

RE-ESTABLISHMENT OF THE GRAPE GROWING AND WINEMAKING INDUSTRY IN IOWA

The Iowa project to assess the re-establishment of the grape growing and wine making industry was completed on schedule and produced the anticipated results. The four primary goals and their completion are outlined below.

Goal 1) Collect current information on grape growers, wineries and grape processors in Iowa and adjacent areas.

Eli Bermeier of the Golden Hills Resource Conservation and Development (RC&D) in Oakland, Iowa undertook the majority of the work involved in implementing the grant proposal. A Memorandum of Understanding with the RC&D was drafted and signed. Eli drafted preliminary survey instruments for both vineyards and wineries. Principal participants, along with several interested industry stakeholders, met on two separate occasions to review and revise the surveys prior to mailing in early December. Surveys were sent out to 1004 people who had been identified as being involved in or expressed an interest in grape growing or wine making activities. Reminders were sent out at the beginning of January 2003 and a final plea for survey responses was made at the Iowa Grape Growers Annual Meeting on February 1st. Responses identified 78 commercial vineyards that had 146 acres of planted grapes and were planning an expansion of 117 acres over the next five years. Responses also identified 13 operating wineries producing 76,465 gallons of wine and 21 potential wineries that are planning on opening within the next five years. Total wine production is projected at 223,750 gallons by 2003.

Goal 2) Project grape production and market demand for next five years.

Data collected from the survey was used to calculate projections (by grape variety) over the next five years for the number of acres actually producing grapes each year, the supply of grapes available, and the demand by the wineries (attached). Individual grape supply and demand projections were compared side by side to identify shortages and surpluses (attached). Anticipated wine consumption was calculated by straight line extrapolation of wine consumption in Iowa from 1992 through 2002. Expected total production was compared to anticipated wine consumption (attached). Native wines, on average, have been able to capture at least 5% of the wine consumption within a state (excluding California). If total grape production is used for wine production, our calculations show that Iowa may reach that 5% average in about four years. The biggest variable will be the actual number of acres that produce wine quality grapes as compared to the number of acres that were planted and the amount of grapes that are actually sold to commercial wineries.

Goal 3) Assess current and projected production against market demand. Compare projections against market share. Identify problem areas.

The balance between the projected supply of each grape variety versus the projected winery demand was calculated for each variety over the next five years. The difference between the supply and demand was also calculated. About 30% of the grapes planted are listed as “various others” that tells me almost one third of the plantings are not typical grapes that are used for commercial winemaking and will probably be used by hobbyists. This is actually a good thing, as there is concern that too many grapes may be coming into fruition before the wineries have enough capacity to process the grapes. Highlights of supply /demand balance by cultivar show that Niagara and Concord grapes may be overproduced in the short term but that will diminish as new wineries come online. The most obvious concerns during the next five years are the annual overproduction of Marechal Foch and the under production of Catawba.

Goal 4) Disseminate the information and assessments to industry stakeholders as a tool to make sound business decisions.

The survey results have been have already been presented to the Iowa Grape and Wine Development Commission, the Board of Directors of the Iowa Grape Growers Association, and interested individuals at a statewide Food, Farms, and the Future conference. Specific detailed information from the survey will be presented and made available at the Iowa Fruit and Vegetable Growers Association Conference (January 30th, 2004) and the Iowa Grape Growers Association Conference (January 31st, 2004). Dan Otto, Iowa State University Extension Economist, is currently working to take the raw data and develop an economic impact report for the growth of the grape and wine industry during the next five years. All information (except individual vineyard and winery data) will be made available upon request and will be posted to the Iowa Grape Growers Association website (www.iowagrapegrowers.com), the Iowa State University viticulture website (<http://viticulture.hort.iastate.edu/>), and the Iowa Department of Agriculture and Land Stewardship website (www.agriculture.state.ia.us).

General comments:

The information gathered sets an initial benchmark for the efforts to re-establish the grape growing and wine making industry in Iowa. We now have some idea of the expected growth of the industry and where supply/demand problems are likely to occur. Future surveys will be necessary to determine the actual differences between the projected growth in grape production, wine making, and consumption and what really occurs.