



QUARTERLY PROGRESS SUMMARY: January – March 2017

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

Summary of progress during this quarter

- Cooler weather has slightly delayed harvest in Marlborough, but vintage 2017 is expected to ramp up in early April. Similarly, some of the vineyard research trials for the programme have been completed about two weeks later than in previous years, as treatments depend in part on the growth stage of the grapes. Companies participating in the Lighter Wines PGP programme are immersed in vintage activities in the vineyard and the winery, and research projects are tracking well for this reporting period:
 - Project 1 (Market Access) commissioned new quantitative market research from Wine Intelligence on six key markets. The research also makes comparisons to results gathered in 2014. Reports have been posted to the PGP area of nzwine.com.
 - Project 2 (Sensory Perception) organised a large-scale tasting by 30 winemakers (28 February to 1 March in Blenheim) to assess wines made from grapes harvested in nutrition-research trial blocks.
 - Project 3 (Vineyard Manipulations) has progressed the vintage 2017 trials and soon will have harvested the grapes to determine the viticultural outcomes and make available grapes scheduled for winemaking trials.
 - Project 4 (Winery Manipulations) has completed preparations for vintage 2017 activities at the research facility. Small-scale trials at Auckland University have explored oxygenation rates in fermentations using *Saccharomyces* and non-*Saccharomyces* yeasts.
 - Project 5 (Communications and Tech Transfer) provided a marketing workshop for grantors on 28 February, offering insights into category development strategy for lighter wines, focusing on positioning and the value proposition for retailers and consumers. An article highlighting three case studies of lessons learned via the Lighter Wines programme is published in the April/May edition of *New Zealand Winegrower* magazine.
- All projects have participated in the progress review of the Lighter Wines PGP programme, completed in late March 2017. All projects are on track for the third quarter (YE 2017) reporting period.

Key highlights and achievements

- Domestic sales data for lighter wines shows a strong correlation to “seasonality” with sales rising from October to March – peaking in December and January – and lower sales from April to September.
- Market research by Wine Intelligence in six key markets indicates that the number of premium wine drinkers in the US and UK likely or very likely to purchase lower alcohol wines has increased since the previous survey was conducted in 2014.
- Information reported by the Lighter Wines PGP programme continues to provide insights into the production and marketing of lower alcohol wines. More than 10 reports and presentations were posted to the PGP area of nzwine.com during this reporting period.

Upcoming Market Access

- The marketing manager will meet with retailers in the domestic market in April/May. The objective is to re-engage with key gatekeepers, many of whom were previously interviewed two years ago, and to sound out promotional messages, etc., before showcasing lighter wines overseas.

Sensory Perception

- Analysis and reporting of results collected in sensory panel evaluations in 2016 and 2017.

Vineyard Manipulations

- Fruit harvested from trials related to vine nutrition and canopy management will be utilised for winemaking trials during vintage 2017.

Winery Manipulations

- Multiple winemaking trials are scheduled for vintage 2017, at both the research facility and grantor companies.

Communications & Tech Transfer

- Continue monthly eNewsletter.
- Support the Lighter Wines portal on nzwine.com.
- Assist in planning to showcase the Lighter Wines programme at 2017 Romeo Bragato industry conference in August.
- Assist in development of and planning for October workshop.

Investment

Investment period	Industry contribution	MPI Contribution	Total Investment
During this Quarter	\$185,581	\$239,202	\$424,783
Programme To Date	\$4,479,609	\$3,482,947	\$7,962,556