

Iowa Native Wine Production & Sales Report for the period ending 6/30/2014

By Craig Tordsen, Iowa State University, August 2014

Native Wine Inventory, Production and Sales

Native Wine Ending Inventory & Number of Wineries									
Winery Size in Gallons of Ending Inventory	Jun-12			Jun-13			Jun-14		
	# of Wineries	Ending Inventory by Winery Size	%	# of Wineries	Ending Inventory by Winery Size	%	# of Wineries	Ending Inventory by Winery Size	%
No Inventory	8	0	0.0%	3	0	0.0%	3	-	0.0%
1 to 5,000	66	95,910	22.5%	72	113,190	27.0%	74	112,075	26.0%
5,000 to 10,000	14	94,171	22.1%	11	82,281	19.7%	14	97,798	22.7%
Over 10,000	13	235,773	55.4%	12	223,134	53.3%	11	221,678	51.4%
Total	101	425,854	100.0%	98	418,605	100.0%	102	431,551	100.0%

The June 2014 ending inventory of wine produced in Iowa is 431,551 gallons from 102 wineries up from 418,605 gallons from 98 wineries on June 2013 and 425,854 gallons from 101 wineries on June 2012.

Native Wine Production & Sales For the Year Ending						
(In Gallons)						
	Jun-12		Jun-13		Jun-14	
Production	346,954		306,108		368,943	
Sales at Retail	121,710	45.5%	119,588	45.0%	131,239	45.5%
Sold to an Iowa Licensed Wholesaler	648	0.2%	0	0.0%	219	0.1%
Sold At Wholesale	144,851	54.2%	146,098	55.0%	156,768	54.4%
Total Sales	267,209	100.0%	265,686	100.0%	288,226	100.0%

Total wine production over the last 12 months ending June 2014 is 368,943 gallons up from 306,108 gallons the year ending June 2013 and 346,954 gallons the year ending June 2012.

Wine sales for the year ending June 2014 is 288,226 gallons up from 265,686 gallons the year ending June 2013 and 267,209 gallons the year ending June 2012. The percentage of wine sold in the winery at retail is 45.5 percent for the year ending June 2013 and 45.0 percent for the year ending June 2014. The wine sold by the winery at wholesale directly to retail outlets (example grocery stores) is 54.4 percent for the period ending June 2014 down from 55 percent for the period ending June 2013. The percentage of wine sold to Licensed Wholesalers was 0.1 percent for the year ending June 2014 up from 0.0% for the year ending June 2013.

Wine Tax Paid to the State of Iowa

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

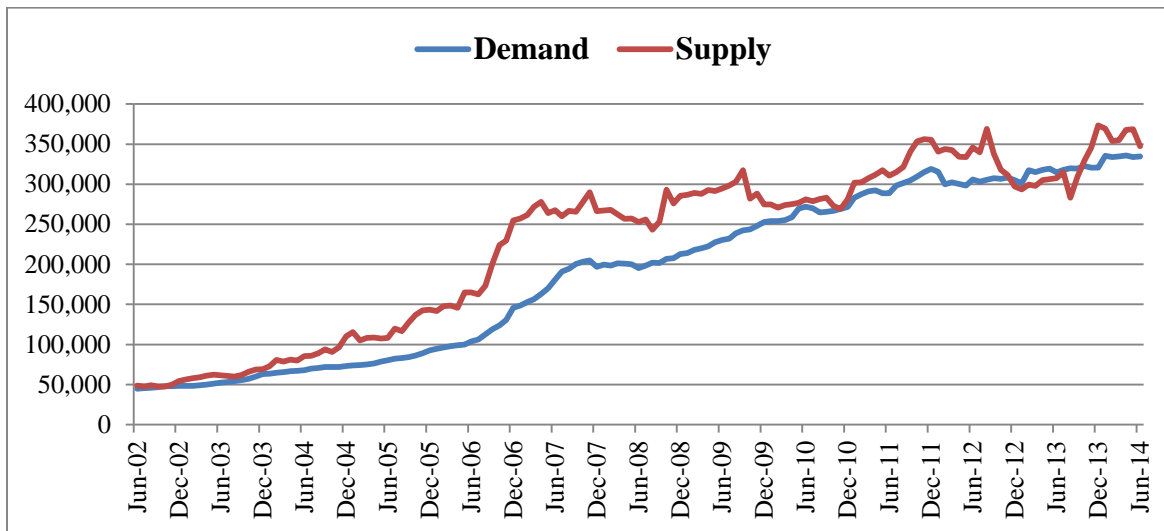
Iowa Tax Paid on Native Wine Sold Outside of the Winery			
	Year Ending 6/2012	Year Ending 6/2013	Year Ending 6/2014
Gallons of Wine Sold to Retail Stores outside of the Winery	146,098	146,098	156,768
Wholesalers	467	0	219
Total Wine Sold Subject to Iowa Wine Tax	146,565	146,098	156,987
Wine Taxes Paid to the State @ \$1.75/g	\$256,489	\$255,672	\$274,728

Iowans purchased an estimated 4,236,803 gallons of wine from wholesale and 288,226 gallons from native Iowa wineries for the year ending June 2014 or 5.87 percent of the total sold. Iowa's estimated June 2013 population is 3,090,416 and consumes about 1.464 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 June 2002 to June 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 June 2004 to June 2013 and represents 8,976 monthly reports from Iowa Native Wineries.

Iowa Native Winery Production and Sales Report for Year ending June 2004 to June 2014											
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	71	75	95	97	103	98	102
Revised 8/27/2014											
	Jun-04	Jun-05	Jun-06	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14
1. Gallons of wine on hand at beginning of year.	49,223	62,026	89,863	150,857	236,771	293,944	356,719	367,216	385,608	425,854	418,605
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
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
4. Gallons of wine sold retail at wineries.	48,187	55,918	64,530	98,806	101,276	107,656	110,512	101,716	123,133	119,588	131,239
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
(b) BREAKAGE	194	62	249	520	417	1,002	1,197	1,641	1,614	1,360	16,228
(c) SPILLAGE	2,564	1,385	3,380	8,011	9,064	10,452	4,250	10,278	10,252	4,611	3,906
(d) SPOILAGE	216	1,652	1,682	1,586	3,061	2,280	3,605	6,056	2,738	1,776	2,614
(e) DESTROYED	568	446	1,316	13,863	6,833	11,013	18,564	18,937	20,398	9,610	12,885
(f) Manufacturing Error									(14,077)	16,346	19,668
(g) SOLD TO IOWA LICENSED DISTRIBUTOR	172	0	17	1,869	5,207	4,248	4,765	4,873	467	0	219
TOTAL GALLONS TAX EXEMPT	5,397	6,154	10,103	31,958	32,798	38,939	42,059	52,178	34,268	45,891	69,811
6. Transferred out in bond.	5,599	5,952	14,858	8,143	2,310	2,866	9,706	2,481	1,985	3,547	3,133
7. Gallons used by family.	241	445	819	1,595	2,290	1,906	2,097	2,127	2,984	3,106	3,218
8. Gallons of wine available for wholesale	77,618	107,467	179,439	285,688	353,230	440,077	479,213	521,480	571,457	564,704	582,802
9. Gallons of wine sold wholesale to retailers	15,593	17,604	28,582	48,917	59,285	83,359	111,997	135,872	145,603	146,098	156,768
10. Gallons of wine on hand at end of year.	62,026	89,863	150,857	236,771	293,944	356,719	367,216	385,608	425,854	418,605	426,033
11. Tax Paid ((5f +9) x \$1.75)	\$27,588	\$30,806	\$50,049	\$88,876	\$112,862	\$153,311	\$204,334	\$246,304	\$255,623	\$255,672	\$274,728
Total Gallons Sold (9 + 16 + 21)	63,952	73,522	93,130	149,593	165,768	195,263	227,274	242,461	269,204	265,686	288,226
Estimated Value of Year End Inventory @ \$60/gallon	\$3,721,530	\$5,391,804	\$9,051,408	\$14,206,266	\$17,636,664	\$21,403,110	\$22,032,966	\$23,136,486	\$25,551,246	\$25,116,312	\$25,561,992

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