

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Required Report - public distribution

Date: 3/1/2012

GAIN Report Number: NZ1203

New Zealand

Wine Annual

New Zealand 2012 Wine and Vineyard Report

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Report Highlights:

The New Zealand Grape Crop will be reduced by at least 28,000tons and at this stage is expected to be 300,000tons for harvest 2012. Consequently wine production will be reduced to an estimated 216 million liters which will help bring the supply and demand equation into balance at better average prices both for grapes and wine. Small Wineries and vineyard owners are still struggling financially and will continue to be under pressure for at least the next twelve months. Excise tax on wine sold domestically has been raised by NZD0.12/liter to NZD2.72/liter.

Executive Summary

Grape production in 2012 is projected at 300,000 metric tons, 8.5% less than the record 328,000 tons harvested in 2011. The chief reason for the reduction is cooler than normal weather during the 2011/12 growing season which impaired grape pollination. As a result, the 2012 vintage is estimated at 216 million liters of wine, an 8% reduction from 2011's production level of 235 million liters. Nationally the vineyard production area is stable at 33,600 hectares.

Some wineries have begun to worry about maintaining throughput. Spot prices for un-contracted grapes (which bottomed out last year at below NZ\$1,000/ton) are now changing hands at NZ\$1,500-1,600/ton. Vineyards are still struggling financially and probably need around NZ\$1,500/ton to cover costs.

Wine production favors white grape varieties chiefly Sauvignon Blanc. In 2011 just under 86% of total grape production were white varieties. Production difficulties arising in the 2011/12 growing season are likely to see this slip to 85%.

Looking ahead to 2013, the cooler growing season in 2011/12 is likely to have a negative effect on the crop potential for next year as well, with grape production likely to be at the lower end of a range between 300,000 to 330,000 tons. This would result in wine production on the order of between 216 to 238 million liters.

Wine exports in the calendar year (CY) 2012 are forecast at 160 million liters. This is a 5% reduction from record exports of 168.1 million liters in CY 2011. Reduced exports are attributed to reduced wine production in 2012 and subdued global trading conditions. In addition, wineries are reportedly more comfortable with their inventory levels and not under pressure to move increased stocks at discount prices.

Australia was the most valuable export destination for NZ wines in CY2011, with wine exports valued at USD\$282 million from total export receipts of USD\$901 million. By volume, the UK was the leading destination at 58 million liters compared with Australia at 48 million liters. At 34 million liters, the United States ranked as the 3rd highest export destination in both volume and value terms. The industry has used its Price Waterhouse Coopers strategic review of the sector to refocus market development on the Pacific rim, specifically the US and China which are seen as the best prospects for future export growth.

New Zealand imported an estimated 27.7 million liters of wine in CY2011 at a total value of USD\$111 million. Even though the total volume was down by 5 million liters, total value was up by USD8 million. U.S. wine exports to NZ were valued at USD\$197,315 which was its best result in six years and up from USD\$87,853 in CY2010. Generally, NZ imports premium brands from the US.

Total Domestic wine consumption in New Zealand is estimated at around the 90 million liters annually. It is not expected that this will change in 2012. The excise tax on wine sold in New Zealand has been increased by approximately NZD0.12/liter so the total tax is now NZD2.7206/liter.

Vineyard & Winery production

2012

It is estimated that 2012 grape production will be 300,000 metric tons, 8.5% less than the official harvested tonnage in 2011. Under current climate conditions there is more downside risk to this estimate than the likelihood of it being higher. Based on current conversion ratios the 2012 vintage should produce 216 million liters of wine, an 8% reduction from the 2011 production level of 235 million liters. The 2012 production drop is due mainly to:

- A stable production area, with no net new plantings coming on stream. There is some replanting going on to replace grape varieties and/or trellising and any new areas coming on are balanced by vineyard blocks being withdrawn from production.
- Climate conditions for the last quarter 2011 were cool and damp which interfered with pollination and subsequent grape bunch development.



Grape bunch showing non and poorly pollinated grapes.



Reasonably well pollinated grape bunch.

Anecdotal reports from the Marlborough region (58% of total vineyard area) suggest yields, in 2012, will be down 20-30% across the region. Bearing in mind the North Island regions haven't fared so badly with regard pollination losses, the Marlborough losses will likely be somewhat offset by better performance in the northern regions. Consequently, anecdotal yield drop estimates may actually be in line with the 300,000T projected harvest for the 2012 year. In 2011 there was harvestable crop actually left in the vineyards and not taken to the wineries. Various estimates have placed this lost amount at somewhere around 30,000 tons. Had this been harvested, this would have put the actual 2011 crop at 350,000 to 360,000 tons compared with the official tonnage of 328,000 tons that went through the winery doors. A 17% reduction from a crop load of 360,000 tons would give a 300,000 ton loading.

With the anticipated drop in grape harvest some wineries are worried about being able to purchase enough grapes to maintain winery throughput. Whereas in 2011 un-contracted grapes sold for

prices well below NZ\$1,000/ton, this year's spot prices for grapes have in some cases doubled with NZ\$1,500-1,600/ton being mentioned regularly.

PRODUCTION TRENDS NEW ZEALAND VINEYARD AND WINE INDUSTRY										
Year Ending December	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012 Forecast
Number of Wineries	421	463	516	530	543	585	643	672	698	na
Producing Area (hectares)	15,800	18,112	21,002	22,616	25,355	29,310	31,964	33,428	33,600	33,600
Average Yield ((tons per hectare)	4.8	8.9	6.9	8.2	8.1	9.7	8.9	8	9.8	8.9
Average Grape Price (NZ\$ per ton)	1,929	1,876	1,792	2,022	1,981	2,161	1,629	1,293	1,172	na
Tons Grapes Crushed (000's of Tons)	76.4	165.5	142	185	205	285	285	266	328	300
Total Production Wine (millions of liters)	55.0	119.2	102.0	133.2	147.6	205.2	205.2	190.0	235.0	216.0
WINE CONSUMPTION AND EXPORT TRENDS FOR NEW ZEALAND										
Year Ending December	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012 Forecast
Estimated Domestic Sales of NZ Wine (millions liters)	26.1	41.6	49.5	51.2	45.9	51.6	58.3	62.7	62.2	62.0
Estimated Imports of Wine (millions of liters)	47.2	37.6	34.8	38.8	42.0	38.1	31.5	32.7	27.7	28
Total NZ Domestic Consumption	73.2	79.2	84.3	90.0	87.9	89.7	89.9	95.4	89.9	90.0
Population estimate (millions)	4.03	4.09	4.14	4.19	4.23	4.27	4.32	4.37	4.40	4.45
NZ Consumption per Capita of NZ	6.5	10.2	12.0	12.2	10.8	12.1	13.5	14.3	14.1	13.9

wine(L)										
NZ Consumption per Capita of all wine(L)	18.2	19.4	20.4	21.5	20.8	21.0	20.8	21.8	20.4	20.2
Estimated Export Volume (millions liters)	27.2	40.6	57.4	64.7	84.1	98.7	128.5	157.2	168.1	160
Export Value(millions of NZ\$ FOB)	271.0	369.6	471.3	610.8	759.9	903.3	1014.0	1088.7	1135.2	na
Estimated Average Price NZD/L	\$9.96	\$9.10	\$8.22	\$9.44	\$9.03	\$9.15	\$7.89	\$6.93	\$6.75	na
Export Value(millions of \$US FOB)	158.7	246.4	331.8	396.6	560.1	632.6	652.0	788.2	900.9	na
Estimated Average Price USD/L	\$5.83	\$6.06	\$5.79	\$6.13	\$6.66	\$6.41	\$5.07	\$5.02	\$5.36	na
Estimated Total Supply (Production + Imports)	102.2	156.8	136.8	172.0	189.6	243.3	236.7	222.7	262.7	244.0
Estimated Total Demand (exports+consumption)	100.4	119.9	141.7	154.7	172.1	188.4	218.4	252.5	258.0	250.0
Interim balance of Supply less Demand	1.7	37.0	-4.9	17.3	17.6	54.9	18.4	-29.8	4.7	-6.0
Estimated Stocks at end Dec	44.2	81.1	76.3	93.6	111.2	166.0	184.4	154.6	159.2	153.2

Sources: NZ Wine Growers, StatisticsNZ, Global Trade Atlas, Post Estimates

NEW ZEALAND PRODUCING VINEYARD AREA BY GRAPE VARIETY

(Hectares)

	2002	2003	2004	2005	2006	2007	2008	2009	2010*	2011*	2012*
Sauvignon	3685	4516	5897	7277	8860	10491	13988	16205	16910	16758	17297

Blanc											
Pinot Noir	2029	2624	3239	3757	4063	4441	4650	4777	4773	4803	4828
Chardonnay	3427	3515	3617	3804	3779	3918	3881	3911	3865	3823	3792
Merlot	1077	1249	1487	1492	1420	1447	1383	1369	1371	1386	1403
Riesling	529	653	666	811	853	868	917	979	986	993	1009
Pinot Gris	232	316	381	489	762	1146	1383	1501	1763	1725	1764
Cabernet Sauvignon	745	741	687	614	531	524	516	517	519	519	521
Other	2063	2186	2138	2758	2348	2520	2592	2705	3241	3593	2986
Total	13787	15800	18112	21002	22616	25355	29310	31964	33428	33600	33600

*Estimates

Source: New Zealand Wine Growers

New Zealand wine production is heavily weighted toward the white varieties. In the last ten years white wine reached its lowest proportion of the total annual grape production in 2003 at just under 74% of the total. In 2011 it was just under 86% of total grape production. For 2012 it may slip slightly but will still be around 85% of total production.

2013

As next year's bunch numbers are set during this year's pollination and the ensuing growing season, there is a real potential for low grape yields again next year as current cool weather conditions are detrimental to bunch numbers. However by laying down extra cane at winter pruning, the effect of low bunch numbers could be allayed to some extent. It is expected that 2013 grape production will be in the range of between 300,000 to 330,000 tons, with wine production estimated at between 216 to 238 million liters with a weighting toward the lower end of the range.

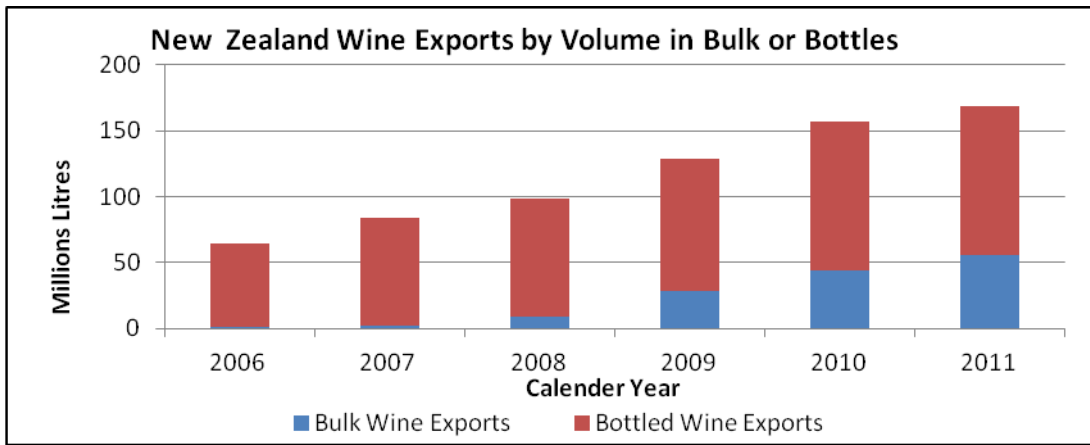
Wine Supply and Demand Balance – and the Role of Bulk Wine Sales

The table shown above on wine consumption and export trends uses actual wine production, imports and exports together with data on domestic wine consumption to estimate the supply and demand picture for the New Zealand Wine Industry for December years. Because there is a production lag, the estimated total wine supply will never all be available to ship or consume in the year of harvest and manufacture. By necessity there needs to be stocks (inventories) on hand at the end of December each year which are either still in the production phase (red wines) or on hand to satisfy sales demand for the first six to nine months of a new calendar year prior to that year's vintage becoming available.

It does appear that the two big production years in 2008 and 2009 boosted inventory levels well beyond comfortable levels for the industry. Subsequently the industry has had to use various stratagems to get supply back in sync with demand: sales of bulk wine at discounted prices has been one pressure relief valve, reducing imports another and grape purchase contracts which have yield caps are common especially for sauvignon blanc.

During 2011, bulk wine exports were used aggressively to help dispose of New Zealand's largest ever production, but now that inventory levels have been brought under control, it is likely that bulk wine sales will be reduced and with significantly reduced wine production in 2012 it is likely that bottled wine demand will slowly catch up with supply. From a peak of 55.6 million liters exported in 2011, export sales of bulk wine may be reduced to between 30-40 million liters in 2012. It would appear that the sector has brought the supply and demand equation roughly into balance. It has come at a cost, however, with many wineries and grape growers struggling to make a profit with perhaps another year or two of pain to be endured before revenues rise enough to again ensure general industry profitability. There is a lot of financial restructuring going on

within the sector, both at vineyards and wineries, and always at the boutique or medium scale level of enterprise. In most cases the banks are leading the endeavor with receiverships and forced sales where the debts and cash flow of the businesses have deteriorated beyond their ability to recover.



Source: Global Trade Atlas

Exports and Trade

2012

Exports of wine in 2012 are forecast at 160 million liters, about 5% lower than 2011 exports. The reduction in exports is attributed to:

- Reduced Wine production in 2012 being down by 8% on the 2011 year.
- Bulk wine sales being reduced but bottled wine sales not completely picking up all the anticipated bulk wine reduction.
- Global trading conditions still subdued enough that it will be difficult to increase sales volumes of wine at stable or increased prices.
- Wineries being reasonably comfortable with inventory levels and not feeling too pressured to quit stocks at discount prices.

The Price Waterhouse Coopers strategic review of the sector and NZ Winegrowers recommended the two markets that the sector should concentrate most on increasing sales were the U.S. and China. Under the FTA with China most wine from NZ will enter China free of tariffs from 2012. While the duty free entry is beneficial, developing the Chinese market will take time and a lot of patience. It is very important to find a reputable distributor and to eliminate unnecessary steps in the supply chain.

2011

Wine exports totaled 168.1 million liters in calendar year 2011, which was 10.9 million liters or nearly 7% above the 2010 level. Closer examination of the result shows that bulk wine exports increased by 11.9 million liters and bottled wine exports actually fell by just under a million liters. Bottled white wine which has undergone such huge growth over the last 10 years actually fell by 2.4 million liters which wasn't quite made up with increases of bottled red and sparkling wine.

New Zealand Export Statistics Commodity: All Forms of Grape Wine

Annual Series: 2006 - 2011

Partner Country	United States Dollars					
	2006	2007	2008	2009	2010	2011
Australia	100,712,177	156,240,219	212,790,890	214,652,524	241,935,123	282,381,219
United Kingdom	125,881,140	184,342,571	177,523,811	182,516,656	217,099,813	233,834,894
United States	103,449,207	123,587,770	127,754,071	135,272,961	171,115,415	185,885,058
Canada	19,120,679	27,404,756	33,068,575	35,074,628	45,027,040	50,939,389
Netherlands	7,808,321	9,681,757	10,887,364	13,400,902	16,724,004	22,309,354
China	1,084,319	1,600,397	3,658,389	9,928,638	9,615,562	18,010,838
Hong Kong	2,552,654	3,591,961	5,500,629	6,806,659	10,517,428	14,947,325
Ireland	5,748,013	9,089,180	11,493,339	9,669,182	12,638,760	13,147,636
Singapore	3,803,771	5,557,444	8,069,901	7,869,405	10,334,513	11,282,094
Japan	4,278,697	4,823,492	5,451,717	5,327,330	7,652,789	8,768,657
All other Destinations	22,133,206	34,202,708	36,377,080	31,459,303	45,552,632	59,423,063
World Total	396,572,184	560,122,252	632,575,763	651,978,184	788,213,081	900,929,525

Source: Global Trade Atlas

New Zealand Export Statistics						
Commodity: All Forms of Grape Wine						
Annual Series: 2006 - 2011						
Partner Country	Quantity (Liters)					
	2006	2007	2008	2009	2010	2011
United Kingdom	23,511,800	30,573,847	30,686,804	42,713,906	52,598,891	57,969,773
Australia	15,626,101	21,646,362	32,695,273	44,092,757	47,277,033	49,758,189
United States	15,836,094	19,719,331	19,702,620	23,404,293	32,746,298	34,074,868
Canada	2,745,472	3,328,206	5,043,875	5,900,736	7,731,832	5,656,200
Netherlands	1,419,050	1,428,742	1,710,785	2,477,451	3,172,715	4,637,064
Ireland	854,957	1,230,882	1,553,318	1,470,070	2,166,565	2,022,874
China	171,991	211,451	460,462	1,188,671	1,211,721	1,968,029
Hong Kong	385,658	501,691	644,463	796,397	1,105,349	1,471,711
Sweden	374,307	523,757	547,868	819,800	1,072,595	1,322,476
Singapore	463,906	602,832	881,008	970,595	1,230,980	1,103,173
All other Destinations	3,342,519	4,367,854	4,794,627	4,679,505	6,849,810	8,147,535
World Total	64,731,855	84,134,955	98,721,103	128,514,181	157,163,789	168,131,892

Source: Global Trade Atlas

New Zealand's appreciating currency is having a major effect on returns received back to NZ traders. For example in 2011 U.S. dollar terms, returns actually rose by USD0.34/L in comparison to 2010, however in NZD terms returns they fell by NZD0.18/L. Participants in the sector cite the appreciation of the dollar as a major impediment to profitability. Wineries who are exporting a good proportion of their wine to Australia have been able to avoid some of this erosion of returns due to the even stronger appreciation of the Australian dollar.

Imports & Importing Regulations

New Zealand Import Statistics						
Commodity: All Forms of Grape Wine						
Annual Series: 2006 - 2011						
Partner Country	United States Dollars					
	2006	2007	2008	2009	2010	2011
Australia	70,531,133	81,499,483	68,388,907	57,209,052	67,342,208	68,955,838
France	19,050,914	23,899,842	33,421,254	16,581,702	21,732,714	26,902,311
South Africa	823,071	3,639,284	9,817,365	5,771,243	4,980,260	4,533,183
Italy	7,647,718	9,431,038	7,675,010	5,692,701	4,392,345	4,500,502
New Zealand	460,010	914,735	684,404	801,757	1,305,474	2,081,026
Spain	1,625,740	2,165,912	2,196,482	1,400,993	1,228,606	1,570,526
Portugal	830,395	1,646,519	900,047	736,847	1,213,983	897,877
Chile	1,338,227	1,391,914	2,717,385	517,016	287,224	588,367
Germany	388,091	647,269	428,003	292,707	246,512	305,677
Argentina	411,309	508,982	554,499	245,187	183,490	301,725
United States	188,267	182,900	120,462	93,469	87,853	197,315
All Other Origins	172,356	272,516	332,510	297,005	221,615	297,209
World Total	103,467,231	126,200,396	127,236,330	89,639,679	103,222,284	111,131,557

Source: Global Trade Atlas

Composition and Labeling Requirements

All wine sold in New Zealand, including imported wine, must meet the labeling and composition requirements set out in the Australia New Zealand Food Standards Code, commonly referred to as "the Code". (Click here for information on the code: <http://www.foodstandards.gov.au/foodstandards/foodstandardscode/>)

In addition to the regulations in the Code, New Zealand has rules for grape wine label statements about variety, vintage, or country or area of origin. These rules are collectively known as 'the 85% rule'. If a label states the wine is from a particular grape variety, vintage, or area, then at least 85% of that wine must be from that variety, vintage or area. The 85% rule applies to wine labeled for retail sale. It does not apply to wine sold in bulk. As statements about grape variety, vintage or area of origin are not mandatory on a wine label in New Zealand, any label that does not have this information is not subject to the 85% rule.

While there are no specific requirements for information that goes on front or back wine labels in New Zealand, front labels tend to be fairly simple. They typically contain the name of the winery, the region, the varietal, and the vintage year. This universal approach affords New Zealand's export-oriented wine sector with the flexibility and cost-advantage of printing up back labels with the specific information required by the competent authority in New Zealand's many export markets.

New Zealand and the United States have an agreement in place that recognizes the respective wine making practices of the two countries. However, there are some differences in labeling requirements. For instance, New Zealand regulations require specific information on the label regarding how many "standard drinks" are contained in the wine bottle. There is also a requirement for allergen labeling, which does not exist in the United States. (For instance, if the wine was fined with egg whites, that must be printed on the label.) New Zealand also requires the "supplier" to be printed on the label, which could be the manufacturer, importer or distributor.

(Most exporting companies tend to put the name of the importer on the back label.) Unlike the United States, New Zealand does not require a government health warning on the label.

For a list of composition and labeling requirements, please see Appendix 1 of this report.

Tariffs and Taxes

Description	HS Code	Tariff as of January 2011	Excise Equivalent	ALAC Levy*
Sparkling Wine	2204.10	5%	\$2.7206 per liter	4.1892 cents per liter
Wine of Fresh Grapes	2204.10	5%	\$2.7206 per liter	4.1892 cents per liter
Wine for Further Manufacture	2204.29	5%	\$0	4.1892 cents per liter

Source: New Zealand Customs Working Tariff Document

Note: The excise equivalent for imports is equal to the tax levied on domestically produced wine. Taxes listed here are a guide only. See Appendix II for the New Zealand Customs website. Product for further manufacture has an excise tax placed on it when the final product is sold to retailers.

* Alcoholic and Liquor Advisory Council (ALAC) Levy

Excise Equivalent: The excise equivalent is charged to the importer or wholesaler when the product is sold to the retailer. Imported product that is moved to a licensed manufacturing area for further manufacture is not assessed the excise tax until after the manufacturing process is completed and it is sold to the retailer in a consumer packaged form.

Goods and Services Tax (GST): With few exceptions, goods imported and sold in New Zealand are liable for a Goods and Services Tax (GST) of 15%. GST is payable on the sum of the Customs value of the goods, the import duty, the ALAC levy, and freight and insurance costs.

Import Entry Transaction Fee: An import transaction fee of NZ\$25.30 is payable on every import entry and import declaration for goods. A bio-security risk screening levy of \$12.77 is also collected by Customs on behalf of MAF Biosecurity New Zealand.

The total NZ\$38.07 is collected at the time goods are cleared and any duty and/or GST payable is collected. This is charged and shown separately on Deferred Payment and Cash Statements. The fee is included with the duty and GST amount shown on the "Cleared Entry Message" received by importers and Customs brokers who lodge electronic import entries.

Appendix I. Mandatory Requirements for Wine Imported into New Zealand

MANDATORY REQUIREMENTS (Standards 1.2.1, 1.2.2, 1.2.3, 1.2.5, 1.2.9, 2.7.1)	
The following requirements apply to all wine for sale in New Zealand. Different requirements may apply in export markets.	
Legibility (Standard 1.2.9)	Any mandatory items must be set out legibly and prominently such as to afford a distinct contrast to the background, and in the English language.
Name of Food (Standard 1.2.2)	All wine must bear a name or description sufficient to indicate the true nature of the food (e.g. “sparkling wine”, “white wine” etc, a grape variety name, or a generic name such as Port).
Lot identification (Standard 1.2.2)	All wine must bear lot identification on the package. If there is just one bottling of a particular wine then there is no need for a separate lot number, as the lot is self-defined.
Name and address of supplier (Standard 1.2.2)	All wine must bear the name and business address in New Zealand or Australia of the supplier. The “supplier” may be the producing winery, packer, vendor or importer. The address should be a physical address.
Alcohol declaration (Standard 2.7.1)	All wine must bear an alcohol declaration. The acceptable form for the declaration is ‘ml/100g’ or ‘ml/100 ml’ or ‘x% alcohol by volume’ or words or expressions of the same or similar meaning – i.e. “% vol” will suffice. Tolerances of the declared alcohol content from that actual alcohol content are: fortified wine: + or – 0.5%; wine and sparkling wine: + or – 1.5%
Net contents (Weights and measures regulations 1999 and amendments)	All wine must bear a statement of net contents (e.g. 750ml).
Standard drinks (Standard 2.7.1)	All wine must bear a standard drink declaration The form of the standard drink statement is: “contains approx. x.x standard drinks”. The formula for calculating the number of standard drinks is: 0.789 x the actual alcohol content x the volume of the container (in liters).
Country of Origin (Wine Regulations 2006)	All wine must bear a country of origin declaration (e.g. “New Zealand wine”, “Product of New Zealand”). This is essentially a 100% standard – if any of the grapes, grape juice, concentrated grape juice or spirit used in a wine originates in another country, then that must also be included on the label
Date of Labelling (Standard 1.2.5)	Date labelling is not required for bottled wine, but may be for wines with a shorter shelf life, such as bag-in-box.
Allergens (Standard 1.2.3)	All wine must bear a sulphite declaration if it contains more than 10 mg/kg of sulphur dioxide. The form of the statement is: “contains preservative 220” (or 221, 222, 223, 224, 225, 228), “contains sulphites”, or “contains sulphur dioxide”. A wine label must include an allergen declaration if egg, fish or milk products are present. Isinglass is now exempt from allergen labelling, although other fish collagen products still need to be declared.
Prohibited Labelling on Wine (Standard 2.7.1 and 1.1.A.2)	Wines are prohibited from bearing health claims, or making representations as to being low in alcohol or non-intoxicating etc
GRAPE VARIETY, VINTAGE AND AREA OF ORIGIN (Wine (Specifications) Notice) 2006	
Statements about grape variety, vintage or area of origin are not mandatory on a wine label. When they are used on wines made from 2007 onwards all wines must comply with these rules whether they are destined for export or not. The only exception is when an overseas market has a less strict requirement and the NZFSA has given specific permission for exporters to use the less strict requirement applying in that market, as is currently the case for the USA.	
A label that states the wine is a single grape variety, vintage or area must be at least 85% from the stated variety, vintage or area. For example a ‘2007’ wine must contain at least 85% of vintage 2007. wine.	
A label that states the wine is a blend of grape varieties, vintages or areas, at least 85% of the blend must be from the stated varieties, vintages or areas. For example ‘Chardonnay Chenin Blanc’ must contain at least 85% from Chardonnay and Chenin Blanc grapes.	
A label that states the wine is a combination of grape variety, vintage, and area of origin, the combination must be at least 85% of that wine. For example ‘2008 Marlborough Pinot Noir’ must contain a minimum of 85% Pinot Noir from Marlborough that was harvested in 2008.	
A label that states more than one grape variety, vintage, or area, must present that information in descending order from the greatest to the least proportion in the blend. For example ‘Chardonnay chenin blanc’ must contain more Chardonnay than Chenin Blanc in the blend.	
A label must not include a claim about grape variety, vintage or area if that wine contains a greater percentage of wine from another grape variety, vintage or area that is not referred to by that label. For example a wine that contains 75% Cabernet Sauvignon, 15% Pinotage and 10% Merlot could be referred to as a ‘Cabernet Pinotage’ or a ‘Cabernet Pinotage Merlot’ but not a ‘Cabernet Merlot’.	
Cultures of micro-organisms used to make wine may be excluded from the minimum content calculations (up to a maximum of 50ml/L) as can brandy or other spirit used for fortifying wine.	
Wines made from the 2006 and earlier vintages are exempt from the 85% rules, but remain subject to the current 75% requirement for statements about grape variety and the Fair Trading Act. If a blended wine contains more than 50% wine from the 2006 vintage or earlier, and that wine is blended before 1 July 2008, then the old rules continue to apply.	

Source: New Zealand Winegrowers