



ANNUAL REPORT OF THE IOWA GRAPE AND WINE DEVELOPMENT
COMMISSION FOR
FISCAL YEAR 2008

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Grape cultivar photos by Shauna Humrich courtesy of IDALS

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COMMISSION FOR FISCAL YEAR 2008**

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EXECUTIVE SUMMARY

The Commission held four quarterly meetings in FY2008.

The **five voting members** were:

- Karen Foster of King's Crossing Vineyard and Winery
- Benjamin Jung of Ingersoll Wine and Spirits (Chair from May 1st, 2007 through April 30th, 2008)
- Linda Larson Melin of Snus Hill Winery
- Ron Mark of Summerset Winery
- Paul Tabor of Tabor Family Winery (Chair as of May 1st, 2008)

Representatives for the ex-officio members were:

- Paul Ovrom, Commission Executive Secretary and representative from IDALS
- Denny Michel, Forester III and representative from IDNR
- Gerald Miller, ISU Dean for Extension Programs & representative from the College of Agriculture
- LuAnn Reinders, Research and Welcome Center Manager and representative from IDED

The Commission approved 17 projects out of 19 submitted proposals **for a total of \$596,104** in Iowa Grape and Wine Development Fund expenditures. \$200,000 of this total was conditionally encumbered using projected FY2009 funds of \$280,000. **Project highlights included:**

- Funding toward the set up and operation of a wine diagnostics lab at the Midwest Grape and Wine Industry Institute (MG&WII) at ISU
- Funding for continued salary support for the MG&WII Enologist
- Funding for seven wine festivals and promotional events, and two wine trails
- Continued funding for Des Moines Area Community College's Viticulturist position and funding for a Project Coordinator position at that institution
- Funding for the second Mid-American Wine Competition
- A \$200,000 conditional encumbrance on projected FY2009 funds for personnel funding at the MWG&WII; earmarked money was to be encumbered only upon receipt of a projected \$280,000 FY2009 legislative appropriation into the Fund

EXECUTIVE SUMMARY Continued

Other items of note included:

- The hiring of a staff member (Paul Ovrom) at IDALS to manage Commission meetings and outcomes and administer budgetary issues of the Iowa Grape and Wine Development Fund
- The reappointment of Karen Foster to a three-year term; the resignation of Linda Larson Melin in June, 2008; IDALS Secretary Bill Northey's interim appointment of Sharman Wersen of Tassel Ridge Winery and Meadowcreek Vineyard to the Commission
- Funding for an Iowa Grape and Wine Scholarship Program

Budgetary items of note included:

- Total income for FY2008 was just under \$713,000 with realized and encumbered expenses just over \$689,000. Uncommitted carryover to FY2008 was just over \$23,900
- Over the five years the Fund has been in existence, income totaled over \$1,137,000 and expenses and encumbrances totaled just over \$1,114,000.
- "Technical" funding – funds going to accredited institutions to support educational, research, and technical assistance needs – accounted for 81% of expenses to date
- "Financial" funding – funds allocated to area and statewide events that enhanced consumer knowledge of Iowa vineyards and wineries – accounted for 9% of expenses to date
- Administration - 10% of expenses – was performed by IDALS employees

The **status of this industry** in Iowa appears to be robust and continues to grow:

- Seventy four commercial wineries held active licenses with Iowa's Alcoholic Beverages Division at the end of FY2008 up from sixty-five at the end of FY2007; there were thirty licensed wineries as of August 2004
- 389 commercial vineyards were reported by ISU Extension at the end of FY2008 compared to 330+ at the end of FY2007 - and just over 200 in August 2004; about 900 acres were in vineyard production as of June 2008
- Information from ABD and ISU Extension revealed that over 259,000 gallons of wine were produced in Iowa in the twelve month period ending June, 2008, down from 268,500 for the same time period ending June, 2007 and with a market value in excess of \$14,000,000
- Nationwide, for FY2008, Iowa ranked 14th in the number of wineries and 20th in wine production





ANNUAL REPORT OF THE IOWA GRAPE AND WINE DEVELOPMENT COMMISSION FOR FISCAL YEAR 2008

Overview

Background and History

In January, 2000 the 15-member Iowa Wine and Grape Advisory Council was formed to provide recommendations to the Iowa Department of Agriculture and Land Stewardship (IDALS) on reestablishing the grape and wine industry in the state. Fostering this industry was seen as a way to encourage agricultural diversity, economic development, tourism, and enhance the quality of life in Iowa.

The Council was composed of representatives from IDALS, Iowa State University, existing grape growers and wine makers, the Iowa Department of Economic Development Tourism Division, and Resource Conservation and Development Areas in the state. The Council met eight times that year.

Recommendations that came out of those meetings included the creation of an Iowa Wine Development and Marketing Council that would find ways to support the industry. The Council would set priorities and administer any appropriated funds. To that end, it was recommended that legislation should be introduced to the Iowa General Assembly directing a portion of existing wine gallonage tax be set aside in such a fund for the support of the native grape and wine industry.

With the passage of Senate File 524, these goals were effectively achieved on July 1, 2001 with the creation of the formally named Iowa Grape and Wine Development Commission and the Iowa Grape and Wine Development Fund. That Commission held its inaugural meeting on May 30, 2002.

The Commission's and IDALS' duties and responsibilities were set forth in Chapter 175A of the Iowa Code.

Organization

As per Chapter 175A of the Iowa Code, the Commission was to be composed of the following persons or their designees, to serve as nonvoting, ex officio members:

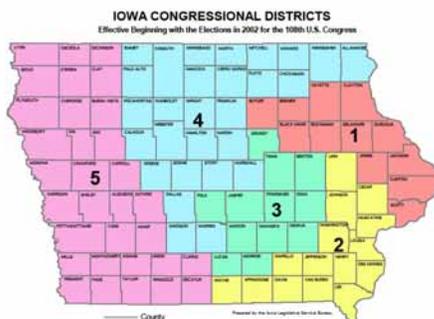
- The Iowa Secretary of Agriculture
- The Dean of the College of Agriculture of Iowa State University of Science and Technology
- The Director of the Iowa Department of Economic Development
- The Director of the Iowa Department of Natural Resources

The Iowa Secretary of Agriculture was to appoint the following persons as voting members:

- Two Iowa Grape Growers
- Two Iowa Winemakers
- One Iowa Retail Wine Seller

Unless the Secretary of Agriculture determined that it was not feasible, the Commission's makeup was to be composed using the following guidelines:

- o geographically balanced with representatives from each of Iowa's congressional districts
- o composed of no less than two, but no more than three, representatives of a given gender and political party
- o each appointed commissioner would have a three-year term with a one-year rotating chairmanship



Pursuant to Chapter 175A of the Iowa Code, requests for proposals would be accepted and voted upon at quarterly Commission meetings held under Iowa's open meetings laws.

Under the Iowa Code, the Iowa Grape and Wine Development Fund was created in the state treasury under the control of IDALS. Guidance on expenditures would come from the Commission. Of the money collected from the State's wine gallonage tax, \$75,000 was earmarked for the Fund for each of the fiscal years 2003, 2004, and 2005. Starting in FY2006, 5% of the quarterly gallonage tax was deposited into the Fund and this formula ran through FY2007. Income into the Fund for FY2006 totaled over \$279,000 and for FY2007 over \$295,000. The passage of Senate File 551 struck down the 5% allocation and replaced it with an appropriation of \$238,000 for FY2008.

Purpose

As outlined in Chapter 175A of the Iowa Code, the Commission was charged with making recommendations to IDALS on submitted proposals regarding the expenditure of moneys to enhance and develop the native grape and wine industry and/or to provide an infrastructure to encourage the growth of that industry. This

included oversight and accounting by the Commission and IDALS for expenditures of moneys from the Grape and Wine Development Fund.

As outlined in the Iowa Code, two areas of funding have been of major import to the Commission: "Technical" funding has supported the educational and research needs of the industry. This funding typically has gone to accredited institutions in Iowa that have the resources to build and sustain on-going scientific and instructive projects. "Financial" funding has promoted wineries and vineyards via event and program sponsorships that foster community awareness and involvement. Typically this funding has been allocated to local, regional, and statewide events that enhance consumer knowledge of the participating wineries.

The unofficial guideline of the Commission for funding projects has been to use 15% of funds for "Financial" projects, 70% of funds for "Technical" projects, and the remaining 15% of funds has been set aside for administrative purposes. Currently, administrative oversight has been handled by members of the Horticulture Bureau of IDALS. Beginning in October of 2007, administrative costs included supporting a fulltime Horticulture Bureau staff member for oversight of the Fund and to serve as the administrator/executive director for the Commission.

FY2008 Makeup

As outlined above, the Commission is composed of five voting members and four ex-officio members or their representatives.

The five voting Commissioners are:

Karen Foster. Ms. Foster, co-owner of King's Crossing Vineyard & Winery near Glenwood in southwest Iowa, and active in the Western Iowa Wine Trail and Western Iowa Grape and Wine Association, was reappointed to a three-year term by Secretary Northey beginning May 1, 2008. Her term on the Commission runs through April 30th, 2011.

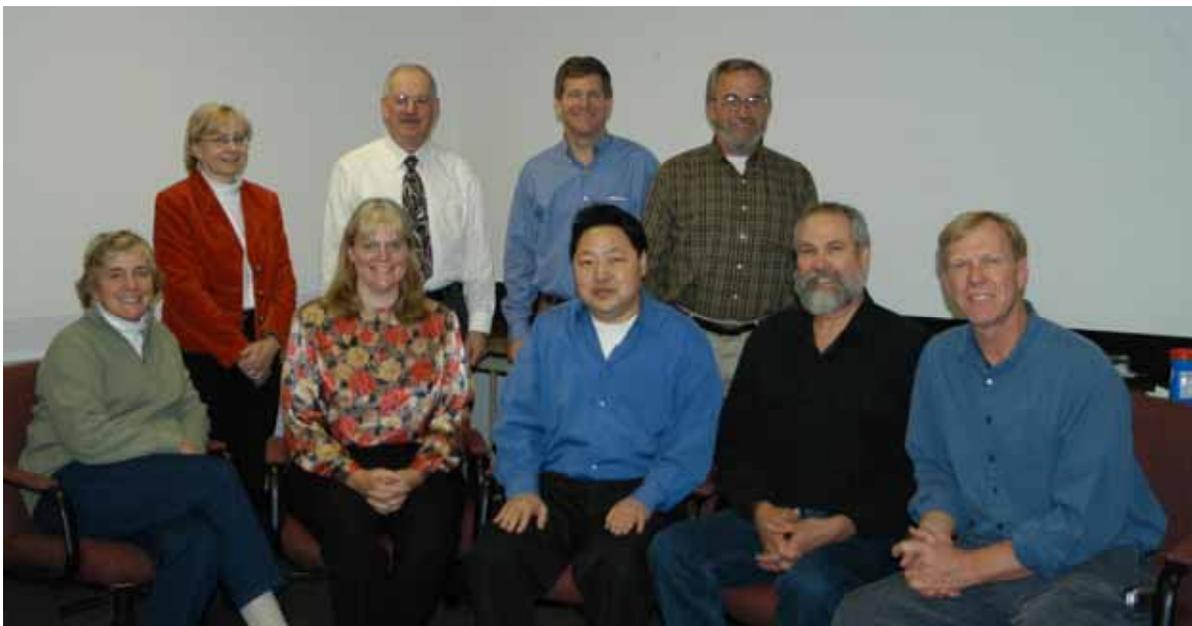
Ben Jung. Mr. Jung, co-owner and manager of Ingersoll Wine and Spirits in Des Moines and Ingersoll Wine Spirits in West Des Moines, filled the Iowa Wine Retailer seat on the Commission. He was nominated and elected by the other Commissioners to the Chairmanship for the term running from May 1st, 2007 through April 30th, 2008. Mr. Jung's term runs through April 30th, 2009.

Linda Larson Melin. Ms. Larson Melin, co-owner of Snus Hill Winery near Madrid in central Iowa, joined with other family members in the vineyard and winery business in 2004. Vineyards at Snus Hill were started in 1999 when members of the Larson family planted the first acre of Frontenac and Marechal Foch on their fourth-generation farm. In 2003 and 2004, the commercial vineyard became a reality when Snus Hill Vineyard sold grapes to Summerset Winery. In 2005 Snus Hill Winery opened for business. Ms. Larson Melin was reappointed by Secretary Northey to a three-year term beginning May 1st, 2008. In April of 2008, Ms. Larson Melin resigned from the Commission. *

Ron Mark. Mr. Mark, co-owner of Summerset Winery near Indianola in central Iowa, has been in the wine-making business for decades. The first acre of grapes at Summerset was planted in 1989. In 1997 Summerset Winery officially opened. An acre of grapes was planted every year until the vineyard reached its current size of 12+ acres. In 2007, 140,000 bottles of wine were produced. Currently the business employs five fulltime staff members and many part timers to help out on weekends and events. Mr. Mark has also served as President and was one of the founders of the Iowa Wine Growers Association. Mr. Mark's term runs through April 30th, 2010.

Paul Tabor. Dr. Tabor, co-owner, winemaker, and manager of Tabor Family Winery near Baldwin in eastern Iowa, represents the fifth generation to work and live on the Tabor family's 1860s farmstead. Tabor Home Winery opened in July 1997 and offered six wines. In 2007 the winery produced 19 wines. The winery's emphasis has been on the production of premium table wines from its own vineyards. Presently 3000 of the 12,000 gallons produced come from Tabor-owned vineyards. More than half of this winery's wines have won awards in competitions throughout the country. Dr. Tabor's term runs through April 30th, 2010.

*In June, 2008, Iowa Secretary of Agriculture Bill Northey appointed Sharman Wersen, an owner of Tassel Ridge Winery and Meadowcreek Vineyard as an interim Commissioner. Ms. Wersen's appointment awaited confirmation by the Iowa Senate during the 2009 legislative session.



Iowa Grape and Wine Development Commission for FY2008.

Left to right, back row (ex-officio members): LuAnn Reinders, Research and Welcome Center Manager and representative for the Director of the Iowa Department of Economic Development; Gerald Miller, Associate Dean for Extension Programs and Outreach and representative for the Dean of the College of Agriculture of Iowa State University; Mike Bevins, State Horticulturist and representative for the Secretary of Agriculture; Denny Michel, Forester III and representative for the Director of the Iowa Department of Natural Resources.

Left to right, front row (voting members): Linda Larson Melin, Snus Hill Vineyard and Winery; Karen Foster, King's Crossing Vineyard and Winery; Ben Jung, Ingersoll Wine & Spirits and Ingersoll Wine Spirits; Ron Mark, Summerset Winery; Paul Tabor, Tabor Family Winery.

Photo courtesy of IDALS

Year in Review

Commission Activity

FY2008 (July 1, 2007 through June 30, 2008) proved to be a busy year for the Commission. The Commissioners met quarterly and considered 19 proposals that were submitted for review. Of those, 17 were approved for a total of \$596,104 in Fund expenditures. Of that figure, \$200,000 was conditionally encumbered at the last quarterly meeting in May, 2008, using projected FY2009 monies. That encumbrance was made to earmark funds for the continued operation and salary expenses of the Midwest Grape and Wine Industry Institute. This encumbrance was conditional upon receipt of a projected \$280,000 legislative appropriation for FY2009.

Table 1 on page 10 provides a recap of the 17 approved proposals:

Table 1: Submitted proposals approved in FY2008 by the Commission and the amount funded

Recipient or Pass-through Entity	Purpose	Amt Approved
ISU's Midwest Grape & Wine Industry Institute	Enologist salary and benefits assistance	\$50,000
ISU's Midwest Grape & Wine Industry Institute	Purchase lab diagnostic equipment and supplies	\$200,000
ISU's Midwest Grape & Wine Industry Institute (conditional FY2009 Fund Encumbrance)	FY2009 salary support for Enologist, Field Technician, and Lab Supervisor	\$200,000
Des Moines Area Community College	Viticulturist position – ½ year salary assistance	\$22,500
Des Moines Area Community College	Mid-American Wine Competition	\$25,000
Des Moines Area Community College	Project Coordinator salary	\$20,000
ISU Grape Cultivar Research	Supplemental funding for on-going research	\$5,000
Turkey Time Concessions, Inc.	Marketing State Fair's Iowa Wine Garden	\$10,000
Iowa Wine Trail, Inc.	Eastern Iowa Wine Festival	\$10,000
Iowa Grape and Wine Development Fund Scholarship Program	Provide up to \$400 scholarships to students in enology and viticulture programs	\$20,000
Scenic Rivers Grape & Wine Ass'n, Inc.	Marketing program	\$9,967
Scenic Rivers Grape & Wine Ass'n, Inc.	Tasting booth promotion 2007 Scenic Drive Festival	\$2,269
Scenic Rivers Grape & Wine Ass'n, Inc.	Promote wine tent at the Scenic Drive Festival & purchase pop-up tent	\$2,258
Bluffs Arts Council	Studio and Vine Event	\$5,000
Madison County Winery	2008 S-WINE Event	\$5,000
Jasper Winery	2 nd Annual Corks, Cooks and Chords Event	\$5,000
Rosey Acres Winery	Centerville Wine & Fine Arts Festival	\$4,110
Total		\$596,104

The seventeen programs funded show the wide range of proposals that came before the Commission in FY2008.

Some project highlights included:

- Funding for the purchase of lab diagnostic equipment and supplies at the Midwest Grape and Wine Institute at Iowa State University (ISU). The new equipment included a high performance liquid chromatography instrument for obtaining organic acid and sugar profiles from submitted wine samples,



ISU's Midwest Grape & Wine Industry Institute's Gas Chromatography and Mass Spectrometer was obtained through Iowa Grape & Wine Development funds in FY 2008. Photo courtesy of ISU.

and a Gas Chromatography and Mass Spectrometry instrument for phenolic profiles, flavor research, and taint analyses of submitted wine samples.

- Continued salary and benefits assistance with the MG&WII's Enologist, Field Technician, and administrative support salaries.
- Salary assistance with the viticulturist and project coordinator salaries at Des Moines Area Community College (DMACC). The newly created project coordinator position has been a great aid to that institution's wine and grape educational program.

- Monetary support for the 2008 Mid-

American Wine Competition held at DMACC. The second year for this competition was unique in that it focused exclusively on wines of the Midwest and judged those wines with carefully selected food pairings. The Chief Judge for the event was Master of Wine and Master Sommelier Doug Frost.

- On-going supplemental funding for cultivar research at ISU. New grape wine cultivars for the upper Midwest continue to be developed, and ISU has been the leader in testing and rating those cultivars at its research farms.
- Continued funding of the Iowa Grape and Wine Development Fund Scholarship Program. This program has provided up to \$400 scholarships per recipient in any academic year for accredited coursework in viticulture or enology.
- Seven festivals or public wine events received assistance for marketing, promotion, and equipment including the Iowa State Fair's Wine Garden, the Eastern Iowa Wine Festival near Sherrill, the Studio and Vine Event in Council Bluffs and western Iowa, the 2nd Annual Corks, Cooks, and Chords Event in Newton, the Centerville Wine & Fine Arts Festival, and the Scenic Rivers Grape & Wine Association's wine tent at the Scenic Drive Festival in Keosauqua.
- Funding for marketing was provided for Iowa's newest wine trail association, the Scenic Rivers Grape & Wine Association.



Wine Makers share information on their wines at one of the public wine events that received funding from the Iowa Grape and Wine Development Commission. Photos courtesy of IDALS.

An administrative item that was funded and supported by the Commission in FY2007 was the Commission's director position. The position was created to oversee all budgetary matters of the Iowa Grape and Wine Development Fund, administer approved contracts and scholarships, and serve as a liaison with the public and those within the industry. Hired through IDALS as a Project Manager, the position was filled in October, 2007 when Paul Ovrom was hired. Ovrom had educational and workplace skills in horticulture and had also worked for five years in lending and trust work at a community bank in southeast Iowa.

Designed in FY2007, the Commission implemented the Scholarship Program in FY2008. The Commissioners were eager to provide support to the industry's workforce in Iowa through this educational assistance program. \$20,000 was earmarked for the Program and a Scholarship Committee was formed of both Commission and non-commission members to review applications and award funds. Twenty-six applicants were awarded scholarships for college coursework in FY2008. A copy of the Scholarship Program Overview and Application is included as Addendum 1.

The Commission reiterated its support of the Midwest Grape and Wine Institute with a letter submitted to the Iowa Wine Growers Association's Governmental Affairs Committee.

The Commission also sanctioned Ovrom to assist IDALS with a letter of support for the proposed Upper Midwest American Viticultural Area for portions of northeast Iowa and adjoining areas in Illinois, Minnesota, and Wisconsin. It is hoped the designation will be completed in 2009.

Another item was the reappointment by Iowa Secretary of Agriculture William Northey of Karen Foster and Linda Larson Melin as Commissioners for three-year terms beginning May 1, 2008. With regrets the Commission accepted the resignation of Linda Larson Melin in June of that year. On June 27, 2008 Northey appointed Sharman Wersen of Tassel Ridge Winery and Meadowcreek Vineyard to the Commission to fill Larson Melin's open seat. Along with her husband Bob, Ms. Wersen co-founded the winery and vineyards in 2001-2002 near Oskaloosa. She is responsible for regulatory and reporting functions at Tassel Ridge Winery. Wersen also handles label design and approval and assists with other marketing and event activities. Wersen's appointment awaited confirmation by the Senate when it reconvenes in January, 2009.

Budget

Table 2 shows sources of income and expense for the Iowa Grape and Wine Development Fund for FY2008. Total income exceeded realized expenses by a little more than \$195,000. However, over \$171,000 in approved appropriations were yet to be expensed by recipients, and those funds were therefore designated as encumbered. That brought uncommitted carryover to FY2009 to just under \$24,000.

Table 2: Income and expenses of the Iowa Grape and Wine Development Fund for FY2008

<u>INCOME</u>	<u>2008</u>
Carry-Over^	\$ 403,934.89
Appropriation for FY '08	\$ 283,000.00
Accumulated Interest	\$ 26,015.02
Total Income	\$ 712,949.91
<u>EXPENSES</u>	
<i><u>Administrative</u></i>	
Salaries & Benefits	\$ 39,860.66
Misc.	\$ 2,540.47
Total Administrative Expenses	\$ 42,401.13
<i><u>Technical Assistance</u></i>	
Viticultural Assistance	
DMACC - Viticulturist	\$ 22,500.00
ISU - Cultivar Research xxx3032	\$ 42,863.37
ISU - Field Specialist xxx3012	\$ 48,206.10
Oenological Assistance	
DMACC – Mid-American Wine Competition	\$ 20,000.00
ISU - Enologist xxx3019	\$ 50,000.00
ISU - Institute xxx3051	\$ 213,743.17
ISU – Aroma Analysis	<u>\$ 14,851.47</u>
Total Technical Assistance Expenses	\$ 412,164.11
<i><u>Financial Assistance</u></i>	
Centerville Wine & Fine Arts Festival (Rosey Acres)	\$ 4,110.00
Corks, Cooks, & Chords 2006 (Jasper Winery)	\$ 5,000.00
Eastern Iowa Wine Festival (Iowa Wine Trail LLC)	\$ 10,000.00
Iowa Wine Trail (Iowa Wine Trail LLC)	\$ 10,000.00
State Fair Wine Garden Tent (Turkey Time Concessions)	\$ 10,000.00
Scenic Drive Fest '07 (Scenic Rivers Grape & Wine Assn)	\$ 2,269.00
Scenic Rivers Wine Trail Marketing Program	\$ 9,967.00
Scenic Drive Fest '08 (Scenic Rivers Grape & Wine Assn)	\$ 2,528.00
S-Wine 2008 (Bakker, LLC)	\$ 5,000.00
Scholarship Program	\$ 4,396.00
Total Financial Assistance	\$ 63,270.00
Total Expenses*	\$ 517,835.24
REMAINING BALANCE	\$ 195,114.67
Available funds approved & encumbered but not yet spent	<u>\$ (171,210.62)</u>
Uncommitted Carryover to FY09	<u>\$ 23,904.05</u>

^Includes encumbered and unencumbered funds

*Expenses reflect money spent for projects approved in 2007 and 2008; monies approved for projects in a given year may or may not be spent in the same fiscal year

Table 3 provides a yearly recap for FY2003 through FY2008 of the Iowa Grape and Wine Development Fund income - from the state gallonage tax appropriations (2003-07) and legislative appropriations (2008) – and expenses broken down into administrative, financial, and technical line items.

Table 3: Iowa Grape and Wine Development Fund Income and Expense Recap for FY2003 through FY2008

INCOME	2003 & 2004	2005	2006	2007	2008	Total to Date
Appropriation Accumulated	\$150,000.00	\$ 75,000.00	\$279,823.61	\$295,472.77	\$283,000.00	\$1,083,296.38
Interest	\$ 1,023.89	\$ 3,107.53	\$ 7,175.46	\$ 17,377.01	\$ 26,015.02	\$ 54,698.91
Total Income	\$151,023.89	\$ 78,107.53	\$286,999.07	\$312,849.78	\$309,015.02	\$1,137,995.29
EXPENSE*						
Administrative (10% of total to date)	\$ 822.74	\$ 1,066.42	\$ 13,032.24	\$ 51,051.47	\$ 42,401.13	\$ 108,374.00
Technical Assistance (81% of total to date)**	-	\$ 25,000.00	\$102,703.76	\$196,368.75	\$412,164.11	\$ 736,236.62
Financial Assistance (9% of total to date)	-	-	\$ 10,000.00	\$ 25,000.00	\$ 63,270.00	\$ 98,270.00
Encumbered as of 6/30/08 (Technical Appropriations not yet spent)	-	-	-	-	\$171,210.62	\$ 171,210.62
Total Expenses	\$ 822.74	\$ 26,066.42	\$125,736.00	\$272,420.22	\$689,045.86	\$1,114,091.24
Unencumbered Carryover to FY2009	-	-	-	-	-	\$ 23,904.05

*Commission guideline for expenses: 15% Administrative, 70% Technical, 15% Financial

**Includes encumbered funds not yet spent

From 2003 through 2008, legislative appropriations and gallonage tax monies provided over \$1,080,000 in deposits into the Iowa Grape and Wine Development Fund. The Fund accrued over \$50,000 in interest during that time.

Also during that time period, Technical Assistance accounted for 81% of expenses as opposed to the Commission's informal guideline of 70% for that line item. The Commissioners noted that Financial Assistance more than doubled from FY2007 to FY2008 raising that line item from 6% in FY2007 to its current 9% of total expenses.

Industry Status

The number of Iowa wineries rose during FY2008. At the end of June, 2008, the State of Iowa's Alcoholic Beverages Division (ABD) listed 74 active licenses to native wholesale wine distributors, i.e., state wineries. That number was up from 65 as of June, 2007. Six wineries had closed during that year and 13 wineries received licenses during that same time period.

Impressively, Iowa ranked 14th in the number of wineries per state and about 20th in wine production.¹

According to Craig Tordsen with the Value Added Agriculture Program at ISU, and from information obtained from ABD, annual wine production for all Iowa wines increased from 51,500 gallons as of June 2002 to over 259,000 gallons produced as of June, 2008. This production figure was down slightly from 268,500 gallons the year prior. Native wine sales were up however from over 149,500 gallons sold in the year ending June, 2007, to over 170,000 gallons sold the year ending June, 2008. Tordsen reported that 62 percent of native wines in Iowa is sold directly to customers, 35 percent is sold to retail outlets, and three percent is sold to distributors.²



Ice coats an Iowa vineyard after a February 2008 ice storm. Photo by Mike White and courtesy of Iowa State University.

The number of Iowa vineyards rose as well. In 2007, ISU Extension's Viticulturist Mike White posted over 330 vineyards on the "Iowa Grape Expectations" map. As of June, 2008, that figure stood at 389 commercial vineyards.³ It was estimated that there were approximately 900 acres under cultivation as of June, 2008.¹

Another industry trend was the growth of wine trails. FY2008 saw the addition of two more wine trails in Iowa bringing the total to five. The trails covered western, central, eastern, and southeastern Iowa, and the Amana colonies. The newest additions were the Heart of Iowa Wine Trail encompassing

central Iowa, and the Scenic Rivers Wine Trail in southeastern Iowa, west central Illinois, and northeast Missouri. With these additions, forty one Iowa wineries, or 55% of the state's total, participated in wine trail associations.

Summary

FY2008 was a productive year for the Iowa Grape and Wine Development Commission. Sixteen proposals were recommended for funding from FY2008 funds and carryover totaling just over \$396,000 in outlays. Included in the approved proposals were staffing and equipment for the Midwest Grape and Wine Industry Institute's wine diagnostics laboratory at Iowa State University, continued support for the viticulturist position at Des Moines Area Community College, funding for the second annual Mid-American Wine Competition, and assistance for marketing and promotion of

two wine trail associations and seven festivals and events. Commission funding supported a salaried position within IDALS to manage the Iowa Grape and Wine Development Fund and to serve as the Director of the Iowa Grape and Wine Development Commission. The Commission approved funding for a Scholarship Program. The formally created Scholarship Committee met twice in FY2008 to finalize details for the Program and to approve scholarships to twenty-six applicants to aid with the expenses of accredited coursework.



Map showing the central Iowa wineries participating in the Heart of Iowa Wine Trail. Image courtesy of Heart of Iowa Wine Trail Association.

Based on data collected by IDALS, the Iowa Department of Economic Development, the Iowa Alcoholic Beverages Division, and Iowa State University the Iowa grape and wine industry appears to continue to be very viable and growth continues at a strong pace. Presently, Iowa ranks 14th in the nation for the number of wineries, and wine produced in the state for 2008 was estimated at a market value in excess of \$14.0 million.

A tabulation of the budget revealed that just over \$1,080,000 in wine gallonage tax appropriations and legislative appropriations have been deposited into the Grape and Wine Development Fund from FY2003 through FY2008. Removing encumbered funds, expenditures have totaled just over \$942,500 during that same time. “Financial” funding – used for fostering public awareness and participation of industry events - increased from 6% of expenditures in FY2007 to 9% in FY2008. Used for support of research, education, and outreach, a little over 80% of expenditures and encumbered funds were earmarked for “Technical” spending.

Over time, funds invested in “Technical” programs will translate into an increasingly educated and institutionally-supported industry. Local, regional, and statewide events also appeared to be increasing in popularity. The Commission was encouraged to see increased support for these events. It is hoped, too, that the Scholarship Program will provide needed funding to help meet the educational goals of the industry’s workforce.

As they continue to support Iowa’s grape and wine industry, the Commissioners look forward to working with individuals, commercial enterprises, state and federal agencies, and industry-sponsored institutions in FY2009 and in years to come.



Cited References

¹Midwest Grape and Wine Industry Institute Report presented to the Leopold Center on March 4, 2008, Dr. Murli Dharmadhikari, Director

²“Iowa Wine Production”, 6/2008 (revised), Craig Tordsen, ISU Extension Value Added Agriculture Program

³“Iowa Vineyard and Winery Map 6/2008,” Michael White, Extension Viticulturist, Midwest Grape and Wine Industry Institute