

Iowa Native Wine Production & Sales Report for the period ending 6/30/2015

By Craig Tordsen, Iowa State University, August 2015

Native Wine Inventory, Production and Sales

Native Wine Ending Inventory & Number of Wineries									
Winery Size in Gallons of Ending Inventory	Jun-13			Jun-14			Jun-15		
	# of Wineries	Ending Inventory by Winery Size	%	# of Wineries	Ending Inventory by Winery Size	%	# of Wineries	Ending Inventory by Winery Size	%
No Inventory	3	0	0%	3	0	0%	3	0	0%
1 to 5,000	72	113,190	27%	74	112,075	26%	73	116,892	26%
5,000 to 10,000	11	82,281	20%	14	97,798	23%	15	103,287	23%
Over 10,000	12	223,134	53%	11	221,678	51%	11	226,481	51%
Total	98	418,605	100%	102	431,551	100%	102	446,660	100%

The June 2015 ending inventory of wine produced in Iowa is 446,600 gallons from 102 wineries up from 431,551 gallons from 102 wineries on June 2014 and 418,605 gallons from 98 wineries on June 2013.

Native Wine Production & Sales For the Year Ending						
(In Gallons)						
	Jun-13		Jun-14		Jun-15	
Production	306,108		368,943		338,125	
Sales at Retail	119,588	45.0%	131,239	45.5%	122,264	44.2%
Sold to an Iowa Licensed Wholesaler	0	0.0%	219	0.1%	334	0.1%
Sold At Wholesale	146,098	55.0%	156,768	54.4%	154,230	55.7%
Total Sales	265,686	100.0%	288,226	100.0%	276,828	100.0%

Total wine production over the last 12 months ending June 2015, is 338,125 gallons down from 368,943 gallons the year ending June 2014 and up from 306,108 gallons the year ending June 2013.

Wine sales for the year ending June 2015 is 276,828 gallons down from 288,226 gallons the year ending June 2014 and 265,686 gallons the year ending June 2013. The percentage of wine sold in the winery at retail is 44.2 percent for the year ending June 2015 and 45.5 percent for the year ending June 2014. The wine sold by the winery at wholesale directly to retail outlets like grocery stores is 55.7 percent for the period ending June 2015 up from 54.4 percent for the period ending June 2014. The percentage of wine sold to Licensed Wholesalers was 0.1 percent for the year ending June 2015 and for the year ending June 2014.

Wine Tax Paid to the State of Iowa

The Iowa Native Wine tax paid to the State of Iowa in the year ending June 2015 was \$270,487 down from \$274,728 for the year ending June 2014 and up from \$255,672 for the year ending June 2013.

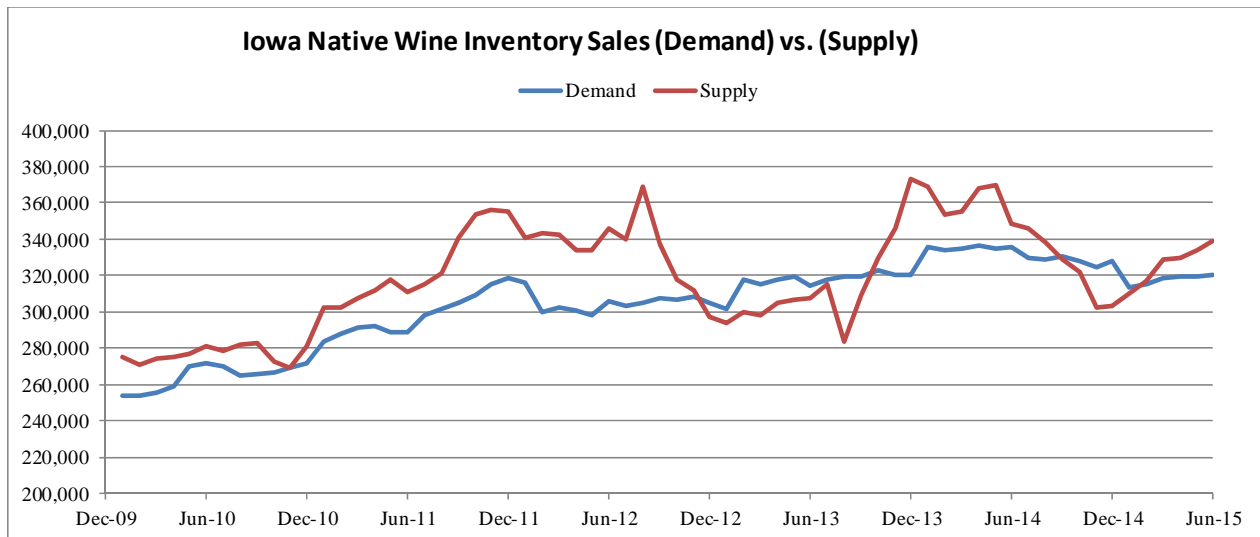
Iowa Tax Paid on Native Wine Sold Outside of the Winery			
	Year Ending 6/2013	Year Ending 6/2014	Year Ending 6/2015
Gallons of Wine Sold to Retail Stores outside of the Winery	146,098	156,768	154,230
Wholesalers	0	219	334
Total Wine Sold Subject to Iowa Wine Tax	146,098	156,987	154,564
Wine Taxes Paid to the State @ \$1.75/g	\$255,672	\$274,728	\$270,487

Iowans purchased an estimated 4,467,564 gallons of wine from wholesale and 267,868 gallons from native Iowa wineries for the year ending June 2015 or 5.8 percent of the total sold. Iowa's estimated June 2015 population is 3,116,403 and consumes about 1.52 gallons of wine per person. The US average is 2.82 gallons of wine per person as of December 2013. ⁽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

The chart below illustrates the growth of Iowa Native Wine supply (production) and demand (Sales including inventory adjustments) in gallons from December 2002 to June 2015.



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 from December 2004 to June 2015 and represents 10,769 monthly reports from Iowa Native Wineries.

Iowa Native Winery Production and Sales Report for Year ending June 2004 to June 2015

Source: Craig Tordsen, Program Manager, ISU Value Added Agriculture Program

Data Source: State of Iowa Alcoholic Beverages Division

Number of Wineries at end of reporting year.	19	27	40	67	71	74	95	97	103	98	102	102
Revised 7/31/2015												
	Jun-04	Jun-05	Jun-06	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15
1. Gallons of wine on hand at beginning of year.	49,223	62,026	89,863	150,857	236,771	293,944	356,718	367,216	385,608	425,854	418,605	428,546
2. Gallons of wine produced during the year.	73,866	96,033	150,979	268,546	252,753	292,907	283,018	311,533	346,319	306,108	368,943	338,125
3. Received in bond	13,954	17,879	28,907	6,787	2,380	4,593	3,851	1,233	1,901	4,873	2,653	16,193
4. Gallons of wine sold retail at wineries.	48,187	55,918	64,530	98,806	101,276	101,276	110,512	101,716	123,133	119,588	131,239	122,264
5. Tax exempt adjustments:												
(a) SAMPLES (on premise consumers only)	1,683	2,610	3,460	6,108	8,216	9,944	9,678	10,393	12,876	12,188	14,292	13,036
(b) BREAKAGE	194	62	249	520	417	1,002	1,197	1,641	1,614	1,360	16,228	1,639
(c) SPILLAGE	2,564	1,385	3,380	8,011	9,064	9,188	4,250	10,278	10,252	4,611	3,906	2,241
(d) SPOILAGE	216	1,652	1,682	1,586	3,061	2,280	3,605	6,056	2,738	1,776	2,614	1,108
(e) DESTROYED	568	446	1,316	13,863	6,833	11,013	18,564	18,937	20,398	9,610	12,885	6,796
(f) Manufacturing Error						7,644		0	-14,077	16,346	17,155	15,821
(g) SOLD TO IOWA LICENSED DISTRIBUTOR	172	0	17	1,869	5,207	4,248	4,765	4,873	467	0	219	334
TOTAL GALLONS TAX EXEMPT	5,397	6,154	10,103	31,958	32,798	45,318	42,059	52,178	34,268	45,891	67,298	40,976
6. Transferred out in bond.	5,599	5,952	14,858	8,143	2,310	2866	9,706	2,481	1,985	3,547	3,133	15,554
7. Gallons used by family.	241	445	819	1,595	2,290	1,906	2,097	2,127	2,984	3,106	3,218	3,180
8. Gallons of wine available for wholesale	77,618	107,467	179,439	285,688	353,230	440,078	479,213	521,480	571,457	564,704	585,314	600,890
9. Gallons of wine sold wholesale to retailers	15,593	17,604	28,582	48,917	59,285	83360	111,997	135,872	145,603	146,098	156,768	154,230
10. Gallons of wine on hand at end of year.	62,026	89,863	150,857	236,771	293,944	356,718	367,216	385,608	425,854	418,605	428,546	446,660.3
11. Tax Paid ((5f +9) x \$1.75)	\$27,588	\$30,806	\$50,049	\$88,876	\$112,862	\$153,313	\$204,334	\$ 246,304	\$ 255,623	\$ 255,672	\$ 274,728	\$ 270,487
Total Gallons Sold (9 + 16 + 21)	63,952	73,522	93,130	149,593	165,768	188,883	227,274	242,461	269,204	265,686	288,226	276,828
Estimated Value of Year End Inventory @ \$60/gallon	\$3,721,530	\$5,391,804	\$9,051,408	\$14,206,266	\$17,636,664	\$21,403,104	\$22,032,960	\$23,136,480	\$25,551,246	\$25,116,312	\$25,712,754	\$26,799,618
Percentage of Wine Sales Self Distributed (9/(4+5f+10))	24.4%	23.9%	30.7%	32.7%	35.8%	44.1%	49.3%	56.0%	54.1%	55.0%	54.4%	55.7%
Supply Vs. Demand												
Demand (4+5a,b,c,d,e,f,g+7+9)	69,246	80,122	104,018	179,407	190,442	227,613	261,900	287,020	305,522	314,683	358,304	320,315
Supply (2+3-6)	82,221	107,960	165,028	267,191	252,823	294,634	277,163	310,285	346,235	307,435	368,464	338,764
Demand as a Percentage of Supply	84.2%	74.2%	63.0%	67.1%	75.3%	77.3%	94.5%	92.5%	88.2%	102.4%	97.2%	94.6%

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