

Iowa Native Wine Production & Sales Report for the period ending 12/31/2014

By Craig Tordsen, Iowa State University, February, 2015

Native Wine Inventory, Production and Sales

Native Wine Ending Inventory & Number of Wineries									
Winery Size in Gallons of Ending Inventory	Dec-12			Dec-13			Dec-14		
	# 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	0.0%	5	0	0.0%	1	0	0.0%
1 to 5,000	71	116,171	26.5%	64	94,614	19.3%	68	104,900	22.6%
5,000 to 10,000	10	74,419	17.0%	17	123,752	25.3%	17	114,375	24.6%
Over 10,000	14	248,082	56.6%	13	270,757	55.4%	12	244,729	52.7%
Total	98	438,673	100.0%	99	489,122	100.0%	98	464,005	100.0%

The December 2014 ending inventory of wine produced in Iowa is 464,005 gallons from 98 wineries down from 489,122 gallons from 99 wineries on December 2013 and 438,673 gallons from 98 wineries on December 2012.

Native Wine Production & Sales For the Year Ending						
(In Gallons)						
	Dec-12		Dec-13		Dec-14	
Production	296,909		373,436		304,146	
Sales at Retail	122,302	45.8%	119,721	45.4%	117,556	43.7%
Sold to an Iowa Licensed Wholesaler	0	0.0%	219	0.1%	617	0.2%
Sold At Wholesale	144,648	54.2%	143,742	54.5%	150,920	56.1%
Total Sales	266,950	100.0%	263,682	100.0%	269,092	100.0%

Total wine production over the last 12 months ending December 2014 is 304,146 gallons down from 373,436 gallons the year ending December 2013 and 296,909 gallons the year ending December 2012.

Wine sales for the year ending December 2014 is 269,092 gallons up from 263,682 gallons the year ending December 2013 and 266,950 gallons the year ending December 2012. The percentage of wine sold in the winery at retail is 43.7 percent for the year ending December 2014 and 45.4 percent for the year ending December 2013. The wine sold by the winery at wholesale directly to retail outlets like grocery stores is 56.1 percent for the period ending December 2014 up from 54.5 percent for the period ending December 2013. The percentage of wine sold to Licensed Wholesalers was 0.2 percent for the year ending December 2014 up from 0.1% for the year ending December 2013.

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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 2014 was \$265,189 up from \$251,932 for the year ending December 2013 and \$253,134 for the year ending December 2012.

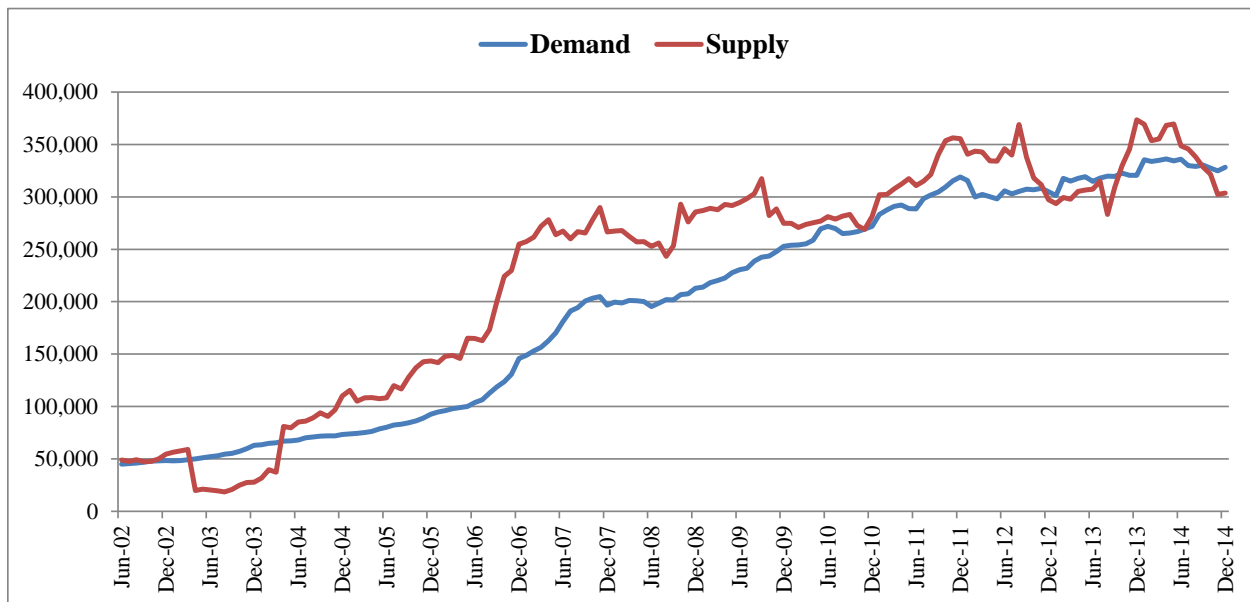
Iowa Tax Paid on Native Wine Sold Outside of the Winery			
	Year Ending 12/2012	Year Ending 12/2013	Year Ending 12/2014
Gallons of Wine Sold to Retail Stores outside of the Winery	144,648	143,742	150,920
Gallons of Wine Sold to Licensed Wholesalers	0	219	617
Total Wine Sold Subject to Iowa Wine Tax	144,648	143,961	151,537
Wine Taxes Paid to the State @ \$1.75/g	\$253,134	\$251,932	\$265,189

Iowans purchased an estimated 4,271,227 gallons of wine from wholesale and 269,092 gallons from native Iowa wineries for the year ending December 2014 or 5.9 percent of the total sold. Iowa's estimated December 2015 population is 3,107,126 and consumes about 1.46 gallons of wine per person. The US average is 2.82 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 2014.



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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 2014 and represents 10,144 monthly reports from Iowa Native Wineries.

Iowa Native Winery Production and Sales Report for Years ending 12/31/2004 to 12/31/2014											
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
Number of Wineries	27	40	67	63	75	86	94	98	98	100	98
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
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
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
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
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
(b) BREAKAGE	198	98	531	379	486	1,604	1,260	1,715	1,667	1,018	1,442
(c) SPILLAGE	1,103	3,123	4,601	9,297	8,652	9,880	11,357	10,738	6,094	3,786	3,350
(d) SPOILAGE	364	2,297	1,608	2,152	3,774	3,238	1,801	7,267	1,885	2,173	1,529
(e) DESTROYED	871	1,806	8,928	9,332	11,444	13,541	17,435	17,923	14,874	17,736	6,334
(f) MANUFACTURING						0	0	102	-2,057	18,421	30,750
(g) SOLD TO IOWA LICENSED DISTRIBUTOR	79	0	98	5,690	3,316	5,074	5,770	1,530	0	219	617
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
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
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
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
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
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
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
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
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
Percentage of Wine Sales Self Distributed (9/(4+5g+9))	25%	28%	31%	33%	40%	47%	53%	56%	54%	55%	56%
Supply Vs. Demand											
Demand (4+5a,b,c,d,e,f,g+7+9)	73,771	93,785	146,088	196,642	213,008	254,756	275,153	317,429	306,966	304,600	297,660
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
Demand as a Percentage of Supply	68.3%	65.5%	57.3%	73.9%	74.6%	92.7%	97.6%	89.3%	103.3%	81.6%	98.1%

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US Winery Numbers Continue Increase

Winery numbers continue to increase in all states in the nation.

Number of Federally Licensed Wineries Per State from 1998 to Jan. 2015							
State	1998	2010	2015	State	1998	2010	2015
AK	1	8	9	MT	2	17	20
AL	4	15	24	NC	15	131	186
AR	10	15	28	ND	1	9	15
AZ	13	49	69	NE	2	28	35
CA	1,094	3,126	4,089	NH	4	29	48
CO	25	109	155	NJ	25	56	72
CT	16	37	55	NM	24	53	76
DE	1	2	4	NV	1	5	6
FL	12	65	80	NY	158	330	470
GA	12	33	60	OH	71	162	246
HI	3	7	8	OK	3	66	84
IA	13	92	99	OR	120	409	554
ID	19	49	61	PA	66	168	267
IL	19	117	143	RI	6	8	15
IN	23	70	102	SC	4	16	26
KS	7	26	41	SD	1	21	29
KY	12	69	89	TN	19	43	63
LA	6	10	12	TX	45	238	412
MA	21	43	78	UT	6	6	15
MD	14	52	94	VA	62	221	310
ME	7	28	45	VT	10	29	41
MI	43	170	279	WA	124	729	950
MN	10	51	90	WI	17	73	128
MO	42	139	202	WV	11	23	29
MS	5	3	6	WY	1	3	7
				Total	2,230	7,258	10,026

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