

Iowa Native Wine Production & Sales Report for the period ending 6/30/2012
 By Craig Tordsen, Iowa State University, November, 2012

Native Wine Inventory, Production and Sales

Native Wine Ending Inventory & Number of Wineries									
Winery Size in Gallons of Ending Inventory	Jun-10			Jun-11			Jun-12		
	# of Wineries	Ending Inventory by Winery Size	%	# of Wineries	Ending Inventory by Winery Size	%	# of Wineries	Ending Inventory by Winery Size	%
No Inventory	11	0	0.0%	19	0	0.0%	10	0	0.0%
1 to 5,000	50	76,962	21.0%	55	101,311	26.3%	66	96,222	22.7%
5,000 to 10,000	14	95,730	26.1%	11	77,867	20.2%	14	92,405	21.8%
Over 10,000	11	194,524	53.0%	12	206,429	53.5%	13	235,773	55.6%
Total	86	367,216	100.0%	97	385,608	100.0%	103	424,399	100.0%

The June 2012 ending inventory of native produced wine in Iowa is 424,399 gallons from 103 wineries up from 385,608 gallons from 97 wineries on June 2011 and 367,216 gallons from 86 wineries on June 2010.

Native Wine Production & Sales For the Year Ending						
(In Gallons)						
	Jun-10		Jun-11		Jun-12	
Production	283,018		311,533		346,954	
Sales at Retail	110,512	48.6%	101,713	42.0%	121,710	45.5%
Sold to an Iowa Licensed Wholesaler	4,765	2.1%	4,873	2.0%	648	0.2%
Sold At Wholesale	111,997	49.3%	135,872	56.0%	144,851	54.2%
Total Sales	227,274	100.0%	242,458	100.0%	267,209	100.0%

Total wine production over the last 12 months ending June, 2012 is 346,954 gallons up from 311,533 gallons the year ending June,2011 and 227,274 gallons the year ending June, 2010.

Wine sales for the year ending June, 2012 was 267,209 gallons up from 242,458 gallons for the year ending June, 2011 and 227,274 gallons for the year ending June, 2010. The percentage of wine sold in the winery at retail is 45.5 percent for the year ending June 2012. The wine sold by the winery at wholesale directly to retail outlets like grocery stores has down to 54.2percent from 56.07 percent for the period ending June 2011. Wine sold to a licensed wholesaler (distributor) is down to 0.2 percent as of June 2012.

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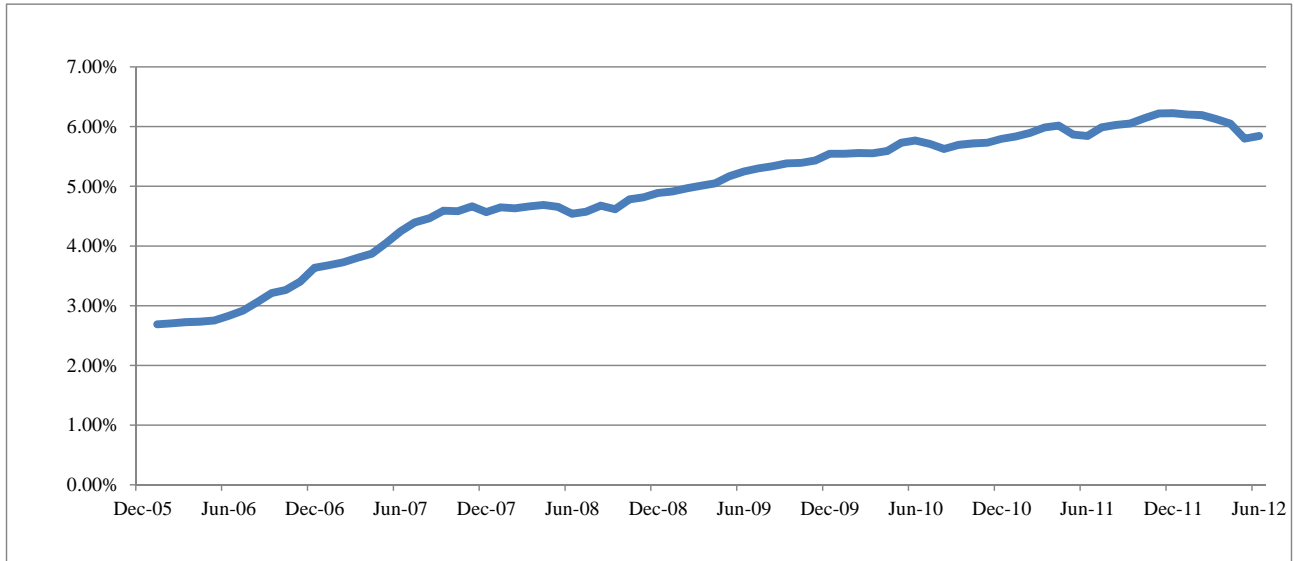
For more information, contact Craig Tordsen at 515-291-0966 or by email at ctordsen@iastate.edu

Wine Tax Paid to the State of Iowa

The Iowa Native Wine tax paid to the State of Iowa in the year ending June 2012 was \$254,623 up from \$246,304 for the year ending June 2011 and \$204,334 for the year ending June 2010.

Iowa Tax Paid on Native Wine Sold Outside of the Winery			
	Year Ending 6/2010	Year Ending 6/2011	Year Ending 6/2012
Gallons of Wine Sold to Retail Stores outside of the Winery	111,997	135,872	144,851
Galloons of Wine Sold to Licensed Wholesalers	4,765	4,873	648
Total Wine Sold Subject to Iowa Wine Tax	116,762	140,745	145,499
Wine Taxes Paid to the State @ \$1.75/g	\$204,334	\$246,304	\$254,623

Iowans purchased 4,247,166 gallons of wine from wholesale and 265,255 gallons from native Iowa wineries for the year ending June 2012 or 592 percent of the total sold. Iowa's 2012 population is 3,075,000 and consumes about 1.47 gallons of wine per person. The US average is 2.54 gallons of wine per person. ⁽¹⁾



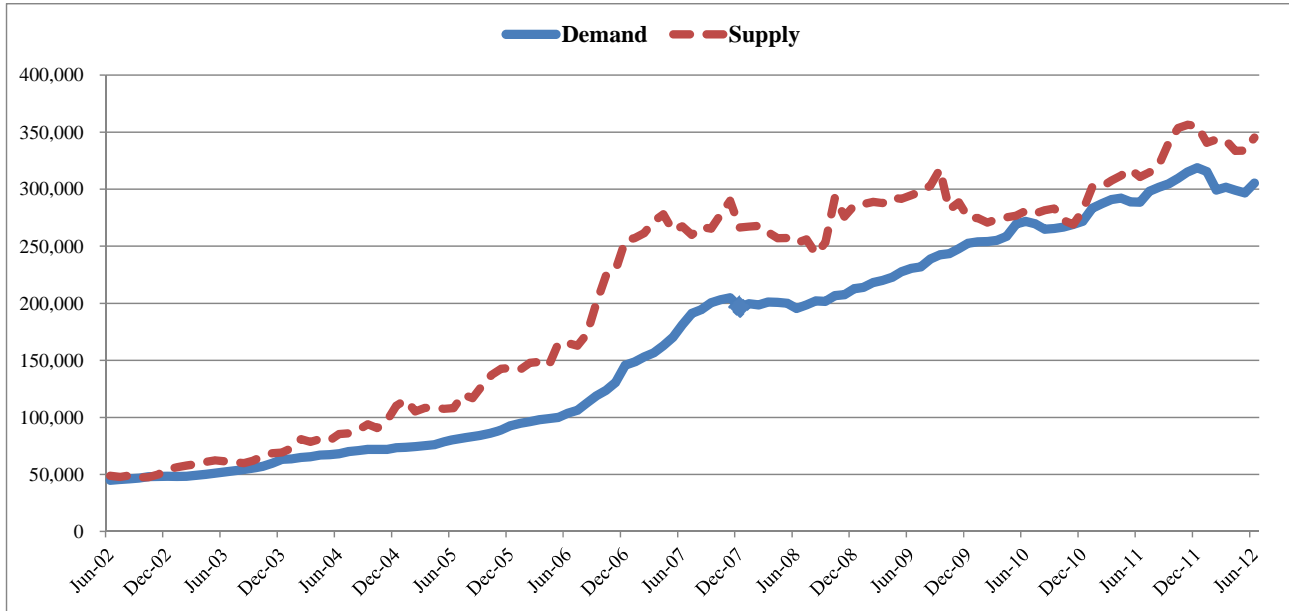
⁽¹⁾ based upon Bureau of the Census estimated resident population. Per capita consumption will be higher if based on legal drinking age population.

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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.



June of Year	Demand/Supply %
2012	88.6
2011	92.5
2010	94.5
2009	77.3
2008	75.3
2007	67.1
2006	63.0
2005	74.2
2004	84.2

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 January 2004 to June 2012 and represents 7,217 monthly reports from Iowa Native Wineries.

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Iowa Native Winery Production and Sales Report for Year ending June 2004 to June 2012

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

Data

Source: State of Iowa Alcoholic Beverages Division

Number of Wineries at end of year.	19		27		40		67	
Revised 11/10/2012								
	Jun-04	% Change	Jun-05	% Change	Jun-06	% Change	Jun-07	% Change
1. Gallons of wine on hand at beginning of year.	49,223	26%	62,026	45%	89,863	68%	150,857	57%
2. Gallons of wine produced during the year.	73,866	30%	96,033	57%	150,979	78%	268,546	-6%
3. Received in bond	13,954	28%	17,879	62%	28,907	-77%	6,787	-65%
4. Gallons of wine sold retail at wineries.	48,187	16%	55,918	15%	64,530	53%	98,806	2%
5. Tax exempt adjustments:								
(a) SAMPLES (on premise consumers only)	1,683	55%	2,610	33%	3,460	77%	6,108	35%
(b) BREAKAGE	194	-68%	62	301%	249	109%	520	-20%
(c) SPILLAGE	2,564	-46%	1,385	144%	3,380	137%	8,011	13%
(d) SPOILAGE	216	664%	1,652	2%	1,682	-6%	1,586	93%
(e) DESTROYED	568	-22%	446	195%	1,316	954%	13,863	-51%
(f) Manufacturing Error								
(g) SOLD TO IOWA LICENSED DISTRIBUTOR	172	-100%	0		17	0%	1,869	179%
TOTAL GALLONS TAX EXEMPT	5,397	14%	6,154	64%	10,103	216%	31,958	3%
6. Transferred out in bond.	5,599	6%	5,952	150%	14,858	-45%	8,143	-72%
7. Gallons used by family.	241	85%	445	84%	819	95%	1,595	44%
8. Gallons of wine available for wholesale	77,618	38%	107,467	67%	179,439	59%	285,688	24%
9. Gallons of wine sold wholesale to retailers	15,593	13%	17,604	62%	28,582	71%	48,917	21%
10. Gallons of wine on hand at end of year.	62,026	45%	89,863	68%	150,857	57%	236,771	24%
11. Tax Paid ((5f +9) x \$1.75)	\$27,588	12%	\$30,806	62%	\$50,049	78%	\$88,876	27%
Total Gallons Sold (9 + 16 + 21)	63,952	15%	73,522	27%	93,130	61%	149,593	11%
Estimated Value of Year End Inventory @ \$60/gallon	\$3,721,530	45%	\$5,391,804	68%	\$9,051,408	57%	\$14,206,266	24%
Percentage of Wine Sales Self Distributed (9/(4+5f+10))	24.4%		23.9%		30.7%		32.7%	
Supply Vs. Demand								
Demand (4+5a,b,c,d,e,f,g+7+9)	69,246		80,122		104,018		179,407	
Supply (2+3-6)	82,221		107,960		165,028		267,191	
Demand as a Percentage of Supply	84.2%		74.2%		63.0%		67.1%	

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Iowa Native Winery Production and Sales Report for Year ending June 2004 to June 2012

Source: Craig Tordsen, Program Manager, ISU Value

Added Agriculture Program

Number of Wineries at end of year.

71

75

95

97

103

Revised 11/10/2012

	Jun-08	% Change	Jun-09	% Change	Jun-10	% Change	Jun-11	% Change	Jun-12
1. Gallons of wine on hand at beginning of year.	236,771	24%	293,944	21%	356,719	3%	367,216	5%	385,608
2. Gallons of wine produced during the year.	252,753	16%	292,907	-3%	283,018	10%	311,533	11%	346,954
3. Received in bond	2,380	93%	4,593	-16%	3,851	-68%	1,233	58%	1,942
4. Gallons of wine sold retail at wineries.	101,276	6%	107,656	3%	110,512	-8%	101,716	20%	121,710
5. Tax exempt adjustments:									
(a) SAMPLES (on premise consumers only)	8,216	21%	9,944	-3%	9,678	7%	10,393	24%	12,916
(b) BREAKAGE	417	140%	1,002	20%	1,197	37%	1,641	-2%	1,614
(c) SPILLAGE	9,064	15%	10,452	-59%	4,250	142%	10,278	0%	10,252
(d) SPOILAGE	3,061	-26%	2,280	58%	3,605	68%	6,056	-54%	2,776
(e) DESTROYED	6,833	61%	11,013	69%	18,564	2%	18,937	6%	20,014
(f) Manufacturing Error									(10,213)
(g) SOLD TO IOWA LICENSED DISTRIBUTOR	5,207	-18%	4,248	12%	4,765	2%	4,873	-87%	648
TOTAL GALLONS TAX EXEMPT	32,798	19%	38,939	8%	42,059	24%	52,178	-27%	38,007
6. Transferred out in bond.	2,310	24%	2,866	239%	9,706	-74%	2,481	3%	2,548
7. Gallons used by family.	2,290	-17%	1,906	10%	2,097	1%	2,127	41%	2,989
8. Gallons of wine available for wholesale	353,230	25%	440,077	9%	479,213	9%	521,480	9%	569,250
9. Gallons of wine sold wholesale to retailers	59,285	41%	83,359	34%	111,997	21%	135,872	7%	144,851
10. Gallons of wine on hand at end of year.	293,944	21%	356,719	3%	367,216	5%	385,608	10%	424,399
11. Tax Paid ((5f +9) x \$1.75)	\$112,862	36%	\$153,311	33%	\$204,334	21%	\$246,304	3%	\$254,623
Total Gallons Sold (9 + 16 + 21)	165,768	18%	195,263	16%	227,274	7%	242,461	10%	267,209
Estimated Value of Year End Inventory @ \$60/gallon	\$17,636,664	21%	\$21,403,110	3%	\$22,032,966	5%	\$23,136,486	10%	\$25,463,940
Percentage of Wine Sales Self Distributed (9/(4+5f+10))	35.8%		42.7%		49.3%		56.0%		54.2%
Supply Vs. Demand									
Demand (4+5a,b,c,d,e,f,g+7+9)	190,442		227,613		261,900		287,020		306,909
Supply (2+3-6)	252,823		294,634		277,163		310,285		346,348
Demand as a Percentage of Supply	75.3%		77.3%		94.5%		92.5%		88.6%

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