
Iowa Wine Report - 2019

Native Wine Production and Sales Report

Prepared by Farm, Food and Enterprise Development

Prepared for Midwest Grape and Wine Institute

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Native Iowa Wine Production and Sales Report
Period Ending December 31, 2019
Farm, Food and Enterprise Development
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Iowa Alcoholic Beverages Division (ABD) collects monthly data from Iowa’s wineries regarding production, inventory, sales, and non-sale uses of native wine produced in Iowa. This data is reported by the winery owners monthly and has been compiled at the end of each calendar year to track activities in Iowa’s wine industry. In recent years, production and sales data from producers of mead and cider has been included in the same database, and it is reflected in the inventory, production, sales, and tax totals in this report. Mead and cider production are also shown separately in Table 1a.

Ending Inventories

The 2019 data shows that 117 enterprises reported with a total ending inventory of 480,546 gallons. Of these companies, eleven wineries and one cider producer had no inventory at the end of December. The next size category, based on ending inventory, has 82 producers including 75 wineries, 4 cideries, and 3 meaderies with a total ending inventory of 128,073 gallons. This category showed an increase since 2018, both in ending inventory and number of producers. In the third size category (5,000 – 10,000 gallons), the number of producers and ending inventory decreased since 2018 with 3 fewer producers and 15,896 fewer gallons in inventory. The fourth category (over 10,000 gallons) had one less producer and 21,852 fewer gallons of ending inventory.

Table 1. Native Wine, Cider and Mead Ending Inventory by Winery Size

Ending Inventory by Year									
	2017			2018			2019		
Gallons of Ending Inventory	# of Wineries, Cideries, & Meaderies	Ending Inventory by Size	% of Total Inventory	# of Wineries, Cideries, & Meaderies	Ending Inventory by Size	% of Total Inventory	# of Wineries, Cideries, & Meaderies	Ending Inventory by Size	% of Total Inventory
No Inventory	16	0	0.0%	10	0	0.0%	11	0	0.0%
1 to 5,000	72	110,569	21.2%	75	114,850	22.7%	82	128,073	26.7%
5,000 to 10,000	14	105,129	20.2%	17	116,377	23.0%	14	100,481	20.9%
Over 10,000	13	305,914	58.6%	11	273,844	54.2%	10	251,992	52.4%
Total	115	521,612	100.0%	113	505,071	100.0%	117	480,546	100.0%

Iowa production, sales, and inventory of mead and cider that were reported to ABD are summarized in Table 1a. below. “Other Sources/(Uses)” in Table 1a. represents either inventory purchased from other manufacturers or non-sales uses.

Table 1a. Meaderies and Cideries Inventory

Ending Inventory 2019						
	# of Producers	Beginning Inventory	Production	Sales	Other Sources/ (Uses)	Ending Inventory
Mead Producers	3	1,452	1,807	1,901	(360)	998
Cider Producers	5	7,575	32,682	30,221	(1,225)	8,811

Production and Sales

In 2019, total native Iowa wine, cider, and mead production was 329,283 gallons and 301,508 gallons were sold. Direct sales to the customer totaled 122,508 gallons, or 40.6 percent of sales volume. Sales through wholesalers totaled 179,000 gallons, or 59.4 percent of total sales volume.

Table 2. Native Wine, Mead, and Cider Production and Sales

Production and Sales for Year Ending (Gallons)						
	2017		2018		2019	
Production	389,546		335,012		329,283	
Sales at Retail	131,379	44.6%	120,990	38.7%	122,508	40.6%
Sold to an Iowa Licensed Wholesaler	446	0.2%	16,326	5.2%	33,535	11.1%
Sold at Wholesale	162,649	55.2%	175,004	56.0%	145,465	48.3%
Total Sales	294,474	100.0%	312,320	100.0%	301,508	100.0%

Direct retail sales by the wineries decreased for a brief period 2017-2018 (from 44.6 percent to 38.7 percent of sales) when there was a corresponding increase in gallons sold to an Iowa licensed wholesaler. In 2019, direct sales from the wineries increased to 40.6 percent of sales, a trend that is consistent among wine makers across the U.S., according to the 2020 Wine Analytics Report. <https://wineanalyticsreport.com/report/february-2020/>

Table 3. Iowa Wine Tax Paid on Wine, Cider, and Mead

Iowa Tax Paid on Sales Occurring Outside of the Producer's Place of Business			
Calendar Year	2017	2018	2019
Gallons of Wine Sold to Retail Stores Outside of the Winery	162,649	175,004	145,465
Gallons of Wine Sold to Licensed Wholesalers	446	16,326	33,535
Total Gallons of Wine Sold Subject to Iowa Wine Tax	163,095	191,330	179,000
Wine Taxes Paid to the State @ \$1.75/gallon	\$285,416	\$334,828	\$313,250

All wine sold in Iowa as wholesale is assessed a tax of \$1.75 per gallon by the Alcoholic Beverages Division. In FY2019 (July 2018 – June 2019), ABD reported that 4,697,034 gallons of wine (all types) were sold and \$8,219,810 was collected as wine tax. Native Iowa wine taxes are included in this total and, by themselves, represented wine tax revenue of \$313,250 in calendar year 2019, representing a 6.4 percent decrease since 2018 in Iowa's tax revenue from native Iowa wine, mead, and cider.

Wine Consumption

The ABD Annual Report showed that Iowans purchased 4,697,034 gallons of all types of wine in 2019, down by 135,234 gallons from the previous year. Sales of native Iowa wines were down by 10,812 gallons. Native Iowa wine, mead, and cider sales represent 6.4 percent of 2019 total gallons of wine sold in Iowa. Iowa's population in 2019 is estimated at 3,155,070 with an estimated 71.5 percent of the population of legal drinking age (2,255,875 individuals) who could consume an estimated 2.08 gallons of wine per capita in 2019. The per capita wine consumption estimate is lower than in 2018 because there were fewer gallons of wine sold in Iowa overall and Iowa's population increased in the same period. <https://www.iowadatatcenter.org/>

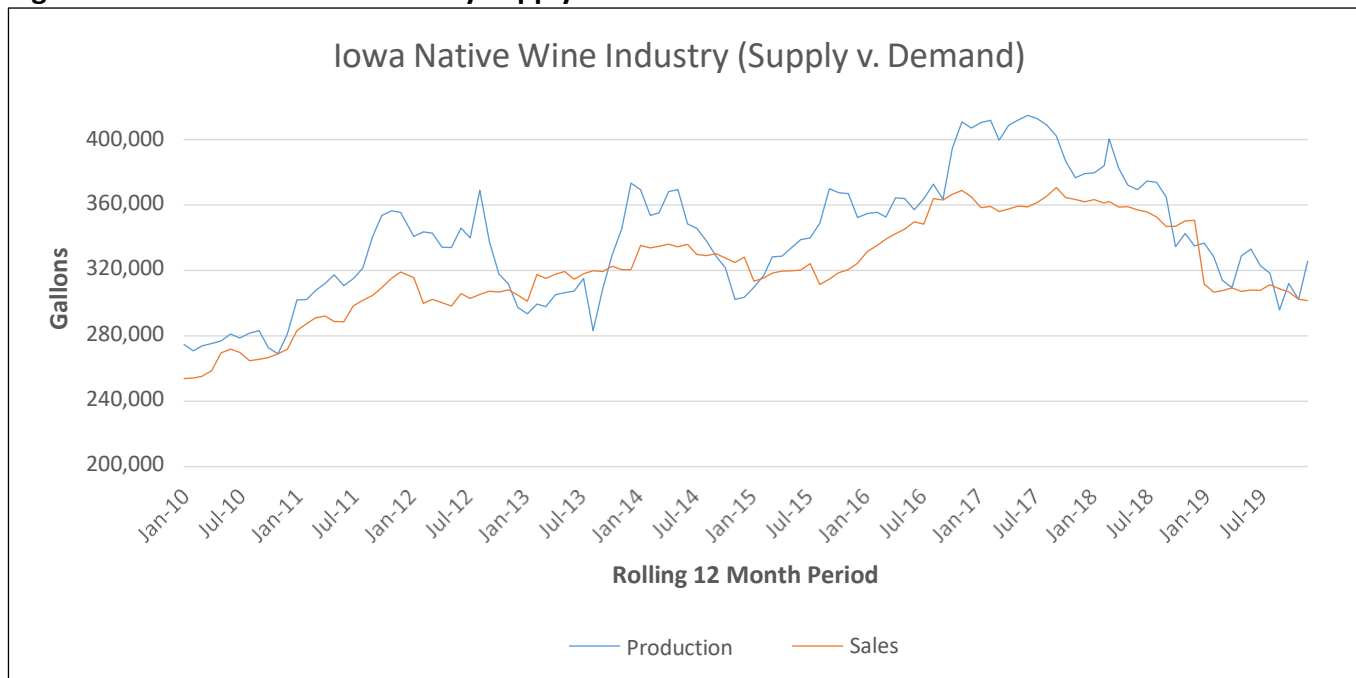
U.S. wine consumption had increased to 2.95 gallons of wine per capita in 2018 and maintained that level in 2019. According to the U.S. Census population clock, the U.S. population is approximately 329,306,600 and about 75 percent of US residents are age 21 and over (246,979,950 people) and would be eligible to consume alcohol. U.S. wine consumption, usually estimated on total U.S. population, would be 2.95 gallons per person in 2019. When wine consumption is estimated using only those people of legal drinking age, U.S. wine consumption would be nearly 3.94 gallons per person. <https://www.census.gov/popclock/>
<https://www.nbwa.org/resources/us-population-estimates-2018>
<https://wineanalyticsreport.com/report/january-2020/>

U.S. wine industry production estimates for 2019 by Wines Vines Analytics show that 10,472 wineries produced 331,900,000 cases (or 789,258,200 gallons, using a conversion factor of 2.378) of wine, showing a reduction in total U.S. wine production of 17.4 percent. However, U.S. wine sales increased 4% to \$48.8 billion and there was a 7% increase in direct-to-consumer sales, according to the Wine Analytics Report. <https://winesvinesanalytics.com/statistics/winery/>

Iowa Native Wine Supply and Demand

The chart below illustrates the relationship of supply (production) and demand (sales including inventory adjustments) in gallons from January 2019 through December 2019. (Figure 1.)

Figure 1. Iowa Native Wine Industry Supply and Demand



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

Table 4. lists Iowa wineries by 2019 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. The “T” before a rank (i.e., T77) means that two or more wineries were tied at a ranking level for production, sales, or inventory. Winery owners can identify their winery by knowing their reported ending inventory for December 2019.

Table 4. Rankings by Sales, Production, ending Inventory, and Sample Percentage

Sales		Production		Ending Inventory		Samples as a Percentage of Sales	
Gallons	Rank	Gallons	Rank	Gallons	Rank	Percentage	Rank
30,954	1	35,933	1	82,372	1	4.8%	62
28,603	2	29,275	2	23,007	3	6.5%	52
20,551	3	27,186	3	7,951	15	0.1%	88
19,320	4	23,092	4	7,099	18	0.8%	82
16,753	5	18,740	5	20,973	4	6.0%	56
14,133	6	12,506	8	13,418	8	1.2%	78
11,824	7	13,440	7	8,623	14	3.1%	70
10,437	8	8,622	9	5,585	22	1.7%	76
9,637	9	7,710	11	11,864	10	4.8%	61
7,930	10	6,981	12	19,932	5	6.8%	50
7,893	11	6,230	15	7,472	17	0.0%	T89
6,762	12	8,496	10	4,941	26	10.3%	37
6,350	13	16,122	6	9,864	11	0.0%	T89
5,868	14	5,829	16	534	75	5.3%	59
5,613	15	3,768	24	3,418	39	1.1%	79
5,351	16	6,376	14	4,994	25	0.6%	85
5,305	17	5,452	19	8,635	13	0.0%	T89
5,293	18	5,456	18	4,089	33	2.6%	73
4,733	19	0	T88	135	T95	0.4%	86
4,181	20	4,773	20	18,399	6	3.1%	71
3,667	21	5,478	17	11,944	9	5.7%	58
3,478	22	3,801	23	303	85	4.3%	67
3,155	23	3,729	25	345	84	6.8%	49
3,126	24	3,470	27	272	T87	0.7%	83
3,049	25	240	70	3,557	37	6.9%	48
2,897	26	3,443	28	4,548	30	12.7%	31
2,819	27	2,068	34	4,636	28	6.2%	54
2,743	28	2,901	29	2,211	51	4.0%	68
2,524	29	3,562	26	6,381	19	10.2%	38
2,523	30	4,015	21	4,722	27	1.0%	81
2,344	31	3,807	22	8,746	12	0.0%	T89
2,097	32	2,115	32	4,174	32	6.1%	55
1,888	33	1,820	38	3,624	36	6.6%	51
1,845	34	192	72	7,690	16	9.8%	39
1,811	35	2,026	35	452	80	0.1%	87
1,789	36	2,803	30	5,617	21	2.1%	74
1,733	37	6,775	13	31,877	2	18.8%	13
1,684	38	2,280	31	1,747	55	5.7%	57
1,666	39	2,100	33	2,813	43	1.1%	80
1,281	40	713	49	3,380	40	0.0%	T89
1,255	41	0	T88	4,218	31	10.6%	35

Sales		Production		Ending Inventory		Samples as a Percentage of Sales	
Gallons	Rank	Gallons	Rank	Gallons	Rank	Percentage	Rank
1,249	42	946	45	417	81	1.4%	77
1,187	43	1,323	41	719	71	13.8%	27
1,057	44	0	T88	1,515	56	4.6%	63
1,033	45	1,075	42	2,819	42	7.5%	45
979	46	1,910	36	2,678	44	10.5%	36
905	47	1,062	43	94	100	18.8%	12
903	48	946	T45	523	T77	2.1%	75
860	49	6	87	5,567	23	14.6%	23
854	50	427	59	3,683	35	6.3%	53
824	51	1,479	39	18,205	7	7.8%	44
811	52	387	64	3,533	38	13.8%	26
794	53	1,822	37	2,601	45	9.8%	40
760	54	0	T88	6,030	20	13.8%	28
749	55	1,044	44	754	70	14.2%	24
739	56	823	47	1,783	54	7.3%	46
737	57	623	53	236	89	9.2%	42
632	58	791	48	531	76	28.5%	4
608	59	699	50	290	86	4.3%	66
575	60	98	80	1,239	60	0.0%	T89
570	61	0	T88	101	98	0.0%	T89
549	62	695	51	5,221	24	9.3%	41
455	63	685	52	882	67	3.4%	69
397	64	426	T60	174	93	16.8%	18
366	65	149	75	1,246	59	4.4%	65
357	66	146	T76	58	104	4.5%	64
341	67	542	57	995	63	7.0%	47
314	68	585	56	2,199	52	12.1%	32
310	69	281	69	927	66	11.3%	34
308	70	0	T88	1,436	58	19.8%	11
289	71	400	63	682	73	8.7%	43
282	72	0	T88	0	T107	0.0%	T89
260	73	0	T88	2,990	41	32.7%	3
242	74	300	67	935	65	13.4%	29
241	75	300	T67	453	79	15.4%	20
237	76	603	54	523	77	11.9%	33
234	77	426	60	147	95	16.9%	17
202	T78	1,446	40	2,230	49	24.4%	8
202	T78	0	T88	0	T107	0.6%	84
192	80	0	T88	2,356	48	0.0%	T89
182	T81	490	58	1,014	62	18.6%	14
182	T81	341	66	865	68	23.5%	10

Sales		Production		Ending Inventory		Samples as a Percentage of Sales	
Gallons	Rank	Gallons	Rank	Gallons	Rank	Gallons	Rank
178	83	230	71	4,620	29	27.2%	5
168	84	356	65	79	101	34.0%	2
164	85	166	74	1,135	61	4.9%	60
140	86	403	62	858	69	17.1%	16
126	87	146	T76	32	105	2.8%	72
124	88	90	81	198	T90	18.4%	15
116	89	85	82	713	72	14.7%	21
115	90	0	T88	980	64	24.1%	9
92	91	0	T88	352	T82	14.1%	25
74	92	590	55	1,830	53	13.0%	30
72	93	135	79	99	99	16.7%	19
70	94	167	73	198	90	14.6%	22
53	95	0	T88	195	92	27.0%	6
42	T96	17	85	157	94	24.6%	7
42	T96	0	T88	0	T107	0.0%	T89
40	98	0	T88	2,217	50	0.0%	T89
23	99	143	78	352	82	0.0%	T89
20	100	70	84	60	103	0.0%	T89
10	101	75	83	66	102	0.0%	T89
6	102	0	T88	0	T107	83.3%	1
0	T103	0	T88	3,886	34	n/a	n/a
0	T103	0	T88	2,451	46	n/a	n/a
0	T103	0	T88	2,442	47	n/a	n/a
0	T103	0	T88	1,441	57	n/a	n/a
0	T103	0	T88	565	74	n/a	n/a
0	T103	0	T88	272	87	n/a	n/a
0	T103	0	T88	116	97	n/a	n/a
0	T103	10	86	20	106	n/a	n/a
0	T103	0	T88	0	T107	n/a	n/a
0	T103	0	T88	0	T107	n/a	n/a
0	T103	0	T88	0	T107	n/a	n/a
0	T103	0	T88	0	T107	n/a	n/a
0	T103	0	T88	0	T107	n/a	n/a
0	T103	0	T88	0	T107	n/a	n/a
0	T103	0	T88	0	T107	n/a	n/a
0	T103	0	T88	0	T107	n/a	n/a
301,508	Total	329,283	Total	480,546	Total	n/a	n/a
2,577	Average	2,814	Average	4,107	Average	4.0%	Average
12,143		13,401		13,598	Average Gallons Group 4		
2,326		2,424		5,084	Average Gallons Group 3		
435		476		1,818	Average Gallons Group 2		
20		45		619	Average Gallons Group 1		

The Iowa State University Extension and Outreach **Farm, Food and Enterprise Development Program** (formerly the Local Foods and Value-Added Agriculture Programs) supports value-added agriculture enterprises, businesses and regional food systems through research, education and community engagement.

Robust farms, food systems, and small businesses are at the heart of the Iowa State University strategic plan: “Improve the quality of life for all Iowans through services and programs dedicated to economic development and the promotion of healthy communities, people and environments.”

The FFED team provides resources and technical assistance to extension staff and communities statewide on topics including:

- small farm profitability
- agritourism
- community food systems planning and development
- farm to school and farm to early childhood education
- business feasibility and financing
- market analysis