

**Creating Advocates for Illinois Viticulture:
Marketing Our Varietals to the Consumer
FY 2011**

This project had three goals:

1. *To conduct a comprehensive census to measure the size and scope of the Illinois grape and wine industry, quantify and describe the economic activity associated with this sector, and document changes that occurred since 2007 when a similar study conducted.*

Results showed that the Illinois wine industry continues to grow as the number of wineries and cases produced both grew since 2007. The number of wineries grew from 91 in 2007 to 105 in 2012, an increase of 15%, while the cases produced increased from 150,000 to roughly 274,000, an increase of 83%. The majority of the industry's growth has come from the addition of small wineries – wineries producing less than 5,000 cases per year. Illinois' wine, grape and related industries contributed a total economic value to the state of \$692 million in 2012, an increase of 117% from the \$319 million economic impact documented in 2007.

2. *To survey Illinois vineyard and winery operators to determine the level of interest in creating an Illinois Wine Quality/Standards program for product improvement and marketing, and to examine similar programs in surrounding states. Survey respondents indicated interest in developing a statewide program, and parameters of the program were proposed.*

3. *To host six "Pairing Illinois Varietals with Food Training Sessions" for chefs, restaurateurs, and retailers in urban environments to provide information and practical exercises to introduce them to Illinois wines and demonstrate how the wines could be used to complement restaurant offerings.*

FINAL REPORT

QUALITY ASSURANCE PROGRAM

PAIRING ILLINOIS VARIETALS WITH FOOD TRAINING SESSIONS

NASS REPORT – ILLINOIS GRAPE AND WINE INDUSTRY

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Creating Advocates for Illinois Viticulture: Marketing Illinois Varietals to the Consumer

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Project #1 Conducting a comprehensive Illinois Grape Census and Economic Impact Study

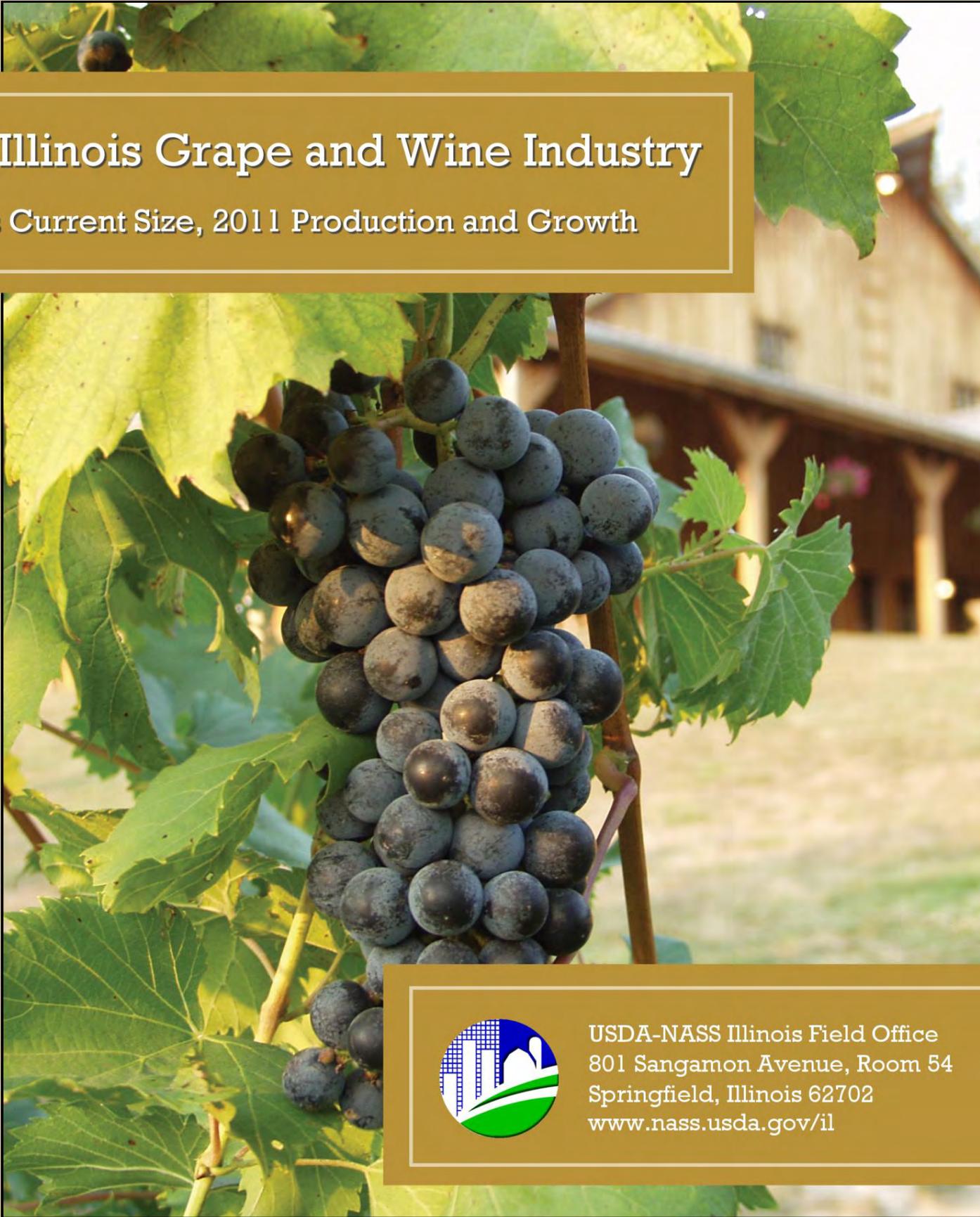
1. Goal was to get an accurate picture of the current state of the industry. This was accomplished by conducting a comprehensive Illinois Grape Census and also an Economic Impact Study. The studies were done by the USDA National Agricultural Statistics Service and MKF Rimmerman.

Qualifications:

The USDA's National Agricultural Statistics Service (NASS) conducts hundreds of surveys every year and prepares reports covering virtually every aspect of U.S. agriculture. Production and supplies of food and fiber, prices paid and received by farmers, farm labor and wages, farm finances, chemical use, and changes in the demographics of U.S. producers are only a few examples. *Source: www.nass.usda.gov*

MKF Research LLC (now Frank, Rimmerman and Co.) is the leading research source on the US wine industry. MKF Research LLC conducts original research on the business of wine and wine market trends, publishes a number of industry studies and provides business advisory services and custom business research for individual companies and investors. MKF Research LLC has completed the first study of the Impact of Wine, Grapes and Grape Products on the American Economy, for Wine America, the Wine Institute, Winegrape Growers of America and the National Grape and Wine Initiative, as well as wine and grape impact studies for Michigan, Missouri, New York, North Carolina, Pennsylvania, Tennessee, Texas, Virginia and Washington. *Source: MKF Research LLC*

Following are the reports.



The Illinois Grape and Wine Industry

Its Current Size, 2011 Production and Growth



USDA-NASS Illinois Field Office
801 Sangamon Avenue, Room 54
Springfield, Illinois 62702
www.nass.usda.gov/il

THE ILLINOIS GRAPE AND WINE INDUSTRY

Its Current Size, 2011 Production, and Growth

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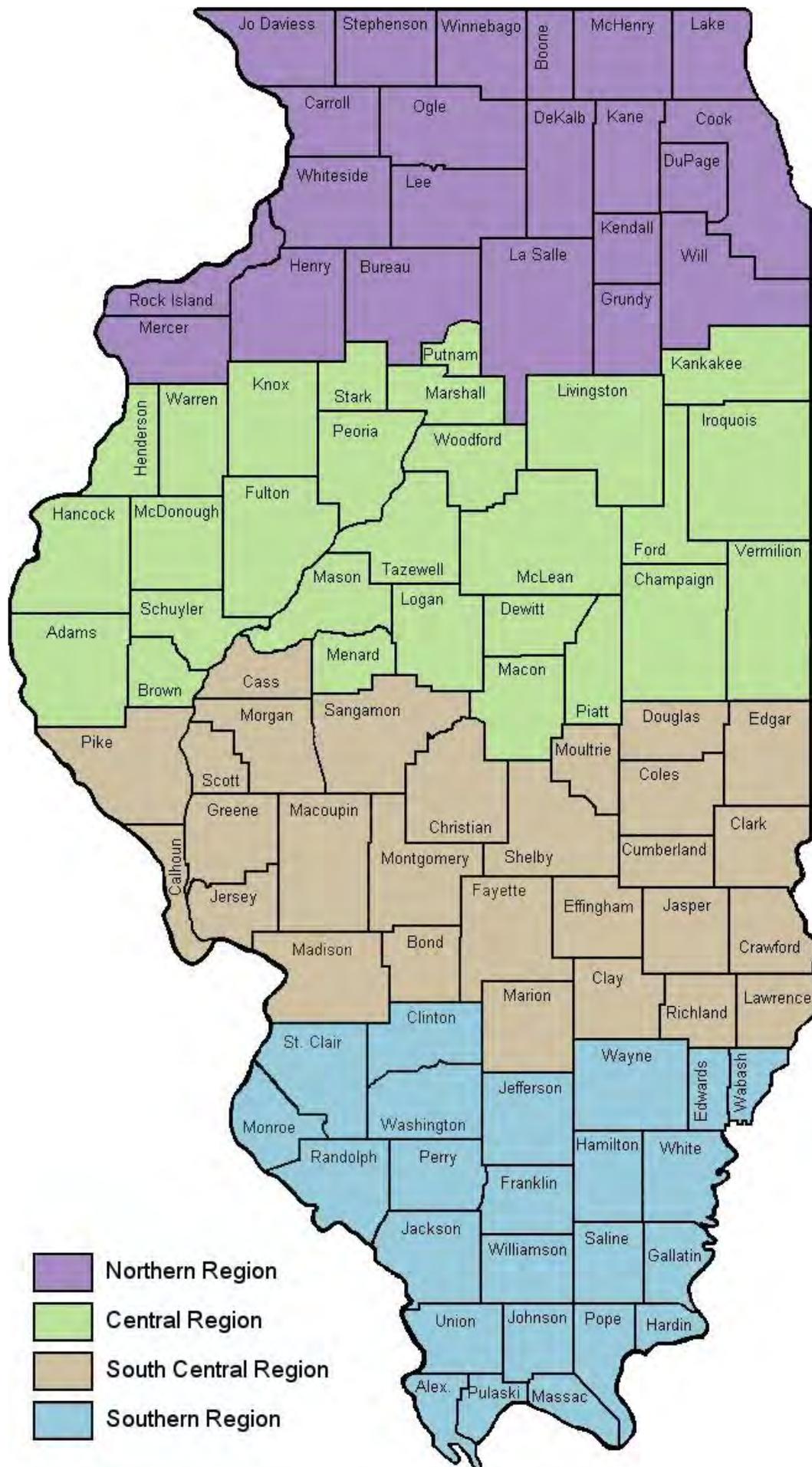
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United States Department of Agriculture
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Illinois Department of Agriculture



- Northern Region
- Central Region
- South Central Region
- Southern Region

Introduction and Purpose

In January of 2012, the Illinois Field office of USDA's National Agricultural Statistics Service (NASS), working in cooperation with the Illinois Grape Growers and Vintners Association (IGGVA), began a statewide census of all known vineyards and wineries. The main goals of this project were to measure the commercial acreage of grapes and gallons of wine produced in Illinois during 2011.

The Illinois Field Office of NASS gathers and disseminates statistics on agriculture throughout the year. Most of the statistics focus on the larger commodities in Illinois such as corn, soybeans, beef, and swine. Only a few reports are dedicated to fruits and vegetables. However, there is a growing interest in measuring production of specialty crops in Illinois and across the U.S. In light of the need for statistics on specialty crops, the IGGVA partnered with the Illinois Department of Agriculture (IDOA) and applied for a grant to measure the size and scope of the Illinois grape and wine industry. The grant was approved and funds were allocated to the Illinois Field Office of NASS to conduct a survey to measure grape and wine production in 2011. A similar project was conducted in 2007 by the University of Illinois at Urbana-Champaign and measured grape and wine production in 2006. The results of that report can be found at

<http://www.illinoiswine.com/pdf/industry-report07.pdf>

Acknowledgements

The staff of the Illinois Field Office would like to thank all the producers that responded to the 2011 Vineyard and Winery Inquiry. We would also like to thank Bruce Morgenstern, President of the IGGVA; Joe Taylor, Vice President of the IGGVA; and Megan Pressnall, Director of External Relations with the IGGVA. Finally, we would like to thank Warren Goetsch, Chief of the Bureau of Environmental Programs at the IDOA, for his assistance with the herbicide drift sections of the questionnaire and publication.

Sampling

The Illinois Field Office of USDA – NASS maintains a database of producers' contact information and reported commodities. This database enables NASS to target growers of some commodities based on their historical production reports. In the Fall of 2011, NASS began to supplement that database with a list of vineyards and wineries maintained by the IGGVA. The lists were combined, duplication was removed, and questionnaires were mailed to all known vineyards and wineries.

Data Collection

The first mailing occurred in January 2012. In early February, representatives from the Illinois Field office of USDA – NASS attended the IGGVA annual conference in Springfield to promote the survey and a second mailing was sent out to non-respondents shortly after the conference. After the second mailing, non-respondents were contacted by telephone and by personal visits in February and March. Some operations were excluded from the telephone and personal enumeration phases in order to keep data collection costs low. Details on data collection and response rates can be found in the Appendix. All reports were examined by statisticians and manually edited for reasonableness. In addition, computer programs were used to identify unusual data and make adjustments where appropriate.

Summarization and Publication of Data

Data were tabulated and totals were adjusted to account for non-response by operation type. The operation types, or strata, were defined as follows: Strata 1 – Large Operations (Greater than 15 acres of grapes or greater than 50,000 gallons of wine production), Strata 2 – Vineyards without wineries, Strata 3 – Wineries and Vineyard/Winery combinations. In order to ensure confidentiality of the reporters and reliability of the estimates, some statistics have been suppressed. These suppressions are denoted by the letter 'D' in the tables. A few exceptions were made in cases where the major contributing reporter provided written consent to publish the estimate.

Industry Highlights

In 2011, there were an estimated 175 commercial vineyards across the state of Illinois growing 1,066 acres of grapes. A commercial vineyard for the purposes of the 2011 report was defined as having at least one acre of grapes. The 2006 estimates also included vineyards with less than 1 acre of grapes – hobbyists. In addition to the 175 commercial vineyards, there were 136 hobby vineyards identified growing 41 acres of grapes. This brings total grape acreage to 1,107 acres produced by 312 growers. Compared to 2006, this suggests a 33 percent increase in the number of vineyards and hobbyists over the previous five years and a 2 percent increase in the grape acreage.

The majority of vineyards are located in the Southern and South Central regions of the state. Combined, these two regions make up 66 percent of the state’s vineyards. Grape acres, unlike the number of vineyards, are more evenly distributed across the state. Forty-two percent of Illinois vineyards were established between 1996 and 2000 and 23 percent were established in 2006 or later.

Total wine production in 2011 was estimated at 651,800 gallons, which was produced by 105 commercial wineries. For the purposes of this report, a commercial winery was defined as producing wine for sale to the general public. Compared to 2006, the number of commercial wineries has increased by 36 percent while total wine production has increased by 16 percent. Of the wineries surveyed, only 6 percent were established prior to 1996 and 46 percent were established after 2005.

Number of Vineyards and Wineries by Region, 2006 & 2011

Region	Vineyards		Wineries	
	2006	2011 ^a	2006	2011
Northern	57	29	20	21
Central	37	30	11	18
South Central	50	49	17	29
Southern	91	67	29	37
STATE	235	175	77	105

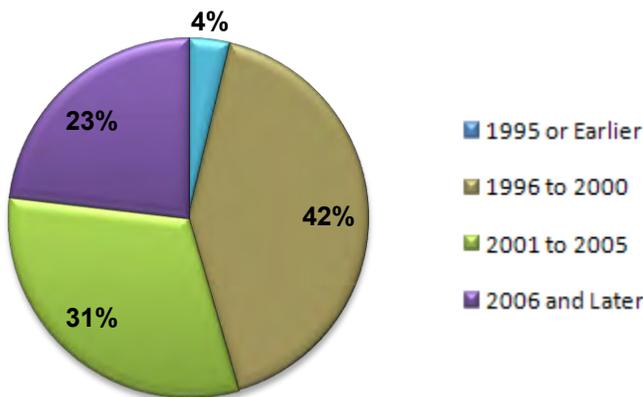
^a Numbers are based on commercial vineyards only and therefore cannot be directly compared to 2006 estimates.

Total Acres of Grapes and Gallons of Wine Produced by Region, 2006 & 2011

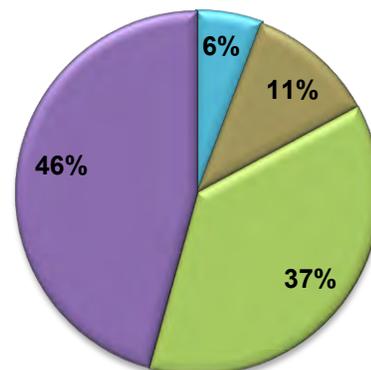
Region	Grape Acres		Wine Production	
	2006	2011 ^a	2006	2011
Northern	270	236	283,482	282,700
Central	169	245	39,326	79,400
South Central	296	290	93,162	137,000
Southern	348	295	148,300	152,700
STATE	1,083	1,066	564,270	651,800

^a Numbers are based on commercial vineyards only and therefore cannot be directly compared to 2006 estimates.

Distribution of Vineyards by Establishment Year



Distribution of Wineries by Establishment Year



Vineyards

Number of Vineyard Workers by Employment Type and Season

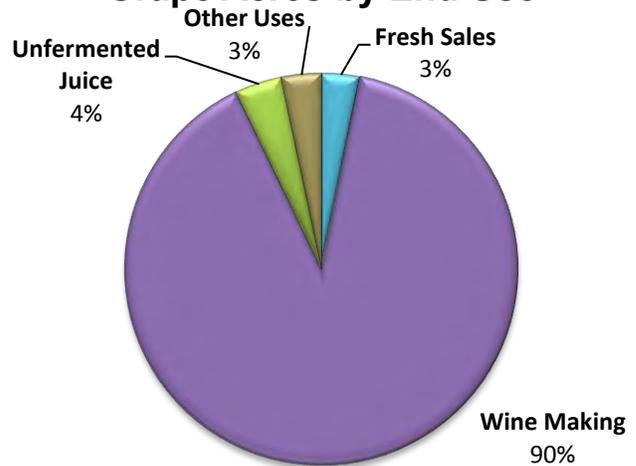
Region	Full Time	Part Time	Seasonal			Volunteer		
			Pruning	Summer	Harvest	Pruning	Summer	Harvest
Northern	30	15	38	51	107	47	15	399
Central	29	44	42	62	151	76	52	286
South Central	28	39	29	44	142	37	30	200
Southern	41	67	33	74	306	34	32	150
STATE	128	165	142	231	706	194	129	1,035

The 175 commercial vineyards employ an estimated 128 full-time employees and 165 part-time employees. In addition to the regular full-time and part-time employees, more than 700 seasonal employees and 1,000 volunteers also worked to maintain Illinois' vineyards. The majority of seasonal and volunteer employees worked during the harvest season.

Of the 1,066 acres of commercial grapes grown in the state of Illinois, 90 percent are grown for the purpose of wine making, 4 percent for unfermented juice, 3 percent for fresh market sales, and 3 percent for other uses. Other uses include processing grapes into jams and other processed grape products as well as waste and abandonment. These breakdowns are comparable to the results of the 2006 study.

A total of 82 vineyard owners, or 47 percent, indicated having a cold storage facility for their grapes on-site. Sixty-seven of these facilities were permanent structures and the remaining 15 were considered temporary structures, such as refrigerated trailers.

Grape Acres by End Use



Number of Vineyards with Cold Storage Facilities Onsite

Region	Frequency Cited	
	Number	(%)
Northern	10	6%
Central	20	11%
South Central	22	13%
Southern	30	17%
STATE	82	47%

As with any agricultural commodity, there are many different pest problems and management challenges that producers must face. The table to the right shows the frequency of the most cited pest management problems faced by Illinois vineyards. The most commonly cited problem in 2011 was the Japanese beetle with 24 percent of the vineyards reporting having issues with this pest. The second most commonly cited pest was birds with 19 percent, followed by black rot and deer, each with 11 percent. In the 2006 study, the four most commonly cited pest management problems in order were birds, Japanese beetles, deer, and black rot.

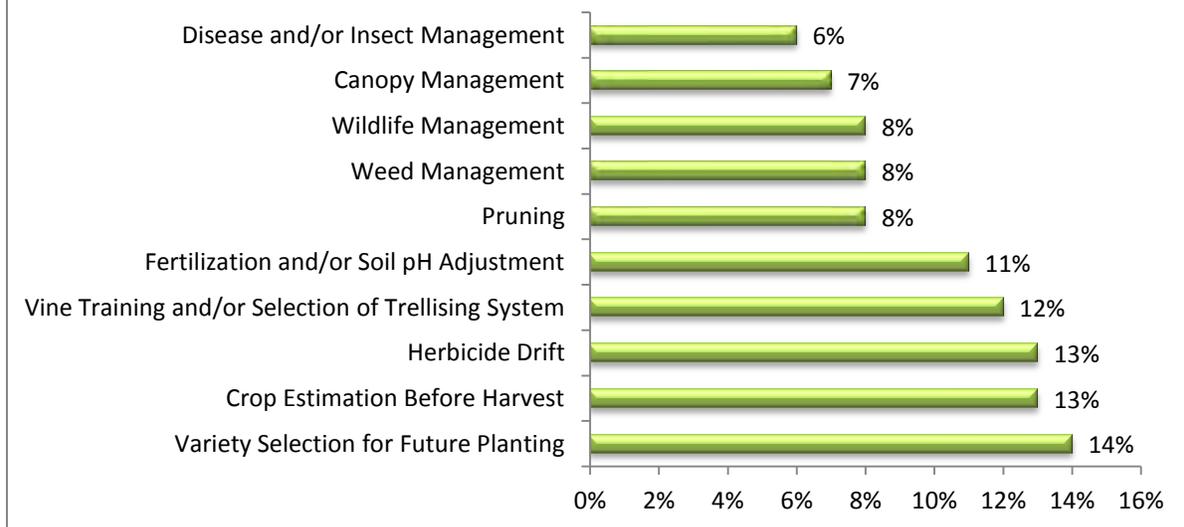
In addition to citing common pest problems, vineyard operators were asked to rank ten different management tasks from most challenging to least challenging. The results for that question can be seen in the graph below. The most challenging management task cited by Illinois vineyard operators was selection of grape variety or varieties for future plantings. This was followed closely by crop estimation before harvest and herbicide drift.

Herbicide drift is the movement of herbicide from the target area to areas where herbicide application was not intended. Grapes, like many other specialty commodities, are particularly sensitive to this issue because certain herbicide products, which are commonly used for row crop farming, can injure the grape vine, contaminate the fruit, significantly reduce yields, or even kill the vine completely.

Most Cited Pest Management Problems

Pest	Frequency Cited (%)
Japanese Beetle	24%
Birds	19%
Black Rot	11%
Deer	11%
Racoons	6%
Powdery Mildew	5%
Downey Mildew	5%
Phylloxera	4%
Annual Grasses	3%
Broadleaves	3%
Crown Gail	2%
Phomopsis	2%
Asian L. Beetle	1%
Woody Plants	1%
Canada Thistle	1%
Turkeys	1%
TOTAL	100%

Ranking of Most Challenging Vineyard Management Tasks



Herbicide Drift

The following table shows the percent of vineyards reporting damage and the associated acres damaged from suspected herbicide drift originating from outside their vineyard from 2007 to 2011. Statewide, damage from herbicide drift has steadily declined over the five year period from 2007 to 2011. Of the vineyards surveyed, 24 percent reported having damage in 2007 on a combined 92 acres compared to 18 percent reporting damage on a combined 62 acres of grapes in 2011.

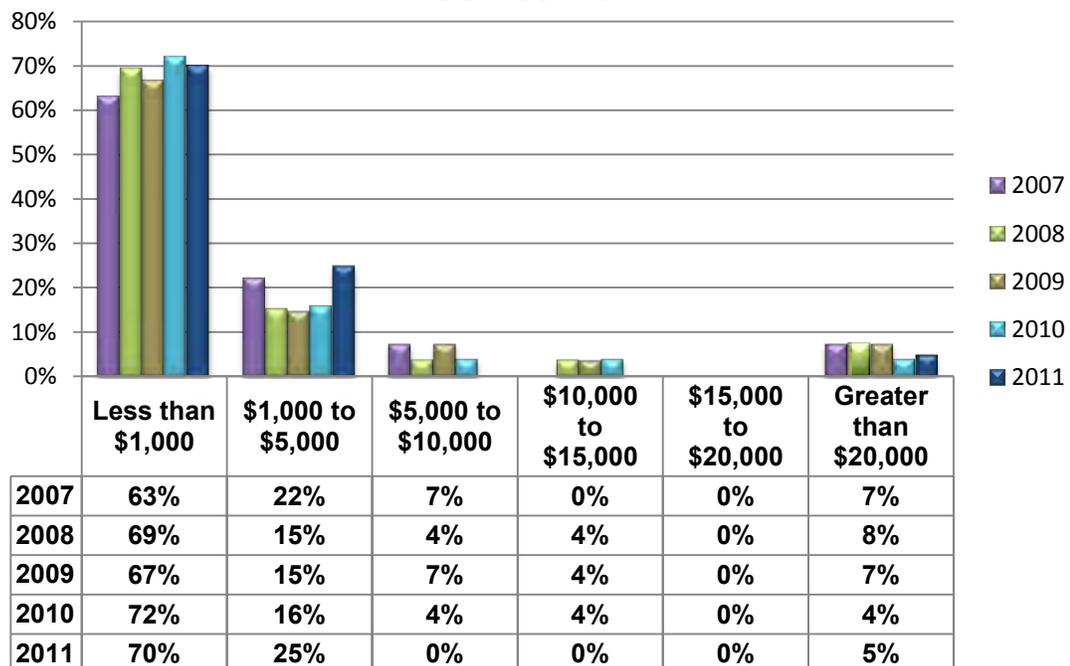
Percent of Vineyards Reporting Damage and Acres Affected by Herbicide Drift From 2007 to 2011^b

Region	2007		2008		2009		2010		2011	
	% of Vineyards Reporting	Acres Damaged								
Northern	5%	26	5%	25	5%	16	5%	10	2%	5
Central	7%	28	6%	29	6%	27	7%	23	6%	23
South Central	7%	31	9%	34	9%	35	7%	29	7%	24
Southern	5%	7	4%	6	4%	10	5%	10	3%	10
STATE	24%	92	24%	94	24%	88	24%	72	18%	62

^b Statistics were based on reporter's recollection of damage prior to 2011 and percents were calculated using the 2011 vineyard count.

The chart below shows the damage from suspected herbicide drift from a monetary standpoint. In each year, more than 60 percent of the vineyards, which reported having damage due to herbicide drift, estimated that damage to be less than \$1,000. On the other side of the scale, less than 10 percent of the vineyards, which reported having damage due to herbicide drift, estimated that damage to be more than \$20,000.

Estimated Damage Due to Herbicided Drift from 2007 to 2011



Percents may not add to 100% due to rounding

Grape Varietals

Statewide in 2011, there were 921 acres of bearing grapes and 145 acres of non-bearing grapes for a total of 1,066 acres. The average age for all grapes combined was 7.2 years. There are over 100 different varieties of grapes grown in the state of Illinois. Below is a summary of acres planted, harvested, bearing, and non-bearing as well as average vine age for a few of the most commonly grown varieties.

The most common grape varietal in Illinois is Chambourcin with 129 planted acres, which accounts for 12 percent of the state's grape acreage. Norton is the second most popular variety with 87 acres or 8 percent of total grape acreage. Concord and Chambourcin grapes are among the oldest in Illinois with an average vine age of 10 years. The youngest varieties are Frontenac Gris and La Crescent with an average age of 4 years.

Grape Acres Planted, Harvested, Bearing, and Non-Bearing and Average Age by Varietal

Varietal	Commercial Planted Acres	% of Total Planted Acres	Harvested Acres	Bearing Acres	Non-Bearing Acres	Average Vine Age (years)
Chambourcin	129	12%	102	118	11	10
Norton	87	8%	73	73	14	8
Frontenac	79	7%	67	68	11	7
Foch	75	7%	61	69	6	8
Chardonel	74	7%	63	66	8	9
Vignoles	74	7%	52	65	9	8
Traminette	60	6%	52	55	5	8
Concord	34	3%	31	D	D	10
Seyval	33	3%	30	31	2	9
Vidal Blanc	28	3%	24	25	3	7
Villard Blanc	27	3%	26	D	D	8
Niagra	25	2%	23	D	D	7
Corot Noir	24	2%	16	20	4	5
La Crescent	24	2%	17	17	7	4
Cayuga	23	2%	18	20	3	7
St Pepin	21	2%	14	17	4	7
La Crosse	20	2%	13	14	6	7
Marquette	16	2%	4	7	9	5
Noriet	16	2%	9	13	3	6
St Croix	16	2%	14	15	1	8
Cabernet Franc	14	1%	12	12	2	7
Leon Millot	13	1%	10	D	D	8
Frontenac Gris	13	1%	9	D	D	4
NY 76	12	1%	11	D	D	6
Chancellor	10	1%	9	10	--	8
Prairie Star	8	1%	6	6	2	6
All Other Varieties	111	10%	70	88	23	6
TOTAL	1,066	100%	836	921	145	7.2

D. Statistics were suppressed due to lack of reports or to ensure confidentiality of reporters.

The table below is a continuation from the previous page and lists the average sugar content (BRIX), tons marketed, tons sold out of state, price received, and future planned acres for the most commonly grown grape varieties in Illinois. There were a total of 1,086 tons of grapes marketed in 2011 and 67 tons of that were sold out of state. Prices received by producers for grapes sold varied from \$800 to \$1,600 per ton depending on the variety.

Norton was reported as being one of the sweetest grapes harvested in 2011 with an average sugar content of 28 percent. Chambourcin had the most tons marketed in 2011 with 185 tons, or 17 percent of the total. The average price received by producers for Chambourcin sales was \$993. Over the next five years, current Illinois producers are anticipating planting an additional 71 acres of various varieties.

Grape BRIX, Tons Marketed, Tons Sold Out of State, Price per Ton, and Future Plantings by Varietal

Varietal	Average Sugar % (BRIX)	Tons Marketed	Tons Sold Out of State	Average \$ /Ton Received	Future Planned Acres
Chambourcin	22	185	20	993	11
Norton	28	80	D	D	D
Frontenac	22	99	24	937	D
Foch	22	85	10	1,050	D
Chardonel	22	35	--	--	D
Vignoles	24	79	--	--	10
Traminette	21	104	--	--	8
Concord	17	40	--	--	D
Seyval	21	74	--	--	D
Vidal Blanc	22	76	--	--	D
Villard Blanc	D	D	--	--	D
Niagra	17	24	--	--	D
Corot Noir	21	16	--	--	D
La Crescent	21	16	--	--	D
Cayuga	20	13	--	--	--
St Pepin	21	12	--	--	D
La Crosse	20	16	--	--	--
Marquette	25	D	D	D	3
Noriet	21	D	--	--	D
St Croix	20	15	--	--	--
Cabernet Franc	23	24	--	--	D
Leon Millot	22	17	--	--	--
Frontenac Gris	22	D	--	--	--
NY 76	20	4	--	--	--
Chancellor	20	12	--	--	D
Prairie Star	D	D	--	--	--
All Other Varieties	21	46	D	D	14
TOTAL	21.5 %	1,086	67	\$ 1,036	71

D Statistics were suppressed due to lack of reports or to ensure confidentiality of reporters.

Wineries

In 2011, there were an estimated 105 wineries producing 651,800 gallons of wine in the state of Illinois. These wineries employed an estimated 211 full-time employees, 290 part-time employees, 237 seasonal employees, and 318 volunteers. Current capacity to make and store wine stands at 1,002,400 gallons of tankage and 158,800 gallons of oak barrels for a total capacity of 1,161,200 gallons. The Northern Region of the state accounts for just under half of the overall capacity in Illinois.

The majority of Illinois' wine production takes place in the Northern Region of the state where there are 21 wineries producing 282,700 gallons of wine, 43 percent of the state's total. Of the 651,800 gallons of wine produced in 2011, 49 percent was red wine, 34 percent was white wine, and 17 percent was non-grape wine.

Number of Winery Workers by Employment Type

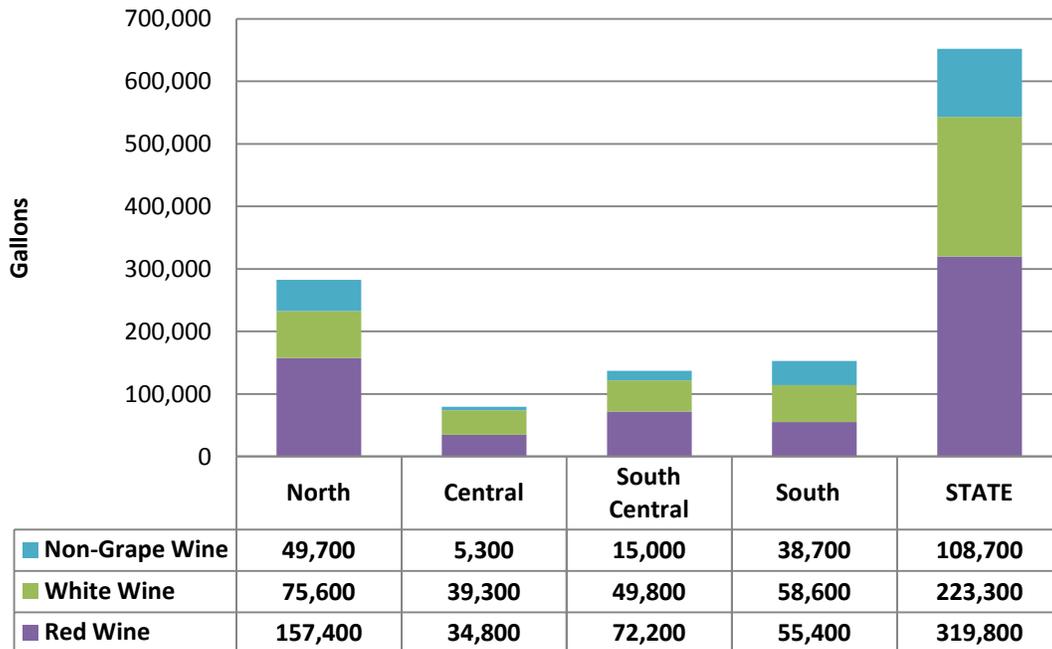
Region	Full Time	Part Time	Seasonal	Volunteer
Northern	62	14	104	40
Central	43	81	41	144
South Central	42	64	41	55
Southern	64	131	51	79
STATE	211	290	237	318

Total Tankage Capacity, Oak Barrel Capacity, and Wine Production for 2011

Region	Tankage (Gallons)	Oak Barrels (Gallons)	Production (Gallons)
Northern	426,300	104,700	282,700
Central	120,100	D	79,400
South Central	206,300	D	137,000
Southern	249,700	12,000	152,700
STATE	1,002,400	158,800	651,800

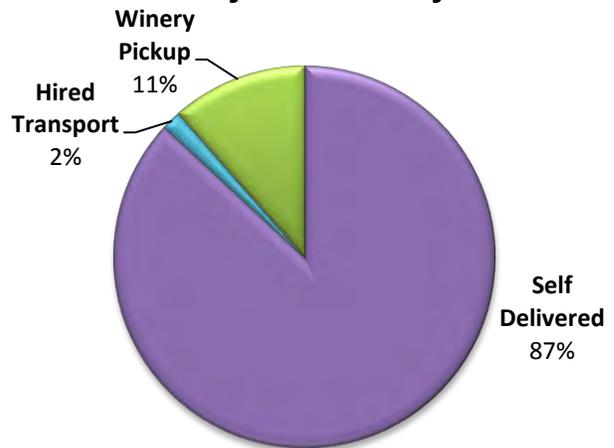
D Statistics were suppressed due to lack of reports or to ensure confidentiality of reporters.

Gallons of Wine Production by Type



Eighty-seven percent of Illinois grapes, which are used for wine production, are self-delivered to the wineries by the vineyard, 11 percent are picked up by the wineries, and 2 percent are shipped by hired transport services. Over the past five years there has been very little change in transportation methods. According to the 2006 study, 81 percent were self-delivered, 16 percent were picked up by the wineries, and 3 percent were shipped by hired transport.

Method of Transport for Grapes from Vineyard to Winery



In 2011, Illinois wineries sold an estimated 227,500 cases of wine. Seventy-nine percent, or 179,000 cases, were sold on-site through winery stores and tasting rooms. Eleven percent were sold through distributors, 7 percent were self-delivered to retailers, and the remaining 3 percent were sold at through various off-site venues such as farmer's markets and festivals.

Cases of Wine Sold by Venue for 2011

Region	Tasting Room	Distributor	Self-Delivered to Retailer	Offsite (festivals, farmer's markets, etc.)
Northern	104,600	16,100	3,200	900
Central	20,300	D	5,000	2,100
South Central	24,800	D	2,200	2,100
Southern	29,300	7,200	4,700	1,900
STATE	179,000	26,400	15,100	7,000
% of Total	79%	11%	7%	3%

D Statistics were suppressed due to lack of reports or to ensure confidentiality of reporters.

Of the 651,800 gallons of wine produced in 2011, 172,700 gallons, or 26 percent, were produced from whole grapes that were grown by Illinois wineries. An additional 118,900 gallons of wine were produced from grapes produced at other Illinois vineyards. Just over a quarter of the wine produced by Illinois wineries in 2011 was produced using juice or other concentrates imported from other states.

Gallons of Wine Produced by Fruit Source for 2011

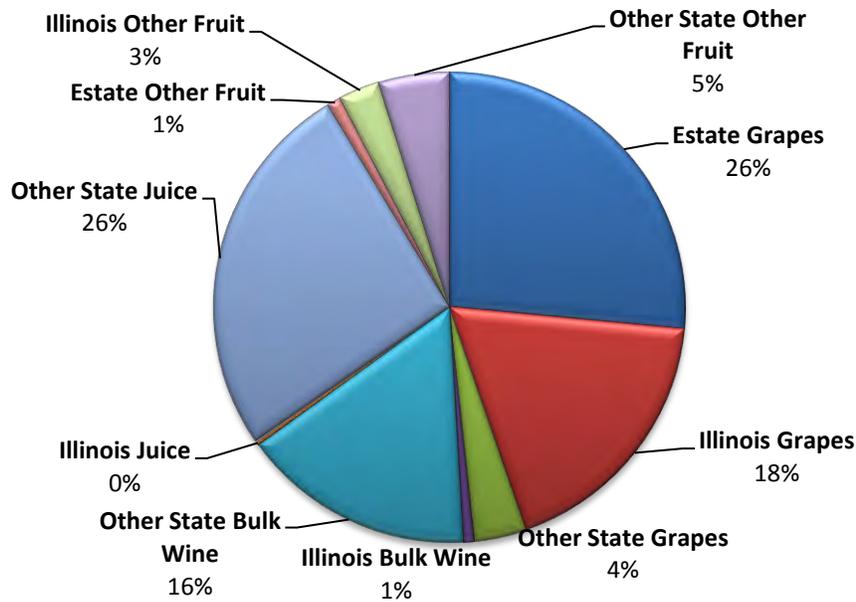
Region	Estate Grapes	Illinois Grapes	Other State Grapes	Illinois Bulk Wine	Other State Bulk Wine	Illinois Juice	Other State Juice	Estate Other Fruit	Illinois Other Fruit	Other State Other Fruit
Northern	28,900	23,200	18,100	--	85,500	--	122,600	D	D	4,100
Central	34,600	32,700	D	D	D	--	7,600	--	D	D
South Central	67,700	10,200	3,700	D	D	D	D	1,000	D	5,200
Southern	41,500	52,800	D	--	4,000	--	D	D	16,000	D
STATE	172,700	118,900	23,300	4,900	104,500	D	169,700	6,300	18,400	31,500
% of Total	26%	18%	4%	1%	16%	0%	26%	1%	3%	5%

D Statistics were suppressed due to lack of reports or to ensure confidentiality of reporters.

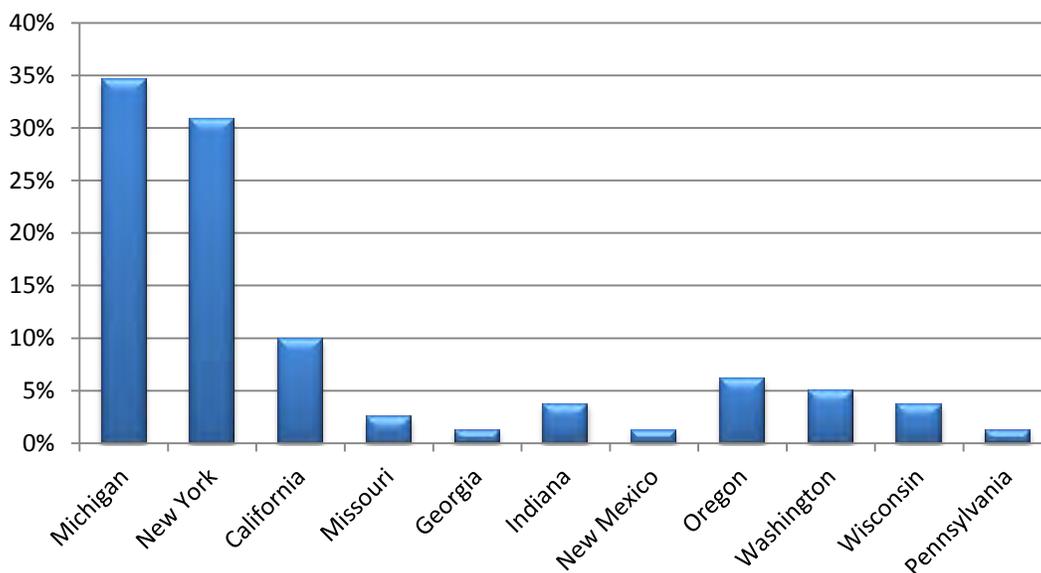
The graph below shows a visual distribution of the table on the previous page. Nearly half of all Illinois wine (48 percent) is produced from whole grapes. Forty-four percent of those whole grapes are grown in Illinois. Juice and other concentrates account for 26 percent of the state's wine production, bulk wine accounts for 17 percent, and other non-grape fruit make up the remaining 9 percent.

Fifty-one percent of Illinois wine is produced from grapes, bulk wine, juice and concentrates, and other non-grape fruits which is imported from other states across the United States. The graph at the bottom of the page lists the states and frequency for which Illinois winery owners cited purchasing these products from. Of the wineries surveyed, thirty-two percent indicated purchasing either grapes, bulk wine, juice, or non-grape fruits from other states. Michigan was the most cited state, followed by New York and California.

Breakdown of Illinois Wine by Fruit Source



States Cited for Importation of Grapes, Bulk Wine, Juice, and Other Fruit



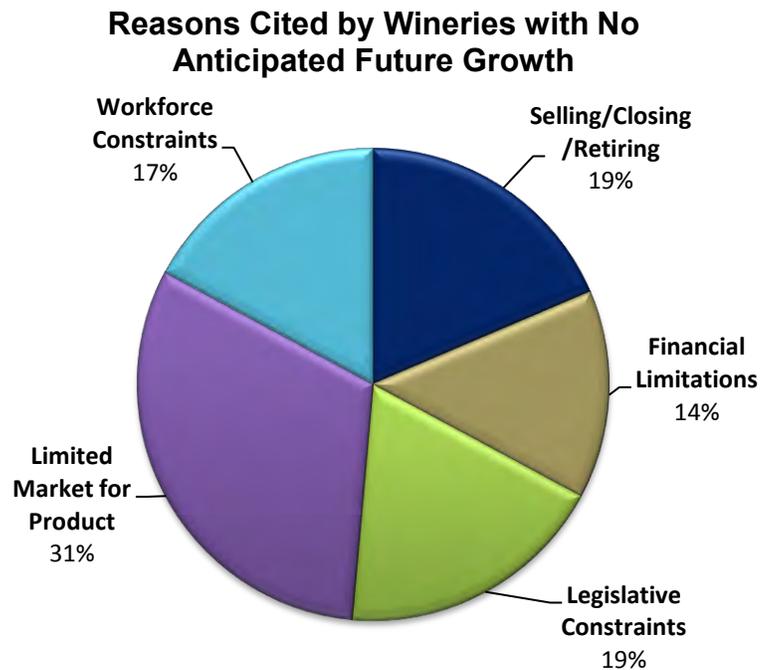
Anticipated Increase in Wine Making Capacity Over the Next 1, 5, and 10 Years ^c

Region	1 Year Increase (Gallons)	% of Wineries Indicating Growth	5 Year Increase (Gallons)	% of Wineries Indicating Growth	10 Year Increase (Gallons)	% of Wineries Indicating Growth
Northern	101,500	7%	815,600	10%	1,778,200	9%
Central	5,100	6%	27,700	11%	78,700	9%
South Central	8,000	9%	31,900	15%	29,000	11%
Southern	26,400	12%	26,200	10%	43,000	9%
STATE	141,000	34%	901,400	46%	1,928,900	38%

^c These estimates are based on the intentions and locations of current wineries only and may or may not be produced and/or sold in the regions specified above.

Thirty-four percent of the surveyed wineries indicated a combined capacity increase of 141,000 gallons within the next year. Within the next five years, 46 percent of surveyed wineries indicated plans to increase capacity by approximately 901,400 gallons and within the next 10 years, 38 percent of surveyed wineries indicated plans to increase capacity by nearly 2 million gallons.

Just over half of the wineries (51 percent) indicated no plans for future expansion at any point within the next 10 years. The graph to the right shows the most cited reasons why those wineries have no expansion plans. The most cited reason was a feeling of their being a limited market for their wines. Other reasons included legislative constraints, plans for retirement or leaving the industry, limited available workforce, and lastly financial limitations.



Appendix

Timeline of Data Collection

Event	Date	Reports Sent	Reports Received
First Mailing of Questionnaires	January, 6	471	153
IGGVA Annual Conference	February, 2-4	N/A	10
Second Mailing	February, 9	308	92
Phone and Personal Interview	February, 23 – March 30	182	123

Response Rates by Data Collection Mode

Data Collection Mode	Number of Reports	% of Reports
Mail	245	52.2%
Telephone	41	8.7%
Personal Interview	82	17.4%
Completed Reports	369	78.3%
Non-Usable Reports	102	21.7%
Total Sample	471	100%



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www.illinoiswine.com

**THE ECONOMIC IMPACT
OF ILLINOIS WINE
AND WINE GRAPES – 2012**

A Frank, Rimerman + Co. LLP Report

June 2013

This study was commissioned by the

Illinois Grape Growers and Vintners Association

Frank, Rimerman + Co. LLP

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www.frankrimerman.com/businesses/business_management/wine_research.asp

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FULL ECONOMIC IMPACT OF ILLINOIS
WINE AND WINE GRAPES -- 2012

\$692 Million

ILLINOIS WINE AND WINE GRAPES	2012 ECONOMIC IMPACT	2007 ECONOMIC IMPACT
Full-time Equivalent Jobs	3,887	2,064
Wages Paid	\$153 million	\$72 million
Wine Produced (Gallons)	651,800	356,500
Retail Value of Illinois Wine Sold	\$39 million	\$29 million
Number of Wineries	105	91
Grape-Bearing Acres	1,107	1,115
Wine-Related Tourism Expenditures	\$50 million	\$40 million
Number of Wine-Related Tourists	500,000	200,000
Taxes Paid: Federal / State and Local	\$54 million / \$34 million	\$23 million / \$18 million

ECONOMIC IMPACT OF ILLINOIS WINE AND WINE GRAPES

Table 1
Total Economic Impact of Wine and Vineyards in Illinois

Revenue:	2012	2007
Winery Sales	\$21,048,000	\$23,530,000
Retail and Restaurant Sales of IL wine	\$16,655,000	\$4,343,000
Distributors Sales	\$905,000	\$1,205,000
Tourism	\$50,240,000	\$39,643,000
Wine Grape Sales	\$1,125,000	\$1,142,000
Federal Tax Revenues	\$53,896,000	\$22,734,000
State Tax Revenues	\$33,837,000	\$17,829,000
Vineyard Development (excluding vines)	\$1,052,000	\$930,000
Charitable Contributions	\$210,000	\$235,000
Winery Services	\$822,000	\$450,000
Wine Research/Education/Consulting	\$488,000	\$300,000
Indirect (IMPLAN)	\$165,837,000	\$74,212,000
Induced (IMPLAN)	\$192,993,000	\$60,935,000
Total Revenue	\$539,108,000	\$247,513,000
Wages:		
Winery Employees	\$6,656,000	\$2,427,000
Vineyard Employees	\$9,139,000	\$8,189,000
Tourism	\$13,499,000	\$11,256,000
Vineyard Development and Materials - Labor	\$158,000	\$139,000
Distributors Employees	\$684,000	\$650,000
Retail/Liquor Stores - Wine Specific	\$96,000	\$97,000
Restaurant Sales of IL wine	\$2,641,000	\$1,529,000
Winery Services	\$332,000	\$178,000
Wine Research/Education/Consulting	\$484,000	\$250,000
Indirect (IMPLAN)	\$54,280,000	\$26,707,000
Induced (IMPLAN)	\$65,117,000	\$20,043,000
Total Wages	\$153,086,000	\$71,465,000
Total	\$692,194,000	\$318,978,000

Sources: Frank, Rimerman + Co., Illinois Office of Tourism, IMPLAN, University of Illinois, USDA, IGGVA, various Illinois wineries surveyed.

EXECUTIVE SUMMARY

IMPACT OF WINE AND VINEYARDS ON THE ILLINOIS ECONOMY

The Illinois wine industry continues to grow as the number of wineries and cases produced both grew since 2007. The number of wineries in the state of Illinois grew from 91 in 2007 to 105 in 2012, an increase of 15%, while the cases produced increased from 150,000 to roughly 274,000, an increase of 83%. The majority of the industry's growth is coming from the addition of small wineries – wineries producing less than 5,000 cases per year. However, some of the state's larger producers have significantly increased their production over the past several years as well. Wine production in Illinois was approximately 652,000 gallons in 2012, ranking Illinois as nineteenth in the nation in wine production.

The wine and grape industry in Illinois contributed greatly to the economic strength of the state in 2012. Illinois' wine, grape and related industries had a total economic value to the state of \$692 million in 2012, an increase of 117% from the \$319 million economic impact in 2007. This large increase in total economic impact is a result of an increase in direct jobs, increased wine production and significantly more indirect and induced benefit from IMPLAN multipliers. In addition, tourism revenue, wages and jobs all increased from 2007, consistent with an increase in both overall state tourism and the number of wineries in the Illinois. As the number of Illinois wineries increases, so will the number of tourists visiting them. We estimate that roughly 500,000 people visited Illinois wineries in 2012, up from approximately 200,000 winery visitors in 2007. Wine, grapes and related industries account for 3,887 jobs in Illinois with an associated payroll in excess of \$153 million. As shown below, most of these jobs were in the actual wineries and vineyards, as well as the tourism industry.

Table 2
Total Illinois Employment: Wine, Grape and Related Industries

	<u>2012</u>
Distributors	8
Research/Education/Consulting	9
Restaurants	155
Retail/Liquor Stores - Wine Specific	4
Vineyard	481
Vineyard Materials	8
Winery	416
Winery Services	8
Winery Tourism	462
Indirect (IMPLAN)	925
Induced (IMPLAN)	1,411
Total Employment	<u>3,887</u>

Sources: Frank, Rimerman + Co., Illinois Office of Tourism, IMPLAN, BLS, University of Illinois, USDA, IGGVA, various Illinois wineries surveyed.

TOTAL TAXES COLLECTED

The wine and wine grape industry generates significant tax dollars, benefiting federal, state and local governments. Tax dollars are raised through sales taxes, excise taxes, income taxes, estate and gift taxes, payroll taxes, property taxes and other business taxes and fees. Illinois's wine, wine grape and allied industries paid \$54 million in federal taxes and \$34 million in state and local taxes in 2012, including over \$3 million in total excise taxes.

Table 3
Estimated Tax Revenues

<u>Type of Tax</u>	<u>Total</u>
Federal Tax Revenues	
Excise	\$2,183,000
Payroll	\$21,499,000
Income	\$23,908,000
Other (corporate profits, etc.)	\$6,306,000
Total Federal Tax Revenues	\$53,896,000
State Tax Revenues	
Excise	\$906,000
Sales	\$11,096,000
Payroll	\$384,000
Income	\$4,317,000
Property	\$11,736,000
Other (excise, dividends, licenses, fines, etc.)	\$5,397,000
Total State Tax Revenues	\$33,837,000
Total Tax Revenues	\$87,733,000

TOURISM

Tourism continues to be a material factor in the Illinois wine and wine grape industry's overall impact on the broader state economy. Our survey of Illinois wineries estimates that close to 500,000 tourists visited Illinois wineries in 2012. Supporting these winery visitors is a diverse labor force of approximately 462 employees with total wages of \$13.5 million. The continued increase of tourist visits over the past several years can be attributed to the increase in the number of Illinois wineries and continued improvement in wine quality, providing more destinations and opportunities for visitors to experience Illinois wine country.

Wine tasting tours are being widely promoted with positive sales results. In order for the industry to continue growing and attracting new visitors, wineries not only need to continue focusing on improving wine quality, but consider expanding into more wine-related events like private parties, weddings, and festivals held on winery properties. Some existing wineries have expanded their facilities to incorporate these additional revenue streams, resulting in increased winery revenue, employment and support services. Some wineries we surveyed in Illinois incorporated these new functions with traditional facilities to take full advantage of these profitable ancillary activities. By our estimation, based on direct feedback from the wineries we surveyed, there was over \$1.5 million in revenue generated from these wine-related events.

WINE PRODUCTION AND SALES

Growing grapes and making wine is a long-term commitment to a community, both financially and physically. New vineyard plantings require three to five years before yielding a full crop, with another one to three years of aging for wine to be ready for sale. Unlike many industries, once vineyards and wineries are established they are effectively rooted and tied in place – an Illinois vineyard cannot simply be relocated to another region or outsourced to another country. Wine and grapes are inextricably tied to the soil from which they are grown. Moreover, wine and their products and allied industries diversify local economies and create employment and new market opportunities.

In 2012, there were 105 wineries in Illinois still producing wine, up 15% from 91 wineries in 2007. Over 90% of the state's wineries had sales less than 5,000 cases annually. Total wine produced in Illinois was 652,000 gallons, or roughly 274,000 cases. This increase of 83% is primarily a result of increased production from a few of the state's larger wineries. Additionally, we relied on information collected by the USDA-NASS Illinois Field Office as part of their 2011 report titled *The Illinois Grape and Wine Industry* so there is increased support in the wine production volume, which differed significantly from the number provided by the Alcohol and Tobacco Tax and Trade Bureau (TTB).

Table 4.1
Trend of Growth in Illinois Wineries

2012	105
2007	91
2006	83
2005	68
2004	55
2003	42
2002	31

Source: University of Illinois, IGGVA

ECONOMIC IMPACT OF ILLINOIS WINE AND WINE GRAPES

The state's overall wine sales are not concentrated within a few large wineries; rather the majority of the state consists of small wineries with production less than 5,000 cases. There are very few wineries that sell wine through the three-tier system as the majority of the wineries sell their wine direct-to-consumer through their tasting room, wine clubs and various wine events and festivals. However, a few of the larger producers sell a significant portion of their wine through the wholesale channel or directly to restaurants, which skews the state's overall distribution figures. Overall however, winery sales are roughly split 50/50 between direct to consumer and through either distributors or directly to restaurants. As a result, retail and restaurant sales of wine increased 283% from 2007 to 2012, up from \$4.3 million to \$16.7 million. This is primarily a result of one winery selling a large portion of its wine directly to restaurants and not through any distributors. Consequently, distributors' sales of Illinois wine decreased 25% from 2007 to 2012, however.

Based on our research, interviews with winery owners and reliance on the USDA-NASS Illinois Field Office report in 2011, wineries in Illinois provided employment for 416 full-time equivalent jobs in 2012, with a payroll totaling approximately \$6.7 million. Wineries employ full and part-time workers for bottling, storage, maintenance and winemaking needs in addition to the traditional hospitality (tasting room), finance, sales and marketing functions. Many wineries also employ seasonal workers, particularly during harvest season.

As mentioned above, over 90% of Illinois' wineries are considered small producers, producing less than 5,000 cases. In fact, only five wineries we spoke with produced wine in excess of 10,000 cases in 2012. Based on the data we received directly from the wineries and extrapolating for data we did not directly receive, less than 20% of the wine produced in Illinois in 2012 was made from grapes grown in Illinois. The growth of wineries in the state has so far kept pace with the growth of overall grape production as well as the increased demand for wine in state.

In 2012, Illinois was one of the smaller wine producers in the United States at 19th out of 50 states (all states have at least one winery). That being said, the number of new wineries producing wine in Illinois increased dramatically in the last ten years (a 239% increase). Illinois's increased number of wineries can be partially attributed to increased tourist visitors throughout the state. In order to continue growing production and attracting interest from visitors and wine consumers in general, the state's wineries need to continue focusing on improving their winemaking and vineyard practices to keep pace with the overall wine industry at large.

Table 4.2
Top States' Annual Gallons Produced in 2012

Rank	State	Total Produced (Gallons)	% of Total
1	California	690,155,261	88.58%
2	New York	27,558,262	3.54%
3	Washington	24,905,637	3.20%
4	Oregon	6,845,045	0.88%
5	Vermont	4,205,258	0.54%
6	Pennsylvania	3,601,188	0.46%
7	Ohio	3,059,784	0.39%
8	Kentucky	2,379,512	0.31%
9	Florida	1,946,162	0.25%
10	New Jersey	1,586,028	0.20%
19	Illinois	651,800	0.08%
---	Others	12,215,917	1.57%
	Total U.S.	779,109,854	100.00%

Source: www.ttb.gov

As mentioned earlier, roughly half of Illinois's wine is sold directly to consumers and half is distributed through either the three-tier distribution system or sold directly to restaurants and other retail outlets. Since wineries generate significantly more margin selling direct, we anticipate Illinois wineries will continue to focus their selling efforts on this channel in the near-term. As the industry and the state's production increase in the future, however, we believe more wine will have to be sold through the three-tier system to both satisfy consumer demand as well as try to reach new Illinois consumers.

The retail value of Illinois wine sold in 2012 is estimated at \$38.6 million, with actual sales generated by the wineries themselves totaling \$21.0 million. This includes sales to consumers in the winery tasting rooms, wine clubs, winery mailing lists and e-commerce/Internet sales. Retail, restaurant and distributor sales were \$17.6 million in 2012. Excluded from these figures was the additional \$1.5 million generated in non-wine revenue associated with wineries hosting special events/weddings and selling various merchandise on-site.

GRAPE PRODUCTION

In 2012, there were approximately 312 grape growers operating in Illinois with a combined acreage of 1,107 bearing acres, the majority of which were commercial vineyards. Based on our discussions with wineries, vineyard owners and industry professionals, it appears several vineyards closed in recent years as yields and crop value varied dramatically. Our prior economic impact study as of 2007 noted that there were 450 grape growers at the time, representing a decrease of 31% fewer grape growers in Illinois in 2012. The severe economic downturn in the broader U.S. economy as well as that in Illinois also surely had a significant impact on grape growers shutting down their vineyards.

We estimate that the average yield in Illinois over the past three years was two to two and a half tons of grapes per planted acre. Given the harsh climate in this part of the country, low yields are not entirely uncommon; however, if Illinois is to gain traction and continue producing enough wine in state to meet consumer demand, the industry will need to try to improve yields going forward, if possible, and also continue increasing the available grape-bearing acreage, which has not grown in the past five years. As shown below, Illinois is not in the top ten in the United States in terms of grape production or acreage.

Table 5
United States Grape Production, 2012

Rank	State	2012 Total Production (Tons)	2012 Bearing Acreage (all types of grapes)
1	California	6,678,000	796,000
2	Washington	370,000	69,000
3	New York	115,000	37,000
4	Oregon	46,000	18,000
5	Michigan	38,200	14,700
6	Pennsylvania	61,000	13,600
7	Texas	7,420	3,400
8	Virginia	6,900	2,600
9	Ohio	5,335	1,900
10	North Carolina	4,950	1,800
	Others	10,600	4,100
	Total U.S.	7,343,405	962,100

Source: USDA Non-citrus Fruits and Nuts 2013 Summary

Wineries in the state of Illinois rely heavily on wine grapes grown out of state, which generally adds increased costs. By continuing to increase the grape quality and amount of Illinois acreage available for grape production, the Illinois wine industry can rely less on grapes produced outside the state while in turn building more credibility and a stronger reputation for wine quality as well as potentially reducing costs.

VINEYARD EMPLOYMENT

Larger Illinois wineries reported utilizing both full-time and seasonal vineyard employees. Often grape production uses seasonal labor for harvests and vineyard development and full-time positions for maintenance of currently-bearing acres and development of new vineyards yet to bear fruit, as well as both full and part-time staff for finance, sales and other business management functions.

However, most grape growers in Illinois manage smaller vineyards and can do so without outside labor. Based on our research, the average vineyard size was approximately three acres for all vineyards, including those owned and operated by both wineries and independent grape growers. Based on surveys with wineries and vineyard owners, as confirmed with information collected by the USDA-NASS, approximately 481 full-time equivalent workers were employed in the vineyards in both a development and ongoing vineyard maintenance or development capacity for a total payroll of approximately \$9.1 million in 2012.

COMMUNITY SUPPORT

Based on our estimates, wineries and growers throughout the state of Illinois have donated approximately \$210,000 to charities in 2012 (1% of total winery sales), including gifts of wine and gift certificates. The amount of charitable contributions is likely underestimated as many wineries do not track in-kind contributions, which can be substantial. However, the majority of the wineries we spoke with described their charitable contributions as usually being in-kind donations of wine, tasting/tours and the like.

WINEMAKING EQUIPMENT, SUPPLIES AND SERVICES

The number of in-state suppliers or distributors of winemaking equipment, supplies and services is relatively small. Only a handful of small businesses exist in Illinois that supply the wine and wine grape industry as a portion of their overall business. They primarily include bottle suppliers, farming chemical providers and label producers. As the Illinois wine industry continues to grow, so will the number of ancillary businesses that supply the industry.

Table 6
Illinois Winemaking Suppliers for Illinois Wine

Direct Employment	8 employees
Total Wages	\$332,000
Total Revenue	\$822,000

Source: Frank, Rimerman + Co. LLP

EDUCATION, CONSULTING AND WINE INDUSTRY RESEARCH

Approximately nine people were employed on a full time basis in Illinois in wine-related education, consulting and research at various universities and organizations, with a total payroll of roughly \$484,000.

Table 7
Impact of Wine-Related Education, Consulting and Research

Direct Employment	9 employees
Total Wages	\$484,000
Total Funding	\$488,000

Source: Frank, Rimerman + Co. LLP, University of Illinois, Rend Lake College, IGGVA and various consultants in Illinois.

SUPPORT BY STATE AND REGIONAL ORGANIZATIONS

State and regional organization support is critical to the success of the renewed industry. Illinois's state, regional and private organizations are becoming more effective and organized at supporting and promoting the local wine industry. These organizations include the Illinois Grape Growers and Vintners Association and the Northern Illinois Wine Growers Association.

In order for the Illinois wine industry to continue growing, it is critical wineries and all associated organization and vendors receive significant support from the state and local governments, particularly with funding dollars that will enable better marketing of the industry as a whole. In addition to improving winemaking and vineyard practices, it is this kind of financial support that will help the industry's growth better reflect that of many of its neighboring states.

A CONSERVATIVE MEASURE OF VALUE

Statistics alone do not adequately measure the intangible value the wine industry brings in terms of overall enhanced quality of life, limitation of urban sprawl and greater visibility for the state of Illinois worldwide. Accordingly, the figures provided in this report should be viewed as a conservative baseline measure of the economic impact, as the true impact of the Illinois wine industry, including intangible benefits is much greater. That measure of economic impact is approximately \$692 million within the state of Illinois, for an industry that is a unique partnership of nature, entrepreneurship, artistry and technology.

Illinois wine and wine grape producers face sizable challenges to their continued growth and success. Working to support the Illinois wine industry and to ensure its long-term success will protect the significant benefits the industry provides to the Illinois economy.

METHODOLOGY

DATA COLLECTION

Data for this study was collected from a variety of public sources supplemented by primary research with wineries, suppliers, growers and other economic entities and supported by a variety of studies undertaken by industry and professional organizations. For several data items the numbers provided are only partial, given the limited availability of information, and therefore are considered conservative. For this analysis, we relied upon 2011 IMPLAN figures for Illinois and grossed them up for 2012 inflation and multipliers.

DIRECT, INDIRECT AND INDUCED EFFECTS (IMPLAN)²

All economic activities have “ripple” effects: employment of one person creates economic activity for others, whether the salesman who sells the employee a car or the restaurant where she eats lunch. Economic impact studies endeavor to measure those “ripples” as well as the direct activity, to help assess the impact of the potential gain or loss of an industry.

Economic impact studies estimate the impact of an industry in a defined geographic region by identifying and measuring specific concrete and economic events, such as the number of jobs, the wages, taxes and output generated by each job.

IMPLAN¹ is the acronym for “**IM**ppact analysis for **PLAN**ing.” IMPLAN is a well established and widely used economic model that uses input-output analyses and tables for over 500 industries to estimate these regional and industry-specific economic impacts of a specific industry.

The IMPLAN model and methodology classifies these effects into three categories, Direct Effects, Indirect Effects and Induced Effects.

Direct Effects are economic changes in industries *directly* associated with the product’s final demand. Thus, direct effects consider the direct employment and spending of wineries, vineyards, distributors and immediately allied industries.

Indirect effects are economic changes – income created through job creation in industries that supply goods and services to the directly affected industries noted above. For example, the purchases of electricity and gasoline by wineries and of cash registers purchased for a tasting room.

¹ IMPLAN is the standard economic model for economic impact studies, developed by the University of Minnesota and the US Forestry Service in the 1980s and currently used by over 1,500 organizations, including most federal, state and local organizations. For more information on IMPLAN, go to www.implan.com.

Induced effects are the effects of these new workers spending their new incomes, creating a still further flow of income in their communities and a flow of new jobs and services. Examples are spending in grocery and retail stores, medical offices, insurance companies and other non-wine and grape related industries.

Beginning in late 2009, the Minnesota IMPLAN Group released version 3.0 of its flagship IMPLAN software product, which makes it possible to include Trade Flows in an impact analysis. We used this latest version with its increased functionality to produce this report.

ABOUT FRANK, RIMERMAN + CO. LLP

Frank, Rimerman + Co. LLP, founded in 1949, is the largest, locally-owned provider of accounting and consulting services in California. With offices in San Jose, Palo Alto, San Francisco and St. Helena, California, New York, New York and over 200 professionals, Frank, Rimerman + Co. LLP offers strategic business and information consulting services, tax consulting and planning, audit and financial reporting, accounting services, litigation and valuation services.

Frank, Rimerman + Co. LLP is the leading research source on the U.S. wine industry. We continue to strive to raise the bar on the quality of information and analysis available to the wine industry.

Frank, Rimerman + Co. LLP produces original research on the business of wine and wine market trends, publishes a number of industry studies and provides business advisory services and conducts custom business research for individual companies and investors.

Frank, Rimerman + Co. LLP has a dedicated Wine Business Services practice which lists many wineries, vineyards, industry suppliers and industry trade organizations as clients. Services provided include:

- Economic impact studies
- Custom industry research
- Financial benchmarking
- Financial audits, reviews and compilations
- Income tax consulting and compliance
- Business valuation
- Financial modeling and business plan development
- Accounting services
- Enterprise sustainability
- Transaction readiness
- Business planning and general winery consulting

FRANK, RIMERMAN + CO. LLP PUBLICATIONS

Grape Trends

By combining the annual crush and acreage reports into one easy-to-use quick reference guide, Grape Trends provides, in one source, all the information needed to make informed decisions about California's grape supply for production planning. Provided in electronic form, Grape Trends includes a complete summary of current, past (since 1997) and projected tons, prices, and bearing acres for all of California's major grape growing regions and counties for all varieties recorded, including: Chardonnay, Sauvignon Blanc, Cabernet Sauvignon, Merlot, Syrah, Zinfandel, and Pinot Noir.

Grape Price Analysis Tool

The Grape Price Analysis Tool enables users to take a deep dive into the California Grape Crush Report and analyze estimated bottle prices in relation to tonnage prices. The tool makes the data from the Crush Report easy to access and provides actionable results to help determine tonnage prices based on an estimated finished bottle price.

Economic Impact Reports

Frank, Rimerman + Co. LLP completed the first study of the Impact of Wine, Grapes and Grape Products on the American Economy for Wine America, the Wine Institute, Winegrape Growers of America and the National Grape and Wine Initiative as well as the first economic impact study of the Wine and Grape Industry in Canada. Additionally, Frank, Rimerman + Co. LLP produced economic impact studies for the following US states: Arkansas, California, Illinois, Iowa, Michigan, Missouri, New York, North Carolina, Ohio, Illinois, Pennsylvania, Tennessee, Texas, Virginia and Washington.

ECONOMIC IMPACT OF ILLINOIS WINE AND WINE GRAPES

Recent Economic Impact Studies and Updates published by Frank, Rimerman + Co. LLP include the following, all available for purchase from Frank, Rimerman + Co. LLP:

- Economic Impact of Wine and Grapes in Canada 2011
- Economic Impact of Texas Wine and Vineyards 2011
- Economic Impact of Pennsylvania Wine, Grapes and Juice 2011
- Economic Impact of Arkansas Wine and Vineyards 2010
- Economic Impact of Oklahoma Wine and Vineyards 2010
- Economic Impact of Virginia Wine and Vineyards 2010
- Economic Impact of Texas Wine and Vineyards 2009
- Economic Impact of Wine and Wine Grapes in North Carolina 2009
- Economic Impact of Wine and Wine Grapes in Iowa 2008
- Economic Impact of Wine and Wine Grapes in Ohio 2008
- Economic Impact of Wine and Wine Grapes in Illinois 2007
- Economic Impact of Pennsylvania Wine and Grapes 2007
- Economic Impact of Wine and Grapes on the State of Texas 2007
- Economic Impact of Wine and Grapes on the Missouri Economy 2007
- Economic Impact of Wine and Wine grapes in Tennessee 2007
- Impact of Wine, Grapes and Grape Products on the American Economy 2007
- Economic Impact of California Wine 2006
- Economic Impact of Washington Grapes and Wine 2006
- Economic Impact of Wine and Wine Grapes in North Carolina 2005
- Economic Impact of Wine and Wine Grapes in Texas 2005
- Economic Impact of Michigan Grapes, Grape Juice and Wine 2005
- Economic Impact of New York Grapes, Grape Juice and Wine 2005

Project 2: Conducting a study on creating an Illinois Wine Quality/Standards program

Background, History of Wine Quality Assurance, and justification:

In America today, we commonly use the term, “Quality Assurance” with the same purpose as “Quality Control”, typically in relation to the health and safety of consumers. For example, the United States FDA and USDA establish quality guidelines for fruits, vegetables, meats, and grains, and derivatives thereof. Their regulatory measures are strictly designed to protect consumers, as opposed to promoting the quality of the goods produced.

However, wine is exempt from most of the regulatory standards due to the fact that no human pathogens can survive in the alcohol concentrations of standard table wines. Winemakers have a strict list of allowable additives to which they must adhere, and that’s it. While no microorganisms which affect the health of consumers can survive, there are a few principle pathogens that infest grapes and wine which, if not controlled, can negatively impact wine quality.

Several old-world wine-producing countries, including Spain, Germany, France, and Italy, have federally-mandated quality control programs in place to address this. Some even go so far as to regulate vineyard practices, and restrict wineries to a limited range of grape varieties and wine styles. No such federal regulation exists in America, which allows for greater experimentation and the development of new wine styles. While this is great for innovation, it makes the development of regional identity (i.e. “Illinois Wine”) extraordinarily challenging. The added complexities of obscure grape varieties and a rapidly-growing inexperienced industry can make brand identification much more challenging for the consumer.

Any young, developing wine industry is bound to experience some variability in quality as new producers improve the vineyard management and wine processing skills. The problem is that many consumers new to Illinois wine will judge the whole industry on a single experience, whether positive or negative. The modern Illinois wine industry comprises veteran producers alongside those who have just opened, and everything in between. It is impossible to guarantee that the quality of all Illinois wine will be uniform in the short term. This is not a problem unique to Illinois; many other eastern states have experienced similar issues as their industries develop. Historically, countries such as France, Italy, Germany, and Canada have had government-mandated wine quality assurance programs, restricting growing practices, grape varieties, and site selection as well as monitoring wine processing methods. The United States has no such federal program.

Implementing a voluntary wine quality assurance program could help consumers make more informed wine purchasing decisions while promoting the industry’s best wines. The long-term impact would also hopefully add incentive for under-performing wineries to improve as the

promotion of wines meeting quality standards would add an economic benefit to quality. The natural assumption is that quality would ultimately drive sales on the open market. However, much of our industry does not really compete in the open market; many wineries operate within small, rural communities which do not necessarily have an established culture of wine consumption or knowledge. These wineries are currently educating their customer base on the world of wine, whether intentional or not. As a result, wineries making an inferior product can maintain moderate fiscal solvency in the micro-markets without improving quality, mostly due to a lack of comparison from their customers. The implementation of a wine quality assurance program will:

- Improve consumer confidence in Illinois wines
- Increase consumer awareness regarding the Illinois wine industry
- Strengthen the “Illinois Wine” brand image
- Increase critical sensory evaluation skills of industry
- Add perceived value to Illinois wines
- Create financial incentives to improve quality
- Encourage quality grape production in Illinois

Actions taken:

- A. Presented a survey to Illinois wineries in 2012-2013 to determine need/interest
- B. Conducted a study of other quality assurance programs
- C. Hosted a quality assurance summit at the Annual Conference
- D. Conducted a 5-year implementation/cost plan
- E. Recommended actions to the IGGVA membership, and formed a committee to develop a program in Illinois

A. Summary of WQA Survey:

Part 1: Winery Demographics

Of the 105 wineries receiving the link for the survey, we only received 25 responses. The hope is that this reflects more on survey-fatigue on the part of the wine industry rather than a lack of interest in a wine quality program. Of the 25 responders, most were wineries less than 10 years old, producing less than 10,000 gal of wine annually (16/25 wineries). The vast majority produced more than 50% of their products from Illinois-grown fruit (22/25). Most were located in the northern half of Illinois, and sold most of their product at their own retail shop.

Part 2: Analysis and quality assessment

As all wineries conduct some combination of laboratory and sensory analysis, it was important to find out what they were lacking. Most rely on in-house sensory analysis, consisting of winemaker and staff evaluation. Few send their wines out to commercial laboratories for sensory analysis. Wineries were also asked to express their confidence in different types of sensory panels. The results were scattered, but the group exhibiting the highest confidence level was an industry panel including winemakers, retailers, and academic specialists. The group exhibiting the least confidence was a wine competition, which, by definition, is a group of winemakers, retailers, and academic specialists.

Most responders conducted basic chemical analyses, including pH, titratable acidity, residual sugar, and alcohol. Some surveyed also conducted tartrate and protein stability tests, as well as aroma screens for hydrogen sulfide. Few conducted the more challenging analyses, including dissolved oxygen, volatile acidity, and microbial analysis. When asked to rank the most important chemical analyses, the top seven, in order of importance, were: volatile acidity, free sulfur dioxide, pH, residual sugar, alcohol, microbial analysis, tartrate stability, and protein stability.

Part 3: Interest and cost

Of the 25 responses, 16 indicated a strong interest in the development of a wine quality assurance program. Most (18) indicated that they would be willing to participate in such a program, provided the cost per wine did not exceed \$40. The overwhelming form of promotion desired was the development of a sticker featuring an "Illinois Quality Wine" seal, which could be purchased and applied to bottles.

Part 4: Conclusions

The total number of responses, while low, was not surprising considering that it was strictly voluntary, and that the industry does get asked to fill out surveys often. The good news is that there definitely is an interest in the development of a wine quality assurance program. The biggest challenge is that willingness to support such a program largely depends upon cost, making the prospect of getting one started without state support difficult.

The demographic information indicates that I did get a pretty good representation of the industry – most of the wineries are on the small side, making most of their wine from Illinois-grown fruit, and selling it at their own retail location. The only drawback is that the southern Illinois region is under-represented.

Based on the survey results, the outline of a wine quality assurance program included in the previous progress report is pretty accurate with regards to analysis. It is a good idea to measure the common parameters (pH, alcohol) as well as the important but less-common ones

(protein and tartrate stability, volatile acidity). The common parameters would give the entrant some measure of their own accuracy of analysis, while the less-common ones would illuminate the missing information regarding the success or failure of a particular wine. The sensory analysis portion could still be a two-stage process – stage one being the wine competition, and stage two-being a smaller, industry-driven panel for those wines that did not medal at the state wine competition. The second stage would either indicate an error on the part of the competition, or provide more detail and feedback to the entrant as to why their wine did not meet the quality requirements.

B. Review of other Quality Assurance Programs

When examining the quality assurance programs of other states, there were two that appeared to be having success: Iowa and Ohio. Iowa made sense because of the comparability to the Illinois industry, and Ohio was a larger industry that has been in place for a longer period of time.

Ohio

The Ohio Wine Quality Assurance Program was established in 2007, but its planning stages really began in 1999. Their goal, like most QA programs, was to establish a designation that could be used to promote the best wines in the state to consumers. Additionally, they intended to use the program to promote grape growing in Ohio. A common issue in the Midwest is outside sources of raw materials (juice, grapes, etc.) are readily accessible, and are often economically appealing to new wineries. As a result, winery growth often exceeds growth of vineyards throughout the state. The danger of this phenomenon is that an industry begins to lose its distinctive identity, and enthusiasm from consumers for locally-produced wine will deteriorate over time.

Their established rules:

- Participation is open to all Ohio wineries, but is strictly voluntary
- Wineries may only submit wines made from >90% Ohio-grown fruit
- Classes for different types of grapes were established
 - Vinifera/Hybrid Class
 - Heritage Class
- Must comply with all TTB rules and regulations

Evaluation Methods:

Ohio initially added this to their state wine competition, then removed it in subsequent years, preferring to offer three submission dates in Spring, Summer, and Fall. Sensory evaluation was conducted by a 5-member panel of experienced judges, using the industry standard 20-point score card, developed by the University of California at Davis. The highest and lowest scores would be thrown out, and an average of the remaining three would be used to determine the final score. Any wine receiving a score of 15 or higher would receive the QA designation. Wines would then be chemically analyzed for alcohol, volatile acidity, and sulfur dioxide, using federal allowable limits as the benchmark, though no wines have ever

failed chemical analysis. Cost of entry was \$50 and 3 bottles of wine, along with a detailed information sheet for the wine.

Challenges for the Ohio program:

In the first year of implementation, they only had 30% of the wineries in the state participate. Only 50% of wines submitted met their quality assurance standards. Promotion has been the principle challenge for this program. In order for it to gain momentum and increase industry involvement, wineries must see an economic benefit from their entry. Ohio has spent about \$20,000 annually on promotion of the program through advertising in major markets, point of sale materials, and bottle stickers. Through 2012, the Ohio program has received 564 entries, with 286 meeting quality standards. Thirty-five wineries have participated in the program. Funding has been secured through the Ohio Dept of Agriculture via a \$0.05/gal tax on all wine sold in Ohio, which creates about \$900,000 for marketing purposes, the Quality Assurance Program being a small part of this.

Iowa

The Iowa program was established in January 2012, and closely follows the model set by Ohio, with a few important distinctions:

- Two classes of entries exist for natively-grown and outside-grown fruit.
- Membership program: \$250/year for five wines
- Sensory panels comprise 5 trained judges, including industry members
- Evaluations conducted monthly
- Chemical analyses are identical to Ohio, but adds cold stability

In the first year of its implementation, the Iowa program had 26 wineries participate, or roughly 25% of all the wineries in the state. These wineries submitted 183 samples, so some submitted much more than the standard 5 wines. Of the submissions, 164 passed the lab evaluation, and 145 passed both laboratory and sensory evaluations. The success rate for 2012 was close to 80%. This rate is very high, likely due to fewer struggling wineries entering the QA program. Additionally, Iowa uses the same 20 pt scale from UC Davis that Ohio uses, but lowers the passing point to 13, rather than the 15-point minimum established by Ohio.

Challenges for the Iowa program:

Clearly, getting and maintaining industry support will be the biggest challenge. It's too early to determine the impact the program has on both participating and non-participating wineries. The Iowa program appears pretty solid moving forward. Through state liquor tax, they have had the funding to create infrastructure and staff to maintain this program for years to come. Because of the scope of their current revenue streams, they do not need the QA program to be self-sustaining.

C. Wine Quality Assurance Summit: 2013 IGGVA Annual Conference

The Illinois Grape Growers and Vintners Association hosted a Wine Quality Assurance Summit at the 2013 Annual Conference, which was held in Springfield Illinois on Feb 2, 2013. Michael White of the Iowa Grape Growers Association, Todd Steiner of Ohio State University, and Garrett Hoemann of Southern Illinois University provided presentation materials and participated in panel discussions on the future of wine quality assurance in Illinois. Michael and Todd each presented an overview of their respective programs, while Garrett presented some economic studies of the Impact of wine quality assurance programs in the Central Coast and Lodi regions of California. Their presentations are included in the appendices of this report.

D. Implementation and expected costs: a 5-year plan

The goals of a quality assurance are detailed in the Background and Justification section. Most of the stated goals relate to establishing consumer confidence, adding value to Illinois wines, creating a financial incentive to improve quality, etc. In order to create buy-in from the industry and eventually move toward a self-sustainable quality assurance program it is critically important to come out of the gate with a strong marketing push. Once consumers are trained on what to look for, and the participating wineries see an economic benefit from their inclusion in the program, it should be more able to run itself. However, without a significant marketing push in tough urban environments, the economic benefits would not be seen, and participation in the program would likely stagnate, if not decline outright. The figures included below are estimates based on other programs, as well as my professional experience with organizing sensory training exercises and wine evaluations.

	Training Sessions and evaluation	Marketing	Misc (travel, meals, supplies) etc.	Total
Year 1	2800	21,000	1000	24,800
Year 2	2300	16,000	1000	19,300
Year 3	2300	16,000	1000	19,300
Year 4	2300	16,000	1000	19,300
Year 5	2300	16,000	1000	19,300
Grand Total				\$102,000

1. Training sessions and evaluation (3/yr)
 - a. Raw materials (glassware, standard preparation) 1000 (yr 1 only)
 - b. Training Meals /Accommodation (3 sessions of 20 people max) 1200
 - c. Travel, Hotel, Meals for QA evaluations (5 judges, 2x/yr) 1500
2. Marketing
 - a. Development of logo, promotional materials (yr 1 only) 5000
 - b. Implementation of state-wide advertisements (3000)
 - i. Print, web-based ads and videos
 - c. Localized urban markets (print, web, billboard, radio and television)
 - i. Chicago 5000
 - ii. Rockford 2000
 - iii. Peoria/Bloomington 2000

- iv. Champaign 1000
 - v. Springfield 1000
 - vi. Edwardsville 1000
 - vii. Carbondale 1000
3. Miscellaneous (estimated annual expenses)
- a. Travel for Enology Specialist (500)
 - i. Training sessions and judging
 - b. Print materials and postage (300)
 - c. Office supplies (200)

E. A Proposal for Illinois

The principle message received from multiple sources regarding the implementation of a quality assurance program was to include industry in its development, so the following is a recommendation that will be made to a committee comprised of industry members. The committee was designed to represent the interests of all regions, and include a winemaker and grape grower from each:

- Southern Region
 - Karen Hand, Winemaker, Blue Sky Vineyards
 - Ryan Heimann, Grape Grower, Heimann Vineyards
- South Central Region
 - Bill Niemerg, Owner, Niemerg Family Winery
 - Gene Meyer, Grape Grower, Bay Creek Vineyards
- Central Region
 - Mark Lounsberry, Owner, Hill Prairie Winery
 - Darrell Simmermaker, Grape Grower, Ratio Vineyards
- Northern Region
 - Ken Rossmann, Owner, Famous Fossil Winery
 - Don Schellhouse, Grape Grower, Row Schell Vineyards
- Executive Members
 - Bruce Morganstern, President, IGGVA
 - Richard Falz, Chair, Viticulture Committee
 - Jim Ewers, Chair, Enology Committee
 - Brenda Logan, Chair, Marketing Committee
 - Bradley Beam, Enology Specialist

Part 1: Rules and Regulations

1. Entrant Restrictions

Any IGGVA-member licensed winery within the state of Illinois is welcome to submit wines for quality evaluation, provided the individual wines were produced (fermented) on the premises, and the following information is provided:

- Fruit description (cultivar, fruit type, etc.)
- Fruit source, including contact information of grower
- Date received
- Raw product chemistry and observations
- Overview of processing
- Bottling Date
- Total quantity of finished product (# cases)
- Finished chemistry

Wines may be entered into one either an Illinois-grown or Illinois-produced class. Wines seeking the "Illinois-grown" class must be made from >75% fruit harvested within the borders of Illinois. Fruit source and grower contact information must be provided to have wines entered into this category.

2. Wine Assessment

The quality assurance programs will focus heavily on sensory analysis conducted by qualified specialists, consumers, retailers, and industry members. Those wishing to participate in sensory assessment will be required to attend at least one training session within 6 months of the evaluation date. This training session will include rigorous exercises to develop sensory acuity for defining aroma, intensity ratings, structural assessment, fault identification, and finish of a variety of wine styles. After the training has been conducted, potential judges must pass a practical sensory test prior to judging wine.

Sensory assessment will be conducted by a panel of 5 trained judges who will score the wines based on the Davis 20-pt scale. The high and low scores will be thrown out, and the remaining 3 will be averaged to determine the final score. Wines scoring a 15 or higher will obtain QA certification, while those below will not. Evaluators will make detailed notes regarding the attributes of the wine, which may include a spider plot of primary aromatic components, a discussion of the structure (acidity and tannin) of the wine, and a discussion of any faults or issues that may be present.

While sensory evaluation is the most important aspect of the quality assurance program, the panel may elect to submit wine for chemical analysis of volatile acidity, free and total sulfur dioxide, alcohol, Brettanomyces, tartrate stability, and protein stability if a wine is in question. If this occurs, results of those tests will be provided back to the entrant. Wineries may not

request chemical analyses specifically, as the goal is to minimize costs to the entrants, so this will be done only in the event of a panel disagreement regarding a specific wine attribute.

3. Timing and Costs

The quality assurance evaluations should be held at least 2X/yr. While it may be possible to add it to the existing wine competition in June, the best timing for the first QA session would be January 2015. This is typically a down time for wineries, and a good opportunity to add a spark to their marketing and sales efforts. A few packages should be made available:

- Single Entry - \$60
- Package A – 5 Wines, \$200
- Package B – 10 Wines, \$350

The goal is to keep entry levels up, and give wineries a benefit for multiple submissions. The timeline would be one calendar year, so a winery could enter 5 wines in January, and another 5 in July, and still maintain the lower rate.

4. Protection of Quality Assurance integrity

Any winery found to be falsifying information regarding entry information or using promotional resources in a way other than intended (using QA stickers, POS materials on non-QA wines, etc), will be suspended from the QA program for a minimum of two years, at the discretion of the IGGVA Board of Directors.

Part 2: Entrant Benefits and Promotion

1. Entrant feedback and follow-up

Entrants will receive a detailed feedback form, whether an individual wine passes the quality assurance standards or not. Included in the feedback will be a descriptive analysis of the wine aromatic and palate attributes, as well as any notes regarding the presence of faults. Whenever applicable, the panel will make recommendations for improvement in the future. Within a month or two of the most recent assessment, the wineries which do not pass will be invited to attend a roundtable session to specifically look at the wines in question with enology specialist Bradley Beam. The goal is to not just pass judgment on the wine, but really look at ways to improve winemaking across the state in future vintages.

2. Promotion of quality wines

In the first five years, a great deal of promotion must be targeted at consumers to get them accustomed to looking for wines bearing the Illinois Quality Assurance designation. This will require a great deal of financial support. The plan would be to promote the program in general on both a state-wide audience and local, targeted urban markets. Details of proposed expenditures are included in the 5-yr cost estimate above.

All wines which pass quality assurance measures will be promoted on the Illinois Grape Growers and Vintners Association website, www.illinoiswine.com. Additionally, a promotional “Quality Wine” QR code, and other point of sale materials will be available for sale to wineries passing QA standards, with specific limits on quantities based on cases produced of any individual wine entered. The QR code will link scanners to the IGGVA website, which will list all recent QA recipients. Press releases will also be made available to QA-participating wineries, which they could then send to their local media outlets.

F. Conclusions

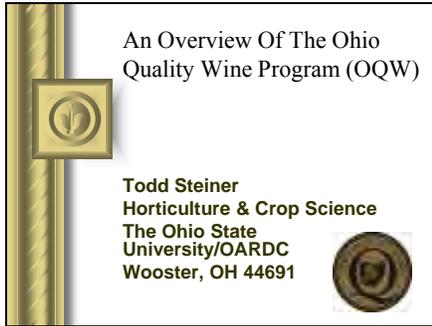
The Illinois Grape Growers and Vintners Association should proceed with exploring a Quality Assurance Program for Illinois, provided they are able to secure the funding to adequately promote both the program itself, and the individual wineries whose products pass the QA tests. One of the dangerous traps would appear to be the “soft opening” model, where the industry does develop the program, but without enough funding to give it teeth.

Quality Assurance promotional materials, especially point-of sale materials, will certainly have a positive impact on sales in third-party retail environments. This sales advantage is the entire reason wineries submit wines to the Wine Spectator and other trade publications for review. For a California winery, a high score in a wine magazine all but assures success on the retail market. Unfortunately, Midwest wines rarely have the visibility (or advertising budget) to merit being showcased in a national magazine. Additionally, those reviewers tend to have a predisposition against the grape varieties and wine styles made in the Midwest. Therefore, any Illinois wine, regardless of its inherent quality, would be unlikely to garner a high score. This phenomenon adds to the challenge of success for Illinois wine in retail environments, as the shelf-talkers present tend to be exclusively scores from national wine magazines. QA point-of-sale materials will surely help balance the scales a bit, giving consumers the confidence make an informed purchasing decision.

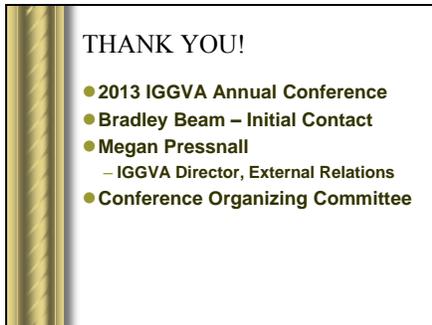
G. Appendices

Appendix 1: Review of Ohio State Quality Assurance Program, 2013 IGGVA Annual Conference

Slide 1



Slide 2



Slide 33

2007 OQW Seal Designation

- A total of 53 wines out of 109 total entries qualified for OQW seal designation
- 48.6% of wines submitted achieved the OQW designation
- All wines passed chemical analysis

Slide 34

2008 OQW Seal Designation

- A total of 43 wines out of 90 total entries qualified for OQW seal designation
- 47.8% of wines submitted achieved the OQW designation
- All wines passed chemical analysis

Slide 35

2009 OQW Seal Designation

- A total of 47 wines out of 88 total entries qualified for OQW seal designation
- 53.4% of wines submitted achieved the OQW designation
- All wines passed chemical analysis
- *May submittal did not occur due to program changes

Slide 36

2010 OQW Seal Designation

- A total of 25 wines out of 50 total entries qualified for OQW seal designation
- Represents 50.0% of submitted wines receiving OQW seal
- May submittal did not occur due to program changes

Slide 37

2011 OQW Seal Designation

- A total of 63 wines out of 116 total entries qualified for OQW seal designation
- Represents 54.3% of submitted wines receiving OQW seal

Slide 38

2012 OQW Seal Designation

- A total of 55 wines out of 111 total entries qualified for OQW seal designation
- Represents 49.5% of submitted wines receiving OQW seal

Appendix 2: Review of Iowa Quality Assurance Program, 2013 IGGVA Annual Conference

Slide 1

Iowa Quality Wine Consortium



Michael L. White
Viticulture Specialist
ISU Extension
Cell: 515-681-7286
E-mail: mlwhite@iastate.edu



2-2-13

LOWA STATE UNIVERSITY
AMES, IOWA

Slide 2

LOWA STATE UNIVERSITY

Midwest Grape & Wine Industry Institute established...9-26-07



<http://www.extension.iastate.edu/Wine/>

Slide 3

Midwest Grape & Wine Industry Institute



Dr. Murti Dharmadhikari



Dr. Stephanie Groves



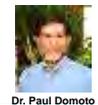
Craig Tordson



Jennie Savits



Tammi Martin



Dr. Paul Domoto



Dr. Gail Nonnecke

LOWA STATE UNIVERSITY
<http://www.extension.iastate.edu/Wine>

Slide 24

THE END

Not sure if Pick-Just now, or choose? Use your IQ

Wines with Insect Quality Wine Certification (all four have been independently tested and given approval to drink confidently and enjoy Insect Quality wine)

Join the Insect Association: www.insect.org
Member from various industry members: www.insect.org/industry

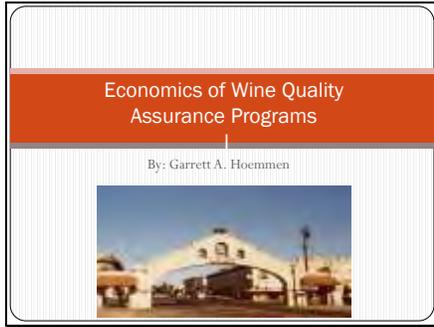
QUESTIONS

JOHN SIEGEL UNIVERSITY
www.johnsiegel.edu

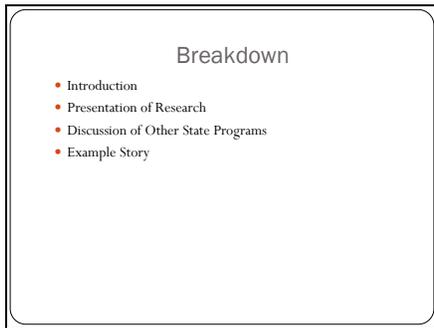
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Appendix 3: Economic Impact of Wine Quality Assurance, 2013 IGGVA Annual Conference

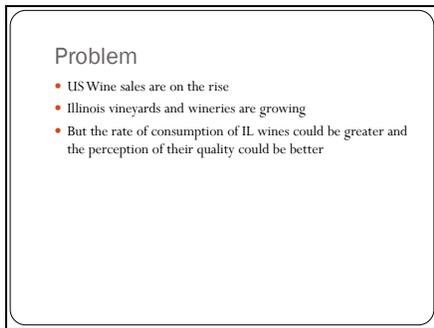
Slide 1



Slide 2



Slide 3



Slide 4

American Viticultural Area

- Name Evidence
- Boundary Evidence
- Distinguishing Features
 - Climate
 - Geology
 - Soils
 - Physical Features
- Map & Boundary Description
- Alcohol and Tobacco Tax and Trade Bureau (TTB) approved

Slide 5

Shawnee Hills AVA

- Shawnee Hills AVA was approved in 2006
- 1,370,000 acres
- 295 acres currently planted with winegrapes

Slide 24

Analysis

- Hypothesis Not Confirmed
 - Wine Quality Assurance Program = \$165.81 per ton increase
 - American Viticultural Area Status = \$173.73

Slide 25

Central Coast Results

MODEL	Unstandardized Beta	Standard Error	Standardized Beta	T-value	Significance
(Constant)	\$479,643	54,165		8.855	0.000
COAST	-0.001	0.000	-0.327	-2.274	0.030
AVA	\$179.60	79.275	0.235	2.266	0.031
RWIG	\$138.13	100.381	0.209	1.376	0.179
WQAP	\$372.88	104.541	0.559	3.567	0.001
TREND	\$10.35	7.379	0.325	1.402	0.171

Slide 26

Analysis

- Hypothesis Confirmed
 - Wine Quality Assurance Program = \$372.88 per ton increase
 - American Viticultural Area Status = \$179.60 per ton increase

Appendix 5: QA Committee Meeting Agenda and Minutes

Illinois Wine Quality Assurance Committee Meeting 3.10.2014

Agenda and Discussion Points

1. Does Our Industry Really Want This?

2. Best Way to Implement the program
 - a. Run it ourselves
 - i. Ad – Complete control
 - ii. Disad – Time, staff/infrastructure issues, lab analysis
 - b. Delegate to Iowa State
 - i. Ad – more time to focus on promotion
 - ii. Disad – Cost, lack of control

3. Timing
 - a. Wine Competition
 - i. Could create confusion
 - ii. People are already sending wine then
 - iii. Quality judges already assembled
 - b. January 2015
 - i. Good time for marketing push
 - ii. Could use QA approved wines for winter wine festival
 - iii. Very hectic time of year for conference planning/organization
 - iv. Could tie entry fee to conference
 - v. Weird time for wines
 1. 2014 wines not ready
 2. 2013 wines getting old
 - c. Quarterly
 - i. Makes most sense from winery perspective
 - ii. Lot of work to organize – limit ability of enologist to travel, conduct workshops

4. Who gets to enter?
 - a. Illinois-grown requirement (OH model)
 - i. Differentiates it from competition
 - ii. Helps promote quality growers
 - iii. May encourage grape production in IL
 - b. IL-grown and non IL-grown categories
 - i. Makes sense if we replace the competition with QA
 - ii. Could still promote IL-grown more
 - c. Entry fees/requirements

Quality Assurance Committee Meeting Review and Proposal

March 10, 2014

In attendance: Bruce Morganstern, Jim Ewers, Ryan Heimann, Dick Falz, Gene Meyer, Karen Hand, Corey Peters, Bill Niemerg, Don Schellhaas, Mark Lounsberry, Bradley Beam.

Not in attendance: Ken Rossmann, Brenda Logan, Bradley Taylor, Darrell Simmermaker

1. Does our industry want this program?

It was determined that we do want to proceed with this program, whether the majority of the industry is behind it or not. The purpose is primarily to promote our best wines **to the public, strengthening the reputation of "Illinois Wine"**. The question was posed as to the type of winery which is opposed to a QA program, and while most would be considered small, isolated producers, there was a winery or two which are having success, and should be considered leaders in the industry. The smaller, geographically isolated producers **clearly don't see much of a benefit, as they have little intent to distribute their wines, and don't need to compete. The larger wineries' criticisms were** mainly related to whether a QA program fits within their marketing plan.

2. Best way to run the program?

The majority appeared to believe that we should run the program ourselves, possibly looking to other resources such as Iowa State or a lab in southern Illinois for assistance with chemical analyses. One comment for delegating the QA program included the idea that it may be perceived as more prestigious than a program run in-house. Two arguments for keeping it in Illinois include cost reduction and the opportunity to use our program to train our industry on critical wine sensory evaluation.

3. Timing of the QA program

The IGGVA will plan to launch the QA program in Jan 2015, and then hold subsequent evaluation sessions every 3-4 months. This should allow time to work out the details regarding marketing and promotion, write a grant proposal or two, and train industry members to evaluate wine.

4. Who gets to enter

This is an issue that is likely to be contentious for much of the industry. Most wineries produce wine from both Illinois-grown sources and from raw materials sourced outside of the state. The Ohio QA program restricts entry to wines from which the raw material was sourced within Ohio. Iowa, however, has separate categories for IA-grown and non-IA grown wines. The argument for keeping it Illinois-grown only is to add perceived value to Illinois-grown products, and ultimately encourage the growth of the grape growing industry. The Illinois grape industry is at a critical point in its history;

acreage is stagnating, if not declining outright, and as the industry ages, the risk of further decline increases dramatically. The general impression is that it is very challenging to make money producing grapes alone, and this is having a negative impact on grower enthusiasm, with fewer independent growers increasing acreage and some even removing vines. However, the IGGVA has an obligation to its membership to promote the quality production of grapes within Illinois, and encourage new plantings of vineyards throughout the state.

The arguments for allowing all Illinois wines, regardless of appellation, to be entered **include extending a hand to larger Illinois wineries which don't currently have much** association with either the IGGVA nor with Illinois-grown fruit. Bringing them into the fold may encourage them to re-establish relationships with Illinois growers by exposing them to high-quality Illinois-grown wines. **If they're entering non-Illinois grown wines, they will be connected to the program, which will hopefully act as a conduit to Illinois' top grape producers.**

During the meeting, there was disagreement on this issue, but the committee as a whole leaned toward the two-category option. I think more debate needs to be had on this issue, the concern being that the two-category option may discourage the participation of wineries producing IL-grown wines, and further discourage the production of grapes in IL.

In the meantime, the committee will proceed with the creation of two distinct general categories: one for Illinois-grown wines, and one for wines where the fruit was sourced outside of Illinois. There is no restriction for fruit type or wine style.

There may be a way to keep the QA program open to both types of wine, while still emphasizing the promotion Illinois-grown wines significantly more, and establishing a clear difference between the two. The Illinois State Fair Wine Competition is a good example of how it is possible to keep wine evaluations inclusive while promoting Illinois-grown products.

5. Wine Evaluation

The general consensus was to have wines evaluated by sensory panels of 5 judges, using the Davis 20-pt score card. The high and low scores will be thrown out, and the remaining 3 scores will be averaged to determine the final score. Scores of 15 and above will pass the QA sensory evaluation. There will be some opportunity to conduct chemical analysis as well, but perhaps it could be left up to the discretion of the judges. Also, we will pursue relationships with laboratories to conduct chemical analyses.

The judges will be selected from a pool of trained and certified wine industry members, enthusiastic consumers, and sales professionals. In order to participate in the evaluation sessions, judges must be vetted by the enologist and attend a training session and pass a practical examination on wine sensory evaluation, to be developed and implemented by the enologist.

6. Promotions

- a. The program itself needs to be heavily promoted to the public at large, essentially training consumers to look for the Illinois Quality Seal. The more promotion at the beginning of the program, the more incentive wineries will have to participate in the future. This will require extensive advertising in major metropolitan areas. The IGGVA should prepare to make a major advertising push state-wide once the first QA evaluations have been done.
- b. The wineries need to feel that they get a lot out of this program. Those wines passing evaluation must be rewarded by providing them with opportunities to promote their successes, including:
 - i. Point of sale materials
 - ii. Press releases
 - iii. Web inclusion

The goal would be to promote the Illinois-grown products preferentially to those where the fruit was sourced out of state. A second goal would be to promote those independent vineyards whose fruit was used to make QA-approved wines.

However, those that do not meet the standards must receive even more in return for their entrance fee. In addition to a detailed report of the sensory attributes of the wine, along with any chemical evaluations, a follow-up consultation to discuss the results must be conducted by the enologist to help these wineries figure out where the problems lie, and how to adjust processing methods in the future to avoid potential issues. Another idea was to offer the opportunity for these wineries to submit their wine for a full range of chemical analyses.

7. Future Directions

The IGGVA Quality Assurance Committee has done a great job guiding the program, and now is the time to start working toward the establishment of a program. The following roles and task lists are currently being developed:

Enology Specialist

Design and implement sensory training sessions
Create entry form, official rules and regulations
Establish target date of first evaluation session

Executive Director

Investigate grant opportunities
Apply for tourism/agricultural grants

Marketing Committee

Develop logo and promotional materials
Create budget for marketing and targets

Project #3: Pairing Illinois Varietals with Food Training Sessions

Most wineries will note that while they prefer to make and drink dry table wines themselves, sweet wines are what they sell the most in their tasting rooms and retail outlets. The reason for this is that most wineries are located in rural areas, and draw novice wine consumers from the surrounding area. Many dry, food-friendly Illinois table wines do very well at competitions, so it can be presumed that quality is not the issue holding back dry table wine sales. This project is designed to put these dry wines in a new setting with a new audience: food and wine professionals. Getting more Illinois wine on restaurant menus will not only increase sales of these wines, but potentially create new customers for the winery tasting room as well.

Training sessions were conducted:

Northern Illinois: Kendall College, July 31, 2012

Central Illinois: Illinois Central College, June 19, 2012

South Central Illinois: Lincoln Land Community College, February 2, 2012

Southern Illinois: Rend Lake College, July 25, 2012

Additional Southern Illinois: Carbondale Holiday Inn, January 6, 2014

Additional South Central Illinois: Crowne Plaza Springfield, January 31, 2014



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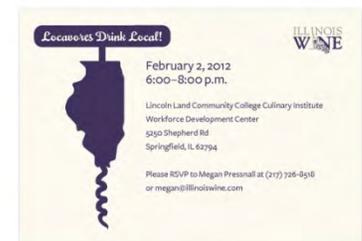
SINGLE+STEREO CREATION



OPEN CARD



ENVELOPE



EVENT SPECIFIC INSERT

The format for the events worked well. Rather than formal lecture, this was more of an independent journey of discovery, and was successful. I introduced the idea of what we were going to be doing, and created handouts that helped guide them through the process. A copy of this creation is shown above.

The biggest problem with these events was getting food industry personnel to attend. Despite rigorous efforts to mail out invitations, and hosting the event at convenient locations and times, we really didn't see the kind of turnout we were hoping for. We need to attempt to figure out if the lack of attendance reflects a lack of interest in Illinois wine, or if it's just due to the hectic pace of the culinary industry.

LOCAVORES DRINK LOCAL!

Intensity/Volume Cheat Sheet*

	Light/Quiet	Medium	Heavy/Loud
Ingredients	Fish Shellfish Vegetables	Pork Poultry Veal Game	Beef Lamb
Techniques	Boil Poach Steam	Bake Sauté Roast	Braise Grill Stew
Sauces	Citrus Vinaigrette	Butter Cream Olive Oil	Glaze BBQ Meat Stock
Wine Characteristics	No oak/mlf High acidity No residual sugar No tannin Light aroma and flavor	Light oak and/or mlf Moderate acidity Semi-dry to semi-sweet Low to moderate tannin Moderate aroma and flavor	Heavy oak Low acidity High residual sugar Moderate to intense tannin Intense aroma and flavor
Wine Examples from Today's Session			

*Adapted from Dornenburg and Page, *What to Eat With What You Drink*



LOCAVORES DRINK LOCAL!

White Wine Varieties

Grape	Styles	Aromas and Flavors	Food Pairing
Chardone	Oak-aged dry Un-oaked dry Semi-dry Sweet	Light citrus, often accented with grassy or spicy notes. When oaked, added buttery and vanilla aromas.	Lightly seasoned/sauced chicken and fish, pumpkin/squash, white pasta sauces, most cheeses, seafood.
Frontenac gris	Semi-sweet to dessert	Intense aromas of peach, pineapple, apricot, occasionally citrus. Very crisp acidity.	Brie-style cheeses, blue cheeses, desserts, fruit.
La Crescent	Semi-sweet to dessert	Intense aromas of apricot and grapefruit, sometimes muscat-like.	Brie-style cheeses, blue cheeses, desserts, fruit.
Niagara	Semi-sweet to dessert	“Grapey”, like white grape juice.	Could pair well with cheeses and fruits.
Seyval blanc	Lightly oaked Un-oaked Semi-dry Sweet	Peach, grapefruit, pineapple, at its best can have a subtle grassy complexity. Aromas typically very light to intense depending on season.	Light cheeses, seafood, fowl, pasta in light, herbed, sauces.
St. Pepin	Semi-sweet to dessert	Apple and pear, light floral, light labrusca character.	Sweet foods, dessert, fruit dishes.
Traminette	Dry to sweet, no oak	Intensely aromatic, floral aromas, can have accents of ginger and mint.	Ham, prosciutto, fruit-marinated pork, may match well with spicy Chinese or Thai dishes.
Vidal blanc	Un-oaked dry Semi-dry to sweet Dessert	Crisp citrus flavors, sometimes has peach or apple character. Often used for icewine production in Canada.	Seafood, pasta, light cheeses, salads.
Vignoles	Semi-sweet to dessert	Apricot, pineapple, apple. Intensely aromatic.	Brie-style cheeses, blue cheeses, fruit.

NOTES



LOCAVORES DRINK LOCAL!

Red Wine Varieties

Grape	Styles	Aromas and Flavors	Food Matching
Cabernet franc	Oak-aged dry Un-oaked dry	Bright berry with black and bell pepper. Typically low to moderate acidity with gripping tannins.	Grilled red meats and vegetables.
Chambourcin	Oak-aged dry Un-oaked dry Semi-dry to sweet Rosé Port	Dried fruits, cherry, berry, often accented with tobacco. Usually low in acidity and tannin.	Wild fowl and venison, peppered pork loin.
Concord	Sweet, Un-oaked	Intense grapey character, often called “foxy”, like red grape juice or jelly	Can be useful in cooking as a marinade, adds unique flavors to meat, sausages, cheeses
Frontenac	Oak-aged dry Un-oaked dry Semi-dry to sweet Rosé Port	Distinct and intense cherry aroma, often accompanied with anise, mint, or cedar spices when aged in oak. Tends to be high in acid, but low in tannin.	Pork, fatty meats, soft cheeses. Rose works well with light pork dishes, possibly with salads. Port is a nice compliment to chocolate desserts
Marechal Foch	Oak-aged dry Un-oaked dry Semi-dry to sweet Rosé	Light berry, distinctive varietal aroma. Often high in acidity, but low in tannin.	Wild game meats, venison, turkey.
Marquette	Oak-aged dry Un-oaked dry	Cherry and berry aromas, often with complex spice, earth, and oak notes if aged in barrels. Low to moderate tannin.	Light meats and cheeses, mushroom sauces.
Noiret	Oak-aged-dry Un-oaked dry Off-dry	Distinctive red fruit with bell and black pepper. Moderate tannin.	Grilled red meat and vegetables, spiced dishes.
Norton	Oak-aged dry Port	Intense aromas, dark berry, cigar box, spice. Crisp acidity, tannin.	Heavy red meat dishes, aged cheeses.

NOTES



LOCAVORES DRINK LOCAL!



FOOD AND WINE INTERACTIONS



Bradley Beam
IGGVA 2014

ILLINOIS WINE

WHY PAIR FOOD WITH WINE?

- o Gastronomy: The science of food and drink
 - Physiology: provide liquid to facilitate mastication and swallowing
 - o Rinse between bites, refresh palate
 - Gourmet thirst
 - o Adds aroma and flavor to taste of food and palate during rinsing
 - Why wine?
 - o Tastes, flavors, and textures often complement or contrast well with foods
 - Acidity, tannin
 - o **Think of beverage as final seasoning of food**

ILLINOIS WINE

STARTING POINTS

- o Pairing is always a gamble
 - No absolutes, no rules
- o Don't worry about specific wine:food pairings
- o Focus on food and wine components
- o Stick with wines and foods you know and like
 - Or others like, when with entertaining guests

ILLINOIS WINE

POTENTIAL OUTCOMES

- Food overpowers wine
- Wine overpowers food
- Neither dominates
 - Both present, but no synergistic effect
 - Food makes wine better; wine makes food better
- Balance is the goal

ILLINOISWINE

CRITICAL COMPONENTS OF FOOD:WINE

- Structure
 - Salty, sweet, bitter, acidic
- Weight/body
 - Light, rich/fatty, coarse
- Flavor
 - Fruity, nutty, smoky, herbal , sp



ILLINOISWINE

DIFFICULT FOOD TYPES

- Extremely salty foods
 - Masks bitterness and astringency
 - Somewhat metallic interaction with high acidity
 - Skews flavor of wine
- Very sweet foods
 - Sweetness of food often much higher than in wine
 - Makes acidic wine seem more acidic, and sweet wines seem less sweet
 - Better matched with bitterness (coffee)

ILLINOISWINE

DIFFICULT FOOD TYPES

- Acidic foods
 - Vinegar, citrus fruits, acidic or pickled veggies
 - Make wines taste sweet/less acidic
- Hot, spicy foods
 - High-alcohol wines intensify sensation of heat
 - Cool, low-alcohol beverages a better option

ILLINOISWINE

AGREEABLE WINE STYLES

- Crisp perceived acidity
 - “Refreshing”, cleansing
 - Especially if paired with rich, fatty foods
 - In reds, tannin can often increase perception of acidity
- Dry to low residual sugar
 - Most versatile with food, esp. foods that aren’t sweet
 - Serving temp. influences perception of sweetness

ILLINOISWINE

COOPERATIVE WINE STYLES

- Light-medium body
 - Match weight of wine with that of food
 - Rich, strongly-flavored foods aren’t very common anymore
 - Wild game, lamb
 - Ex1: Graves w/ unseasoned fish
 - Ex2: Pinot noir or CA Chardonnay w/ salmon
 - Depends on glazing, smoke, seasoning, etc.
 - Perception of body is increased by:
 - Tannin
 - Alcohol
 - Sugar

ILLINOISWINE

COOPERATIVE WINE STYLES

- o Less alcohol, moderate to little tannin
 - Higher alcohol increases heat of spicier foods, also increases perception of body
 - Fatty foods diminish perception of astringency
 - Acidic foods increase perception of astringency

ILLINOISWINE

FLAVOR PAIRING

- o Toughest component of food and wine pairing
 - Flavor types in food and wine
 - o Complement or contrast?
 - Flavor volume/intensity of each
 - o Balance is critical

ILLINOISWINE

FLAVOR PAIRING

- o Flavor contrast examples:
 - Fishy/herbal - Tuna with Chenin blanc
 - Smoky/flowery - Ham with Riesling or Gewurtztraminer
 - Cheesy/cherry - Parmesan with light CA Pinot noir
 - Meaty/earthy - Prime rib with aged Burgundy
 - Berries/chocolate - Zinfandel with chocolate cake
- o Flavor similarity examples:
 - Zinfandel/anything in berry sauce - berry and berry.
 - Vintage port with chocolate dessert - chocolate and chocolate
 - Blanc de Noirs Sparkling wine and strawberries - strawberry and strawberry
 - NZ Sauv blanc and fish with mango salsa - tropical fruit and tropical fruit

ILLINOISWINE

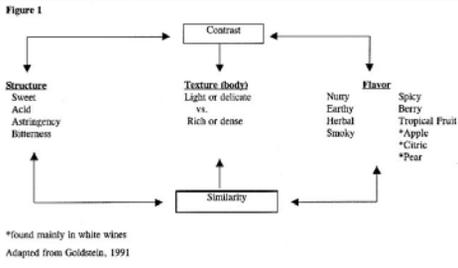
WEIGHT/VOLUME CHEAT SHEET

	Light/Quiet		Heavy/Loud
Ingredients	Fish Shellfish Vegetables	Pork Poultry Veal	Beef Lamb Game
Techniques	Boil Poach Steam	Bake Sauté Roast	Braise Grill Stew
Sauces	Citrus Vinaigrette	Butter/cream Olive oil	Demi-glace Meat stock
Wines	Pinot gris Riesling Sauvignon blanc	Chardonnay Pinot noir Rosé	Cabernet Sauv Syrah Zinfandel

Adapted from: Dornenburg and Page.

ILLINOISWINE

COMPLEMENT OR CONTRAST



ILLINOISWINE

REGIONALITY

- o Last resort?
- o Doesn't work so well with American cuisine
- o Better for old world
 - Germany, Italy, Spain, France
 - o Sausage and sauerkraut with Riesling
 - o Tomato-based pastas with Chianti
 - o Tapas with Cava or Tempranillo
 - o Cassoulet with SW red wine
 - o Mourvedre, Grenache, Tannat

ILLINOISWINE

EXPERIMENTATION IS KEY

- Don't be afraid to try new combinations
- Think about the basic elements of the wine and food
 - Acidity, viscosity, dominant flavor type/intensity
- Experience of others, recommendations

ILLINOISWINE

EXAMPLE 1

- Spaghetti and Meatballs in Red Sauce
 - Components
 - Volume/Intensity Level
 - Med-High
 - Structure
 - Salty, acidic, fatty?
 - Flavors
 - Tomato, beef/pork, herbs, spice, cheese
 - Origin
 - Italy

ILLINOISWINE

EXAMPLE 2

- Grilled Tuna with sweet Thai seasoning
 - Components
 - Volume/Intensity
 - Medium
 - Structure
 - Sweet, salty
 - Flavors
 - Fishy, lemon, basil, coconut, spicy
 - Origin?
 - SE Asia

ILLINOISWINE

EXAMPLE 3

- Butternut Squash Soup
 - Components
 - Volume/Intensity
 - Medium-Heavy
 - Structure
 - Fatty, salty
 - Flavors
 - Squash, butter, cinnamon, nutmeg
 - Region
 - America

ILLINOISWINE

EXAMPLE 4

- Mixed Greens Salad with Goat Cheese and Raspberry Vinaigrette
 - Volume/Intensity
 - Light-Medium
 - Structure
 - Acidic, bitter, fatty, sweet
 - Flavors
 - Raspberry, creamy
 - Region
 - ?

ILLINOISWINE

SOURCES OF INFORMATION

- Baldy, M. The University Wine Course
- Dornenburg and Page. What to Eat With What You Drink
- Jackson, R. Wine Tasting
- Peynaud, E. The Taste of Wine
- Robinson, J. How to Taste
- Zoencklein, B. Matching Table Wines With Food
 - www.fst.vt.edu/extension/enology/extension/foodwine.html

ILLINOISWINE

2011 VINEYARD AND WINERY INQUIRY FY 2012

The Illinois Vineyard & Winery Inquiry was a data collection project funded by the Illinois Grape Growers and Vintners Association (IGGVA) through a grant from the United States Department of Agriculture (USDA). The Illinois Field Office (IL FO) of USDA's National Agricultural Statistics Service (NASS) was charged with creating a data collection plan and questionnaire, training enumerators, managing the survey process, key-entering the data, editing, analyzing, and summarizing the data, and producing the final report.

The purpose for this study was to estimate the overall size and scale of the grape and wine industry in Illinois. In addition, the results were meant to provide individual grape growers and wine makers with the information they need to develop improved production and marketing plans, as well as, identify problem areas for the industry and its members. The report was also intended to provide a greater understanding of the industry to legislators and other executive decision makers.

In the past, the IGGVA has contracted with the University of Illinois at Urbana-Champaign (UIUC) to conduct similar projects. The most recent publication was created in 2007 and measured the 2006 production and growth of the Illinois wine industry. That publication is available at <http://illinoiswine.org/pdf/industry-report07.pdf>.

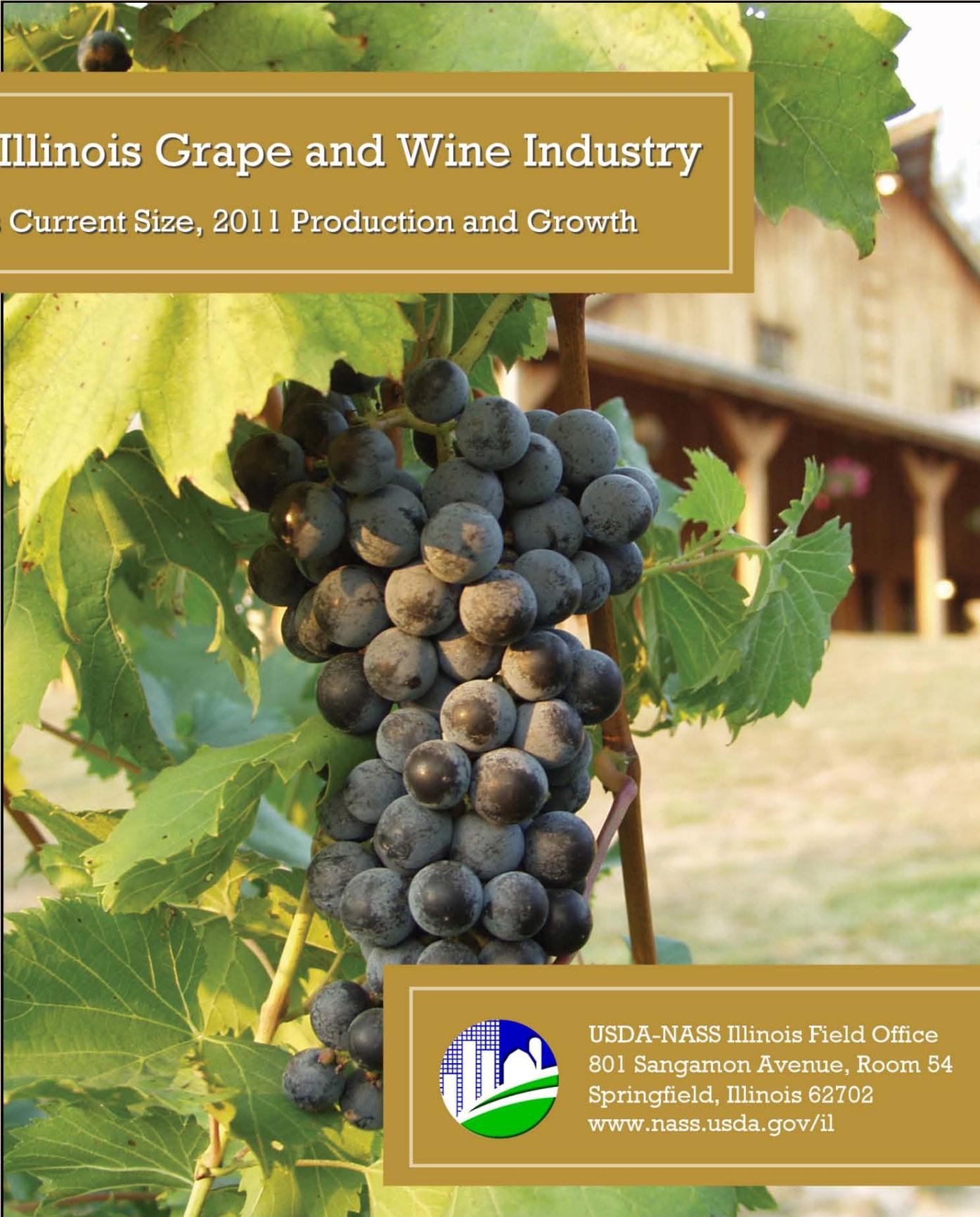
The project measured both grape and wine production in Illinois. All known grape growers in the state were contacted with two mailings. Non-response follow-up were conducted by field enumerators as budget allowed. The questionnaire contained screening questions designed to screen out "hobby farms" and only include commercial vineyards and wineries. For this project, a commercial vineyard was defined as a farm with greater than one acre of grapes.

There are a significant number of operations that grow grapes and make wine in Illinois, so the IL FO staff designed one questionnaire that suited both vineyards and wineries. Items of interest in the questionnaire for vineyards included the following: Number of hired workers, grape usage, transportation methods, cold storage facilities, pest management problems, herbicide drift damage, grape (bearing and non-bearing) acreage by variety, average vine age by variety, production, price, BRIX (sugar content), future acreage plans. For wineries, items of interest included these issues: establishment year, number of hired workers, tankage, wine production, sales venues, wine inputs (other than grapes), sources of wine inputs (in and out-of-state), and future production plans.

Contact Information

All questions relating to this project should be directed to:

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The Illinois Grape and Wine Industry

Its Current Size, 2011 Production and Growth



USDA-NASS Illinois Field Office
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Springfield, Illinois 62702
www.nass.usda.gov/il

THE ILLINOIS GRAPE AND WINE INDUSTRY

Its Current Size, 2011 Production, and Growth

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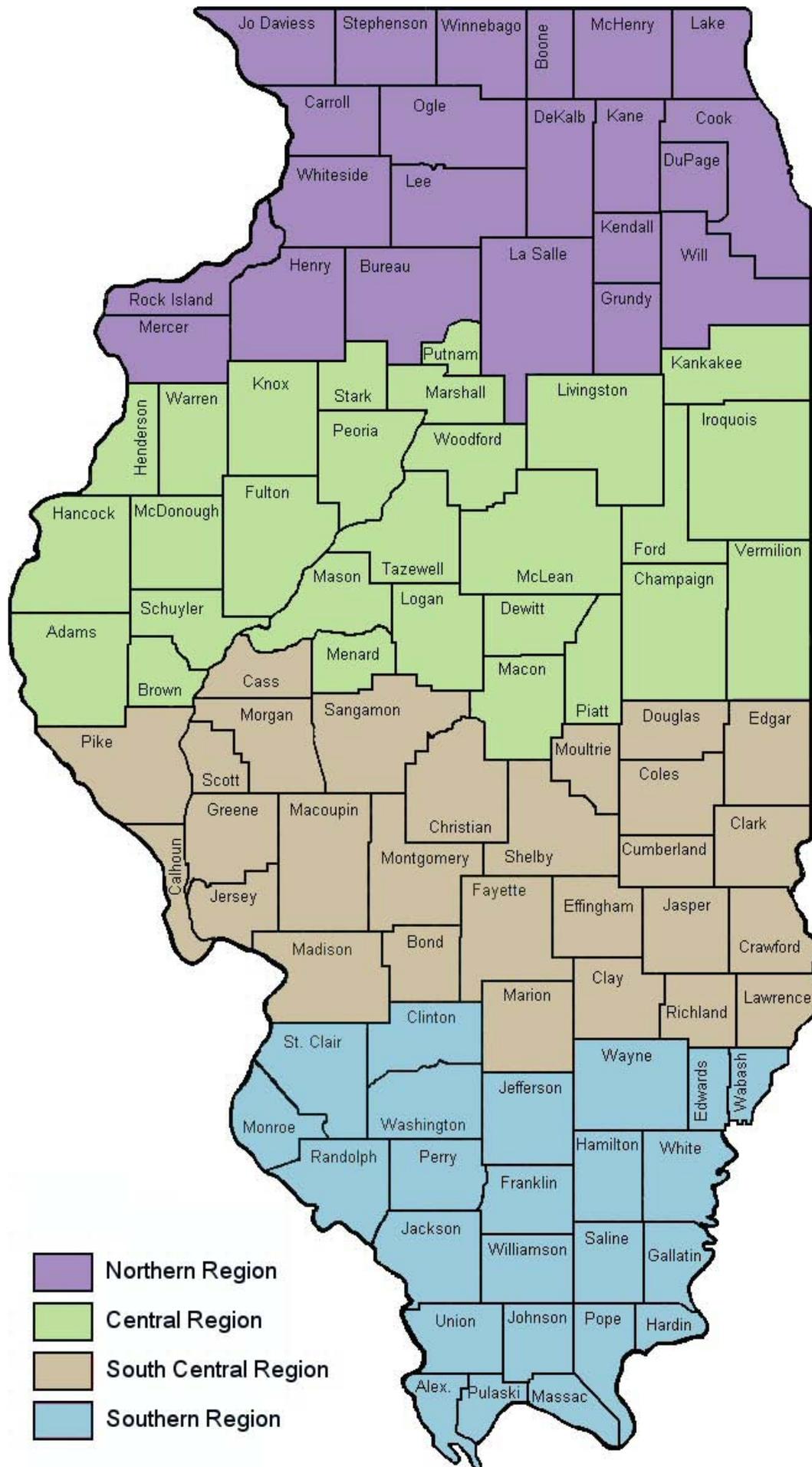
Bonny Kuykendall

United States Department of Agriculture
National Agricultural Statistics Service
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Contributors and Sponsors

Illinois Grape Growers and Vintners Association
Executive Director: Bill McCartney
Member Contact: Megan Pressnall

Illinois Department of Agriculture



- Northern Region
- Central Region
- South Central Region
- Southern Region

Introduction and Purpose

In January of 2012, the Illinois Field office of USDA's National Agricultural Statistics Service (NASS), working in cooperation with the Illinois Grape Growers and Vintners Association (IGGVA), began a statewide census of all known vineyards and wineries. The main goals of this project were to measure the commercial acreage of grapes and gallons of wine produced in Illinois during 2011.

The Illinois Field Office of NASS gathers and disseminates statistics on agriculture throughout the year. Most of the statistics focus on the larger commodities in Illinois such as corn, soybeans, beef, and swine. Only a few reports are dedicated to fruits and vegetables. However, there is a growing interest in measuring production of specialty crops in Illinois and across the U.S. In light of the need for statistics on specialty crops, the IGGVA partnered with the Illinois Department of Agriculture (IDOA) and applied for a grant to measure the size and scope of the Illinois grape and wine industry. The grant was approved and funds were allocated to the Illinois Field Office of NASS to conduct a survey to measure grape and wine production in 2011. A similar project was conducted in 2007 by the University of Illinois at Urbana-Champaign and measured grape and wine production in 2006. The results of that report can be found at

<http://www.illinoiswine.com/pdf/industry-report07.pdf>

Acknowledgements

The staff of the Illinois Field Office would like to thank all the producers that responded to the 2011 Vineyard and Winery Inquiry. We would also like to thank Bruce Morgenstern, President of the IGGVA; Joe Taylor, Vice President of the IGGVA; and Megan Pressnall, Director of External Relations with the IGGVA. Finally, we would like to thank Warren Goetsch, Chief of the Bureau of Environmental Programs at the IDOA, for his assistance with the herbicide drift sections of the questionnaire and publication.

Sampling

The Illinois Field Office of USDA – NASS maintains a database of producers' contact information and reported commodities. This database enables NASS to target growers of some commodities based on their historical production reports. In the Fall of 2011, NASS began to supplement that database with a list of vineyards and wineries maintained by the IGGVA. The lists were combined, duplication was removed, and questionnaires were mailed to all known vineyards and wineries.

Data Collection

The first mailing occurred in January 2012. In early February, representatives from the Illinois Field office of USDA – NASS attended the IGGVA annual conference in Springfield to promote the survey and a second mailing was sent out to non-respondents shortly after the conference. After the second mailing, non-respondents were contacted by telephone and by personal visits in February and March. Some operations were excluded from the telephone and personal enumeration phases in order to keep data collection costs low. Details on data collection and response rates can be found in the Appendix. All reports were examined by statisticians and manually edited for reasonableness. In addition, computer programs were used to identify unusual data and make adjustments where appropriate.

Summarization and Publication of Data

Data were tabulated and totals were adjusted to account for non-response by operation type. The operation types, or strata, were defined as follows: Strata 1 – Large Operations (Greater than 15 acres of grapes or greater than 50,000 gallons of wine production), Strata 2 – Vineyards without wineries, Strata 3 – Wineries and Vineyard/Winery combinations. In order to ensure confidentiality of the reporters and reliability of the estimates, some statistics have been suppressed. These suppressions are denoted by the letter 'D' in the tables. A few exceptions were made in cases where the major contributing reporter provided written consent to publish the estimate.

Industry Highlights

In 2011, there were an estimated 175 commercial vineyards across the state of Illinois growing 1,066 acres of grapes. A commercial vineyard for the purposes of the 2011 report was defined as having at least one acre of grapes. The 2006 estimates also included vineyards with less than 1 acre of grapes – hobbyists. In addition to the 175 commercial vineyards, there were 136 hobby vineyards identified growing 41 acres of grapes. This brings total grape acreage to 1,107 acres produced by 312 growers. Compared to 2006, this suggests a 33 percent increase in the number of vineyards and hobbyists over the previous five years and a 2 percent increase in the grape acreage.

The majority of vineyards are located in the Southern and South Central regions of the state. Combined, these two regions make up 66 percent of the state’s vineyards. Grape acres, unlike the number of vineyards, are more evenly distributed across the state. Forty-two percent of Illinois vineyards were established between 1996 and 2000 and 23 percent were established in 2006 or later.

Total wine production in 2011 was estimated at 651,800 gallons, which was produced by 105 commercial wineries. For the purposes of this report, a commercial winery was defined as producing wine for sale to the general public. Compared to 2006, the number of commercial wineries has increased by 36 percent while total wine production has increased by 16 percent. Of the wineries surveyed, only 6 percent were established prior to 1996 and 46 percent were established after 2005.

Number of Vineyards and Wineries by Region, 2006 & 2011

Region	Vineyards		Wineries	
	2006	2011 ^a	2006	2011
Northern	57	29	20	21
Central	37	30	11	18
South Central	50	49	17	29
Southern	91	67	29	37
STATE	235	175	77	105

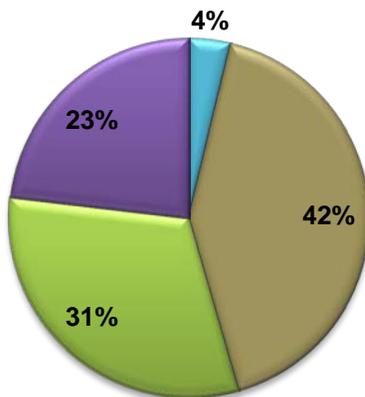
^a Numbers are based on commercial vineyards only and therefore cannot be directly compared to 2006 estimates.

Total Acres of Grapes and Gallons of Wine Produced by Region, 2006 & 2011

Region	Grape Acres		Wine Production	
	2006	2011 ^a	2006	2011
Northern	270	236	283,482	282,700
Central	169	245	39,326	79,400
South Central	296	290	93,162	137,000
Southern	348	295	148,300	152,700
STATE	1,083	1,066	564,270	651,800

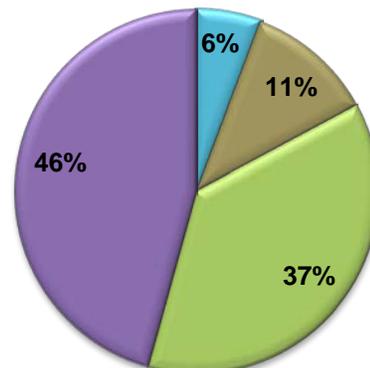
^a Numbers are based on commercial vineyards only and therefore cannot be directly compared to 2006 estimates.

Distribution of Vineyards by Establishment Year



- 1995 or Earlier
- 1996 to 2000
- 2001 to 2005
- 2006 and Later

Distribution of Wineries by Establishment Year



Vineyards

Number of Vineyard Workers by Employment Type and Season

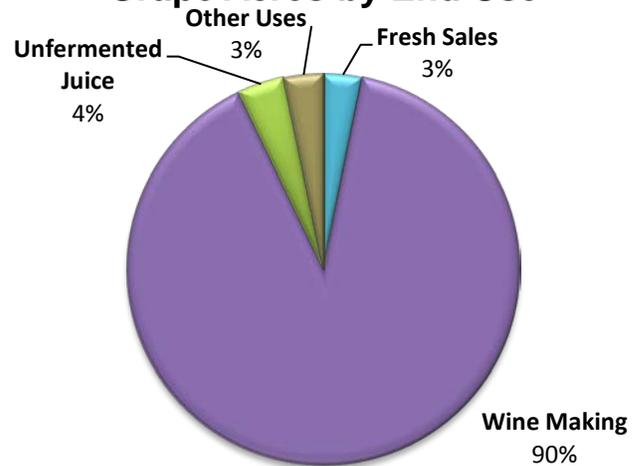
Region	Full Time	Part Time	Seasonal			Volunteer		
			Pruning	Summer	Harvest	Pruning	Summer	Harvest
Northern	30	15	38	51	107	47	15	399
Central	29	44	42	62	151	76	52	286
South Central	28	39	29	44	142	37	30	200
Southern	41	67	33	74	306	34	32	150
STATE	128	165	142	231	706	194	129	1,035

The 175 commercial vineyards employ an estimated 128 full-time employees and 165 part-time employees. In addition to the regular full-time and part-time employees, more than 700 seasonal employees and 1,000 volunteers also worked to maintain Illinois' vineyards. The majority of seasonal and volunteer employees worked during the harvest season.

Of the 1,066 acres of commercial grapes grown in the state of Illinois, 90 percent are grown for the purpose of wine making, 4 percent for unfermented juice, 3 percent for fresh market sales, and 3 percent for other uses. Other uses include processing grapes into jams and other processed grape products as well as waste and abandonment. These breakdowns are comparable to the results of the 2006 study.

A total of 82 vineyard owners, or 47 percent, indicated having a cold storage facility for their grapes on-site. Sixty-seven of these facilities were permanent structures and the remaining 15 were considered temporary structures, such as refrigerated trailers.

Grape Acres by End Use



Number of Vineyards with Cold Storage Facilities Onsite

Region	Frequency Cited	
	Number	(%)
Northern	10	6%
Central	20	11%
South Central	22	13%
Southern	30	17%
STATE	82	47%

As with any agricultural commodity, there are many different pest problems and management challenges that producers must face. The table to the right shows the frequency of the most cited pest management problems faced by Illinois vineyards. The most commonly cited problem in 2011 was the Japanese beetle with 24 percent of the vineyards reporting having issues with this pest. The second most commonly cited pest was birds with 19 percent, followed by black rot and deer, each with 11 percent. In the 2006 study, the four most commonly cited pest management problems in order were birds, Japanese beetles, deer, and black rot.

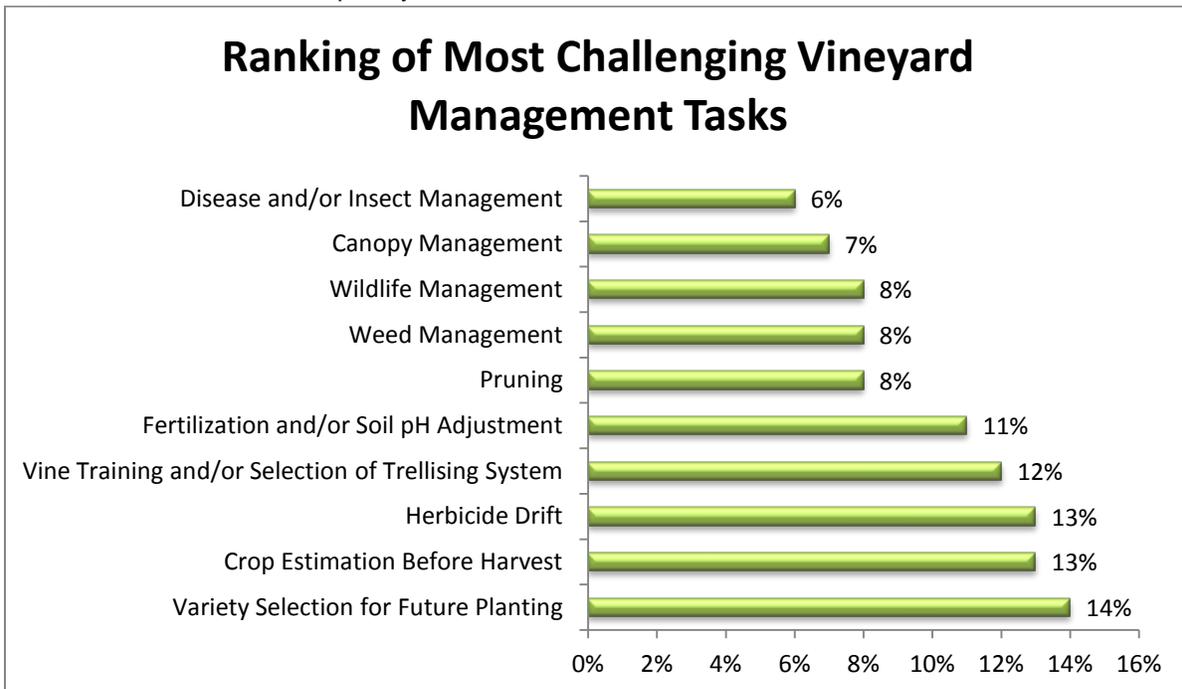
In addition to citing common pest problems, vineyard operators were asked to rank ten different management tasks from most challenging to least challenging. The results for that question can be seen in the graph below. The most challenging management task cited by Illinois vineyard operators was selection of grape variety or varieties for future plantings. This was followed closely by crop estimation before harvest and herbicide drift.

Herbicide drift is the movement of herbicide from the target area to areas where herbicide application was not intended. Grapes, like many other specialty commodities, are particularly sensitive to this issue because certain herbicide products, which are commonly used for row crop farming, can injure the grape vine, contaminate the fruit, significantly reduce yields, or even kill the vine completely.

Most Cited Pest Management Problems

Pest	Frequency Cited (%)
Japanese Beetle	24%
Birds	19%
Black Rot	11%
Deer	11%
Raccoons	6%
Powdery Mildew	5%
Downey Mildew	5%
Phylloxera	4%
Annual Grasses	3%
Broadleaves	3%
Crown Gail	2%
Phomopsis	2%
Asian L. Beetle	1%
Woody Plants	1%
Canada Thistle	1%
Turkeys	1%
TOTAL	100%

Ranking of Most Challenging Vineyard Management Tasks



Herbicide Drift

The following table shows the percent of vineyards reporting damage and the associated acres damaged from suspected herbicide drift originating from outside their vineyard from 2007 to 2011. Statewide, damage from herbicide drift has steadily declined over the five year period from 2007 to 2011. Of the vineyards surveyed, 24 percent reported having damage in 2007 on a combined 92 acres compared to 18 percent reporting damage on a combined 62 acres of grapes in 2011.

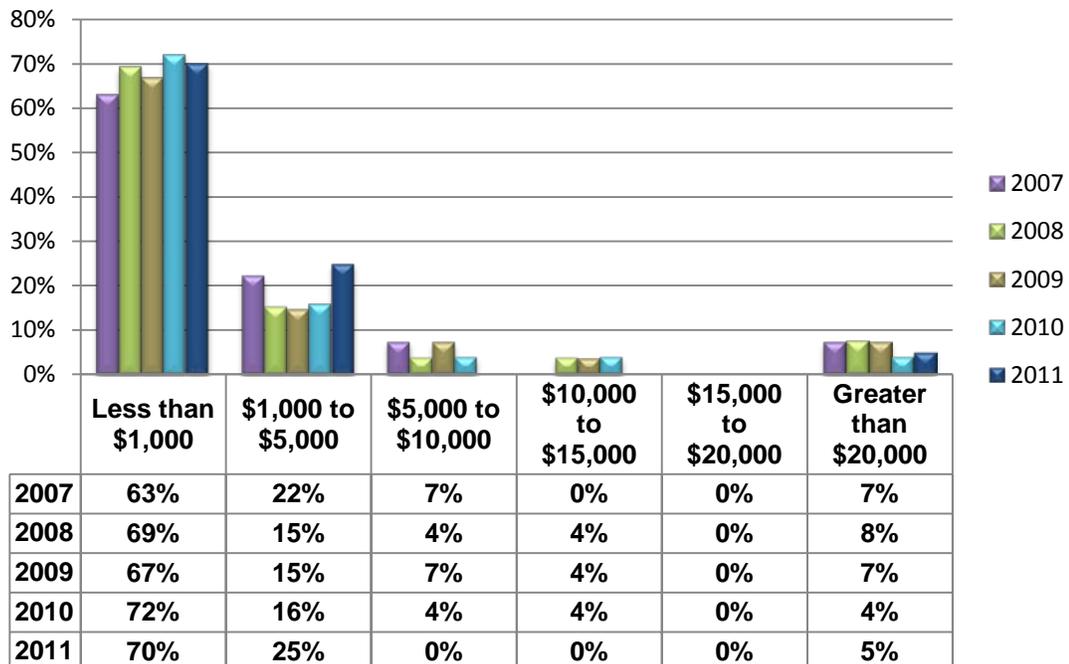
Percent of Vineyards Reporting Damage and Acres Affected by Herbicide Drift From 2007 to 2011 ^b

Region	2007		2008		2009		2010		2011	
	% of Vineyards Reporting	Acres Damaged								
Northern	5%	26	5%	25	5%	16	5%	10	2%	5
Central	7%	28	6%	29	6%	27	7%	23	6%	23
South Central	7%	31	9%	34	9%	35	7%	29	7%	24
Southern	5%	7	4%	6	4%	10	5%	10	3%	10
STATE	24%	92	24%	94	24%	88	24%	72	18%	62

^b Statistics were based on reporter's recollection of damage prior to 2011 and percents were calculated using the 2011 vineyard count.

The chart below shows the damage from suspected herbicide drift from a monetary standpoint. In each year, more than 60 percent of the vineyards, which reported having damage due to herbicide drift, estimated that damage to be less than \$1,000. On the other side of the scale, less than 10 percent of the vineyards, which reported having damage due to herbicide drift, estimated that damage to be more than \$20,000.

Estimated Damage Due to Herbicide Drift from 2007 to 2011



Percents may not add to 100% due to rounding

Grape Varietals

Statewide in 2011, there were 921 acres of bearing grapes and 145 acres of non-bearing grapes for a total of 1,066 acres. The average age for all grapes combined was 7.2 years. There are over 100 different varieties of grapes grown in the state of Illinois. Below is a summary of acres planted, harvested, bearing, and non-bearing as well as average vine age for a few of the most commonly grown varieties.

The most common grape varietal in Illinois is Chambourcin with 129 planted acres, which accounts for 12 percent of the state's grape acreage. Norton is the second most popular variety with 87 acres or 8 percent of total grape acreage. Concord and Chambourcin grapes are among the oldest in Illinois with an average vine age of 10 years. The youngest varieties are Frontenac Gris and La Crescent with an average age of 4 years.

Grape Acres Planted, Harvested, Bearing, and Non-Bearing and Average Age by Varietal

Varietal	Commercial Planted Acres	% of Total Planted Acres	Harvested Acres	Bearing Acres	Non-Bearing Acres	Average Vine Age (years)
Chambourcin	129	12%	102	118	11	10
Norton	87	8%	73	73	14	8
Frontenac	79	7%	67	68	11	7
Foch	75	7%	61	69	6	8
Chardonel	74	7%	63	66	8	9
Vignoles	74	7%	52	65	9	8
Traminette	60	6%	52	55	5	8
Concord	34	3%	31	D	D	10
Seyval	33	3%	30	31	2	9
Vidal Blanc	28	3%	24	25	3	7
Villard Blanc	27	3%	26	D	D	8
Niagra	25	2%	23	D	D	7
Corot Noir	24	2%	16	20	4	5
La Crescent	24	2%	17	17	7	4
Cayuga	23	2%	18	20	3	7
St Pepin	21	2%	14	17	4	7
La Crosse	20	2%	13	14	6	7
Marquette	16	2%	4	7	9	5
Noriet	16	2%	9	13	3	6
St Croix	16	2%	14	15	1	8
Cabernet Franc	14	1%	12	12	2	7
Leon Millot	13	1%	10	D	D	8
Frontenac Gris	13	1%	9	D	D	4
NY 76	12	1%	11	D	D	6
Chancellor	10	1%	9	10	--	8
Prairie Star	8	1%	6	6	2	6
All Other Varieties	111	10%	70	88	23	6
TOTAL	1,066	100%	836	921	145	7.2

D. Statistics were suppressed due to lack of reports or to ensure confidentiality of reporters.

The table below is a continuation from the previous page and lists the average sugar content (BRIX), tons marketed, tons sold out of state, price received, and future planned acres for the most commonly grown grape varieties in Illinois. There were a total of 1,086 tons of grapes marketed in 2011 and 67 tons of that were sold out of state. Prices received by producers for grapes sold varied from \$800 to \$1,600 per ton depending on the variety.

Norton was reported as being one of the sweetest grapes harvested in 2011 with an average sugar content of 28 percent. Chambourcin had the most tons marketed in 2011 with 185 tons, or 17 percent of the total. The average price received by producers for Chambourcin sales was \$993. Over the next five years, current Illinois producers are anticipating planting an additional 71 acres of various varieties.

Grape BRIX, Tons Marketed, Tons Sold Out of State, Price per Ton, and Future Plantings by Varietal

Varietal	Average Sugar % (BRIX)	Tons Marketed	Tons Sold Out of State	Average \$ /Ton Received	Future Planned Acres
Chambourcin	22	185	20	993	11
Norton	28	80	D	D	D
Frontenac	22	99	24	937	D
Foch	22	85	10	1,050	D
Chardonel	22	35	--	--	D
Vignoles	24	79	--	--	10
Traminette	21	104	--	--	8
Concord	17	40	--	--	D
Seyval	21	74	--	--	D
Vidal Blanc	22	76	--	--	D
Villard Blanc	D	D	--	--	D
Niagra	17	24	--	--	D
Corot Noir	21	16	--	--	D
La Crescent	21	16	--	--	D
Cayuga	20	13	--	--	--
St Pepin	21	12	--	--	D
La Crosse	20	16	--	--	--
Marquette	25	D	D	D	3
Noriet	21	D	--	--	D
St Croix	20	15	--	--	--
Cabernet Franc	23	24	--	--	D
Leon Millot	22	17	--	--	--
Frontenac Gris	22	D	--	--	--
NY 76	20	4	--	--	--
Chancellor	20	12	--	--	D
Prairie Star	D	D	--	--	--
All Other Varieties	21	46	D	D	14
TOTAL	21.5 %	1,086	67	\$ 1,036	71

D Statistics were suppressed due to lack of reports or to ensure confidentiality of reporters.

Wineries

In 2011, there were an estimated 105 wineries producing 651,800 gallons of wine in the state of Illinois. These wineries employed an estimated 211 full-time employees, 290 part-time employees, 237 seasonal employees, and 318 volunteers. Current capacity to make and store wine stands at 1,002,400 gallons of tankage and 158,800 gallons of oak barrels for a total capacity of 1,161,200 gallons. The Northern Region of the state accounts for just under half of the overall capacity in Illinois.

The majority of Illinois' wine production takes place in the Northern Region of the state where there are 21 wineries producing 282,700 gallons of wine, 43 percent of the state's total. Of the 651,800 gallons of wine produced in 2011, 49 percent was red wine, 34 percent was white wine, and 17 percent was non-grape wine.

Number of Winery Workers by Employment Type

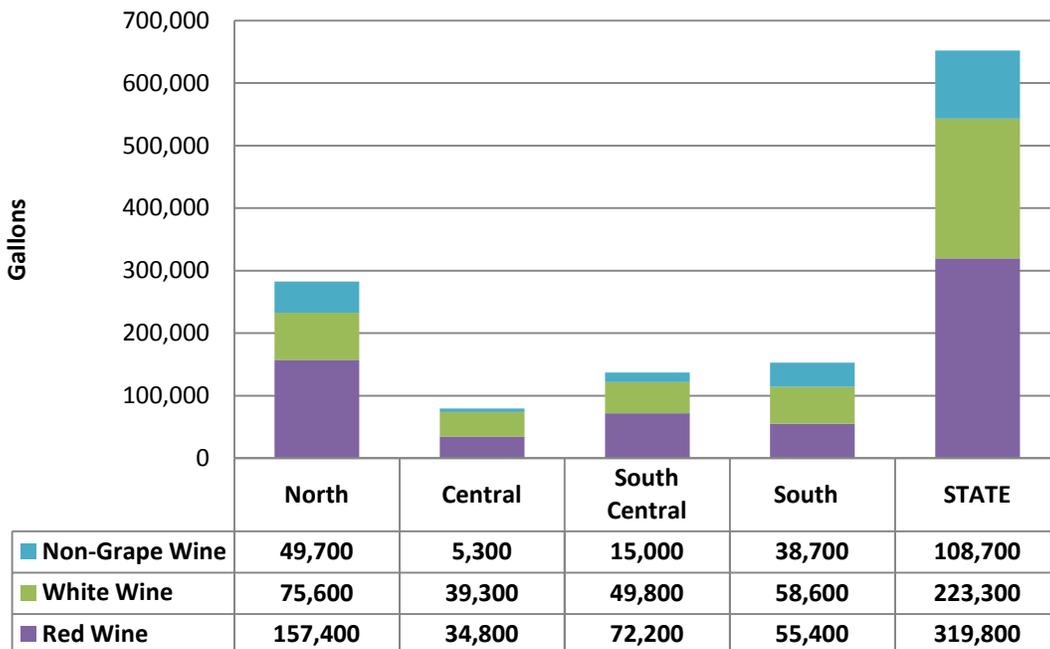
Region	Full Time	Part Time	Seasonal	Volunteer
Northern	62	14	104	40
Central	43	81	41	144
South Central	42	64	41	55
Southern	64	131	51	79
STATE	211	290	237	318

Total Tankage Capacity, Oak Barrel Capacity, and Wine Production for 2011

Region	Tankage (Gallons)	Oak Barrels (Gallons)	Production (Gallons)
Northern	426,300	104,700	282,700
Central	120,100	D	79,400
South Central	206,300	D	137,000
Southern	249,700	12,000	152,700
STATE	1,002,400	158,800	651,800

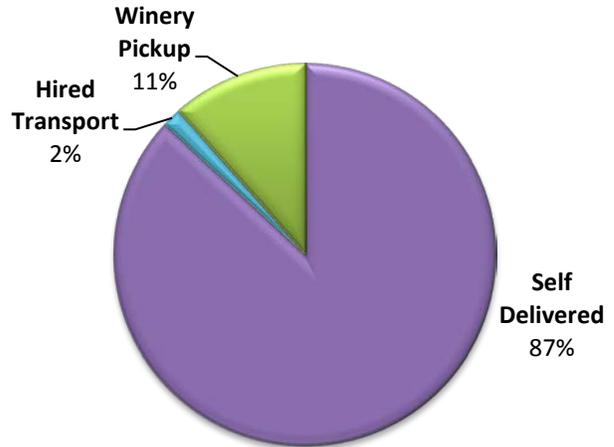
D Statistics were suppressed due to lack of reports or to ensure confidentiality of reporters.

Gallons of Wine Production by Type



Eighty-seven percent of Illinois grapes, which are used for wine production, are self-delivered to the wineries by the vineyard, 11 percent are picked up by the wineries, and 2 percent are shipped by hired transport services. Over the past five years there has been very little change in transportation methods. According to the 2006 study, 81 percent were self-delivered, 16 percent were picked up by the wineries, and 3 percent were shipped by hired transport.

Method of Transport for Grapes from Vineyard to Winery



In 2011, Illinois wineries sold an estimated 227,500 cases of wine. Seventy-nine percent, or 179,000 cases, were sold on-site through winery stores and tasting rooms. Eleven percent were sold through distributors, 7 percent were self-delivered to retailers, and the remaining 3 percent were sold at through various off-site venues such as farmer's markets and festivals.

Cases of Wine Sold by Venue for 2011

Region	Tasting Room	Distributor	Self-Delivered to Retailer	Offsite (festivals, farmer's markets, etc.)
Northern	104,600	16,100	3,200	900
Central	20,300	D	5,000	2,100
South Central	24,800	D	2,200	2,100
Southern	29,300	7,200	4,700	1,900
STATE	179,000	26,400	15,100	7,000
% of Total	79%	11%	7%	3%

D Statistics were suppressed due to lack of reports or to ensure confidentiality of reporters.

Of the 651,800 gallons of wine produced in 2011, 172,700 gallons, or 26 percent, were produced from whole grapes that were grown by Illinois wineries. An additional 118,900 gallons of wine were produced from grapes produced at other Illinois vineyards. Just over a quarter of the wine produced by Illinois wineries in 2011 was produced using juice or other concentrates imported from other states.

Gallons of Wine Produced by Fruit Source for 2011

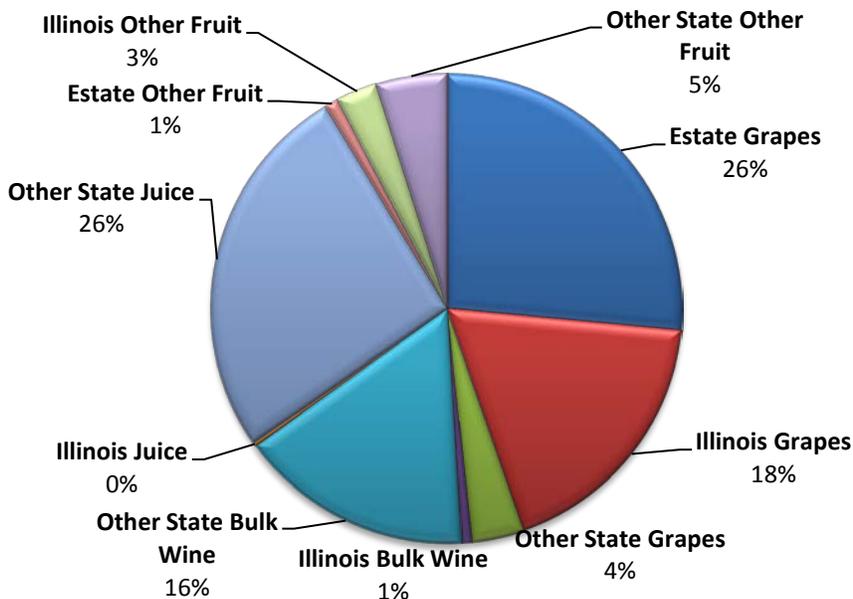
Region	Estate Grapes	Illinois Grapes	Other State Grapes	Illinois Bulk Wine	Other State Bulk Wine	Illinois Juice	Other State Juice	Estate Other Fruit	Illinois Other Fruit	Other State Other Fruit
Northern	28,900	23,200	18,100	--	85,500	--	122,600	D	D	4,100
Central	34,600	32,700	D	D	D	--	7,600	--	D	D
South										
Central	67,700	10,200	3,700	D	D	D	D	1,000	D	5,200
Southern	41,500	52,800	D	--	4,000	--	D	D	16,000	D
STATE	172,700	118,900	23,300	4,900	104,500	D	169,700	6,300	18,400	31,500
% of Total	26%	18%	4%	1%	16%	0%	26%	1%	3%	5%

D Statistics were suppressed due to lack of reports or to ensure confidentiality of reporters.

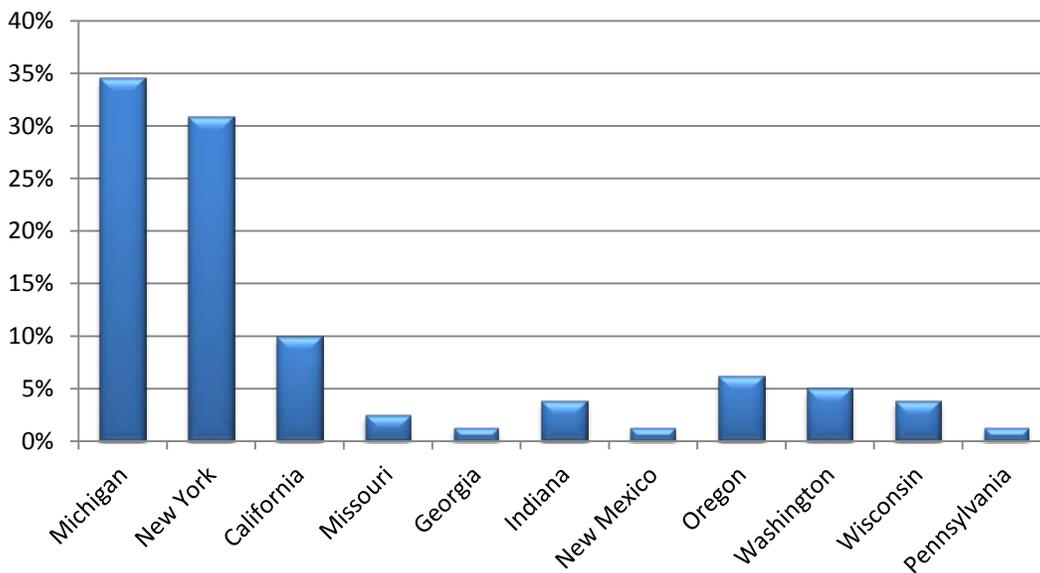
The graph below shows a visual distribution of the table on the previous page. Nearly half of all Illinois wine (48 percent) is produced from whole grapes. Forty-four percent of those whole grapes are grown in Illinois. Juice and other concentrates account for 26 percent of the state's wine production, bulk wine accounts for 17 percent, and other non-grape fruit make up the remaining 9 percent.

Fifty-one percent of Illinois wine is produced from grapes, bulk wine, juice and concentrates, and other non-grape fruits which is imported from other states across the United States. The graph at the bottom of the page lists the states and frequency for which Illinois winery owners cited purchasing these products from. Of the wineries surveyed, thirty-two percent indicated purchasing either grapes, bulk wine, juice, or non-grape fruits from other states. Michigan was the most cited state, followed by New York and California.

Breakdown of Illinois Wine by Fruit Source



States Cited for Importation of Grapes, Bulk Wine, Juice, and Other Fruit



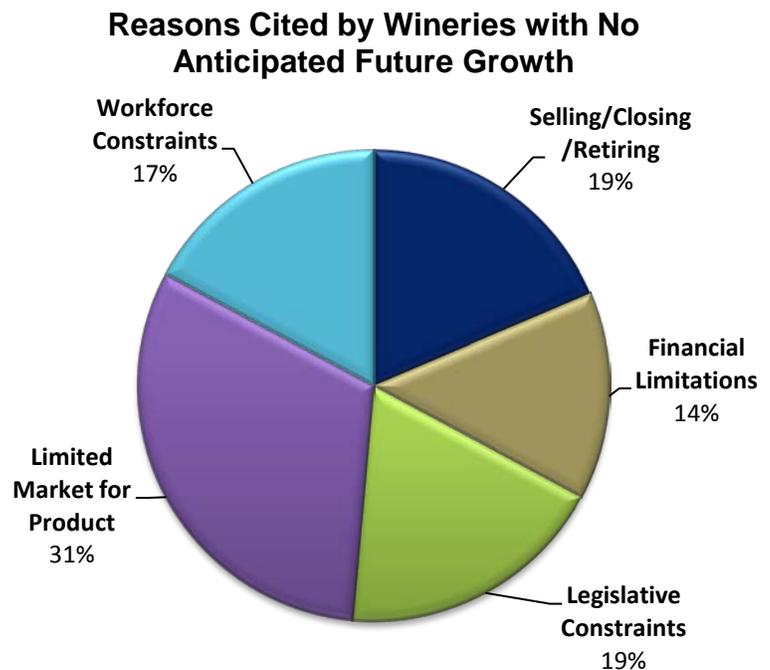
Anticipated Increase in Wine Making Capacity Over the Next 1, 5, and 10 Years ^c

Region	1 Year Increase (Gallons)	% of Wineries Indicating Growth	5 Year Increase (Gallons)	% of Wineries Indicating Growth	10 Year Increase (Gallons)	% of Wineries Indicating Growth
Northern	101,500	7%	815,600	10%	1,778,200	9%
Central	5,100	6%	27,700	11%	78,700	9%
South Central	8,000	9%	31,900	15%	29,000	11%
Southern	26,400	12%	26,200	10%	43,000	9%
STATE	141,000	34%	901,400	46%	1,928,900	38%

^c These estimates are based on the intentions and locations of current wineries only and may or may not be produced and/or sold in the regions specified above.

Thirty-four percent of the surveyed wineries indicated a combined capacity increase of 141,000 gallons within the next year. Within the next five years, 46 percent of surveyed wineries indicated plans to increase capacity by approximately 901,400 gallons and within the next 10 years, 38 percent of surveyed wineries indicated plans to increase capacity by nearly 2 million gallons.

Just over half of the wineries (51 percent) indicated no plans for future expansion at any point within the next 10 years. The graph to the right shows the most cited reasons why those wineries have no expansion plans. The most cited reason was a feeling of their being a limited market for their wines. Other reasons included legislative constraints, plans for retirement or leaving the industry, limited available workforce, and lastly financial limitations.



Appendix

Timeline of Data Collection

Event	Date	Reports Sent	Reports Received
First Mailing of Questionnaires	January, 6	471	153
IGGVA Annual Conference	February, 2-4	N/A	10
Second Mailing	February, 9	308	92
Phone and Personal Interview	February, 23 – March 30	182	123

Response Rates by Data Collection Mode

Data Collection Mode	Number of Reports	% of Reports
Mail	245	52.2%
Telephone	41	8.7%
Personal Interview	82	17.4%
Completed Reports	369	78.3%
Non-Usable Reports	102	21.7%
Total Sample	471	100%



ILLINOIS VINEYARD & WINERY INQUIRY

Illinois Field Office
 P.O. Box 19283
 Springfield, IL 62794-9283
 1-800-622-9865
 Fax: 1-800-811-3913
 E-mail: nass-il@nass.usda.gov

Information requested in this survey is used to prepare estimates of the Illinois wine industry. Facts about your operation are **strictly confidential** and used only in combination with other reports. Response is voluntary, but needed to ensure accurate results. You may return this questionnaire by mail to the address listed above. Please phone 1-800-622-9865 with any questions.

Please verify the name and mailing address for this operation.
 Make corrections (including the correct operation name) on the above label.

Instructions: Return one questionnaire for your entire vineyard and/or winery operation as addressed. *Include vineyards rented or leased from others. Exclude vineyards rented or leased to others. For the purpose of this report, a **commercial vineyard** is defined as having greater than 1 acre of grapes. Less than 1 acre of grapes is considered a **hobby farm**.* The winery section of the questionnaire begins on page 6.

SECTION A – OPERATION INFORMATION

1. At any time during 2011, did you operate a commercial vineyard and/or winery in Illinois?

101

1 **YES**, proceed to Question 1(a) 3 **NO**, go to Question 2

(a). Is your commercial vineyard and/or winery open to the public at any point during the year?

102

1 **YES**, go to **SECTION B** 3 **NO**, go to **SECTION B**

2. Do you currently grow grapes or produce wine only as a hobby and not for sale?

103

1 **YES**, proceed below 3 **NO**, proceed to Question 3



Please list the grape varieties and number of vines on your hobby operation.

Office Use	Grape Variety	Number of Vines	Vine Row Spacing
1001		__ _01	__ _02 ft x __ _03 ft
1002		__ _01	__ _02 ft x __ _03 ft
1003		__ _01	__ _02 ft x __ _03 ft
1004		__ _01	__ _02 ft x __ _03 ft

3. Do you plan on planting or growing grapes and/or producing wine for sale in Illinois within the next 5 years?

104

1 **YES**, go to **SECTION E** on pg. 8 3 **NO**, go to **SECTION E** on pg. 8

SECTION B – VINEYARD PRODUCTION:

4. Do you currently operate a commercial vineyard in the State of Illinois?

201

1 **YES**, proceed to Question 5 3 **NO**, go to **SECTION D** on pg. 6

5. How many total acres of grapes do you currently have on your vineyard?.....

202

6. Please specify the county, year of establishment, and year of first grape sale for your vineyard.

County Name	Year Established <small>203</small>	Year of First Sale <small>204</small>	Office Use <small>205</small>
--------------------	---	---	---

7. During 2011, how many employees, laborers, and/or volunteers worked in your vineyard (*Please do not count the same person in more than 1 category*)?

Position Status

of Workers

Full-time employees.....
 Part-time (year round) employees.....
 Seasonal employees.....
 Volunteers (approximate).....

206
207
208
209

8. Of the total number of workers listed in Question 7, please specify the season(s) in which they worked (*the same person may be counted in any or all seasons*).

Position Status

of Workers

Pruning Summer Harvest

Full-time employees.....
 Part-time (year round) employees.....
 Seasonal employees.....
 Volunteers (approximate).....

210	211	212
213	214	215
216	217	218
219	220	221

9. In 2011, what percentage of the grapes from your vineyard were used for fresh sales, wine making, and/or unfermented juice?

Crop Usage

Percent

Fresh Sales (i.e. Table Grapes)+
 Wine Making.....+
 Unfermented Juice.....+
 Other (*please specify*).....+

222	%
223	%
224	%
225	%
=100	%

10. In 2011, for grapes that you shipped to wineries, what percentage (by volume) were self-delivered, transported by hired transport, and picked up by the winery? (*specify percent*)

Method of Transport

Percent

Self-Delivered.....
 Hired Transport.....
 Winery Pick-up.....

226	%
227	%
228	%
229	
230	

11. Do you have a cold storage facility available for your grapes?.....**Yes=1 No=3**

(a). Is the cold storage facility only temporary (*i.e. refrigerated trailer*)?.....**Yes=1 No=3**

12. In the boxes below, please write your three most serious pest management problems faced in 2011? (*use the list of common pests below. You may pick from one or multiple categories*)

--	--	--

<u>DISEASES</u>	<u>INSECTS</u>	<u>WEEDS</u>	<u>WILDLIFE</u>	<u>Office Use</u>
Phomopsis	Phylloxera	Canada Thistle	Birds	231
Black Rot	Japanese Beetle	Annual Grasses	Deer	
Powdery Mildew	G. Berry Moth	Woody Plants	Raccoons	232
Downy Mildew	Asian L. Beetle	Broadleaves	Turkeys	
Crown Gail	G. Root Borer	Bindweed	Other: _____	233
Other: _____	Other: _____	Other: _____		

SECTION C – VINEYARD MANAGEMENT & HERBICIDE DRIFT:

13. Please rank the following vineyard management issues from "1" (*most challenging*) to "10" (*least challenging*). (use each number 1-10 only once)

- Canopy Management (*shoot thinning and positioning, cluster and leaf thinning*).....
- Crop Estimation Before Harvest.....
- Disease and/or Insect Management.....
- Fertilization and/or Soil pH Adjustment.....
- Pruning.....
- Variety Selection for Future Planting.....
- Vine Training and/or Selection of Trellising System.....
- Weed Management.....
- Wildlife Management.....
- Herbicide Drift.....

Rank
301
302
303
304
305
306
307
308
309
310

14. Of the past five years, indicate which year(s) your vineyard has been damaged due to suspected herbicide drift originating from outside your vineyard.

- 2007 2008 2009 2010 2011 None (*skip to SECTION D*)

FOR OFFICE USE

311	312	313	314	315
-----	-----	-----	-----	-----

15. For the year(s) you indicated your vineyard has been damaged due to suspected herbicide drift, what percentage of your vineyard would you estimate was affected by the suspected herbicide drift?

2007	2008	2009	2010	2011
316 %	317 %	318 %	319 %	320 %

16. Was there a specific variety of grape that was **MORE** affected by suspected herbicide drift than other varieties?

- ³²¹ 1 **YES**, please specify which variety below 3 **NO**, proceed to Question 17

Variety: _____

Office Use

322

17. In terms of grape production (**not wine**), how much do you estimate you have lost due to suspected herbicide drift each year? (*enter the number 1-6 which corresponds to the amounts given in the table*)

1 = < \$1,000	3 = \$5,000 - \$10,000	5 = \$15,000 - \$20,000
2 = \$1,000 - \$5,000	4 = \$10,000 - \$15,000	6 = > \$20,000

2007	2008	2009	2010	2011
323	324	325	326	327

18. In which year(s), if any, did you file a formal pesticide misuse complaint with the Illinois Department of Agriculture regarding your suspected herbicide drift?

- 2007 2008 2009 2010 2011 None

FOR OFFICE USE

328	329	330	331	332
-----	-----	-----	-----	-----

Instructions:

Please complete the following table as accurately and completely as possible with information regarding your vineyard operation(s).

Fill out one line of the table for each variety of grape that you grow. Please report **ALL** varieties that you grow.

Report acreage and production to the nearest tenth acre.

If you need more space, you may write in additional varieties in the blank space below the table.

For Office Use	Variety	Answer for Current Year (2011)									Future Years				
		Total # of Acres	Average Vine Age	Acreage of Bearing Age (%)	Acreage of Non-Bearing Age (%)	Acres Harvested	Tons Marketed	Tons Sold out of State	Sugars ("BRIX")	Average Price Sold (\$/Ton)	Expected Acres to be Harvested in 2012	Expected Acres to be Harvested in 2013	Expected Acres to be Harvested in 2014	Additional Acres to be Planted	Expected Year of Future Plantings
Example:	Chardonel	5.0	8	80%	20%	4.0	6.5	0	20	\$800	4.2	4.8	5.0	2.1	2014
1005		__04	__05	__06	__07	__08	__09	__10	__11	__12	__13	__14	__15	__16	__17
1006		__04	__05	__06	__07	__08	__09	__10	__11	__12	__13	__14	__15	__16	__17
1007		__04	__05	__06	__07	__08	__09	__10	__11	__12	__13	__14	__15	__16	__17
1008		__04	__05	__06	__07	__08	__09	__10	__11	__12	__13	__14	__15	__16	__17
1009		__04	__05	__06	__07	__08	__09	__10	__11	__12	__13	__14	__15	__16	__17
1010		__04	__05	__06	__07	__08	__09	__10	__11	__12	__13	__14	__15	__16	__17
1011		__04	__05	__06	__07	__08	__09	__10	__11	__12	__13	__14	__15	__16	__17
1012		__04	__05	__06	__07	__08	__09	__10	__11	__12	__13	__14	__15	__16	__17
1013		__04	__05	__06	__07	__08	__09	__10	__11	__12	__13	__14	__15	__16	__17
1014		__04	__05	__06	__07	__08	__09	__10	__11	__12	__13	__14	__15	__16	__17

Please fill out one line of the table above for each grape variety you grow EVEN IF THEY ARE NOT ON THIS LIST.

Whites:	Reds:	Table:					
Catawba	Golden Muscat	St. Pepin	Baco Noir	Corot Noir	Landot Noir	Steuben	Mars
Cayuga White	Lacrosse	Traminette	Cabernet Franc	Chaunac	Leon Millot		Reliance
Chardonel	Niagra	Vidal Blanc	Chambourcin	Foch	Norton (Cynthiana)		Holiday
Chardonnay	Rougeon	Vignoles	Chancellor	Fredonia	NY 73 (Noiret)		
Edel Wiess	Seyval	Villard Blanc	Concord	Frontenac	St. Croix		

SECTION D – Winery

19. Do you presently operate a commercial winery?

401

1 **YES**, go to Question 20

3 **NO**, proceed to Question 19(a) below

(a). If not, do you expect to add a winery to your vineyard within the next five years?

402

1 **YES**, go to **SECTION E** on pg. 8

3 **NO**, go to **SECTION E** on pg. 8

20. Please specify the county, year of establishment, and year of first wine sale for your winery.

County Name	Year Established	Year of First Sale	Office Use
	403	404	405

21. During 2011, how many employees, laborers, and/or volunteers worked in your winery (*Please do not double count*)?

Position Status

of Workers

Full-time employees.....

Part-time (year round) employees.....

Seasonal employees.....

Volunteers (approximate).....

406
407
408
409

22. What are your winery's total gallons of tankage, total gallons of oak barrels, and total number of oak barrels?

Gallons

Winery Tankage.....

Oak Barrels.....

(a). Number of Oak Barrels.....

410
411
412
413

23. How many total gallons of wine did you produce in 2011?.....

24. In 2011, how much wine did you sell through each of the following venues (*you may report bottles OR cases*)?

Bottles

Cases

Tasting Room Sales.....

Distributor.....

Self-Delivered to Retailer.....

Offsite (i.e. festivals, farmer's markets, etc.).....

414	OR	415
416	OR	417
418	OR	419
420	OR	421

25. In 2011, for each listed category including wine made from something other than grapes (i.e., non-grape wine), please specify the number of gallons produced by your winery.

Category

Gallons

Red Wine.....

White Wine.....

Non-Grape Wine.....

Juice.....

Other (*please specify*).....

422
423
424
425
426

26. Please indicate the source(s) of the fruit(s) used in 2011 to produce your wine and also what percentage of your wine was produced using each source. *For example: If all of the wine you produced in 2011 was from your own grapes, then check "Yes" for 26 a. and write 100% in the box to the right.*

% of total wine production

- a. Grapes from your own vineyard?.....427 1 **YES** 3 **NO** +
- b. Grapes from other Illinois vineyards?.....429 1 **YES** 3 **NO** +
- c. Grapes from another state(s)?.....431 1 **YES** 3 **NO** +

428	%
430	%
432	%

- i. Please list the state(s) _____
- ii. In the boxes below, please list the grape varieties and tons purchased from out of state

Grape Variety	Tons Purchased	Office Use
	__18	1015
	__19	1016
	__20	1017
	__21	1018

- iii. If the grapes you purchased from out of state had been available, would you have purchased some or all of them from Illinois producers?.....433 1 **YES** 3 **NO**

- d. Bulk wine from Illinois?.....434 1 **YES** 3 **NO** +

435	%
437	%

- e. Bulk wine from another state(s)?.....436 1 **YES** 3 **NO** +

i. Please list the state(s) _____

- f. Juice or other form of unfermented processed grape from Illinois?.....438 1 **YES** 3 **NO** +

439	%
441	%

- g. Juice or other form of unfermented processed grape from another state(s)?.....440 1 **YES** 3 **NO** +

i. Please list the state(s) _____

- h. Other fruit from your own farm/vineyard?.....442 1 **YES** 3 **NO** +

443	%
445	%

- i. Other fruit from other Illinois farms?.....444 1 **YES** 3 **NO** +

- j. Other fruit from another state(s)?.....446 1 **YES** 3 **NO** +

447	%
-----	---

i. Please list the state(s) _____

= 100 %

27. Over the next 10 years, do you have any plans to increase the size of your winery in terms of wine production capacity?

448

- 1 **YES**, go to question 27(a) below 3 **NO**, go to 27(b) below

(a). Please indicate your plans regarding future expansion of your winery within the following time periods.

Time Span	Additional Capacity (Increase in Gallons)
1 Year	449
5 Years	450
10 Years	451

(b). Please choose the reason(s) below that best describe why you have no intentions of increasing your winery over the next 10 years. *(Choose all that apply)*

452

1 Selling/Closing/Retiring

453

1 Financial Limitations

454

1 Legislative Constraints

1 Limited Market for Product

1 Workforce Constraints

1 Other: _____

SECTION E – CONCLUSION

30. The results of this report will be available later this year. Would you like to receive a brief summary by mail?..... **Yes=1 No=3**

099

31. Are there any other issues or limitations pertaining to your vineyard and or winery that you believe the IGGVA should be aware of?

Office Use
501

This completes the report. Please use this page to provide any additional comments that you may have. Thank you for your help.

Comments:

Name of Vineyard: _____

Reported by: _____

Phone: _____

9910 MM DD YY
Date: ____ - ____ - ____

Office Use								
Response		Respondent		Mode		Enum	Eval.	POID
1 Comp	9901	1 Op/Mgr	9902	1 Mail	9903	098	100	789
2 Ref		2 Spouse		2 Tel				
3 Inac		3 Acct/Bkpr		3 Face to Face				
4 Hold		4 Partner		4 Cati				
5 Ref/Est		9 other		5 Web				
6 Inac/Est				6 email		502	503	504
				7 Fax				505
Optional Use								
S/E Name								