

Iowa Native Wine Production & Sales Report for the period ending 12/31/2015

By Craig Tordsen, Iowa State University, January 2015

Native Wine Inventory, Production and Sales

Native Wine Ending Inventory & Number of Wineries									
Winery Size in Gallons of Ending Inventory	Dec-13			Dec-14			Dec-15		
	# of Wineries	Ending Inventory by Winery Size	%	# of Wineries	Ending Inventory by Winery Size	%	# of Wineries	Ending Inventory by Winery Size	%
No Inventory	5	0	0.0%	1	0	0.0%	3	0	0.0%
1 to 5,000	64	94,614	19.3%	68	104,900	22.6%	73	110,728	23.6%
5,000 to 10,000	17	123,752	25.3%	17	114,375	24.6%	20	140,970	30.0%
Over 10,000	13	270,757	55.4%	12	244,729	52.7%	10	218,273	46.4%
Total	99	489,122	100.0%	98	464,005	100.0%	106	469,972	100.0%

The December 2015 ending inventory of wine produced in Iowa is 469,972 gallons from 106 wineries.

Native Wine Production & Sales For the Year Ending						
(In Gallons)						
	Dec-13		Dec-14		Dec-15	
Production	373,436		304,146		334,897	
Sales at Retail	119,721	45.4%	117,556	43.7%	125,411	44.0%
Sold to an Iowa Licensed Wholesaler	219	0.1%	617	0.2%	(0)	0.0%
Sold At Wholesale	143,742	54.5%	150,920	56.1%	159,437	56.0%
Total Sales	263,682	100.0%	269,092	100.0%	284,848	100.0%

For the year ending, total wine production is 334,897 gallons, wine sales is 284,848 gallons. Wine sold in the winery is 44 percent and wine sold to retail outlets like grocery stores is 56 percent. No wine was sold to a licensed Iowa Wholesaler.

Wine Tax Paid to the State of Iowa

Iowa Tax Paid on Native Wine Sold Outside of the Winery			
Year Ending	Dec-13	Dec-14	Dec-15
Gallons of Wine Sold to Retail Stores outside of the Winery	143,742	150,920	159,437
Wholesalers	219	617	0
Total Wine Sold Subject to Iowa Wine Tax	143,961	151,537	159,437
Wine Taxes Paid to the State @ \$1.75/g	\$251,932	\$265,189	\$279,015

Iowa Native Wineries paid the State of Iowa \$279,015 in Wine Tax in 2015. Since 2004, Iowa Native Wineries have paid the state nearly \$2.1 million in wine tax.

Iowans purchased an estimated 4,629,773 gallons of wine from wholesale and 284,848 gallons from native Iowa wineries for the year ending December 2015 or 5.80 percent of the total sold. Iowa's

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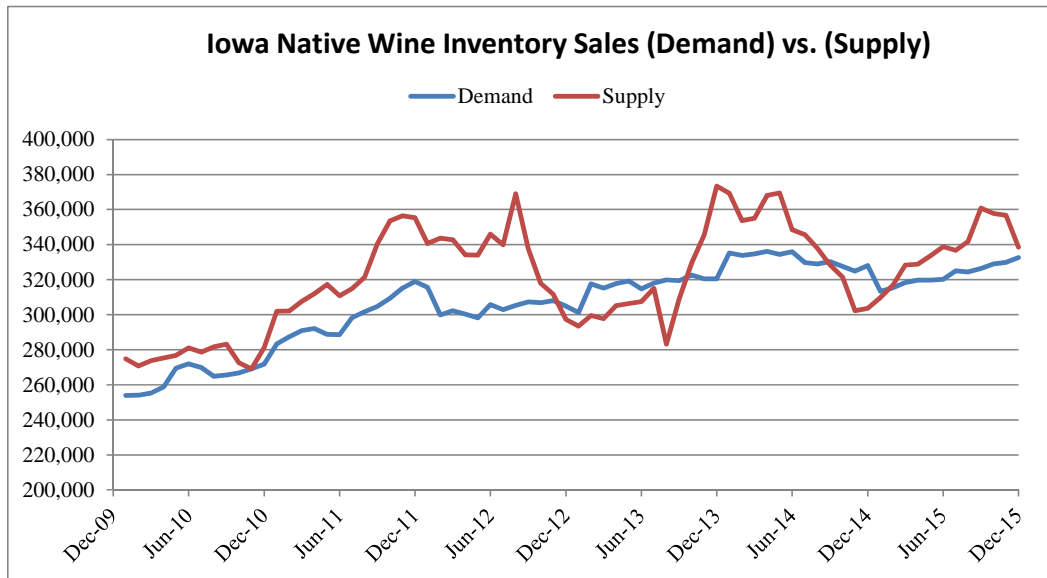
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estimated December 2015 population is 3,097,663 and consumes about 1.59 gallons of wine per person. The US average is 2.80 gallons of wine per person. (1)

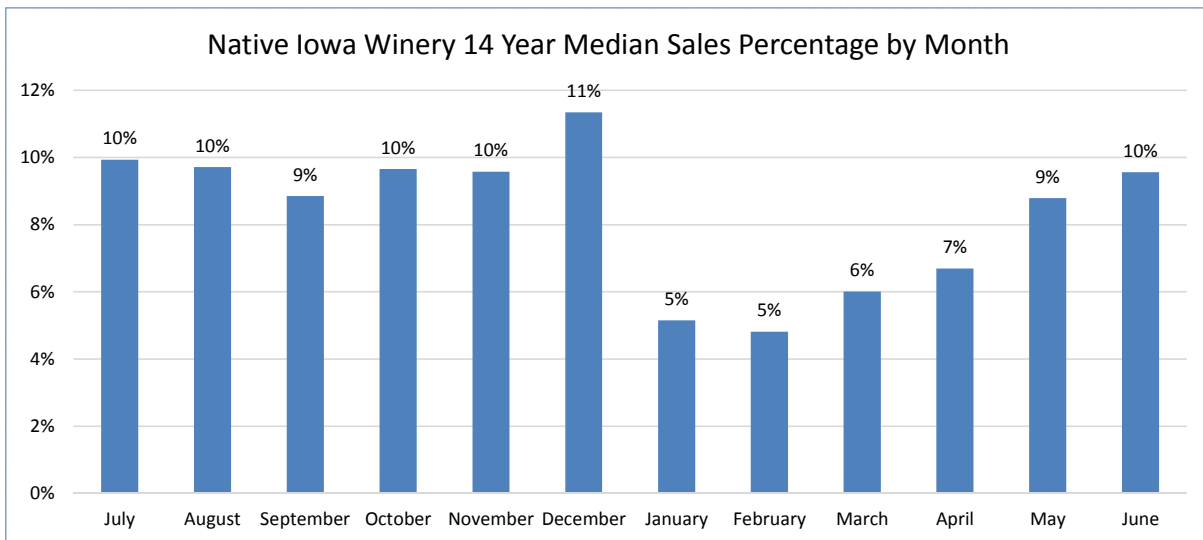
(1) based upon Bureau of the Census estimated resident population. Per capita consumption will be higher if based on legal drinking age population.

Native Wine Demand vs. Supply & Monthly Sales %

The chart below illustrates the growth of Iowa Native Wine supply (production) and demand (Sales including inventory adjustments) in gallons from December 2009 to December 2015.



Native Iowa wine sales are lowest in January thru April and highest from May to December.



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Summary of All the Data

The following is a summary of monthly Iowa Department of Commerce, Alcoholic Beverages Division, Native Wine Gallonage Report by year. The data is collected from 11,619 Iowa Native Wineries monthly reports.

Iowa Native Winery Production and Sales Report for Years ending 12/31/2004 to 12/31/2015												
Source: Craig Tordsen, Program Manager, ISU Value Added Agriculture Program; Data Source: State of Iowa Alcoholic Beverages Division												
Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Number of Wineries	27	40	67	63	75	86	94	98	98	100	98	106
1. Gallons of wine on hand at beginning of year.	47,114	81,406	130,737	239,487	309,064	381,687	401,783	408,495	446,283	438,673	489,122	464,005
2. Gallons of wine produced during the year.	98,903	122,852	252,061	269,103	283,023	273,211	290,108	355,595	296,909	373,436	304,146	334,897
3. Received in bond	13,385	30,177	13,998	3,024	4,768	4,440	2,552	627	3,532	3,864	4,084	17,432
4. Gallons of wine sold retail at wineries.	51,348	59,911	85,513	105,608	103,314	109,189	103,004	114,349	122,302	119,721	117,556	125,411
5. Tax exempt adjustments:												
(a) SAMPLES (on premise consumers only)	2,105	3,000	4,943	7,645	8,335	10,253	10,022	11,784	12,618	13,034	12,777	14,107
(b) BREAKAGE	198	98	531	379	486	1,604	1,260	1,715	1,667	1,018	1,442	1,579
(c) SPILLAGE	1,103	3,123	4,601	9,297	8,652	9,880	11,357	10,738	6,094	3,786	3,350	1,941
(d) SPOILAGE	364	2,297	1,608	2,152	3,774	3,238	1,801	7,267	1,885	2,173	1,529	968
(e) DESTROYED	871	1,806	8,928	9,332	11,444	13,541	17,435	17,923	14,874	17,736	6,334	8,042
(f) MANUFACTURING						0	0	102	-2,057	18,421	30,750	17,871
(g) SOLD TO IOWA LICENSED DISTRIBUTOR	79	0	98	5,690	3,316	5,074	5,770	1,530	0	219	617	0
TOTAL GALLONS TAX EXEMPT	4,720	10,324	20,709	34,495	36,007	43,590	47,645	51,058	35,080	56,387	56,800	44,508
6. Transferred out in bond.	4,225	9,913	11,221	5,908	2,160	2,799	10,795	902	3,143	3,830	4,937	13,721
7. Gallons used by family.	371	676	1,025	2,379	1,903	2,054	2,136	2,579	2,878	3,171	3,136	3,284
8. Gallons of wine available for wholesale	98,738	153,611	278,328	363,224	453,471	501,706	530,863	595,828	583,321	632,865	614,925	629,409
9. Gallons of wine sold wholesale to retailers	17,332	22,874	38,841	54,160	71,784	99,923	122,368	149,545	144,648	143,742	150,920	159,437
10. Gallons of wine on hand at end of year.	81,406	130,737	239,487	309,064	381,687	401,783	408,495	446,283	438,673	489,122	464,005	469,972
11. Tax Paid ((5f +9) x \$1.75)	\$30,469	\$40,030	\$68,143	\$104,738	\$131,425	\$183,745	\$224,242	\$264,381	\$253,135	\$251,932	\$265,189	\$279,015
Total Gallons Sold (9 + 16 + 21)	68,759	82,785	124,452	165,458	178,414	214,186	231,142	265,423	266,951	263,682	269,092	284,848
Estimated Value of Year End Inventory @ \$60/gallon	\$4,884,360	\$7,844,220	\$14,369,220	\$18,543,840	\$22,901,220	\$24,106,980	\$24,509,676	\$26,777,004	\$26,320,380	\$27,840,304	\$27,840,304	\$28,198,324
Percentage of Wine Sales Self Distributed (9/(4+5g+9))	25.2%	27.6%	31.2%	32.7%	40.2%	46.7%	52.9%	56.3%	54.2%	54.5%	56.1%	56.0%
Supply Vs. Demand												
Demand (4+5a,b,c,d,e,f,g+6+7+9)	73,771	93,785	146,088	196,642	213,008	254,756	275,153	317,531	304,908	323,021	328,411	332,640
Supply (2+3-6)	108,063	143,116	254,838	266,219	285,631	274,852	281,865	355,320	297,298	373,470	303,293	338,607
Demand as a Percentage of Supply	68.3%	65.5%	57.3%	73.9%	74.6%	92.7%	97.6%	89.4%	102.6%	86.5%	108.3%	98.2%

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