



QUARTERLY PROGRESS SUMMARY: October – December 2016

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

Summary of progress during this quarter

- The second annual survey of participating companies in the PGP Lifestyle Wines programme was completed by all companies, providing valuable information regarding the programme’s collective production status, future capacity and individuals’ perceptions regarding the quality and flavour of the lower alcohol wines produced to date. Preparations for vintage 2017 are well under way, and the programme has established a range of vineyard trials through to April. All projects have continued to make good progress in this reporting period:
 - Project 1 (Market Access) commissioned new market research on key international markets for New Zealand lower alcohol wines produced by companies participating in the PGP programme. The market research was conducted by Wine Intelligence showing strengthening of the opportunity for New Zealand lower alcohol wines in key export markets. Category growth for lower alcohol wines in the domestic market has continued and is expected to remain strong through the busy holiday retail season.
 - Project 2 (Sensory Perception) recently completed a three-week temporal study with trained consumer panellists in the Plant & Food Research sensory laboratory at Mount Albert, Auckland. Participants readily grasped the methodology, even though it is not a common trial to conduct with consumer panellists.
 - Project 3 (Vineyard Manipulations) continues to establish the numerous trials commissioned for the 2017 vintage, which will see additional work on canopy manipulation on Pinot noir and Pinot gris vines in Canterbury, Hawkes Bay, Central Otago and Marlborough.
 - Project 4 (Winery Manipulations) has completed trial runs on new fermentation technology custom built for the micro-vinification trials for the PGP programme. Work will now focus on preparation for trials associated with juice treatments, fermentation conditions and the winemaking that will begin in March 2017 and continue through to the end of April.
 - Project 5 (Communications and Tech Transfer) provided the third annual Grantors Workshop on 12-13 October, with presentations from all projects within the programme.
- All projects related to the ‘Lifestyle Wines’ PGP programme are on track for the second quarter (YE 2017) reporting period.

Key highlights and achievements

- Presentations at the Lifestyle Wines Grantors Workshop (12-13 October in Blenheim) were well received by participants, with at least one representative from each grantor company in attendance. The event was subsequently evaluated in a short survey, with 89% of respondents rating the event as ‘good’ (35%) or ‘very good’ (50%).
- The annual grantors survey indicates that most of the participating companies are producing a lower alcohol Sauvignon blanc wine, and one-quarter of participants are also producing other styles or varieties in the lower alcohol category (e.g., rosé, sparkling wine, etc.)

Upcoming

Market Access

- The recent earthquake at the top of the South Island resulted in the postponement of a planned marketing workshop in November 2016. The event will now be held on Tuesday, 28th February 2017 in Marlborough.

Sensory Perception

- Analysis and reporting of results collected in the recent sensory panel evaluations regarding Sauvignon blanc wines with varying alcohol content.

Vineyard Manipulations

- Trials under way for research related to vine nutrition and canopy management for the production of lower alcohol wines. Trials will continue through to post-harvest 2017.

Winery Manipulations

- Preparations for vintage 2017 winemaking activities at both the research facility and grantor companies.

Communications & Tech Transfer

- Continue monthly eNewsletter.
- Support the Lifestyle Wine portal on nzwine.com.
- Contribute to the February marketing workshop.

Investment

Investment period	Industry contribution	MPI Contribution	Total Investment
During this Quarter	\$185,685	\$309,545	\$495,230
Programme To Date	\$4,294,029	\$3,243,744	\$7,537,773