

Growth of the Iowa Vine/Wine Industry

Nebraska Winery and Grape
Growers Forum and Trade Show

3-1-13



101 Iowa Grape & Wine Industry Facts

6-20-12 – Michael L. White – ISU Viticulture Specialist

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1. Iowa ranked eleventh in grape production in the United States in 1899, and sixth in 1919. (a)
2. The Federal Government does not subsidize grape growing or winemaking. (b)
3. Iowa had approximately 30 acres of grapes in production in 2000. (a)
4. As of June of 2012 Iowa had 99 wineries with approximately 300+ vineyards covering 1,200 acres. (b)

Midwest Grape & Wine Industry Institute

<http://www.extension.iastate.edu/Wine>

Iowa Wine History

A.S. Bonham planted grapes in Council Bluffs in 1857



Fig. 1. First vineyard set in the Council Bluffs section. Planted in 1857; still vigorous and productive.

Old-time photo of the day Oct. 3 Des Moines Register

OCTOBER 3, 2009

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From 1940: Here's the caption from this photo, which ran in August, 1940: "Workmen at the Council Bluffs Grape Growers Association winery move one of the 18 vats recently purchased. Fifteen of the vats are being moved into the basement of the new addition to the association. ... Each vat holds 3,500 gallons of wine. Left to right are Ralph Prior, Mike Reggio and Clay McBride."

So What Happened to Iowa's Wine Industry?

1. Prohibition of Alcohol

- Iowa Prohibition 1914 to 1933
- U.S. Prohibition 1920 to 1933

2. Armistice Blizzard, November 11 & 12, 1940

3. Introduction of highly volatile 2,4-D's in late 1940's

4. Government Farm Commodity Programs

White Elk Vineyards (1869 – 1914?)

Keokuk, IA

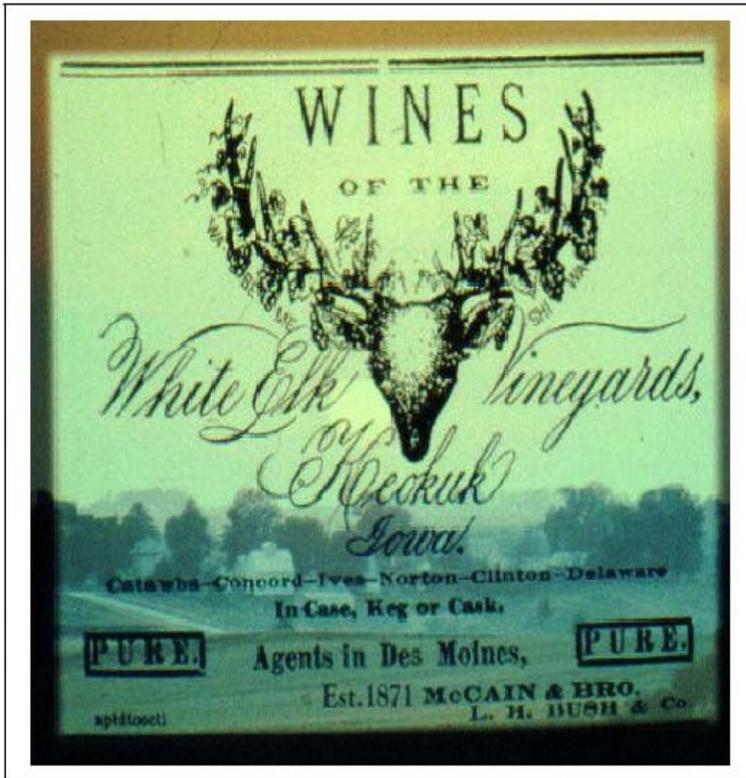


photo by Ed Vinson

White Elk Vineyards Established in 1869

Ruins still located 2 mi. north of Keokuk.

Amana Colonies

4 Wineries

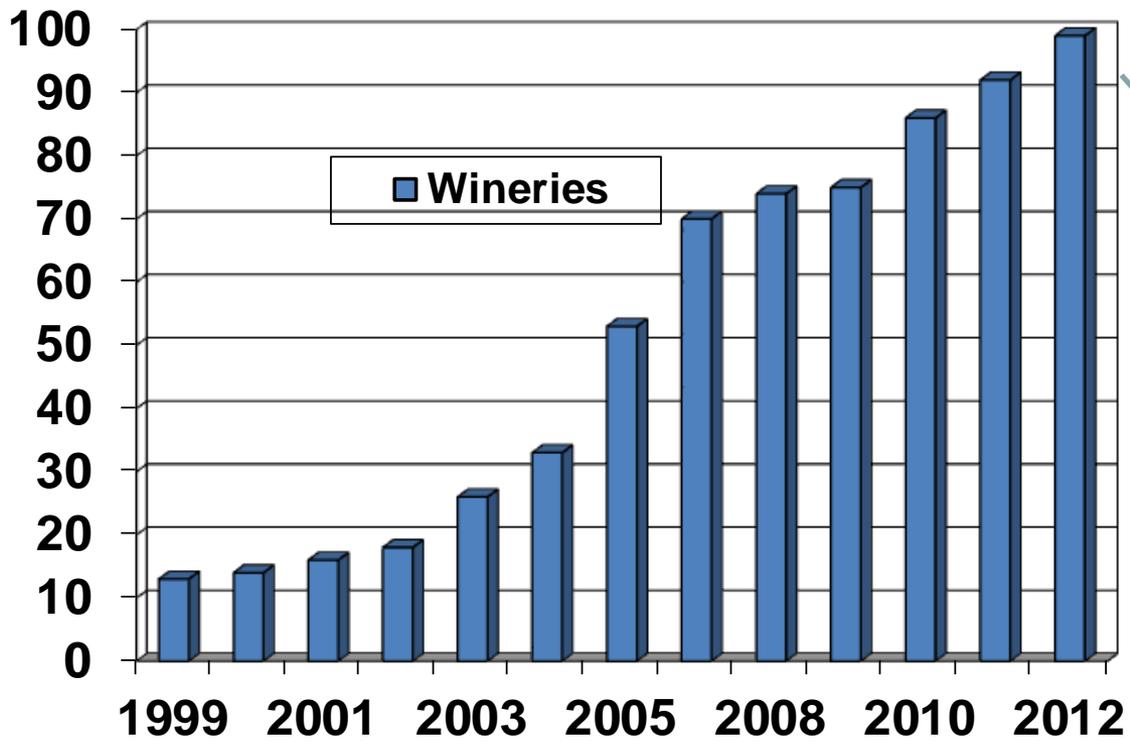
Primarily Fruit Wines



Located on I-80 just west of Iowa City

Down from 11 Wineries in 1999

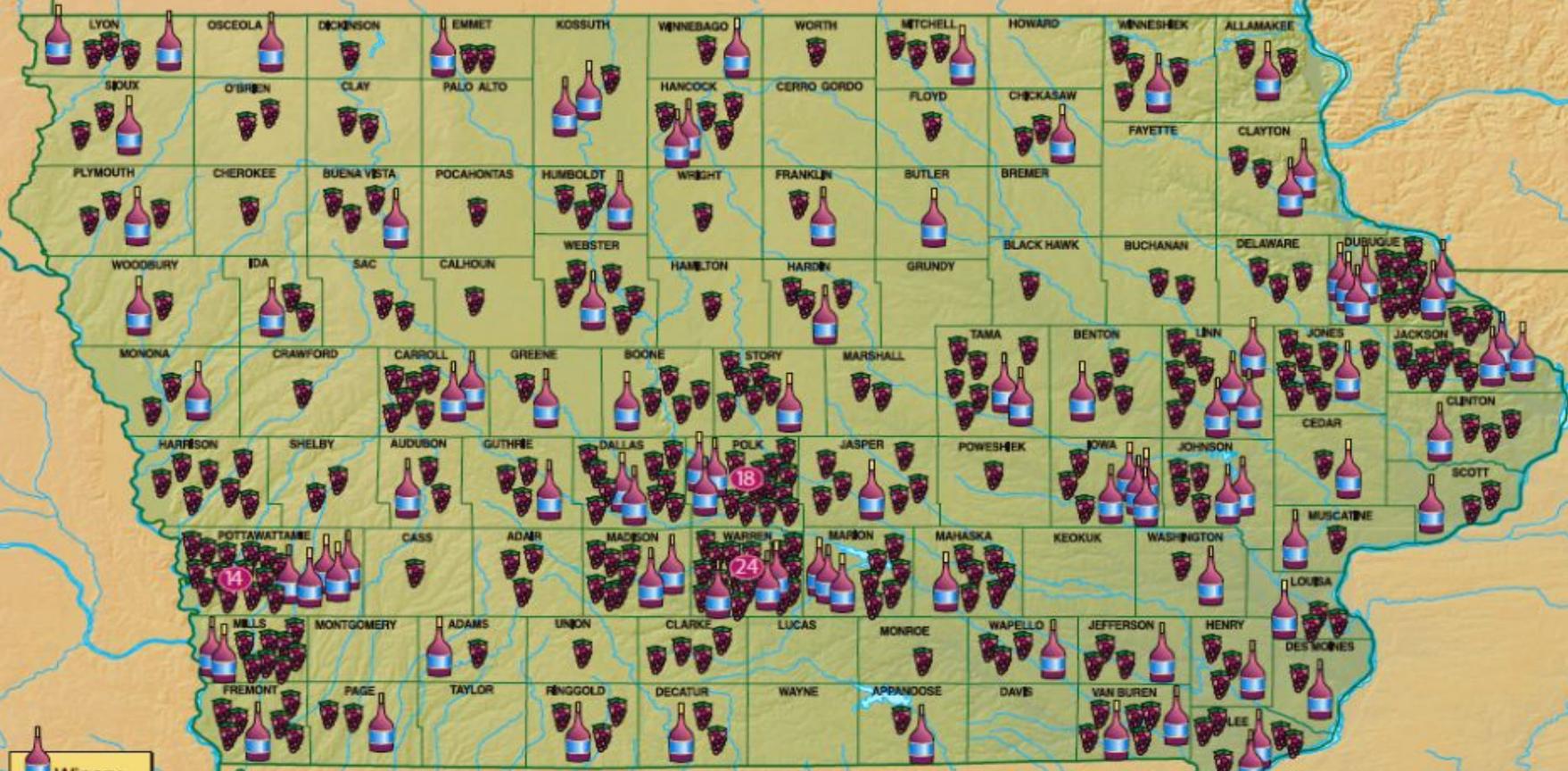
Iowa Wineries



99
Wineries
1-13-13

Iowa Alcohol Beverage Division

Iowa Grape Expectations



 Winery
 Vineyard
 If more than 10

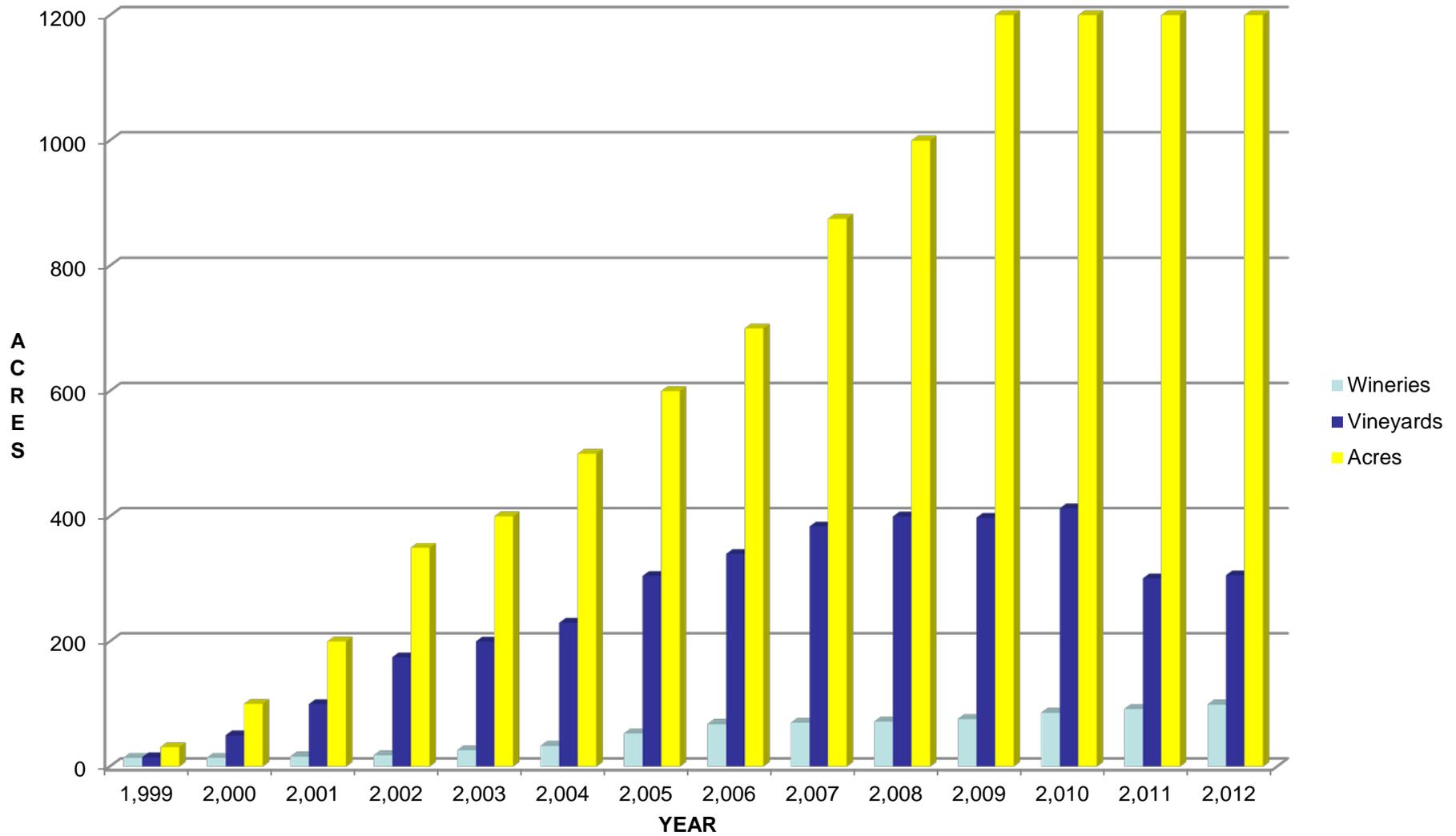
99 Iowa Licensed Wineries
306 Commercial Vineyards

Michael L. White, ISU Extension Viticulture Specialist

IOWA STATE UNIVERSITY
Extension and Outreach

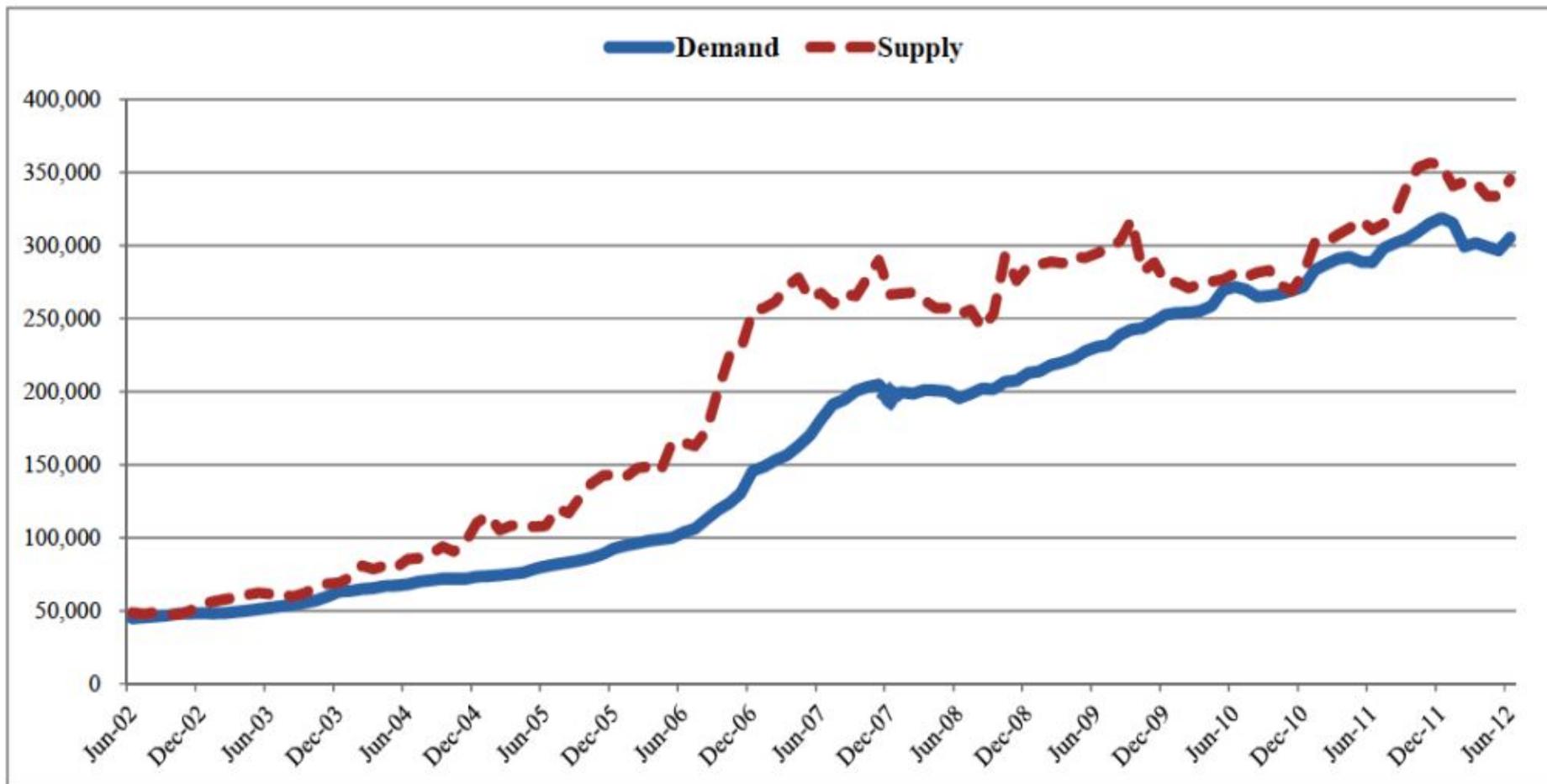
July, 2012

Iowa's Maturing Wine Industry Growth



Native Wine Demand vs. Supply

The chart below illustrates the growth of Iowa Native Wine supply (production) and demand (Sales including inventory adjustments) in gallons from June 2002 to June 2012.

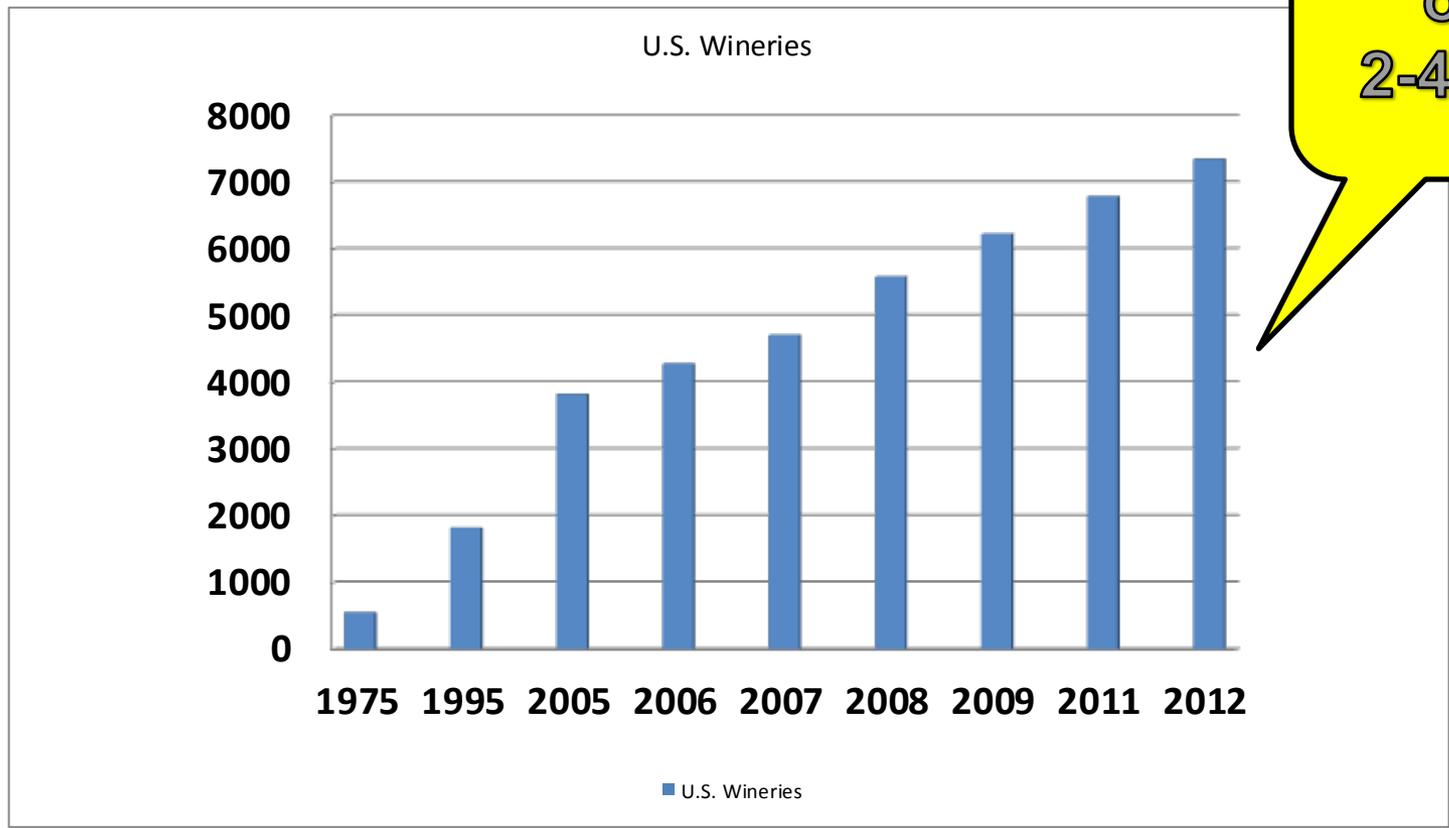




Perspective



8,000 as
of
2-4-13



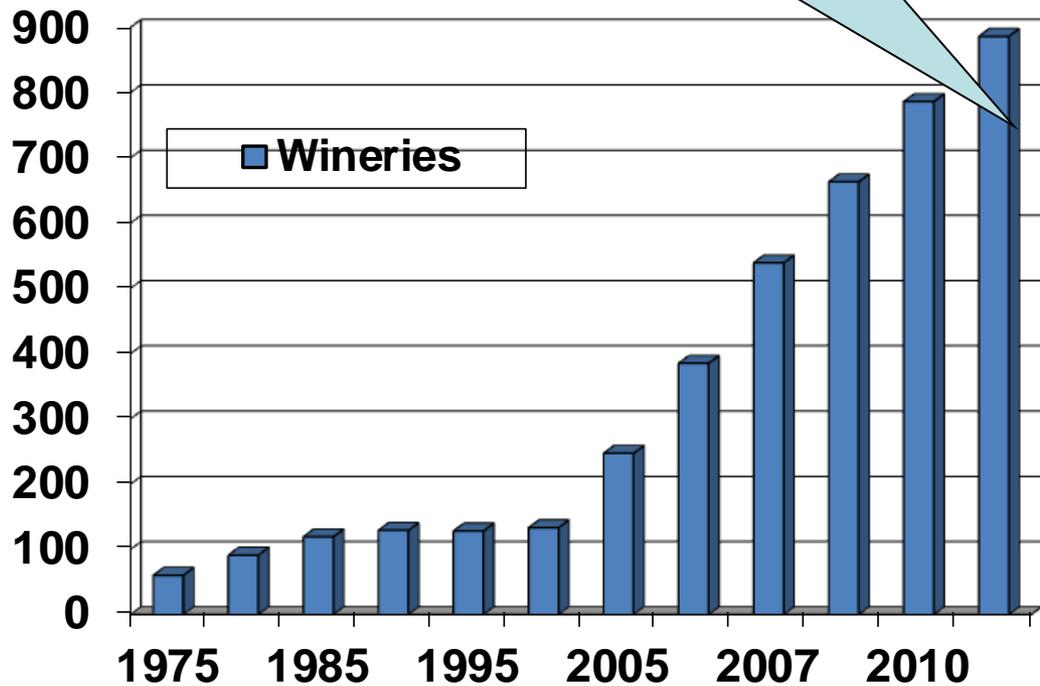
U.S. Wine Market

California	89.5% of U.S. Wine Production 61 % of U.S. Market Share 90% of U.S. Wine Exports
Other States	11.5% of U.S Wine Production 8% of U.S. Market Share
Imports	31% of U.S. Market Share
Iowa	0.04% U.S. Wine Production & Market Share

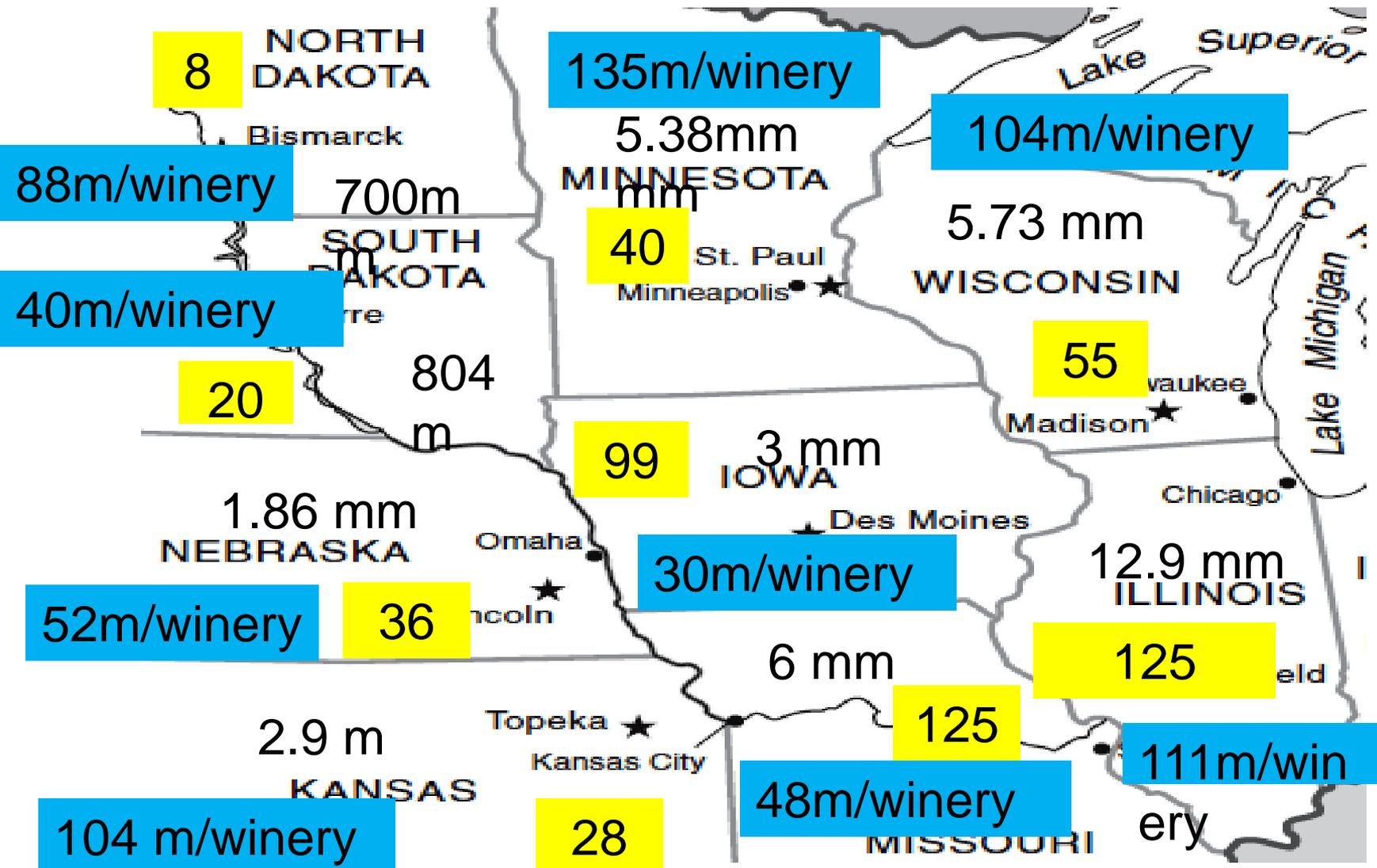
U.S. #1 Wine Market in the World

IA,IL,IN,MI,MN,MO,ND,NE,SD,WI Wineries

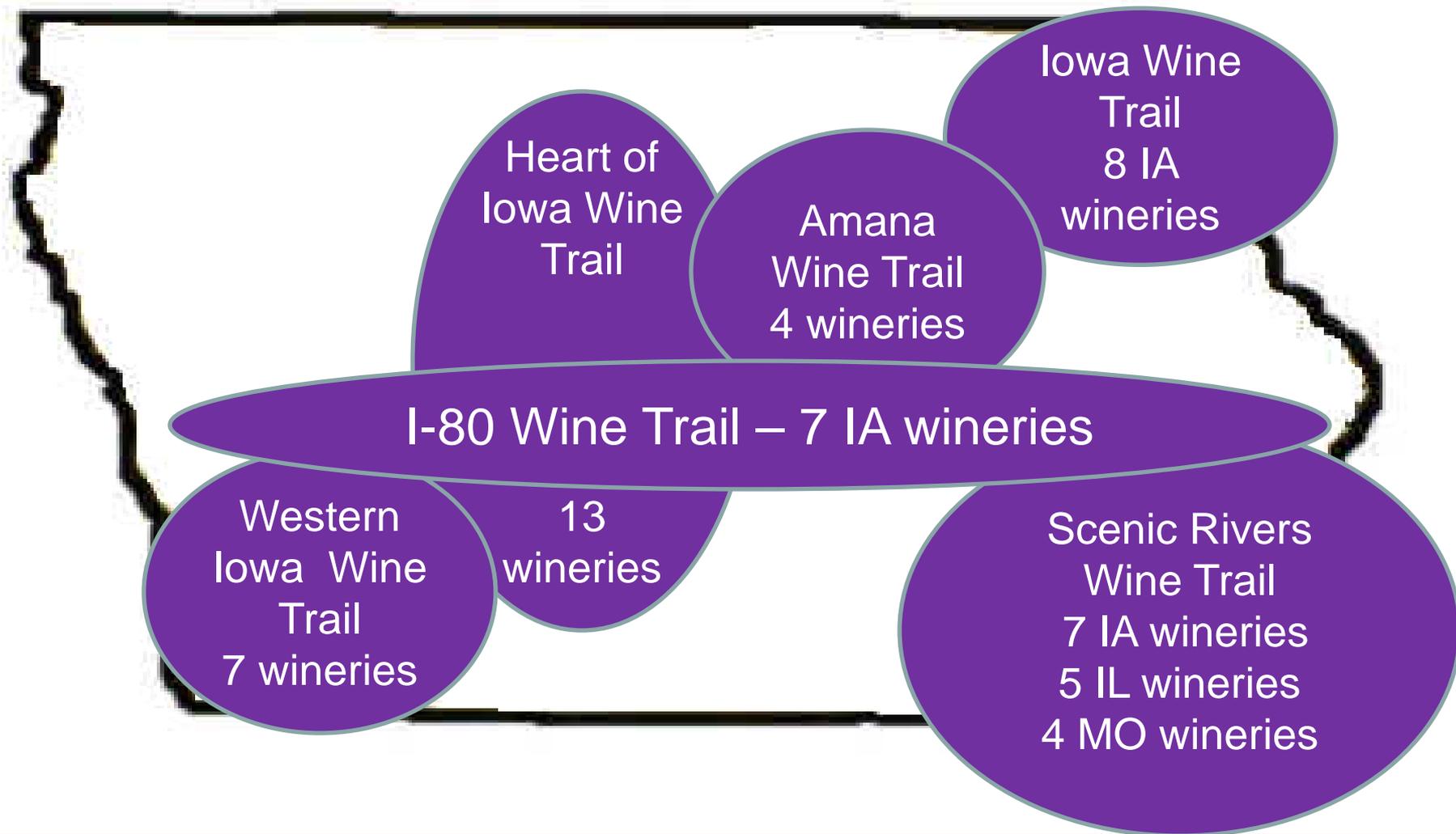
12-25-11 = 886



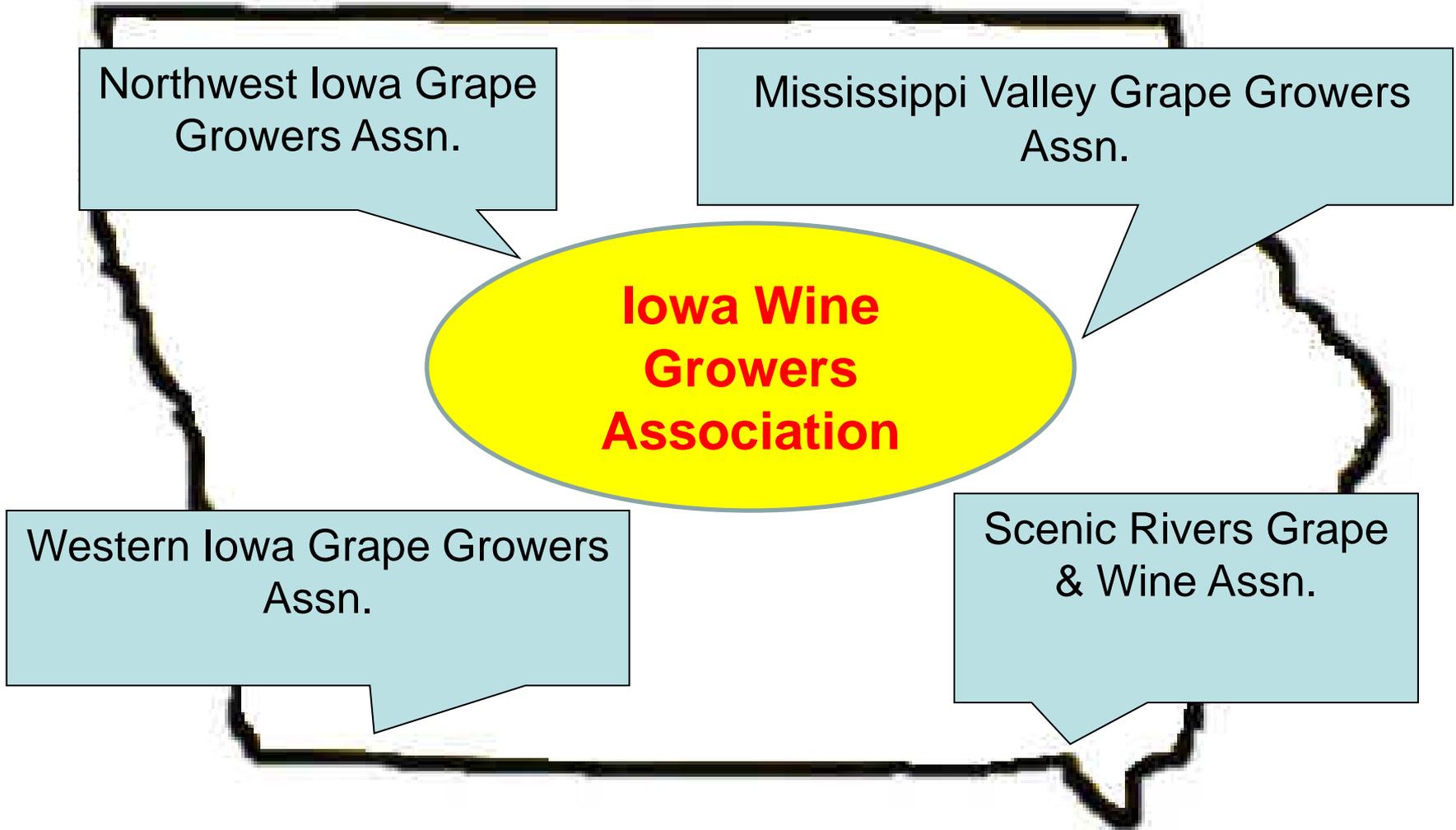
2-24-13 Wineries vs State Population



Six Wine Trails



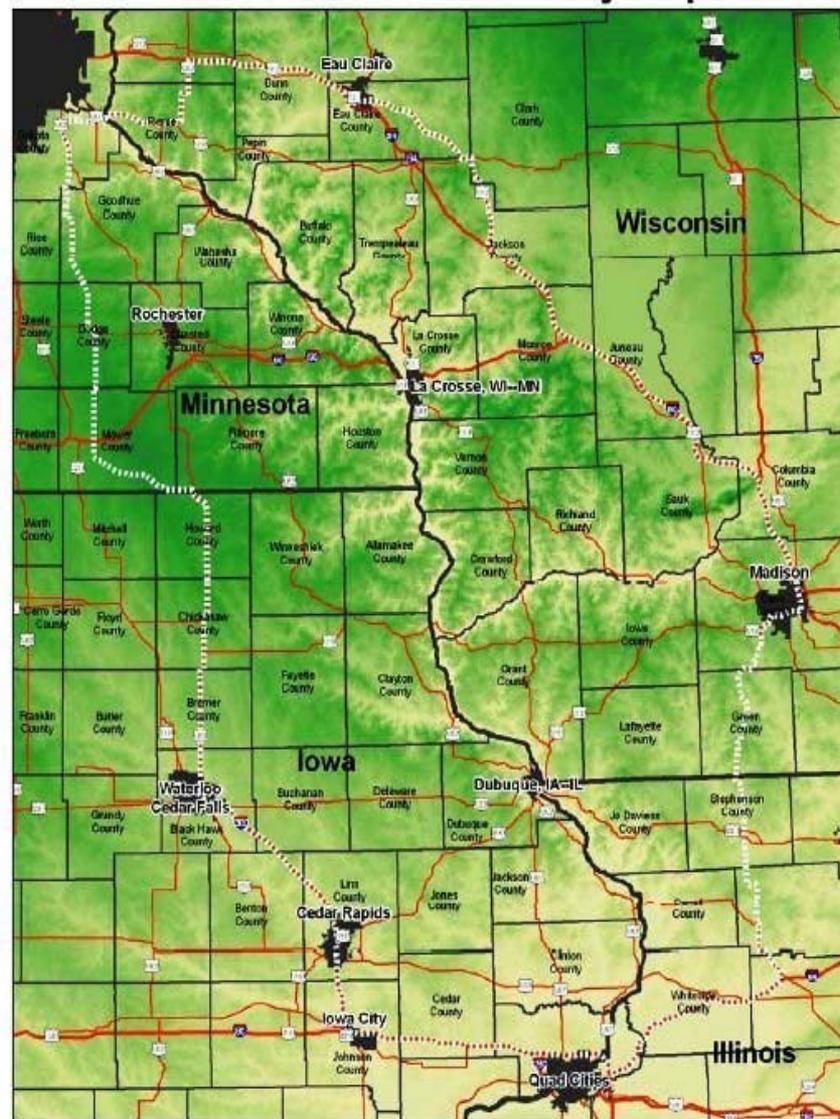
Five Associations



Upper Mississippi Valley American Viticultural Area (AVA)

U.S. largest AVA covering 29,914 sq. miles in IA, IL, MN, & WI approved by the Tobacco Tax & Trade Bureau (TTB) in June, 2009

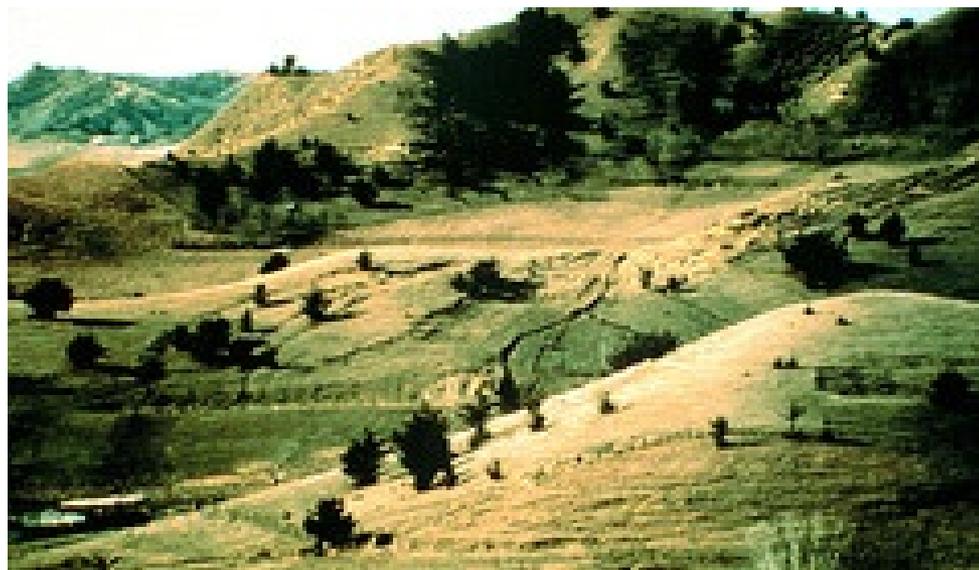
Viticulture Area Boundary Map



Loess Hills American Viticultural Area (AVA) is in our future



196 AVA's in U.S. Today
(10-18-12)



Unique Native Winery Laws

No mandatory “Iowa” juice requirements.

Iowa Food Inspectors “Do Not” inspect wineries. Feds Do!

Retail sales EXEMPT from \$1.75/gal. excise tax

\$1.75/gal. excise tax goes to the Iowa Wine & Beer Promotion Board

\$25 license to have a wine festival

Retailers can sell Iowa wine by the bottle and have tastings. \$25/yr. license.

Wine Doggy Bag Law enacted in 2009

Iowa wineries can sell beer enacted in 2009

Out and in-state wineries can direct ship within Iowa - \$25 annual license

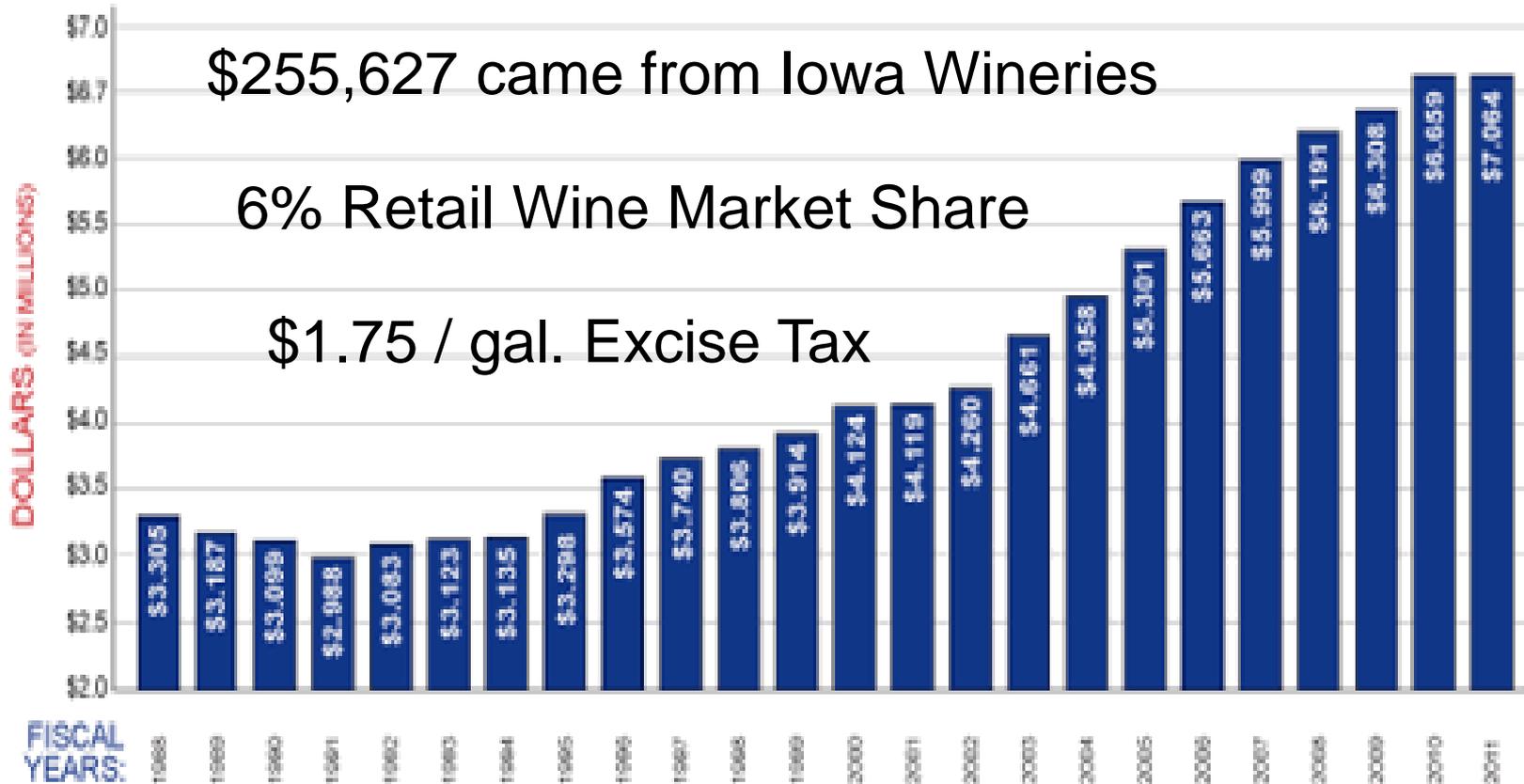
Micro-distilleries can taste and sell at retail locations - 2010

Wineries and associated land are assessed as agricultural.

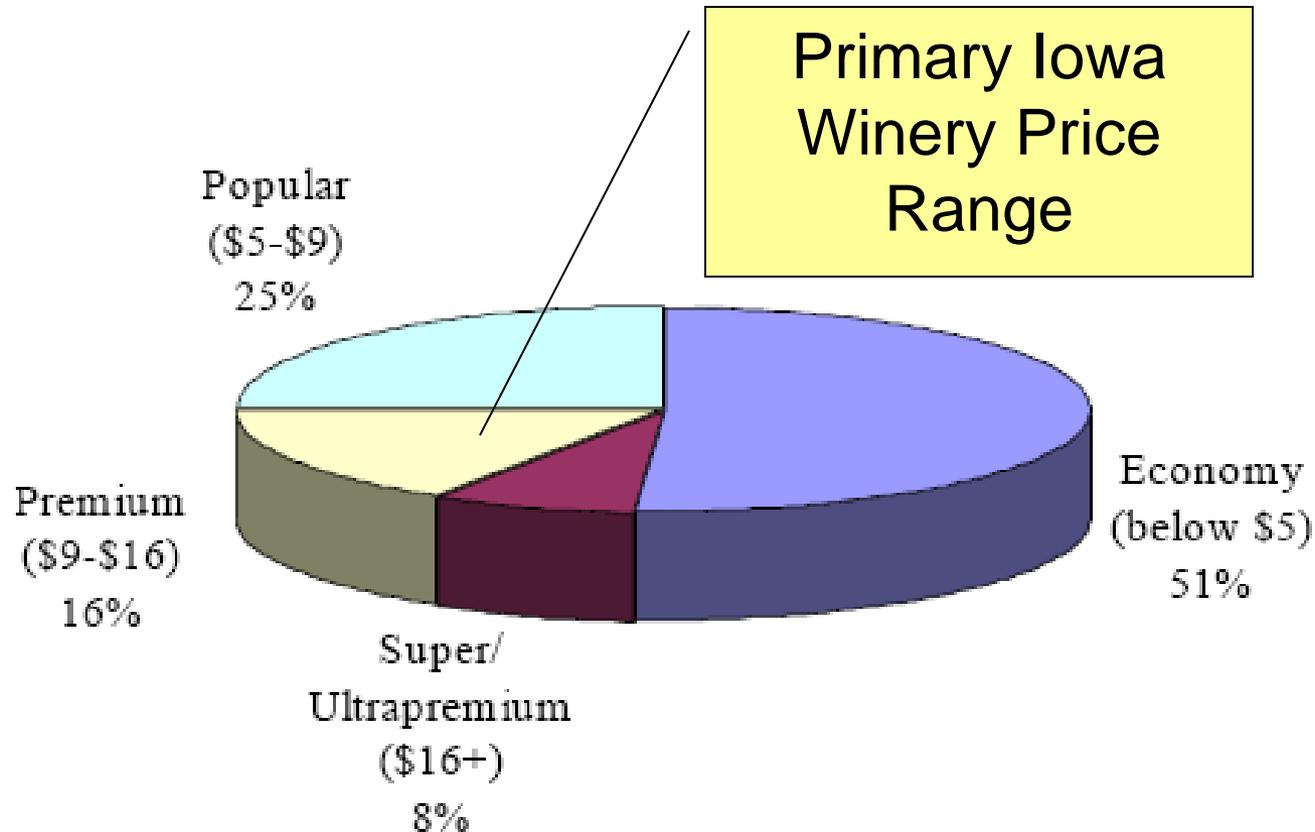
Iowa wineries can self distribute to retailers

\$7.286mm in Fiscal Year 2012

WINE EXCISE TAX



U.S. Table Wine Share by Retail Price Segment, 2004



Source: Adams Wine Handbook, 2005

Grapes, Wine & Taxes

Average yield of 3.5 tons/acre will produce 525 gallons of wine.

525 gal. x state wholesale wine tax of \$1.75/gal. = \$919

525 gal. x federal tax of 17 cents per gallon = \$ 89

525 gal. x 5 bottles/gal. x \$11/bottle x 6% state tax = \$1,732

\$26,250 of wine/acre x 1% local option tax = \$ 289

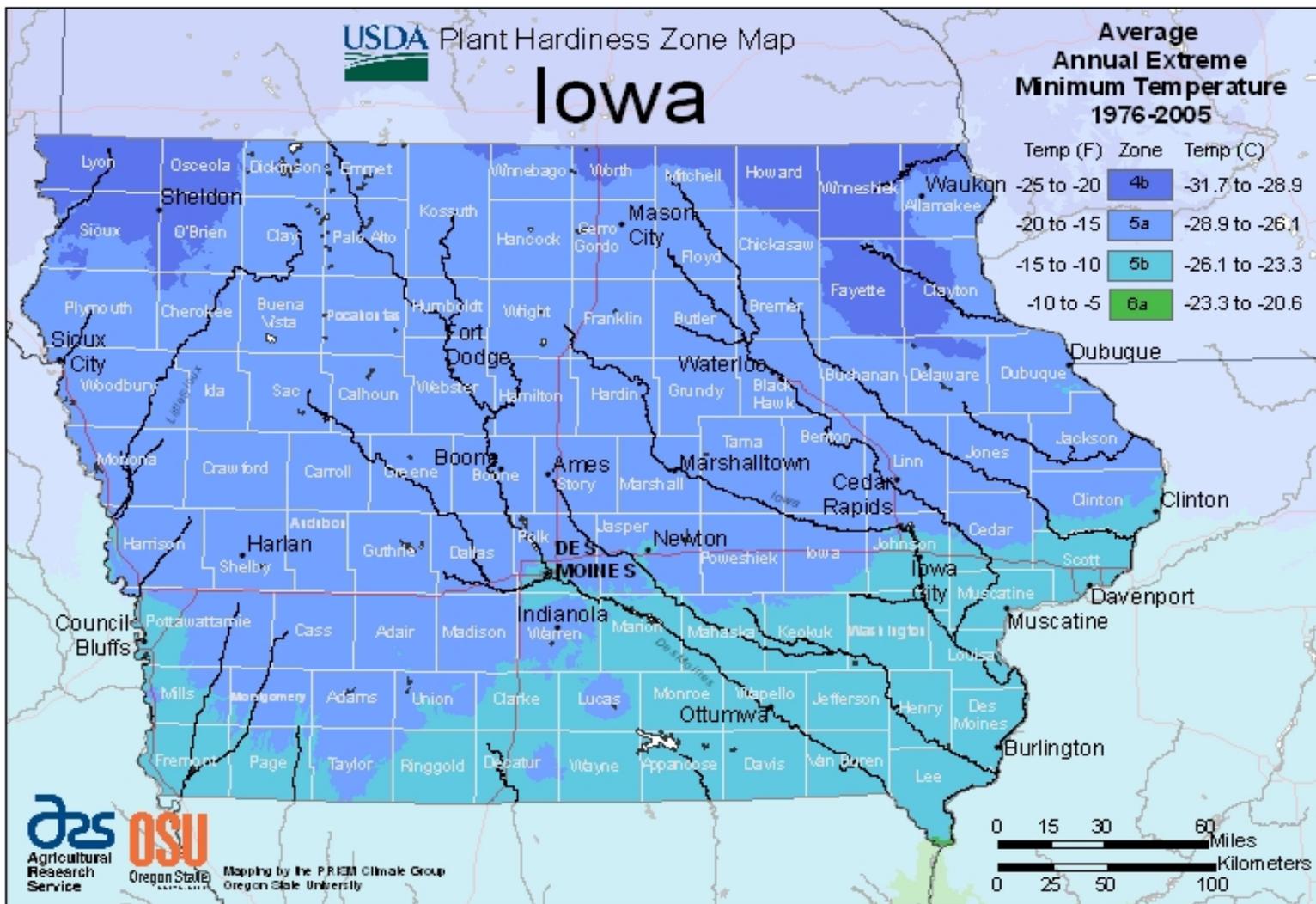
Potential Total Tax of = \$ 3,029/ acre/year

IOWA WINE AND VINEYARDS

ECONOMIC IMPACT

Number of Wineries	74
Number of Grape Growers	400
Grape-Bearing Acres	1,000
Wine Produced (Gallons)	186,700
Full-time Equivalent Jobs	1,777
Wages Paid	\$50.0 million
Retail Value of Iowa Wine Sold	\$7.6 million
Wine-Related Tourism Expenditures	\$27.5 million
Number of Wine-Related Tourists	237,000
Taxes Paid: State and Local / Federal	\$14.5 million / \$13.7 million

\$30 total economic impact for each \$1 in native Iowa wine sales.



Primary Wine Grapes Being Planted in Iowa

White Grapes

Chardonal, Edelweiss, Frontenac Gris, La Crescent, La Crosse, Louise Swenson, Niagara, Petite Amie, Prairie Star, St. Pepin, Seyval Blanc, Swenson White, Vignoles, Brianna, Esprit

Red/Blue Grapes

Catawba, Concord, Norton/Cynthiana, Frontenac, Leon Millot, Marechal Foch, Petite Pearl, St. Croix, Steuben, Swenson Red, Valiant, St. Vincent, GR-7, Marquette, Noiret, Corot noir, Sabrevois



Iowa Department of Agriculture and Land Stewardship

Bill Northey, Secretary of Agriculture

Sensitive Crops Directory



▶ Order Field Markers

\$5 each

Sensitive Crops and Apiaries

The Iowa Department of Agriculture and Land Stewardship has created a registry for producers to list the locations of their pesticide sensitive crops and for beekeepers to list the locations of their apiaries. This registry will be used to create an on-line directory for use by pesticide applicators to identify the locations of sensitive crops and apiaries and minimize the potential for pesticide drift damage.

Sensitive Crops

The Sensitive Crops Directory will provide pesticide applicators with the locations of those crops that are most susceptible to pesticide drift damage. The intended crops for inclusion in the registry are vineyards (minimum one acre), orchards (minimum one acre), certified organic crops (minimum one acre), and fruit and vegetable crops (minimum 1/2 acre). The crops at each registered location must be intended for commercial use, be susceptible to pesticide drift damage, and meet the minimum acreage requirements. The registry will accommodate the registration of multiple sensitive crop locations under one producer. If multiple crops are located in the same location, only the primary crop for that location need be listed.

▶ Applicators

Search for Sensitive Crops & Apiaries



▶ Producers

Register Sensitive Crops & Apiaries



http://www.agriculture.state.ia.us/Horticulture_and_FarmersMarkets/sensitiveCropDirectory.asp



Six Grape Harvesters in Iowa Today



Iowa has National and International Award Winning Wines

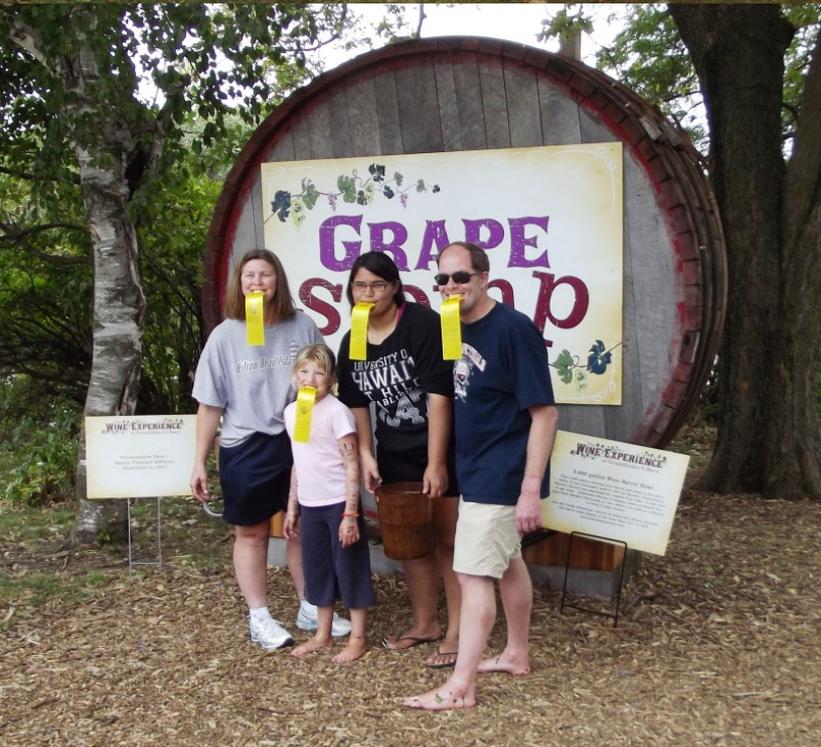




Choose Iowa Quality Wines!



<http://www.iowawinegrowers.org>





EASTERN IOWA

CENTRAL IOWA

WESTERN IOWA

SEARCH

--All Regions--

--All Cities--

--All Types--

Keyword

SEARCH

WINE AND BEER



DOWNLOAD & DISCOVER WITH OUR FREE APP

Wine and beer lovers alike will find a lot to toast in Iowa.

Unforgettable road trips amid rolling countryside take you on a delicious adventure where Iowa hospitality is served

WINE AND BEER EVENTS ACROSS IOWA

MAR 01 Tassel Ridge Wine & Pasta Night [click for more](#)

MAR 01 1st Friday at Wide River Winery [click for more](#)

Tweets

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http://www.traveliowa.com/GetInspired/WineAndBeer

MID-AMERICAN WINE *competition*

July 12-14, 2013 *ca* Ankeny, Iowa



Announcements

» **Medal-winning wineries:** [Download your shelf talkers here.](#)
Check your email for username and password.

» **Results from the [2012 Wine Competition](#) have been posted!**

The 2013 Mid-American Wine Competition will be held July 12-14, 2013, in Iowa, and will focus only on the wines of the Midwest. The competition is open only to commercial wineries of Arkansas, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee, and Wisconsin.

This competition gives wineries the opportunity to have their wines judged against carefully selected food-friendly dishes. This is the first competition in the United States to offer this format.

"Typically wine competitions judge wines only against other wines, and typically the biggest wine wins. But wine is supposed to be consumed with food. So we are going to judge these wines in a setting more conducive to wines of balance, and by judging the wines in a setting more receptive to

*View 2012
Results*



[Competition Rules](#)

[Wine Categories](#)

[Food-Wine Pairing](#)

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*Why Enter
the Competition*



Midwest Grape & Wine Industry Institute established...9-26-07

About Us Midwest Grape and Wine Industry Institute

Helping support the state's evolving grape and wine industry, because the potential economic opportunities in wineries, value-added agriculture and tourism are limitless.



<http://www.extension.iastate.edu/Wine/>

Research, Quality, Training

The Midwest Grape and Wine Industry Institute was formed as a result of the state's evolving grape & wine industry.

Goals of the Institute include:

- Conduct research to evaluate cold-hardy grape varieties that can thrive in the Midwest
- Conduct enology (the science of wine & wine making) research
- Develop a wine quality award program that will provide wine buyers a quality-assurance stamp of approval
- Establish an outreach program to the industry by training a team of specialists
- Partner with community colleges to develop job training programs specific to growing grapes and making wine

Wineries and Vineyards in Iowa

Presently, there are 92 licensed wineries and over 300 vineyards (totaling 1,200+ acres) in Iowa. The potential economic opportunities in wineries, value-added agriculture and tourism are limitless.



Contact Us

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Summer: 7:30am to 4:00pm

Holidays: Hours vary, please call in advance

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Industry Institute

Dept. of Horticulture, 245 Horticulture, Iowa State University, Ames, IA 50011

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Horticulture

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Contact

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Home Page



Grape cluster.

In the news

Check out [A Review of Cold Climate Grape Cultivars](#).

Good Place
to go for
Midwest
Viticulture
info!



Wine Grower News

Weekly in-season
viticulture/enology newsletter.

Total Circulation of 1,600+ recipients in AZ, CA, CO, FL, OH, IA, IN, IL, KS, KY, MI, MN, MO, MS, MT, NC, ND, NE, NH, NM, NV, NY, OK, OR, PA, SD, VA, VT, WA, WA DC, WI, Australia, Canada, Israel, Norway, Pakistan, Sweden & Turkey

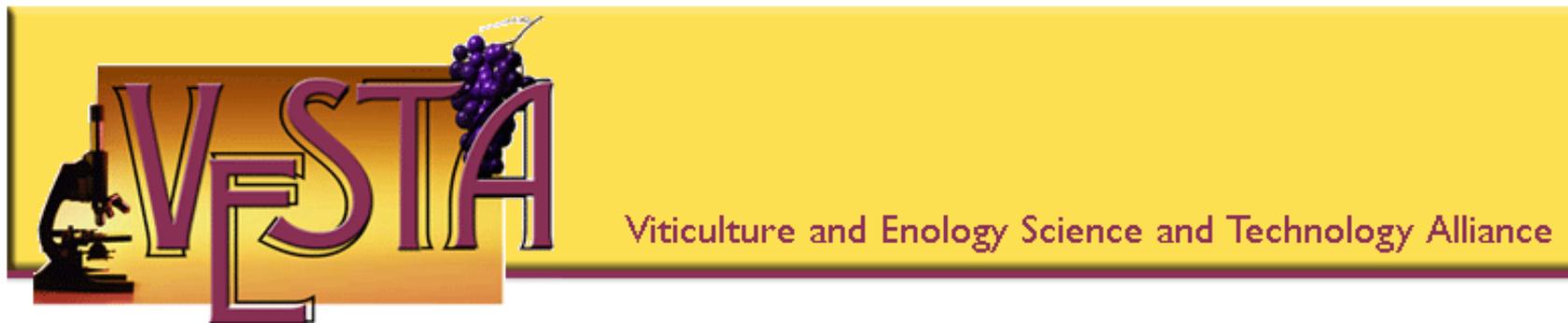
To Subscribe to this FREE Newsletter

E-mail “ mlwhite@iastate.edu“ with the word *subscribe* in subject line.

<http://www.extension.iastate.edu/Wine/Resources/winegrowernews.htm>

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WELCOME TO VESTA

Enrollment Deadlines:
Fall 2006 courses - August 25, 2006



Supported by the National
Science Foundation

On-line Viticulture and/or Enology Courses

2 yr degree or 100 hour certification



Our Mission

To serve Iowans through the responsible regulation and profitable distribution of alcohol while providing opportunities for industry development and promoting health through education.



Terry E. Branstad
Governor

The Iowa Alcoholic Beverages Division is responsible for the regulation and control of alcohol in the State of Iowa. Iowa is one of nineteen control states that, since the repeal of prohibition, directly control the sale and distribution of alcoholic beverages. In addition, the Division is responsible for the enforcement of state and federal laws and regulations regarding the sale and use of alcohol and tobacco products.



Kim Reynolds,
Lt. Governor

The Iowa Alcoholic Beverages Division is a unique state agency in that it generates substantial revenue to state and local governments. In Fiscal Year 2011, the Division generated over \$108.5 million in state funds, representing around 2% of the state's total revenue. The Division generated \$74.6 million in net profit from the direct sale of alcohol in Iowa. In addition to revenue from alcohol sales, the Division collected liquor license fees (\$12.4 million), excise tax on beer (\$14.3 million) and wine (\$7.1 million) and civil penalties levied through administrative sanctions (\$183,750).



Stephen Larson,
Administrator

The Iowa Alcoholic Beverages Division transfers all profits and revenue generated back into the state's coffers to support city, county and state programs. In fiscal year 2011, the Division generated over \$108.5 million to support state and local programs. The funds were used for substance abuse treatment programs (\$18.2 million) and local programs at the city and county level (3.5 million). The Division transferred additional funds to support Iowa beer and wine promotion (\$263,957).

FISCAL YEAR 2011 REVENUE TRANSFERRED	FISCAL YEAR 2011 REVENUE GENERATED
\$108,571,217	\$108,571,217

News

- [PRESS RELEASE: I-PACT Training is Here!](#)
- [Iowa's Alcoholic Beverage Laws & You](#)
- [St. Patrick's Day Safety](#)
- [Legally Speaking: Taking a Gamble with your License?](#)
- [Legislative Update](#)
- [Beer Wholesaler/Retailer FAQ](#)

[See all news](#)

Events

Apr 30 [Commission Meeting](#)

[See all events](#)



Total Since 1988
FUNDS TRANSFERRED
\$1,665,608,281



The End

56% of Iowa made wine is sold wholesale