



QUARTERLY PROGRESS SUMMARY: July – September 2016

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

Summary of progress during this quarter

- By mid-September, the first leaves begin to unfurl on Sauvignon Blanc grapevines in Marlborough, marking the start of another growing season. The Lifestyle Wines PGP programme has completed the first quarter in Year 3, with good progress on a variety of projects:
 - Project 1 (Market Access) has undertaken its second annual survey to determine participating companies' capacity to supply and penetrate key export markets.
 - Project 2 (Sensory Perception) has reported on consumer perceptions that varying alcohol concentrations in wine affect taste and mouthfeel properties, with limited effects on flavours.
 - Project 3 (Vineyard Manipulations) has finalised data analysis from vintage 2016, a year when trimming trials showed greater effects due to the larger crop load (nearly double that of 2015).
 - Project 4 (Winery Manipulations) – preliminary trials adding oxygen at fermentation indicate it may have a role to play in reducing alcohol in wines.
 - Project 5 (Communications and Tech Transfer) has provided event management and communications support to develop presentation materials for upcoming workshops and published two articles in the New Zealand Winegrower magazine.
- All projects related to the 'Lifestyle Wines' PGP programme are on track for the first quarter (YE 2017) reporting period

Key highlights and achievements

- Two feature articles appeared during this quarter in the industry journal, *New Zealand Winegrower*
 - 'High performance from lower alcohol wines', August/September issue, pp 89-90.
 - 'PGP programme spotlight', October/November issue, pp 121-122.
- A number of medals awarded to wines produced by grantors as part of the 2016 vintage:
 - 13 at the New Zealand International Wineshow;
 - 11 at the Air New Zealand Wine Awards; and
 - 17 in the New World Wine Awards.
- Two awards received by grantors at the New Zealand Food Awards:
 - VNO Lighter range (Constellation Brands) – Business Innovation Award
 - Villa Maria Lighter Rose – Beverage Award

Upcoming

Grantors Workshop

- The annual Lifestyle Wines October workshop will be held 12 and 13 October 2016 in Marlborough for participating companies (grantors). It provides attendees – typically, two per company – with 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

- Marketing workshop, 17 November, in Marlborough. Led by the Marketing Manager and a facilitator, participants at the third marketing workshop will review recommendations on category positioning, story and development. Strategy planning will include discussion on:
 - Packaging
 - Promotion
 - Merchandising
 - Distribution
 - Market research

Sensory Perception

- Second iteration of sensory panel evaluations will begin in October to understand the impact of wine composition (acid, residual sugar and alcohol levels) on sensory perception of lower alcohol wines.

Communications & Tech Transfer

- Continue monthly eNewsletter
- Support the Lifestyle Wine portal on NZWine.com
- Convene October (Annual Grantors') workshop and develop marketing workshop in November.

Investment

Investment period	Industry contribution	MPI Contribution	Total Investment
During this Quarter	\$202,695	\$254,590	\$457,285
Programme To Date	\$4,108,344	\$2,934,199	\$7,042,543