



2018 Iowa Native Wine Production and Sales Report

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IOWA STATE UNIVERSITY
Extension and Outreach
Value Added Agriculture & Rural Development



Iowa Native Wine Production and Sales Report
Period Ending December 31, 2018
Value Added Agriculture Program
Business Development Team

The Iowa Alcoholic Beverages Division collects monthly data from Iowa's wineries regarding production, inventory, sales, and other "non-sale" uses. According to the data submitted by the wineries, there has been a decrease in overall native Iowa wine production and ending inventories in 2018. Table 1. shows a 3.2 percent decrease in ending inventories for the year, with 505,071 gallons in the December 2018 inventories reported for 103 wineries. Ten wineries reported "0" for December 2018 inventory, and 8 of those 10 did not produce wine during 2018. There were 113 wineries reporting in 2018, two fewer than last year.

Table 1. Native Wine Ending Inventory by Winery Size

Native Wine Ending Inventory & Number of Wineries									
	Dec-16			Dec-17			Dec-18		
Winery Size in Gallons of Ending Inventory	# 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%	16	0	0.0%	10	0	0.0%
1 to 5,000	75	116,130	22.4%	72	110,569	21.2%	75	114,850	22.7%
5,000 to 10,000	17	129,029	24.9%	14	105,129	20.2%	17	116,377	23.0%
Over 10,000	12	272,437	52.6%	13	305,914	58.6%	11	273,844	54.2%
Total	109	517,596	100.0%	115	521,612	100.0%	113	505,071	100.0%

Total wine production was 335,012 gallons in 2018, representing a 14.0 percent decrease in wine production compared with 2017 production. This followed a 20.2 percent increase from the 2015 to 2016 production years, and then a slight decrease of 3.9 percent in production from 2016 to 2017. Of the 113 wineries reporting in 2018, 22 wineries produced no wine during 2018. Wine sold at the wineries represented 38.7 percent of sales, with 61.3 percent sold at wholesale either to Iowa licensed wholesalers or to other retailers. There was a significant increase in wines sold to Iowa wholesalers in 2018, with 16,326 gallons in 2018 versus 446 gallons in 2017. (Table 2.)

Table 2. Native Wine Production and Sales

Native Wine Production and Sales for Year Ending (Gallons)						
	Dec-16		Dec-17		Dec-18	
Production	405,317		389,546		335,012	
Sales at Retail	132,731	42.7%	131,379	44.6%	120,990	38.7%
Sold to an Iowa Licensed Wholesaler	0	0.0%	446	0.2%	16,326	5.2%
Sold at Wholesale	178,073	57.3%	162,649	55.2%	175,004	56.0%
Total Sales	310,804	100.0%	294,474	100.0%	312,320	100.0%

All wine sold at wholesale in Iowa as well as wine directly shipped to consumers within Iowa is assessed a tax of \$1.75 per gallon. In fiscal year 2017-2018, the Iowa Alcoholic Beverages Division reported that \$8,166,553 was collected as wine tax. These figures are based on fiscal year July 2017 – June 2018 used to prepare the 2018 Annual Report of the Iowa Alcoholic Beverages Division. The Native Iowa wine taxes are included in that total, and by themselves were \$334,828 in calendar year 2018, representing a 17.34 percent increase in 2018. Significantly more gallons (191,330) were sold at wholesale in 2018 and fewer gallons (120,990) were sold at

wineries. (Table 3.) This transition resulted in increased tax revenue for the State of Iowa. Since 2004, Iowa native wineries have paid just over \$3.0 million in wine tax.

Table 3. Iowa Wine Tax

Iowa Tax Paid on Native Wine Sold Outside of the Winery			
Year Ending	Dec-16	Dec-17	Dec-18
Gallons of Wine Sold to Retail Stores Outside of the Winery	178,073	162,649	175,004
Gallons of Wine Sold to Licensed Wholesalers	0	446	16,326
Total Wine Sold Subject to Iowa Wine Tax	178,073	163,095	191,330
Wine Taxes Paid to the State @ \$1.75/gallon	\$311,627	\$285,416	\$334,828

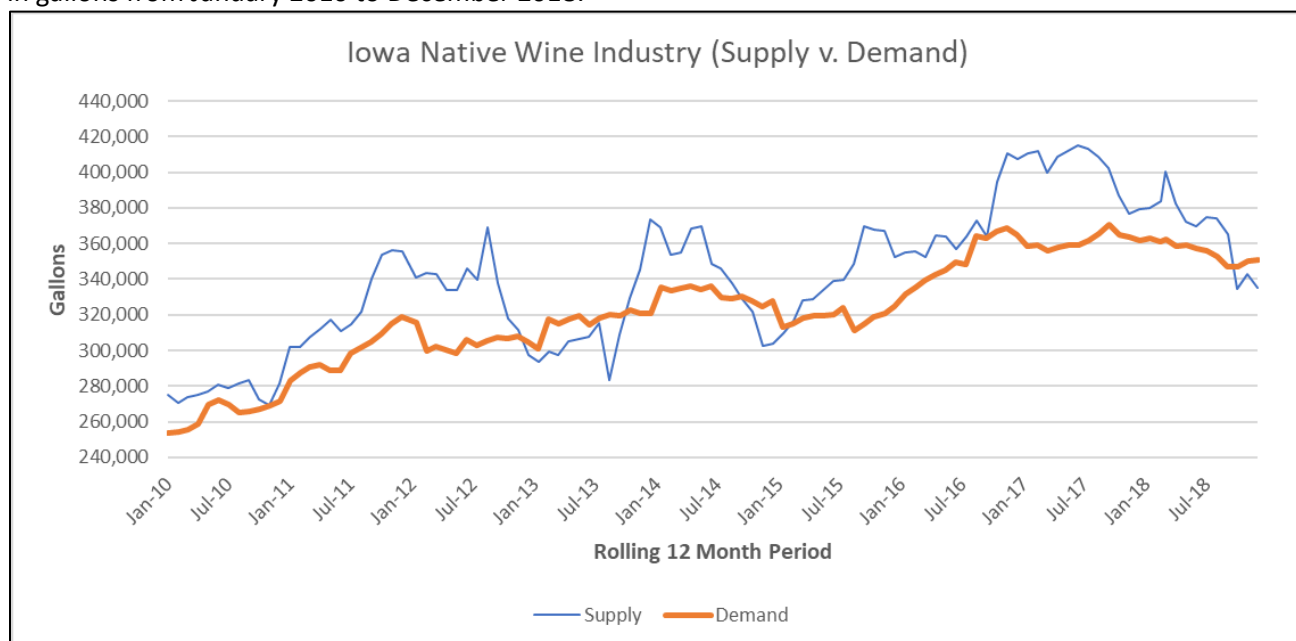
Iowa Wine Consumption

Iowans purchased 4,832,268 gallons of wine from all sources in 2018. (2018 Annual Report of the Iowa Alcoholic Beverages Division) In calendar year 2018, Iowa’s wineries reported selling 191,330 gallons of native Iowa wines to retail outlets and other licensed wholesalers, in addition to the 120,990 gallons of native Iowa wines sold directly at the wineries. Native Iowa wine sales represent 6.46 percent of total wine sales in Iowa during FY 2017-2018.

Iowa’s 2018 population is 3,156,145, with an estimated 2,256,644 persons of legal drinking age (71.5% of total population). Using these estimates, Iowans of legal drinking age consumed 2.14 gallons of wine per person in 2018, whereas per capita wine consumption would be 1.53 gallons if using Iowa’s entire population. According to the [U.S. Census population clock](#) the U.S. population is approximately 328,438,256. The January issue of the [2019 Wine Analytics Report](#) shows that 408 million of cases of wine were sold in 2018 (971 million gallons), which would estimate that 2.95 gallons of wine per capita were consumed in 2018 in the US. This estimate reflects closely the [California’s Wine Institutes](#) 2.94 gallons per capita wine consumption estimate in 2016.

Iowa Native Wine Demand vs. Supply

The chart below illustrates the relationship of supply (production) and demand (sales including inventory adjustments) in gallons from January 2010 to December 2018.



Winery Size Rankings by Ending Inventory, Production, Sales, and Sample Percentage

Table 4. lists Iowa wineries by 2018 sales (retail and wholesale) and they are listed in rank order greatest to least according to sales. Color codes denote sales categories of; 5,000+ gallons, 1,000+ gallons, 100+ gallons, and less than 100 gallons. Each winery is also ranked by number according to production, ending inventory, and sample percentage. Those wineries with no amount reported have “T” before their ranking. Winery owners can identify their winery by knowing their reported ending inventory for December 2018.

Table 4. Winery Size Rankings by Ending Inventory, Production, Sales, and Sample Percentage

Sales		Production		Ending Inventory		Samples as a Percentage of Sales	
Gallons	Rank	Gallons	Rank	Gallons	Rank	Percentage	Rank
44,027	1	27,153	2	5,357	26	0.4	94
33,189	2	39,700	1	85,960	1	4.9	71
27,921	3	25,750	3	24,425	3	6.4	59
17,291	4	15,882	5	20,348	5	5.5	66
14,365	5	17,092	4	15,806	9	0.7	91
12,440	6	8,786	11	7,898	16	1.5	87
11,948	7	14,532	6	9,196	14	4.1	76
10,189	8	10,603	9	3,070	41	2.2	84
9,931	9	10,664	8	23,465	4	6.1	60
8,620	10	9,555	10	19,908	6	5.7	64
8,071	11	12,374	7	5,765	23	7.5	53
6,166	12	3,602	27	9,225	13	0.0	T95
5,633	13	6,800	12	3,394	39	0.0	T95
5,586	14	5,825	15	433	82	5.5	65
5,398	15	5,290	16	4,083	34	0.6	93
5,207	16	4,185	20	4,816	29	2.2	83
4,840	17	6,384	14	17,418	8	12.8	28
3,668	18	6,636	13	10,271	11	0.0	T95
3,613	19	3,124	31	6,923	17	12.3	32
3,578	20	4,014	24	276	86	9.4	42
3,443	21	5,254	17	11,170	10	8.5	46
3,297	22	4,415	19	4,392	32	10.0	39
3,199	23	3,130	30	111	99	1.0	90
2,944	24	4,140	21	6,904	18	7.1	56
2,914	25	2,603	34	2,254	51	3.2	79
2,554	26	4,138	22	5,914	22	10.9	36
2,537	27	5,053	18	8,096	15	0.0	T95
2,401	28	-	T92	5,381	25	1.8	86
2,348	29	3,670	26	5,574	24	3.3	77
2,153	30	360	73	-	T104	9.6	40
2,080	31	3,117	32	9,705	12	9.0	43
2,066	32	2,075	37	4,651	31	9.4	41
1,989	33	2,211	36	157	96	4.9	70
1,938	34	1,985	41	255	89	0.7	92
1,859	35	3,844	25	5,014	28	7.2	55

Sales		Production		Ending Inventory		Samples as a Percentage of Sales	
Gallons	Rank	Gallons	Rank	Gallons	Rank	Percentage	Rank
1,641	36	947	51	3,781	37	0.0	T95
1,586	37	2,073	38	1,435	61	7.8	52
1,333	38	1,646	42	747	72	12.3	31
1,269	39	2,800	33	2,357	49	4.9	69
1,159	40	2,425	35	1,965	53	8.2	48
1,156	41	-	T92	4,080	35	10.1	38
1,032	42	845	55	6,442	21	9.0	44
989	43	1,149	47	446	81	5.8	62
977	44	3	91	372	84	2.3	82
971	45	1,341	45	1,834	56	8.0	51
962	46	2,009	39	4,254	33	12.5	29
926	47	2,000	40	2,797	43	5.1	68
918	48	1,005	50	5,321	27	11.0	35
917	49	-	T92	6,835	19	13.4	26
902	50	903	54	624	77	8.2	49
897	51	95	88	6,829	20	17.4	17
880	52	920	53	3,693	38	5.9	61
804	53	4,071	23	3,256	40	1.4	88
797	54	938	52	881	66	13.9	24
658	55	3,250	29	27,298	2	20.1	12
639	56	467	67	251	90	4.8	73
635	57	766	57	1,860	54	6.9	58
618	58	100	87	2,480	46	3.3	78
606	59	3,377	28	17,775	7	13.4	25
600	60	-	T92	138	97	7.0	57
600	61	844	56	728	73	20.5	10
542	62	425	70	818	68	4.6	74
521	63	618	62	-	T104	14.1	23
466	64	618	63	416	83	8.2	50
457	65	511	65	188	95	24.0	8
430	66	751	59	1,141	64	11.2	34
426	67	1,045	49	1,550	59	5.4	67
356	68	583	64	847	67	17.5	15
350	69	400	72	565	78	2.9	81
322	70	486	66	4,771	30	19.9	13
294	71	1,511	43	3,000	42	10.2	37
290	72	-	T92	-	T104	16.6	20
258	73	663	61	962	65	12.0	33
257	74	432	68	760	71	9.0	45
249	75	428	69	1,852	55	17.4	18
236	76	236	79	12	103	16.1	21
224	77	-	T92	2,550	44	0.0	T95
220	78	420	71	724	75	0.0	T95

Sales		Production		Ending Inventory		Samples as a Percentage of Sales	
Gallons	Rank	Gallons	Rank	Gallons	Rank	Percentage	Rank
220	79	-	T92	460	80	25.0	6
210	80	-	T92	200	93	2.9	80
206	81	146	83	1,168	63	4.9	72
192	82	336	74	725	74	17.2	19
185	83	200	81	503	79	12.4	30
182	84	313	76	769	70	23.7	9
173	85	752	58	2,480	45	26.7	5
163	86	273	78	310	85	20.4	11
135	87	1,105	48	1,709	57	24.2	7
121	88	105	85	48	102	4.1	75
118	89	155	82	269	88	14.7	22
96	90	1,267	46	1,663	58	17.5	16
86	91	-	T92	2,267	50	1.0	89
86	92	109	84	49	101	5.8	63
82	93	229	80	116	98	46.9	2
82	94	101	86	207	92	17.6	14
41	95	90	89	275	87	13.2	27
40	96	1,493	44	1,441	60	0.0	T95
40	97	-	T92	713	76	7.5	54
27	98	25	90	58	100	63.0	1
24	99	280	77	247	91	8.2	47
16	100	-	T92	2,451	47	37.5	3
10	101	665	60	780	69	2.1	85
9	102	-	T92	2,048	52	0.0	T95
8	103	324	75	1,384	62	36.9	4
-	T104	-	T92	3,886	36	0.0	T95
-	T104	-	T92	2,401	48	0.0	T95
-	T104	-	T92	199	94	0.0	T95
-	T104	-	T92	-	T104	0.0	T95
-	T104	-	T92	-	T104	0.0	T95
-	T104	-	T92	-	T104	0.0	T95
-	T104	-	T92	-	T104	0.0	T95
-	T104	-	T92	-	T104	0.0	T95
-	T104	-	T92	-	T104	0.0	T95
-	T104	-	T92	-	T104	0.0	T95
-	T104	-	T92	-	T104	0.0	T95
-	T104	-	T92	-	T104	0.0	T95
312,320	Total	335,012	Total	505,072	Total		
2,764	Average	2,965	Average	4,470	Average	4.63	Average
14,124		13,612		15,197	Average Gallons Group 4		
2,407		2,957		4,818	Average Gallons Group 3		
491		761		2,478	Average Gallons Group 2		
27		191		841	Average Gallons Group 1		

Mission Statement

Iowa State University Extension and Outreach's Value Added Ag Program provides unbiased, science-based information to help establish or expand agricultural-related or rural businesses in Iowa. Whether it's a new start-up, or an established business wanting to expand, the VAAP works directly with the owners of the business. The Value Added Agriculture Program has been key in helping move Iowa forward and advance economic development.

What is Value-added Agriculture?

Value-added Agriculture are products that are grown for a specific purpose or market. Proving value can be in the form of marketing a unique product, filling a market niche, simplifying the supply chain, providing a service, lowering costs, and many other ways. The more value that is provided the more return can be extracted from the marketplace

Craig Chase

Craig Chase is the program manager for the Local Foods and Value-Added Agriculture Programs at Iowa State University, in October 2015. Craig started working with conventional corn, soybean, hog and cattle producers, and then moved into water quality projects and sustainable agriculture (it was called LISA back then – Low Input Sustainable Agriculture) in the 1980s. Craig began working with farmers who wanted to transition from conventional to organic production in the late 1990s, and then working with small sized farms on horticultural crops and small-niche livestock around 2002. This led to his interest in local food systems work. Overall, Craig has over 30 years' experience in helping producers determining ways to start a farming operation and then how to improve profitability.

Brian Tapp

Brian Tapp is a Program Manager with Iowa State University Value Added Ag & Rural Development Program. He specializes in the development of business assistance, business plan development and financial analysis for feasibility and market analysis studies. Brian has more than 25 years' experience in business development efforts with a focus on gap financing for new or emerging businesses. He has served as the COO for the Missouri Innovation Corporation at Southeast Missouri State University (SEMO). Brian received his Master of Arts in Economics from Western Illinois University.

Connie Hardy – Project Lead

Connie Hardy joined the ISU Extension Value Added Ag & Rural Development Program at ISU in September 2005 after having served as a program coordinator in the ISU Department of Food Science and Human Nutrition and the Center for Crops Utilization Research. Hardy's role has been to provide technical and business assistance to organizations that are developing food, feed, or industrial products from grains and agricultural crops. Working with the Iowa Grain Quality Initiative, she has contributed to a database of information about local biofuels processing and its impact on Iowa agriculture. She is also working with local food growers and processors to facilitate food sales to distributors and institutional buyers. Hardy holds degrees from Iowa State University.

Duane Johnson

Duane is a native of rural Iowa who graduated from Iowa State University with degrees in accounting and economics. He currently serves in an accounting and finance role for the Local Foods and Value Added Agriculture Programs. During his career, Duane has worked in various corporate finance and management positions in the Des Moines area, including roles in insurance, mortgage, and employee benefits. In addition, he has twice been a small business owner, having started and operated two small construction businesses.

Barry McCroskey

Barry McCroskey is the accountant for the Value Added Ag & Rural Development Program at Iowa State University Extension. He has more than ten years' experience working with university systems and procedures. Prior to joining ISU, McCroskey had experience in the commercial, agricultural and real estate lending sector. This experience included both lending and servicing work. The majority of his experience was with the U.S. Small Business Administration, much of it during the farm crises of the 1980s. During that time he was exposed to numerous types of industries; manufacturing, retail, service, wholesale. His area of expertise includes cash flow analysis, accounting systems, internal controls and procedures, credit practices, and historical perspectives. He received his BBA in finance from the University of Iowa.