



QUARTERLY PROGRESS SUMMARY: January - March 2018

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

Summary of progress during this quarter

- Positive signs of activation of interest in Lighter Wines in key export markets of UK, Australia and Canada. The category of wines between 8.5% and 10% ABV is new to all export markets so NZ is leading this development. To support this a range of focussed PR and category branding has been developed for implementation in the next quarter. Based on the percentage sales of Lighter Wines on the Domestic market, there is opportunity to generate export sales revenues aligned with those outlined in the original business plan (\$263 Million):
 - Project 1 (Market Access). Market research of premium wine consumers in key export markets show strong interest in wines with lower alcohol levels
 - Project 3 (Vineyard Manipulations) has begun the annual harvest of the field trials for the current growing season. Nutrition and canopy manipulation trials of Sauvignon Blanc, Pinot Gris, Pinot Noir and Merlot will be undertaken in Hawke’s Bay, Central Otago and Marlborough. New this season are trials understanding the role of variation in berry maturity and different clones of Sauvignon blanc.
 - Project 4 (Winery Manipulations) has begun the season’s trials of research wines from the vineyard trials and exploring the effects of fermentation conditions. Good progress is being made with novel filtration aids to lower the sugar levels in grape juice.
 - Project 5 (Communications and Tech Transfer) continues supporting the Programme with newsletters and publicity material.
- All projects related to the ‘Lighter Wines’ PGP programme are on track for the third quarter (YE 2018) reporting period.

Key highlights and achievements

- A collection of Lighter Wines produced by the Grantors was tasted by the influential wines buyers at LCBO, Toronto.
- Strong expressions of interest in Lighter Wines have been received by key retailers in Australia and the UK.
- Market research of premium wine consumers in the UK, Australia, Canada and NZ has shown that there is strong demand for wines lower in alcohol.
- A design of a category brand and logo has been developed to an advanced stage and being evaluated
- Revised lexicon to describe lighter wines has been developed by Project 2 working with winemakers in Marlborough.

Upcoming

Market Access

- The programme manager and the marketing manager will continue to explore opportunities to build awareness of the PGP Lighter Wines programme and to promote NZ Lighter Wines in key export markets. Managers will meet with advertising and public relations agencies to develop key messages and strategic plans.

- Marketing workshop for the Grantors to provide an update on the export market opportunities, planned PR and review of the new branding

Sensory Perception

- Begin evaluating the sensory properties of research wines made from grapes separated based on variation of maturity.

Vineyard Manipulations

- Harvest will be completed of field trials and data analysis started.

Winery Manipulations

- Complete the winemaking activities for vintage 2018.

Communications & Tech Transfer

- Continue monthly eNewsletter.
- Support the Lighter Wines portal on nzwine.com.
- Assist in development and planning for events and creation of content.

Investment

Investment period	Industry contribution	MPI Contribution	Total Investment
During this Quarter	\$373,151	\$388,442	\$761,593
Programme To Date	\$6,118,361	\$5,265,061	\$11,383,422