

Help in Addressing the Challenges to Entering the Vineyard and Winery Industry

Part 1

**Iowa State University
Value Added Agriculture Program**

**United States Department of Agriculture
Risk Management Agency**

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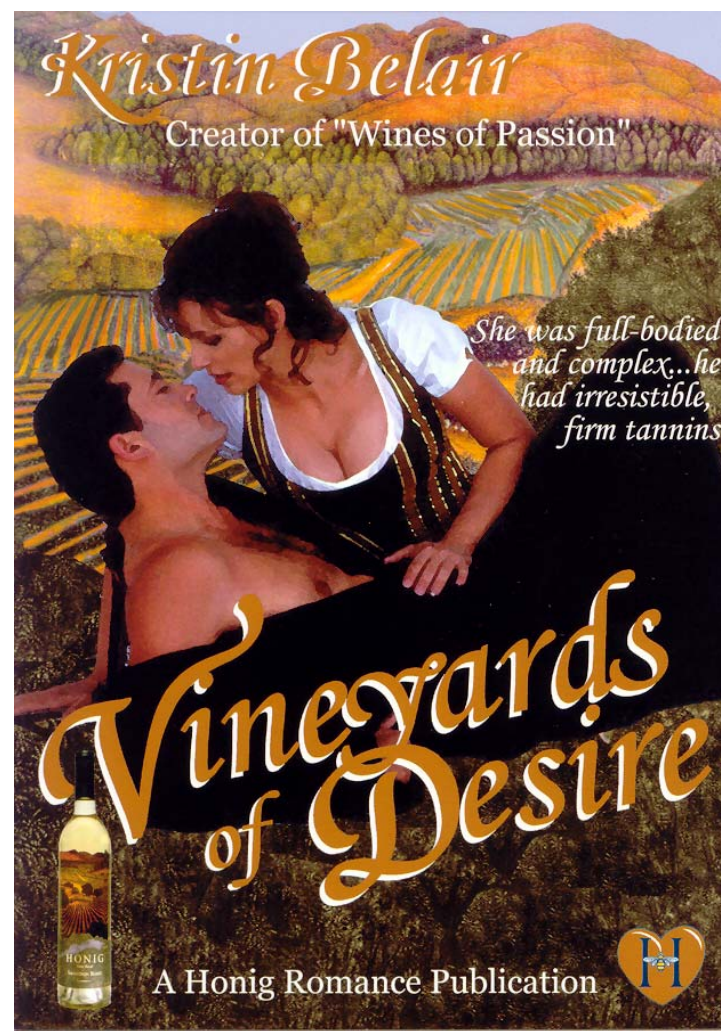
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Planning to Start a Business?

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- Have You Ever Grown Grapes or Made Wine?
- Have You Ever Sold Grapes or Wine?
- Do You Know the Market?
- Do You Know How to Manage a Business?





The View From 20,000 Feet

Winery Numbers

- 2688 in 1999
- 4929 in 2005
- 83% increase
- 33,560 Employees
- \$11.4 Billion in Winery Sales
- \$23.8 Billion in Retail Sales

Vineyard Numbers

- 23,856 Vineyards in 2002
- 85% less than 50 acres in size
- 35,170 Employees
- 934,750 acres in 2005
- \$3.5 Billion in Sales

Wine Consumed

Year	Total Wine per Resident	Total Wine Gallons
2005	2.37 gals	703 million
2004	2.27 gals	668 million
2003	2.21 gals	643 million
2002	2.13 gals	612 million
2001	2.01 gals	572 million
2000	2.03 gals	570 million
1999	2.02 gals.	543 million

Wine Imports

- 27% of All Wine Consumed in the U.S.
- >\$10 per bottle
- Pressuring Prices
- Building Supply

An aerial photograph of a vineyard in a valley. The foreground shows rows of young grapevines in a field. In the middle ground, a river or lake flows through the valley. The background features rolling hills and mountains under a clear blue sky.

The Ground View

- Beer is the Drink of Choice.
- Iowa Wine Consumption is less than 1 Gallon per Year per Person.
- I am a Marketer not a Producer!
- Cost to Build
 - Vineyards is about \$10,000 per acre. 5-7 Years to Cash Flow
 - Winery is \$50,000+ per 1,000 gallons of Production Capacity. 4-7 years to Cash Flow

Tools to Plan a Business

- Agricultural Marketing Resource Center
www.AgMRC.org
 - Electronic Resource Center
 - Investigate Market and Industry Trends
 - Find Local Resources
 - Learn How to Write a Business Planning
 - Vineyard and Winery Financial Planning Tools