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***A Vibrant Wine Industry in
Iowa.***

Is Montana Next?

**Montana Grape & Winery Assn.
3-22-19 Helena, MT**

Create the Ambiance

Sell the Ambiance

Maintain the Ambiance



Enology



Viticulture



IWGA Registered Winemaker & Cellar Worker Apprenticeship Program

Research



**Fee-for-Service
Lab Analysis**



Hawkeye

Big Sky

Population	3.16 mm	1.06 mm
Square Miles	55,857	145,546
Pop. / Square Mile	54.5	6.8
18 to 65 % of Population	61.8%	60.1%
Per capita Income / yr.	\$30,063	\$28,706
Per Capita Retail Sales	\$14,607	\$15,544
% Female	50.8%	49.6%
Wine Excise Tax	\$1.75 / gal.	\$1.06 / gal.
Operating Wineries	98	16

USDA Plant Hardiness Zone Map

Average Annual Extreme Minimum Temperature 1976-2005

Temp (F)	Zone	Temp (C)
-60 to -55	1a	-51.1 to -48.3
-55 to -50	1b	-48.3 to -45.6
-50 to -45	2a	-45.6 to -42.9
-45 to -40	2b	-42.9 to -40
-40 to -35	3a	-40 to -37.2
-35 to -30	3b	-37.2 to -34.4
-30 to -25	4a	-34.4 to -31.7
-25 to -20	4b	-31.7 to -28.9
-20 to -15	5a	-28.9 to -26.1
-15 to -10	5b	-26.1 to -23.3
-10 to -5	6a	-23.3 to -20.6
-5 to 0	6b	-20.6 to -17.8
0 to 5	7a	-17.8 to -15
5 to 10	7b	-15 to -12.2
10 to 15	8a	-12.2 to -9.4
15 to 20	8b	-9.4 to -6.7
20 to 25	9a	-6.7 to -3.9
25 to 30	9b	-3.9 to -1.1
30 to 35	10a	-1.1 to 1.7
35 to 40	10b	1.7 to 4.4
40 to 45	11a	4.4 to 7.2
45 to 50	11b	7.2 to 10
50 to 55	12a	10 to 12.8
55 to 60	12b	12.8 to 15.6
60 to 65	13a	15.6 to 18.3
65 to 70	13b	18.3 to 21.1

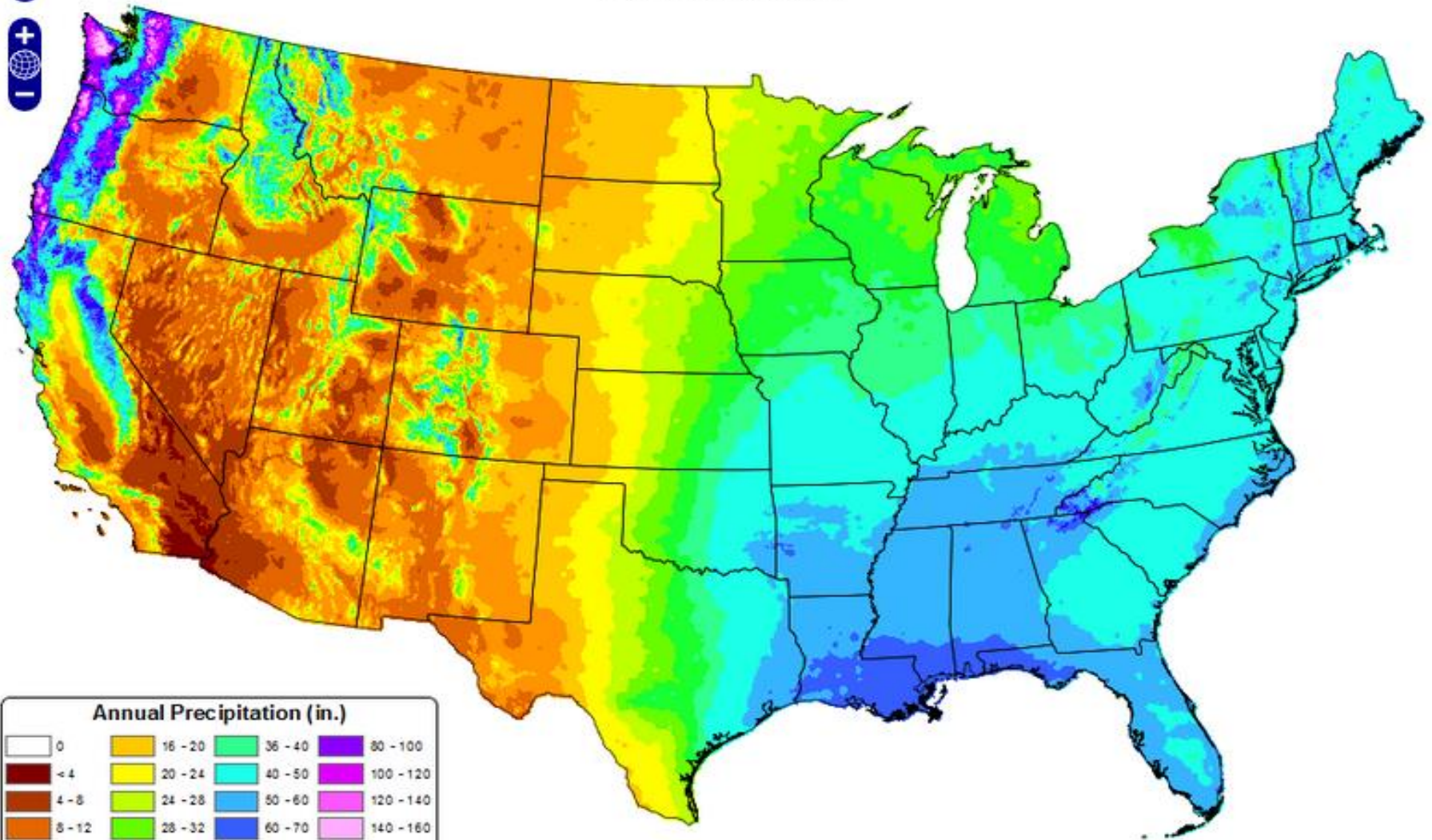
OSU
Oregon State University
Agricultural Research Service

Mapping by the
PRISM Climate Group,
Oregon State University.
<http://prism.oregonstate.edu>, 2012



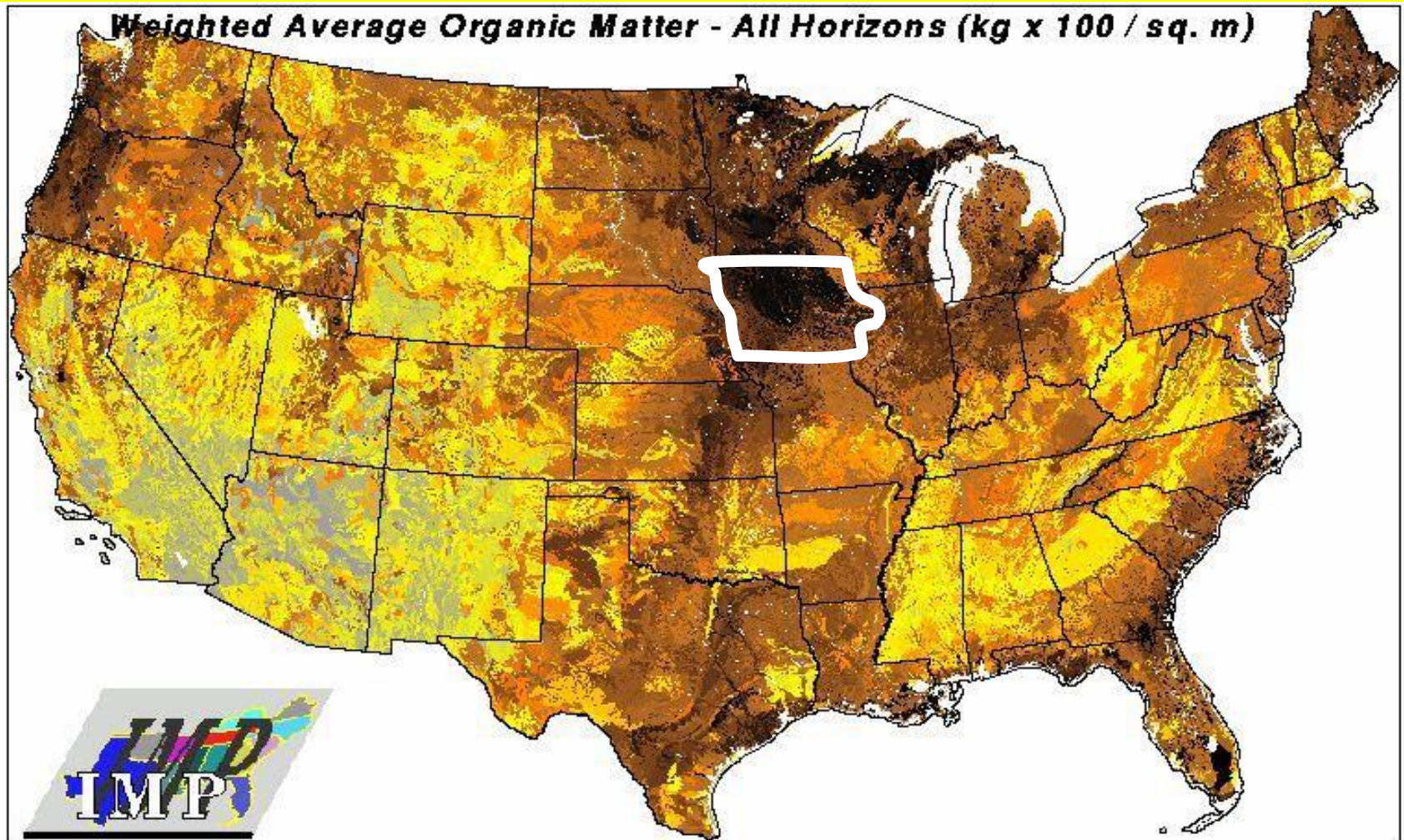
30-yr Normal Precipitation: Annual

Period: 1981-2010



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Too much VIGOR – Most common problem.



101 Iowa Grape & Wine Industry Facts

6-20-12 – Michael L. White – ISU Viticulture Specialist
mlwhite@iastate.edu

1. Iowa ranked eleventh in grape production in the United States in 1899, and sixth in 1919. (a)
2. The Federal Government does not subsidize grape growing or winemaking. (b)
3. Iowa had approximately 30 acres of grapes in production in 2000. (a)
4. As of June of 2012 Iowa had 99 wineries with approximately 300+ vineyards covering 1,200 acres. (b)

Midwest Grape & Wine Industry Institute

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

So What Happened to Iowa's Wine Industry?

1. Prohibition of Alcohol

- Iowa Prohibition 1914 to 1933
- U.S. Prohibition 1920 to 1933

2. Armistice Blizzard, November 11 & 12, 1940

3. Introduction of **highly volatile 2,4-D's** in late 1940's

4. Government Farm **Commodity Programs**

Blind Leading the Blind

Wrong Cultivars

2000 to 2005

Home-made
Equipment



Bad Wine

Acreage Agriculture

Organic Intentions

Wrong Spacing

Wrong Sites

Weird Trellis Systems

Midwest Grape & Wine Industry Institute est...9-26-06



Welcome to the Midwest Grape and Wine Industry Institute!

The Midwest Grape & Wine Industry Institute at Iowa State University was approved by the Iowa Board of Regents in September 2006. The Institute is the first of its kind in Iowa.

The formation of the Institute is a result of the state's evolving grape & wine industry. Dr. Murli Dharmadhikari, ISU Extension enologist who was hired in 2005, was named director of the Institute.

Goals of the Institute include:

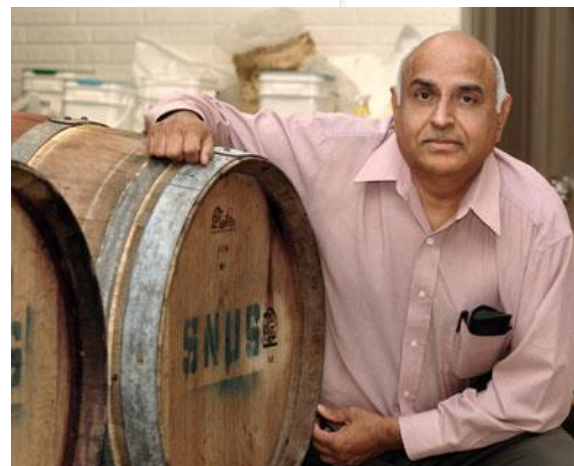
- Conduct research to develop new cold-hardy grape varieties that can thrive in the Midwest
- Conduct enology (the science of wine & wine making) research
- Develop a wine quality award program that will provide wine buyers a quality-assurance stamp of approval
- Establish an outreach program to the industry by training a team of specialists
- Partner with community colleges to develop job training programs specific to growing grapes and making wine

Presently, there are approximately 67 licensed wineries and 325 vineyards in Iowa. The potential economic opportunities in wineries, value-added agriculture and tourism are limitless.

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

search

Contact



Dr. Murli Dharmadhikari
ISU Extension
Enologist

Primary Wine Grapes Being Planted in Iowa

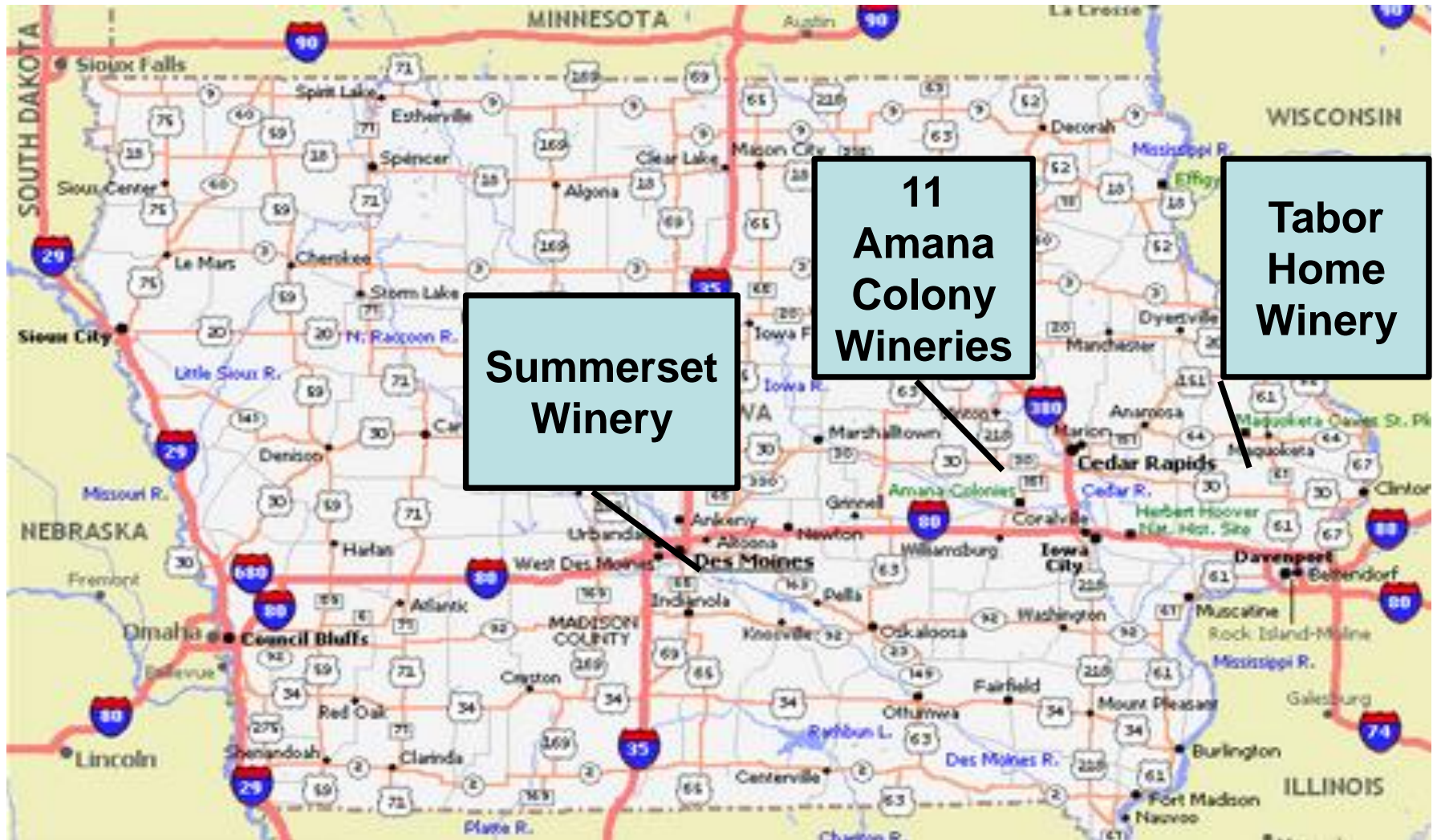
White Wine Grapes (20)

Aromella, Brianna ,Chardonel, Edelweiss, Frontenac Blanc, La Crescent, La Crosse, Louise Swenson, Niagara, Prairie Star, St. Pepin, Seyval Blanc, Swenson White, Vignoles, Brianna, Kay Gray, Esprit, Petite Amie, Itasca

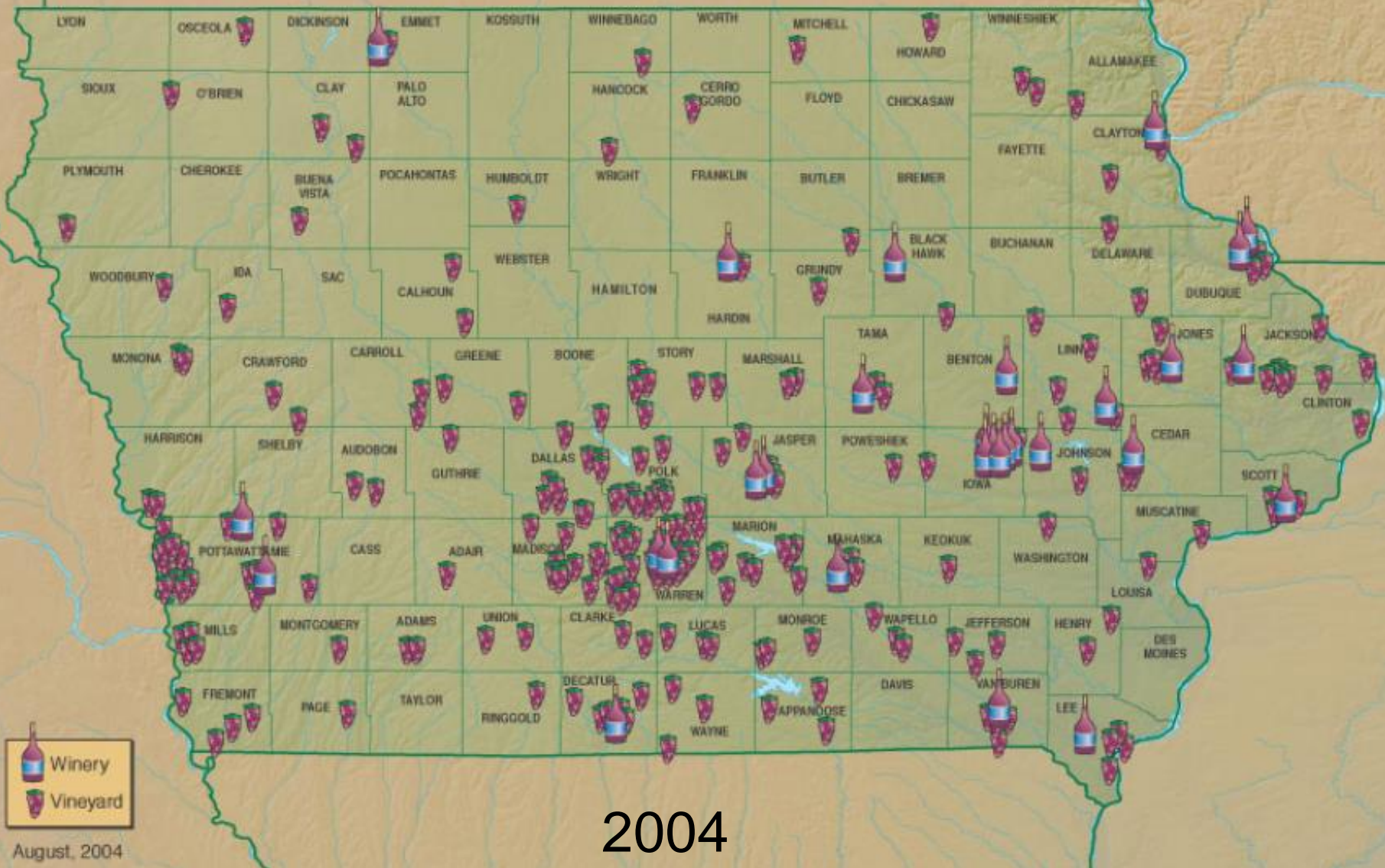
Red/Blue Wine Grapes (20)

Arandell, Blue Bell, Catawba, Concord, Corot Noir, Norton/Cynthiana, Frontenac, Frontenac Gris, Leon Millot, Marechal Foch, Noiret, St. Croix, Steuben, Petite Pearl, Crimson Pearl, Swenson Red, Valiant, Geneva Red, Marquette, Verona

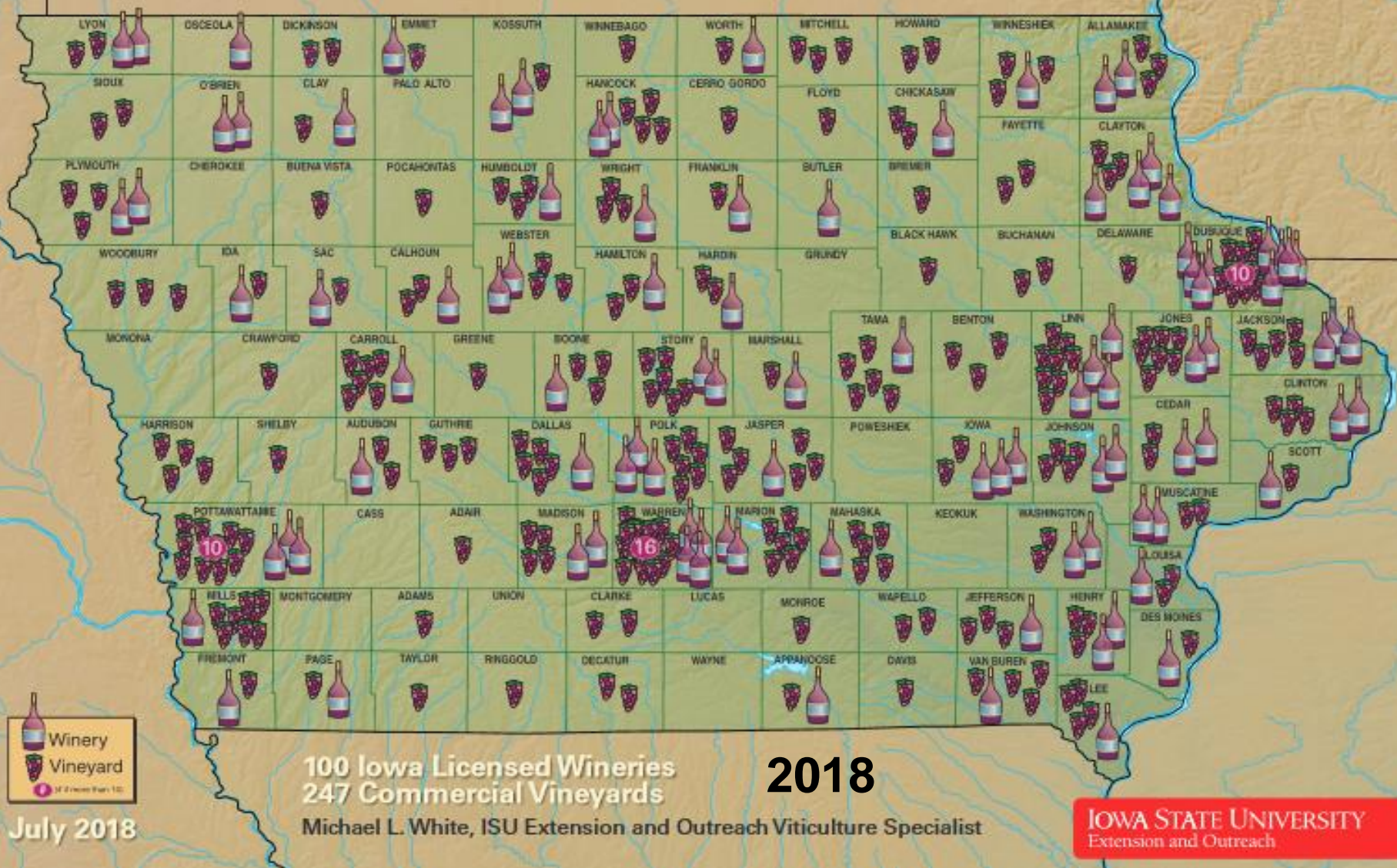
Year 2000 Iowa Wineries



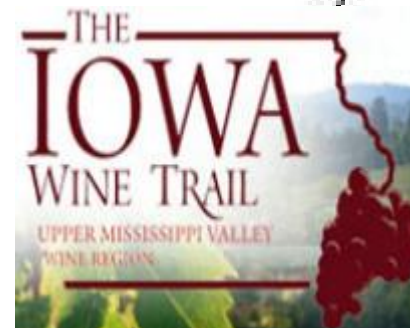
Iowa Grape Expectations



Iowa Grape Expectations



Northwest Prairie Wine Trail



Scenic
Rivers
WINE TRAIL



Loess
Hills
District
Wine
Trail

Western
Iowa
Wine
Trail

8 Wine Trails

Annual U.S. Winery Tourism Reaches \$3 Billion

U.S. wineries attract 27.3 mm visitors/year (19.7 mm in CA alone = 72% of total visitors in the U.S.)

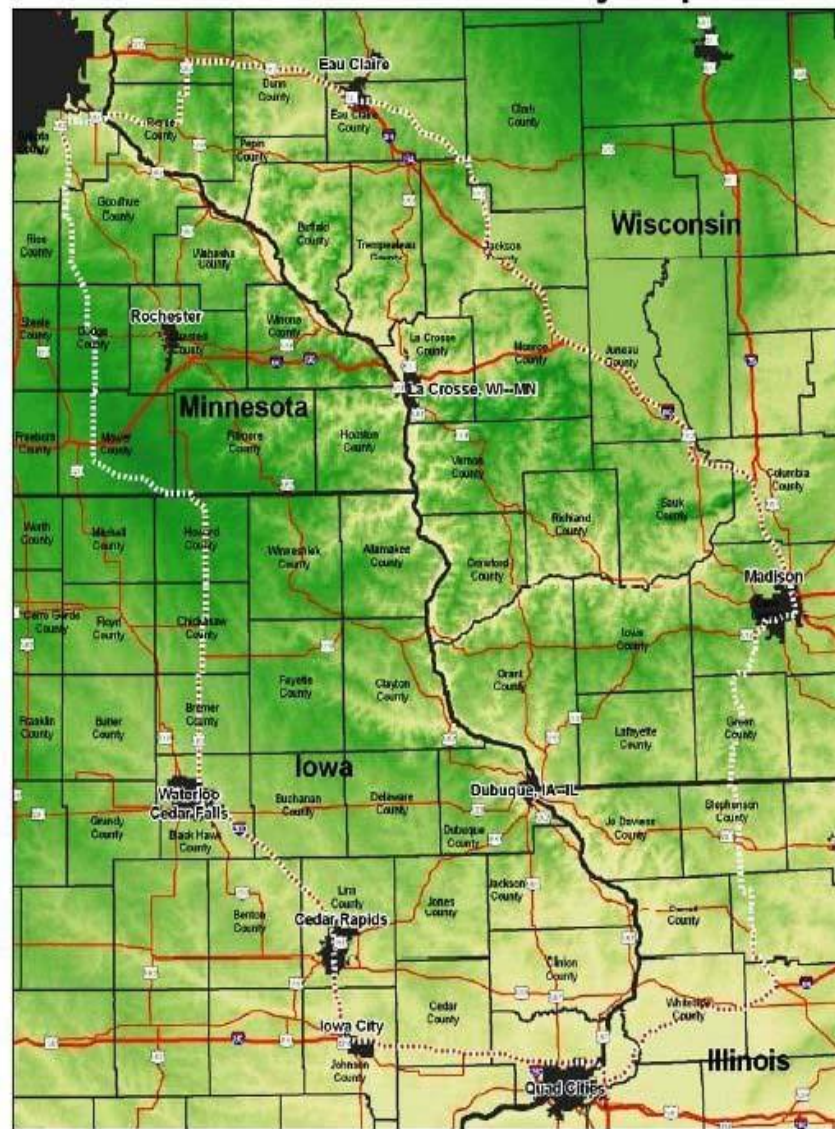
U.S. wineries help reinvigorate Rural Economies

**2005 Poll showed that wineries 2nd only to Disneyland
In the number of visitors in California**

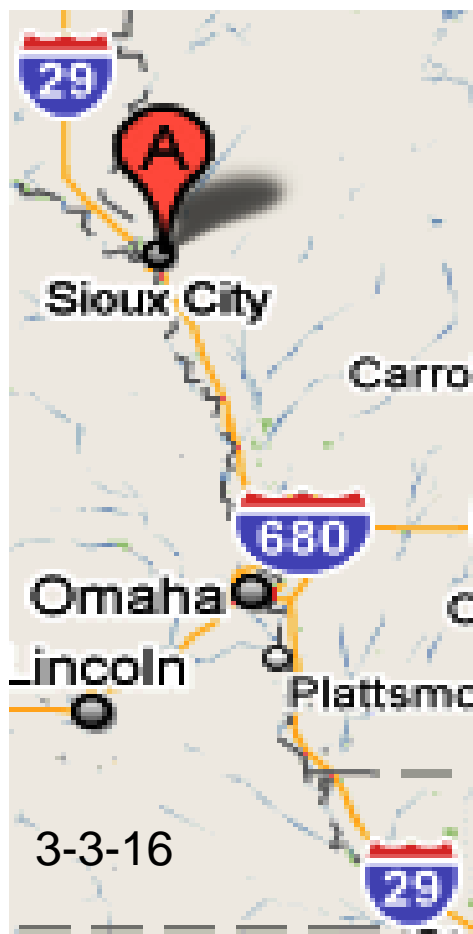
Upper Mississippi Valley American Viticultural Area (AVA)

U.S. largest AVA covering 29,914 sq. miles in IA, IL, MN, & WI approved by the Tobacco Tax & Trade Bureau (TTB) in June, 2009

Viticulture Area Boundary Map



Loess Hills District American Viticultural Area



**242 AVA's in the U.S. as of
12-14-18
(139 are in California)**

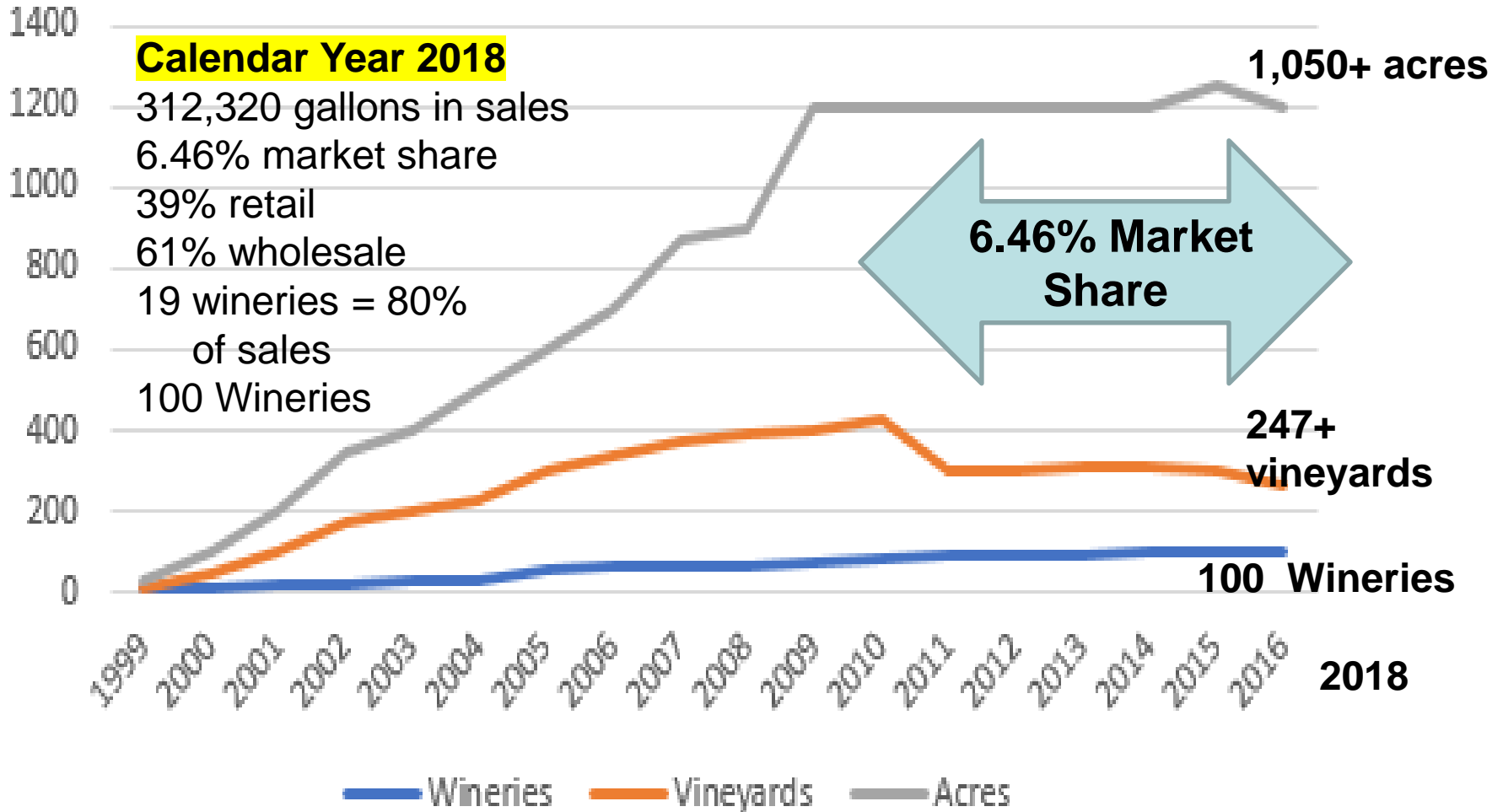




Iowa has many National and International Award Winning Wines



Iowa



As the Industry Matures

Winery

Vineyard



**Larger
Economic
Footprint**

Winery

Vineyard

Gift Shop

Event Center(s)

Restaurant

Bed & Breakfast

**Additional Off-site
Tasting Rooms**

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

\$420 Million

**\$28 Economic Impact
for each \$1 in Iowa
wine sold.**

IOWA WINE AND WINE GRAPES	2012 ECONOMIC IMPACT	2008 ECONOMIC IMPACT
Full-time Equivalent Jobs	2,678	1,777
Wages Paid	\$83 million	\$50 million
Wine Produced (Gallons)	296,900	186,700
Retail Value of Iowa Wine Sold	\$15 million	\$10 million
Number of Wineries	99	74
Grape-Bearing Acres	1,250	1,000
Wine-Related Tourism Expenditures	\$41 million	\$27 million
Number of Wine-Related Tourists	358,000	237,000
Taxes Paid: Federal / State and Local	\$42 million / \$26 million	\$14 million / \$14 million

**12 lbs. grapes / gal. of wine.
60 cent / lb. grapes.
\$14 / bottle wine.
10 fold increase in value**

<https://www.extension.iastate.edu/wine/industry-information>

\$ Value of Grapes in a 750 ml Bottle of Wine

<u>\$Ton</u>	<u>130 gal./ton</u>	<u>140 gal./ton</u>	<u>150 gal./ton</u>	<u>160 gal./ton</u>
\$ 800	\$1.23	\$1.14	\$1.07	\$1.00
\$ 900	\$1.38	\$1.29	\$1.23	\$1.13
\$1,000	\$1.54	\$1.42	\$1.33	\$1.25
\$1,100	\$1.69	\$1.57	\$1.47	\$1.38
\$1,200	\$1.85	\$1.71	\$1.60	\$1.50
\$1,300	\$2.00	\$1.86	\$1.73	\$1.63
\$1,400	\$2.15	\$2.00	\$1.87	\$1.75
\$1,500	\$2.31	\$2.14	\$2.00	\$1.88
\$1,600	\$2.46	\$2.29	\$2.13	\$2.00

* \$1,200 to \$1,400 predominant price range delivered to a winery in Iowa.

Additional Wine Industry Economic Studies

$$\frac{\text{Total Economic Impact}}{\text{Total Wine sales}} \quad \$1 \text{ in Wine Sales} = \text{Economic Impact}$$

2016 Ohio	265 wineries	\$1.314 B / \$61M	\$21.5
2013 Missouri	128 wineries	\$1.76 B / \$52 M	\$33.8
2013 Texas	286 wineries	\$1.88B / \$134.1 M	\$14.01
2017 Indiana	116 wineries	\$604M / \$95.05 M	\$6.35

MT Grapes, Wine & Taxes

Ave. yield of 3.5 tons/acre will produce 525 gallons

$$\begin{aligned} 525 \text{ gal.} \times 17\text{¢/gal. Federal tax} &= \$ 89.25 \\ 525 \text{ gal.} \times \$1.06 \text{ cents/gal. state wine tax} &= \$556.50 \\ 525 \text{ gal.} \times 5 \text{ bottles/gal.} \times \$14 &= \$36,750 \\ \$36,750 \times 0\% \text{ sales tax} &= \$0.00 \\ \$36,750 \times 0\% \text{ local option sales tax} &= \$0.00 \\ \text{Potential Taxes/Acre/Year} &= \$645.75 \end{aligned}$$

Pioneers of Iowa's "NEW" Vine/Wine Industry



Ron Mark
Summerset Winery
Indianola, IA



Dr. Bill Brown
Timber Hill Winery
Leon, IA



Dr. Paul Tabor
Tabor Home Winery
Baldwin, IA

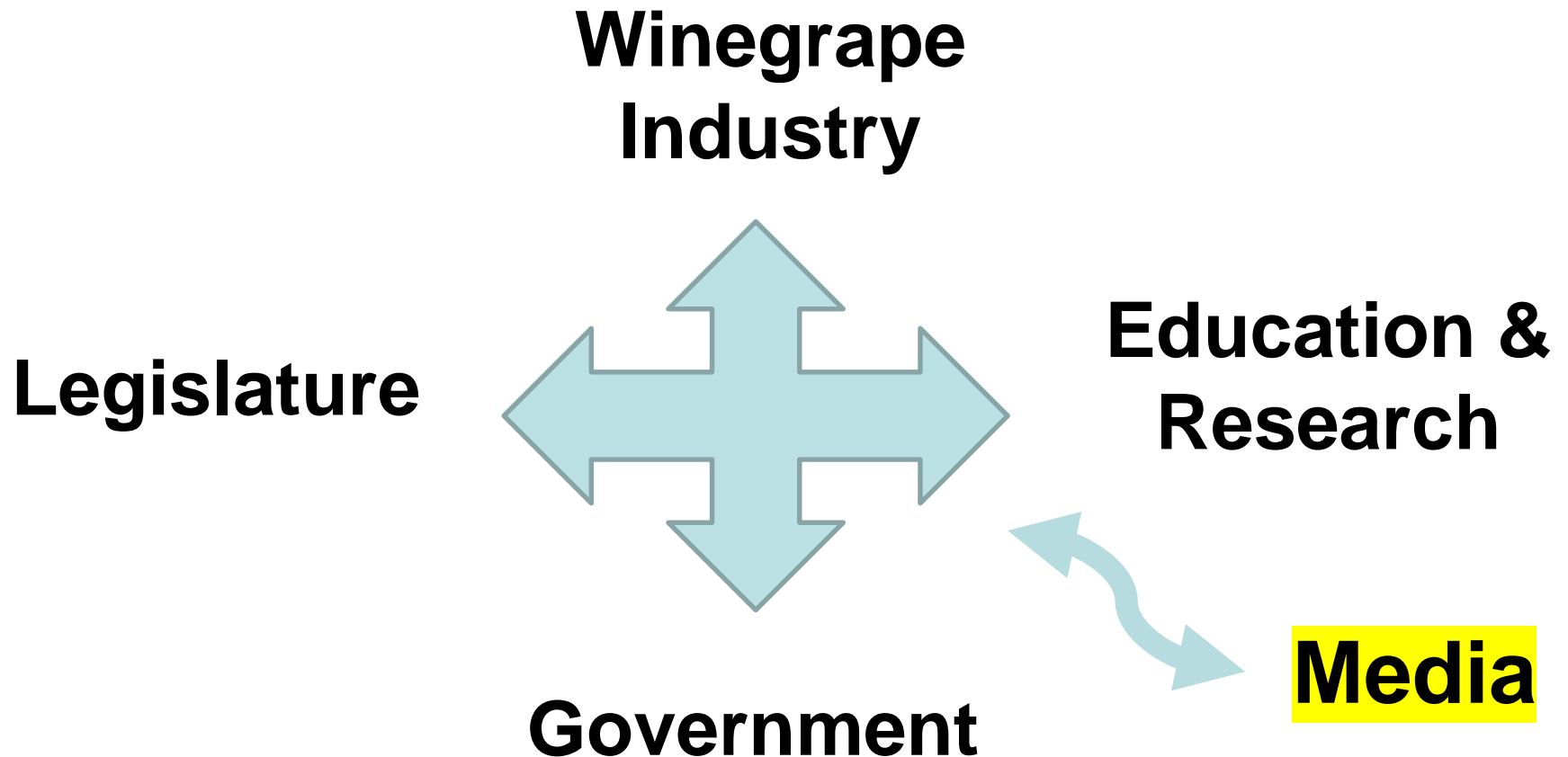


IOWA WINE

Sip & Stay Awhile

8-21-2000 Iowa Grape Growers Association – 501c5
4-7-05 Renamed Iowa Wine Growers Association

Form Relationships



Iowa Native Winery Laws

No mandatory “Iowa” juice requirements.

Can ship in bulk wine but required to pay \$1.75 / gal. excise tax.

Retail sales EXEMPT from \$1.75/gallon state tax.

Iowa wineries can self distribute their wines & pay excise tax.

2000 Iowa Wine & Grape Advisory Council established by Dept. of Agriculture

2002 Native Iowa Wineries and their associated land are assessed as “Agricultural Land” (300+ Grape Vines).

2004 Any Retail Business can sell native Iowa wine by the bottle and provide free samples for a \$25/year class B license.

Example..... flower shops, gift shops, Bed & Breakfasts, etc

Class B license also allows wineries to have off-sight tasting rooms.

Iowa Native Winery Laws

2005 \$25 license available to organizations for wine tasting and sell wine by the bottle. Promotes wine festivals and events.

Class C license also allows Iowa wineries to sell by the glass as long as they have Dram Shop insurance and pay excise tax on the wine.

2009 Iowa wineries allowed to sell beer. (Weddings want this.)
And Iowa breweries can sell Iowa wine.

2009 Consumers allowed to carry partially consumed wine containers out of a restaurant. (Doggy Bag Law)

2010 Oak Glenn winery in MO sues IA for unconstitutional wine laws that favor IA wineries over out-of-state wineries. Resulted in out-of-state wineries and in-state wineries able to direct ship within the state of Iowa for an annual \$25 license.

Iowa Native Winery Laws

Iowa wineries can sell Iowa produced wine between wineries without paying the Excise Tax.

Laws we are working on.

Ability to sell wine by the glass at off-site tasting rooms.

Ability for wineries to sell Iowa produced spirits. (Weddings want this.)

Require BMI, ASCAP, SESAC and other music licensing companies to:

- Register with the state & pay annual license.

- Post license fee rates.

- Pay tax on license fees.

- Cannot harass businesses.

- Must identify themselves when they enter the premise.

Native wineries provide a conduit for urban dollars to go into rural areas.



Native wineries are
replacing
the Lutheran Church
Basement & Odd Fellows
Hall as the social center in
many communities



What is the Wine Business All About?

Events

Catering

Music

Restaurant

Micro Breweries

Art

Bus Tours

Weddings

Distilleries

Gift Shop

Bed & Breakfast

Farmer's Markets



Choose Iowa Quality Wines!



Quality is KEY!!!

Summary

1. The wine industry is over 8,000 years old.
2. More cold climate winegrape cultivars are being created.
3. U.S. consumption of wine will continue to increase.
4. “LOCAL” is a growing BRAND.
5. More wineries will be established.
6. More people will be involved with this industry.



Wine Grower News

Weekly in-season
viticulture/enology
newsletter.

42 states, 12 countries

To Subscribe to this FREE Newsletter

E-mail “ **mlwhite@iastate.edu** “ with the word
subscribe in subject line.

<https://www.extension.iastate.edu/wine/growersnews>