

## Iowa Native Wine Production & Sales Report for the period ending 12/31/2013

By Craig Tordsen, Iowa State University, January 2014

### Native Wine Inventory, Production and Sales

Native Wine Ending Inventory & Number of Wineries									
Winery Size in Gallons of Ending Inventory	Dec-11			Dec-12			Dec-13		
	# of Wineries	Ending Inventory by Winery Size	%	# of Wineries	Ending Inventory by Winery Size	%	# of Wineries	Ending Inventory by Winery Size	%
No Inventory	13	0	0%	3	0	0%	5	0	0%
1 to 5,000	60	102,305	23%	71	116,171	26%	65	97,100	20%
5,000 to 10,000	13	92,261	21%	10	74,419	17%	17	123,752	25%
Over 10,000	13	251,718	56%	14	248,082	57%	13	270,757	55%
<b>Total</b>	<b>99</b>	<b>446,283</b>	<b>100%</b>	<b>98</b>	<b>438,673</b>	<b>100%</b>	<b>100</b>	<b>491,609</b>	<b>100%</b>

The December 2013 ending inventory of wine produced in Iowa is 491,609 gallons from 100 wineries up from 438,673 gallons from 98 wineries on December 2012 and 446,283 gallons from 99 wineries on December 2011.

Native Wine Production & Sales For the Year Ending						
(In Gallons)						
	Dec-11		Dec-12		13/31/2013	
Production	355,434		296,909		373,436	
Sales at Retail	114,243	43.1%	122,302	45.8%	119,721	45.4%
Sold to an Iowa Licensed Wholesaler	1,532	0.6%	0	0.0%	219	0.1%
Sold At Wholesale	149,540	56.4%	144,648	54.2%	143,742	54.5%
<b>Total Sales</b>	<b>265,315</b>	<b>100.0%</b>	<b>266,950</b>	<b>100.0%</b>	<b>263,682</b>	<b>100.0%</b>

Total wine production over the last 12 months ending December 2013 is 373,436 gallons up from 296,909 gallons the year ending December 2012 and 355,434 gallons the year ending December 2011.

Wine sales for the year ending December 2013 is 263,682 gallons down from 266,950 gallons the year ending December 2012 and 265,315 gallons the year ending December 2011. The percentage of wine sold in the winery at retail is 45.4 percent for the year ending December 2013 and 45.8 percent for the year ending December 2012. The wine sold by the winery at wholesale directly to retail outlets like grocery stores is 54.5 percent for the period ending December 2013 up from 54.2 percent for the period ending December 2012. The percentage of wine sold to Licensed Wholesalers was 0.1 percent for the year ending December 2013 up from 0.0% for the year ending December 2012.

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## Wine Tax Paid to the State of Iowa

The Iowa Native Wine tax paid to the State of Iowa in the year ending December 2013 was \$251,932 down slightly from \$253,134 for the year ending December 2012 and \$264,381 for the year ending December 2011.

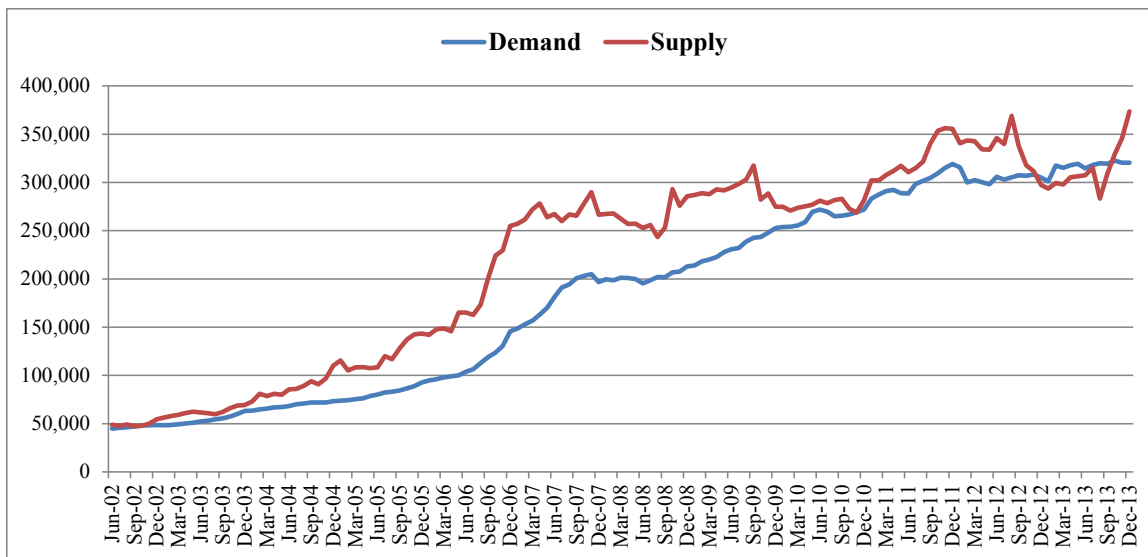
Iowa Tax Paid on Native Wine Sold Outside of the Winery			
	Year Ending 12/2011	Year Ending 12/2012	Year Ending 12/2013
Gallons of Wine Sold to Retail Stores outside of the Winery	149,545	144,648	143,742
Gallons of Wine Sold to Licensed Wholesalers	1,530	0	219
<b>Total Wine Sold Subject to Iowa Wine Tax</b>	<b>151,075</b>	<b>144,648</b>	<b>143,961</b>
<b>Wine Taxes Paid to the State @ \$1.75/g</b>	<b>\$264,381</b>	<b>\$253,134</b>	<b>\$251,932</b>

Iowans purchased an estimated 4,189,404 gallons of wine from wholesale and 263,682 gallons from native Iowa wineries for the year ending December 2013 or 5.92 percent of the total sold. Iowa's estimated December 201 population is 3,090,416 and consumes about 1.44 gallons of wine per person. The US average is 2.73 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

The chart below illustrates the growth of Iowa Native Wine supply (production) and demand (Sales including inventory adjustments) in gallons from December 2002 to December 2013.



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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 from December 2004 to December 2013 and represents 8,976 monthly reports from Iowa Native Wineries.

<b>Iowa Native Winery Production and Sales Report for Years ending 12/31/2004 to 12/31/2013</b>										
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
Number of Wineries	27	40	67	63	75	86	94	98	98	100
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
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
3. Received in bond	13,385	30,177	13,998	3,024	4,768	4,440	2,552	627	3,532	3,864
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
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
(b) BREAKAGE	198	98	531	379	486	1,604	1,260	1,715	1,667	1,018
(c) SPILLAGE	1,103	3,123	4,601	9,297	8,652	9,880	11,357	10,738	6,094	3,786
(d) SPOILAGE	364	2,297	1,608	2,152	3,774	3,238	1,801	7,267	1,885	2,173
(e) DESTROYED	871	1,806	8,928	9,332	11,444	13,541	17,435	17,923	14,874	17,736
(f) MANUFACTURING						0	0	102	-2,057	15,934
(g) SOLD TO IOWA LICENSED DISTRIBUTOR	79	0	98	5,690	3,316	5,074	5,770	1,530	0	219
TOTAL GALLONS TAX EXEMPT	4,720	10,324	20,709	34,495	36,007	43,590	47,645	51,058	35,080	53,901
6. Transferred out in bond.	4,225	9,913	11,221	5,908	2,160	2,799	10,795	902	3,143	3,830
7. Gallons used by family.	371	676	1,025	2,379	1,903	2,054	2,136	2,579	2,878	3,171
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	635,351
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
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	491,609
<b>11. Tax Paid ((5f +9) x \$1.75)</b>	<b>\$30,469</b>	<b>\$40,030</b>	<b>\$68,143</b>	<b>\$104,738</b>	<b>\$131,425</b>	<b>\$183,745</b>	<b>\$224,242</b>	<b>\$264,381</b>	<b>\$253,135</b>	<b>\$251,932</b>
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
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	\$29,496,540

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