



## QUARTERLY PROGRESS SUMMARY: April – June 2015

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

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#### Summary of progress during this quarter

- All projects related to the ‘Lifestyle Wines’ PGP programme are on track for the fourth-quarter reporting period.
- With Vintage 2015 now completed the researchers are underway with analysing a wealth of viticultural and winemaking data for the PGP programme.
  - Vineyard trials conducted over the 2014/15 growing season relate to irrigation regimes, nutrition, canopy management and late-harvest selections.
  - On the winemaking front, small and medium-scale trials have been established in tandem with the commercial and experimental wines produced by winery partners.
- Preliminary market research has been collated for New Zealand, Australia, the UK, Sweden, Canada and the US.
  - According to overseas retailers, the key drivers for this segment appear to be attaining the quality and flavour as comparable to full-strength wines.
  - The New Zealand market is leading in the adoption of lower alcohol wines as reflected in the sales records of these wines and is considered a good “laboratory” for global market trends associated with low alcohol wines.
  - In some markets, NZ-produced lower alcohol wines are already gaining shelf space and attracting consumer interest.
- A conceptual framework of non-sensory characteristics of NZ Lifestyle wines that could appeal to consumers has been developed.

#### Key highlights and achievements

- Six Annual Reports prepared and circulated to the Grantors for review/comment.
- Two popular articles published in the New Zealand Winegrower Magazine.
- Development of a conceptual framework of how consumers respond to non-sensory characteristics of NZ Lifestyle Wines.
- Completed Consumer Focus Groups in Sydney, New York and London.
- Completed a detailed analysis of the Australian market for lower alcohol wine based on Australian scan data sourced in-market
- All vineyard trials now harvested and result analysis underway.
- Over 150 trial wines have been processed and progressing to finished wines.
- Planning well advanced for a Marketing Workshop in August and Programme Workshop in October.

## Upcoming

### Market Access

- Marketing Workshop with Grantors on 11 August
- Evaluate Consumer Research
- Enhance understanding of market opportunities and product positioning

### Sensory Perception

- Second phase of sensory evaluations with focus around understanding the impact of wine composition (acid, residual sugar and alcohol levels) on sensory perception of low alcohol wines.

### Vineyard Manipulations

- Analysis of harvest results from vineyard manipulation trials.

### Winery Manipulations

- Complete the processing of wine trials.
- Progress the evaluation of the performance of yeast selections to ferment grape juice sugars to compounds other than alcohol

### Communications & Tech Transfer

- Continue monthly eNewsletter.
- Support the Lifestyle Wine portal on NZWine.com.
- Execute a marketing workshop
- Plan for October workshop.

## Investment

<b>Investment period</b>	<b>Industry contribution</b>	<b>MPI contribution</b>	<b>Total investment</b>
During this Quarter	\$391,138	\$431,619	\$822,757
Programme To Date	\$1,179,863	\$1,192,210	\$2,372,073