tastings of the lower alcohol wines produced by grantors and/or via research trials, with discussion on viticultural and winemaking technical challenges in production.

Market Access

- Further refinement of the Category story and its application throughout the market chain from the winery to the consumer.

Sensory Perception

- Completion of the sensory evaluation by wine consumers of wines with adjusted alcohol levels.
- Initiate the third year of sensory research

Vineyard Manipulations

- Initiate the third year of vineyard manipulation research with a focus on canopy trimming and vine nutrition.

Winery Manipulations

- Initiate the third year of winery manipulation research with a focus on fermentation conditions and approaches to reduce juice sugar concentrations.
- Continue the selection and management of native yeasts with low conversion rates of grape sugar to alcohol.

Communications & Tech Transfer

- Continue monthly eNewsletter.
- Support the Lifestyle Wine portal on nzwine.com.
- Assist in development and planning for October workshop.

Investment

Investment period	Industry contribution	MPI contribution	Total investment
During this Quarter	\$1,210,802	\$248,906	\$1,459,707
Programme To Date	\$3,905,648	\$2,679,610	\$6,585,258