



Identifying the Market for Midwest Wines

National Value-added Agriculture
Conference

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Tabor Home Vineyards and Winery
TaborHomeWinery.com

Tabor Home Winery

History

- Commercial vineyard planted in 1989 on family's 5th generation farmstead
- Winery bonded in 1996 –making Tabor Home the oldest estate winery in Iowa
- Strategy to encourage area growers, providing consultation since 1996
 - 11 area growers market grapes to Tabor Home (60 acres)
- 6 wines produced in 1996, 15 wines in 2008
 - 9 of 11 grape wines made using area-grown grapes
- Significant Wine Industry involvement

Tabor Home Winery

Objectives

- Create a Family Owned and Operated Business
- Produce distinctive, distinguished wines from quality grapes that will establish a regional identity and prominence for wines produced in Eastern Iowa (Upper Miss. Valley AVA)
- Establish a significant Market for Iowa Wines
 - 10%+ market share
- Promote Tabor Home Winery based on:
 - Quality & Desirability of the Wine
 - The Winery “Experience”
- Work toward a Sustainable Iowa Wine Industry:
 - Critical Mass of experienced wineries and growers
 - Reputation for Quality Wines
 - Favorable marketing environment

Midwest wine consumption per capita

State	Annual gal. Per capita
IL	3.1
MN	2.7
WI	2.6
MI	2.5
MO	2.4
IN	2.0
IA (8.2% incr. '05-'06)	1.3
US	3.0

Who Drinks Wine?

- People with significant income
 - 52% with \$200,000 income
 - 28% with \$50,000 to \$75,000
 - 15% with < \$25,000
- Top 13% of wine drinkers drink 80% of wine consumed in US
- 77+ million Baby Boomers
 - Know varieties, regions, brands, bargains and health benefits of wine
- 70+ million Millennials
 - Know less about wines, become loyal customers, pay more per bottle
 - Seek social interactions with winery
 - Could exceed wine consumption of boomers
- Who actually purchases wine?
 - WOMEN buy 87%

The Iowa Wine Industry - Then and Now

- 1900 Census of Agriculture - Iowa produced over 7.4 million lbs. of grapes and 76,301 gallons of farm processed wine
- 1919 - Iowa was 6th in the nation in grape production at over 12 million lbs.
- 1929 –Iowa produced more than 14 million lbs.
- 2007 Iowa had 400 vineyards totaling about 600 acres
- 2007 Iowa's 71 wineries produce >230,000 gal. with estimated \$12.3 million in market value
- Other midwest states have same story
- The Re-birth of the wine industry in the midwest

Midwest Winery Demographics and the Market

- Bringing Agricultural Diversity to Commodity Ag regions and Promoting Change in Land Use
- Small Family Farms and Local Producers
- Recognizing They are Value-added Producers
- Unique Rural Economic Development – 1,000 acres of grapes and 15 wineries = 375 jobs and \$42 million in economic impact
- Linked to Tourism
- History

Midwest Winery Demographics and the Market

- Wineries located in rural areas or small communities
- Winery includes a tasting room and retail shop
- Visitors to the winery see the vineyard and interact with the wine maker and family
- Wineries develop quality wines from grapes and fruit produced in the region creating regional identity
- The wineries add music, food, festivals, and activities to give people a reason for return visits
- Clusters of wineries in the region result in a critical mass to create a “destination attraction”

Midwest Winery Demographics and the Market –Stats from Iowa Wine Trail

- 53% of winery visitors were repeat visitors
- Most travel parties are either 2 or 4 people
- Average spending at wineries \$72.00
- Wine visitor expenditures in Eastern Iowa had a direct economic impact of \$1.82 million in direct sales, \$921,000 in value added/income, and supported 43 jobs in the region.
- The addition of indirect effects increases those numbers to \$2.65 million in direct sales and 53 jobs.

Marketing Strategies for Midwest Wineries –Stats from Tabor Winery

- Retail markets (33%)
 - Winery, Farmers markets, Tour groups
 - Winery-sponsored events/festivals, wine banquet dinners
 - Advantages: No alcohol tax, repeat customers, large sales per customer, full price
- Wholesale markets (62%)
 - Grocery and liquor outlets
 - Class B Native Winery permittees in Iowa
 - Advantages: Lower overhead cost, good product exposure from Class B
- Online shop (5%)
 - Instate/out-of-state individuals
 - Changing state laws make this difficult
 - Advantages: Lowest overhead per sale.
- Marketing strategies
 - Education: varietals, food pairing, wine tastings,
 - Winery Experience: unique local product, familiarity with winery and wines
 - Distinctiveness and quality: role of AVA, Vintners Quality Alliance, award-winning wines

Marketing Strategies for Midwest Wineries

- Cooperative marketing schemes:
 - Wine trails, Progressive events, Regional festivals, Viticulture areas

Supporting Programs

- Iowa Wine and Beer Promotion Board
 - Festivals and Wine Trail events
- Potentially -Midwest Wine and Grape Industry Institute at ISU
- No State Marketing Director/Program

Supporting Businesses

- Iowa Wine Tours



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