

Iowa Native Wine Production & Sales Report for the period ending 12/31/2012
 By Craig Tordsen, Iowa State University, Jan. 2013

Native Wine Inventory, Production and Sales

Native Wine Ending Inventory & Number of Wineries									
Winery Size in Gallons of Ending Inventory	Dec-10			Dec-11			Dec-12		
	# of Wineries	Ending Inventory by Winery Size	%	# of Wineries	Ending Inventory by Winery Size	%	# of Wineries	Ending Inventory by Winery Size	%
No Inventory	18	0	0%	13	0	0%	6	0	0%
1 to 5,000	48	79,851	19%	60	102,305	23%	69	114108	26%
5,000 to 10,000	18	129,017	31%	13	92,261	21%	13	92527	21%
Over 10,000	11	201,433	49%	13	251,718	56%	13	238206	54%
Total	95	410,301	100%	99	446,283	100%	101	444,841	100%

The December 2012 ending inventory of native produced wine in Iowa is 444,841 gallons from 101 wineries up from 446,283 gallons from 99 wineries on December 2011 and 410,301 gallons from 95 wineries on December 2010.

Native Wine Production & Sales For the Year Ending						
(In Gallons)						
	Dec-10		Dec-11		Dec-12	
Production	281,287		355,434		291,611	
Sales at Retail	102,768	44.5%	114,195	43.1%	116,685	44.1%
Sold to an Iowa Licensed Wholesaler	5,800	2.5%	1,532	0.6%	7,218	2.7%
Sold At Wholesale	122,176	52.9%	149,528	56.4%	140,414	53.1%
Total Sales	230,744	100.0%	265,255	100.0%	264,317	100.0%

Total wine production over the last 12 months ending December, 2012 is 291,611 gallons down from 355,434 gallons the year ending December,2011 and 230,744 gallons the year ending December, 2010.

Wine sales for the year ending December, 2012 was 264,317 gallons down from 265,255 gallons for the year ending December, 2011 and 230,744 gallons for the year ending December, 2010. The percentage of wine sold in the winery at retail is 44.1 percent for the year ending December 2012. The wine sold by the winery at wholesale directly to retail outlets like grocery stores has down to 53.1 percent from 56.4 percent for the period ending December 2011. Wine sold to a licensed wholesaler (distributor) is 2.7 percent as of December 2012.

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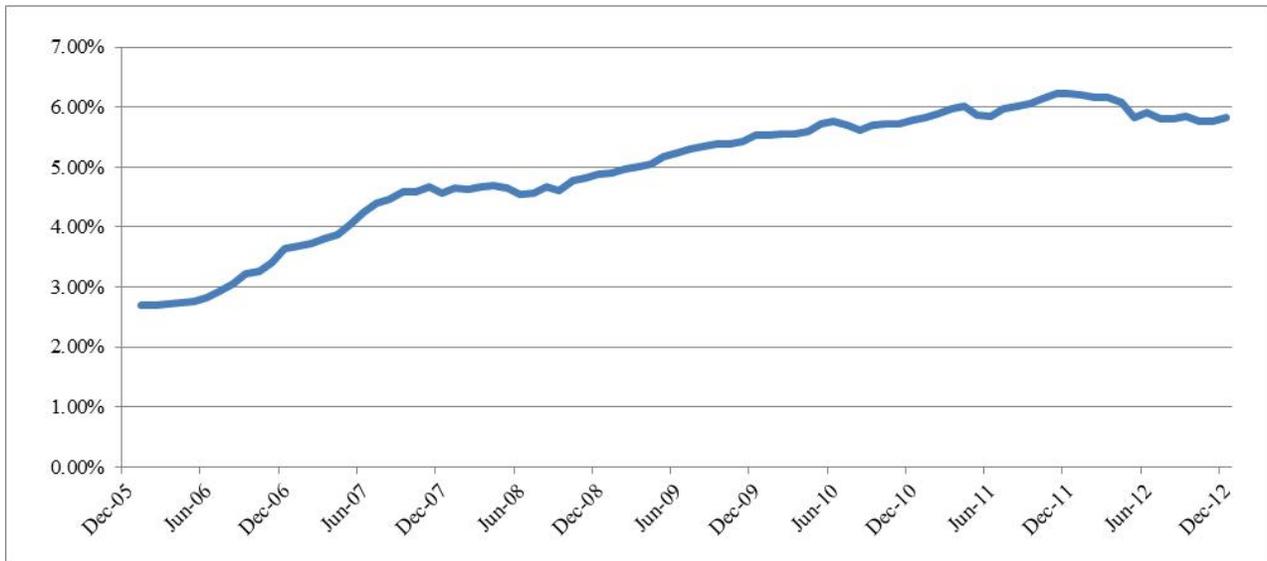
For more information, contact Craig Tordsen at 515-291-0966 or by email at ctordsen@iastate.edu

Wine Tax Paid to the State of Iowa

The Iowa Native Wine tax paid to the State of Iowa in the year ending December 2012 was \$258,356 down from \$264,355 for the year ending December 2011 and \$223,958 for the year ending December 2010.

Iowa Tax Paid on Native Wine Sold Outside of the Winery			
	Year Ending 12/2010	Year Ending 12/2011	Year Ending 12/2012
Gallons of Wine Sold to Retail Stores outside of the Winery	122,176	149,528	140,414
Gallons of Wine Sold to Licensed Wholesalers	5,800	1,532	7,218
Total Wine Sold Subject to Iowa Wine Tax	127,976	151,060	147,632
Wine Taxes Paid to the State @ \$1.75/g	\$223,958	\$264,355	\$258,356

Iowans purchased 4,265,038 gallons of wine from wholesale and 264,317 gallons from native Iowa wineries for the year ending December 2012 or 5.84 percent of the total sold. Iowa's estimated July 2012 population is 3,074,186 and consumes about 1.47 gallons of wine per person. The US average is 2.54 gallons of wine per person. ⁽¹⁾



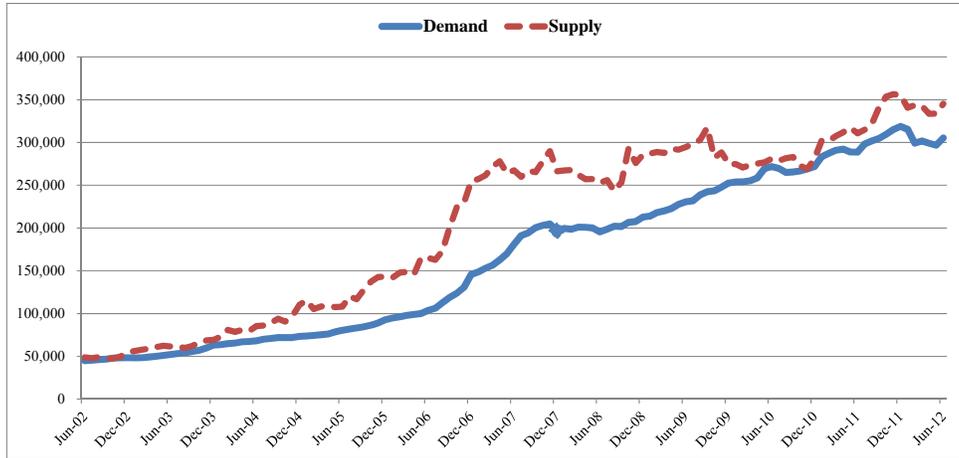
⁽¹⁾ based upon Bureau of the Census estimated resident population. Per capita consumption will be higher if based on legal drinking age population.

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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 December 2002 to December 2012.



	AF	AG
	December of Year	Demand as a Percentage of Supply
142		
143	2012	1.00
144	2011	0.90
145	2010	0.97
146	2009	0.93
147	2008	0.75
148	2007	0.74
149	2006	0.57
150	2005	0.66

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 2005 to December 2012 and represents 7,059 monthly reports from Iowa Native Wineries.

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Iowa Native Winery Production and Sales Report for Years ending 12/31/2005 to 12/31/2008

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

Data Source: State of Iowa Alcoholic Beverages Division

Year	12/31/05		12/31/06		12/31/07		12/31/08	
Number of Wineries	40		67		63		75	
	Dec-05	% Change 2005-2006	Dec-06	% Change 2006-2007	Dec-07	% Change 2007-2008	Dec-08	% Change 2008-2009
1. Gallons of wine on hand at beginning of year.	81,406	60.6%	130,737	83.2%	239,487	29.1%	309,064	23.5%
2. Gallons of wine produced during the year.	122,852	105.2%	252,061	6.8%	269,103	5.2%	283,023	-3.5%
3. Received in bond	30,177	-53.6%	13,998	-78.4%	3,024	57.7%	4,768	-6.9%
4. Gallons of wine sold retail at wineries.	59,911	42.7%	85,513	23.5%	105,608	-2.2%	103,314	5.7%
5. Tax exempt adjustments:								
(a) SAMPLES (on premise consumers only)	3,000	64.8%	4,943	54.7%	7,645	9.0%	8,335	23.0%
(b) BREAKAGE	98	441.8%	531	-28.6%	379	28.2%	486	230.0%
(c) SPILLAGE	3,123	47.3%	4,601	102.1%	9,297	-6.9%	8,652	14.2%
(d) SPOILAGE	2,297	-30.0%	1,608	33.8%	2,152	75.4%	3,774	32.0%
(e) DESTROYED	1,806	394.4%	8,928	4.5%	9,332	22.6%	11,444	6.9%
(f) MANUFACTURING ERROR	0	0.0%	0	0.0%	0	0.0%	0	0.0%
(g) SOLD TO IOWA LICENSED DISTRIBUTOR	0	0.0%	98	0.0%	5,690	-41.7%	3,316	53.0%
TOTAL GALLONS TAX EXEMPT	10,324	100.6%	20,709	66.6%	34,495	4.4%	36,007	22.3%
6. Transferred out in bond.	9,913	13.2%	11,221	-47.3%	5,908	-63.4%	2,160	29.6%
7. Gallons used by family.	676	51.6%	1,025	132.1%	2,379	-20.0%	1,903	7.9%
8. Gallons of wine available for wholesale	153,611	81.2%	278,328	30.5%	363,224	24.8%	453,471	10.5%
9. Gallons of wine sold wholesale to retailers	22,874	69.8%	38,841	39.4%	54,160	32.5%	71,784	39.2%
10. Gallons of wine on hand at end of year.	130,737	83.2%	239,487	29.1%	309,064	23.5%	381,687	5.1%
11. Tax Paid ((5f+9) x \$1.75)	\$40,030	70.2%	\$68,143	53.7%	\$104,738	25.5%	\$131,425	39.8%
Total Gallons Sold (9 + 16 + 21)	82,785	50.3%	124,452	32.9%	165,458	7.8%	178,414	20.0%
Estimated Value of Year End Inventory @ \$60/gallon	\$7,844,220	83.2%	\$14,369,220	29.1%	\$18,543,840	23.5%	\$22,901,220	5.1%
Percentage of Wine Sales Self Distributed (9/(4+5f+9))	28%		31%		33%		40%	
Supply Vs. Demand								
Demand (4+5a,b,c,d,e,f+7+9)	93,785		146,088		196,642		213,008	
Supply (2+3-6)	143,116		254,838		266,219		285,631	
Demand as a Percentage of Supply	66%		57%		74%		75%	

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Iowa Native Winery Production and Sales Report for Years ending 12/31/2009 to 12/31/2012

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

Data Source: State of Iowa Alcoholic Beverages Division

Year	12/31/09		12/31/10		12/31/11		12/31/12	
Number of Wineries	86		95		99		101	
	Dec-09	% Change 2009-2010	Dec-10	% Change 2010-2011	Dec-11	% Change 2011-2012	Dec-12	% Change 2012-2013
1. Gallons of wine on hand at beginning of year.	381,687	5.1%	401,341	2.2%	410,301	8.7%	445,795	
2. Gallons of wine produced during the year.	273,211	3.7%	283,202	25.4%	355,271	-17.9%	291,743	
3. Received in bond	4,440	100.0%	8,880	-92.9%	627	469.9%	3,574	
4. Gallons of wine sold retail at wineries.	109,189	-5.8%	102,904	11.0%	114,194	2.2%	116,685	
5. Tax exempt adjustments:								
(a) SAMPLES (on premise consumers only)	10,253	-2.4%	10,004	17.4%	11,742	6.0%	12,451	
(b) BREAKAGE	1,604	-21.4%	1,260	46.8%	1,850	-47.8%	966	
(c) SPILLAGE	9,880	15.0%	11,362	-5.5%	10,738	-43.4%	6,075	
(d) SPOILAGE	4,983	-61.3%	1,927	277.1%	7,267	-78.5%	1,565	
(e) DESTROYED	12,238	19.8%	14,656	33.7%	19,595	-27.0%	14,313	
(f) MANUFACTURING ERROR	0	0.0%	0	0.0%	488	-2084.5%	-9,685	
(g) SOLD TO IOWA LICENSED DISTRIBUTOR	5,074	13.7%	5,770	-73.5%	1,530	371.8%	7,218	
TOTAL GALLONS TAX EXEMPT	44,032	2.2%	44,979	18.3%	53,210	-38.2%	32,903	
6. Transferred out in bond.	2,799	285.7%	10,795	-91.6%	902	310.9%	3,706	
7. Gallons used by family.	2,054	4.1%	2,139	20.1%	2,570	-0.3%	2,563	
8. Gallons of wine available for wholesale	501,264	6.3%	532,606	11.8%	595,323	-1.7%	585,255	
9. Gallons of wine sold wholesale to retailers	99,923	22.4%	122,305	22.3%	149,528	-6.1%	140,414	
10. Gallons of wine on hand at end of year.	401,341	2.2%	410,301	8.7%	445,795	-0.2%	444,841	
11. Tax Paid ((5f +9) x \$1.75)	\$183,745	22.0%	\$224,131	17.9%	\$264,352	-2.3%	\$258,356	
Total Gallons Sold (9 + 16 + 21)	214,186	7.8%	230,979	14.8%	265,252	-0.4%	264,317	
Estimated Value of Year End Inventory @ \$60/gallon	\$24,080,460	2.2%	\$24,618,060	8.7%	\$26,747,700	-0.2%	\$26,690,442	
Percentage of Wine Sales Self Distributed (9/(4+5f+9))	47%		53%		56%		53%	
Supply Vs. Demand								
Demand (4+5a,b,c,d,e,f+7+9)	255,198		272,327		319,502		292,565	
Supply (2+3-6)	274,852		281,287		354,996		291,611	
Demand as a Percentage of Supply	93%		97%		90%		100%	

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