



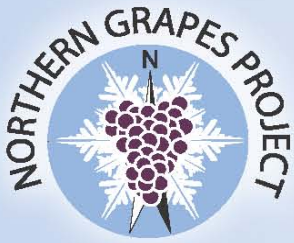
Northern Grape Project Focus:
Integrating Viticulture, Enology, Marketing,
and Community for Sustainable Growth.

Paul Lasley

Iowa State University

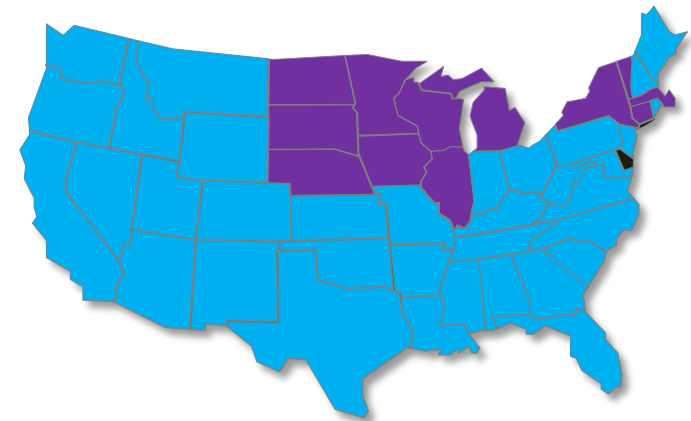
The Northern Grapes Project is funded by the USDA's Specialty Crops Research Initiative Program of the National Institute for Food and Agriculture, Project #2011-51181-30850





What is the Northern Grapes Project?

- 5 Year Project funded by USDA & Partners
 - \$2.5 M budget, Partners: 1:1 Match
- 30 Research and Extension team members
- Viticulture, Enology, Economics/Sociology
- 12 Institutions upper Midwest & Northeast
- 20 cooperating winery/grower associations

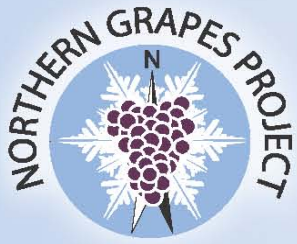


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Project Objectives

1. Document cold climate varietal performance in variable climates and relationship to sensory characteristics
2. Develop and extend vineyard management practices that results in high quality fruit
3. Develop and optimize winemaking practices to produce high quality wines from cold climate cultivars
4. Link grape and wine production to sustainable business development



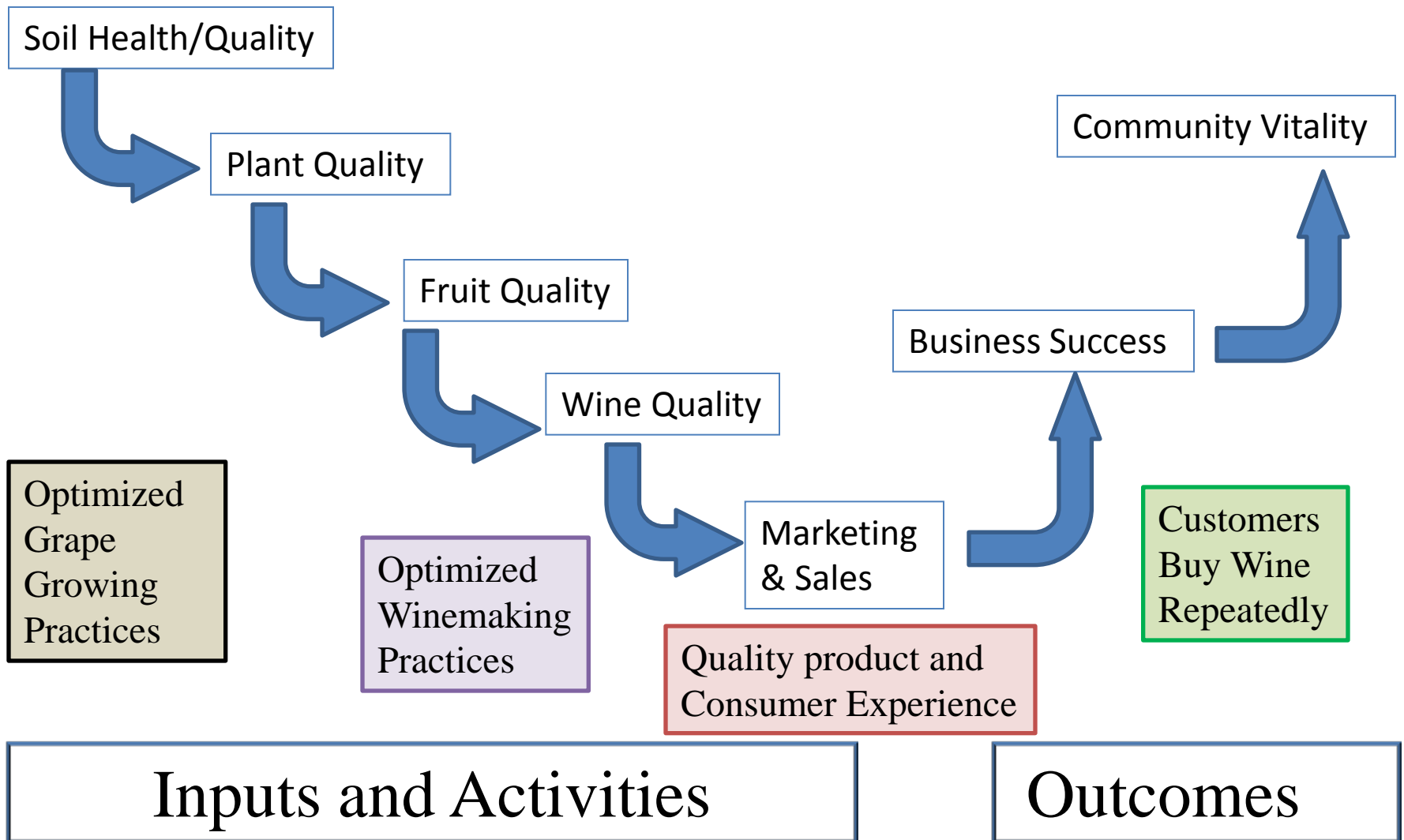
What is the Northern Grapes Project?



= Profitable, Vibrant Industry

Successful Cold-Climate Wine Industry

Paul Lasley, Iowa State





Potential of Grapes

- Valued added agriculture
- Agricultural diversification
- Natural resource protection
- Local employment in grape production and processing
- Meeting demands of consumers
- Food as a social experience
- Allied industries (tourism, bed and breakfast, entertainment, etc)



Viticulture, enology and marketing for cold-hardy grapes



FARMING in the 21st Century

- Definition of farming is changing
- Expectations about farming are changing
- Must be more attune to consumer preferences
- Farming must be more closely linked to community development



New expectations (from consumers, environmental community and policy makers) for agriculture that are going to guide future decisions

- Agriculture will be expected to increase output while minimizing impacts on the environment
- Protect human and animal health
- With lowered or no safety net
- With increased global competitiveness



Farm Activity Preferences

	<u>Dislike Greatly</u>		<u>Indifferent</u>		<u>Enjoy Greatly</u>
	----- Percentage -----				
Crop/Field work.....	1	2	12	38	47
Exploring new ideas.....	1	4	24	48	24
Working with livestock.....	7	8	21	34	30
Working on machinery.....	4	9	27	39	22
Marketing/Purchasing livestock.....	9	12	31	33	15
Marketing/Purchasing crops.....	5	16	32	37	10
Purchasing equipment.....	6	14	33	34	13
Record keeping/paperwork.....	11	22	33	25	9
Going to farm meetings.....	14	21	36	23	5



In addition to the new demands from consumers as the world population approaches 9 billion people by 2040

Agriculture will be expected to be a source of:

- **FOOD**
- **FEED**
- **FUEL**
- **FIBER**
- **INDUSTRIAL COMPOUNDS**



Emergence of New Food System Paradigm

- More attention to place of origin
 - Where their food comes from
- Reconnecting producers and consumers
 - Food with a face, CSAs, farmers markets
 - Local food system
 - Green movement
- Understanding the modern food production and processing system
 - Knowledge is power.



Consumer Driven Agriculture

- Demand for farm products will increase as population increases
- Demographic shifts—shifts in food tastes and preferences
- Increasing per capita income will reward quality

Consumer Driven Agriculture

- Aging baby boomers, those born between 1946-64 will approach 54 million by 2020
- Market growth and potential for older population, less active, higher standard of living
- More expensive cuts of meat, exotic vegetables, luxury food items, ready to eat, higher priced restaurants, etc.



Consumer Driven Agriculture

- Per capita income growth is projected to be about 1% annually between 2000-2020, compared with 1.2% that occurred between 1988-98
- Key question is how much of this higher disposable income will be spent on food and what types of food will be demanded



Consumer Driven Agriculture

Projections are:

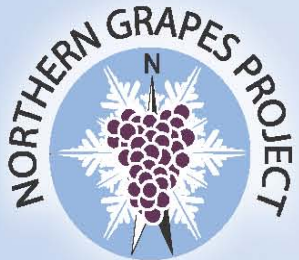
- More fruit, vegetables, fish, poultry, cheese, yogurt and prepared foods
- More eating out
- More attention to diets, health and wellness



In the future...

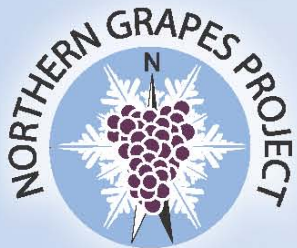
You will need to:

- Articulate how your business helps consumers fulfill their needs...
- Explain how it contributes to their overall welfare and
- Contributes to their basic values and beliefs



Its not only what you do, but increasingly your business will be judged by what you do.

Hence the need to demonstrate sustainability and wholesomeness of your product





There is an important need to integrate new grape varieties into opportunities to **grow** or **expand** the wine industry and demonstrate how these activities contribute to **community development**



For the grape and wine industry, sustainability means *providing high quality products and experiences in ways that makes the industry, the natural resource base and its communities and people economically, environmentally and socially better — now and for future generations.*

Some technologies or practices are contingent upon a system or group activity. For example an individual decision concerning adopting a new variety or a new practice is different than growing or developing a thriving grape-wine industry.



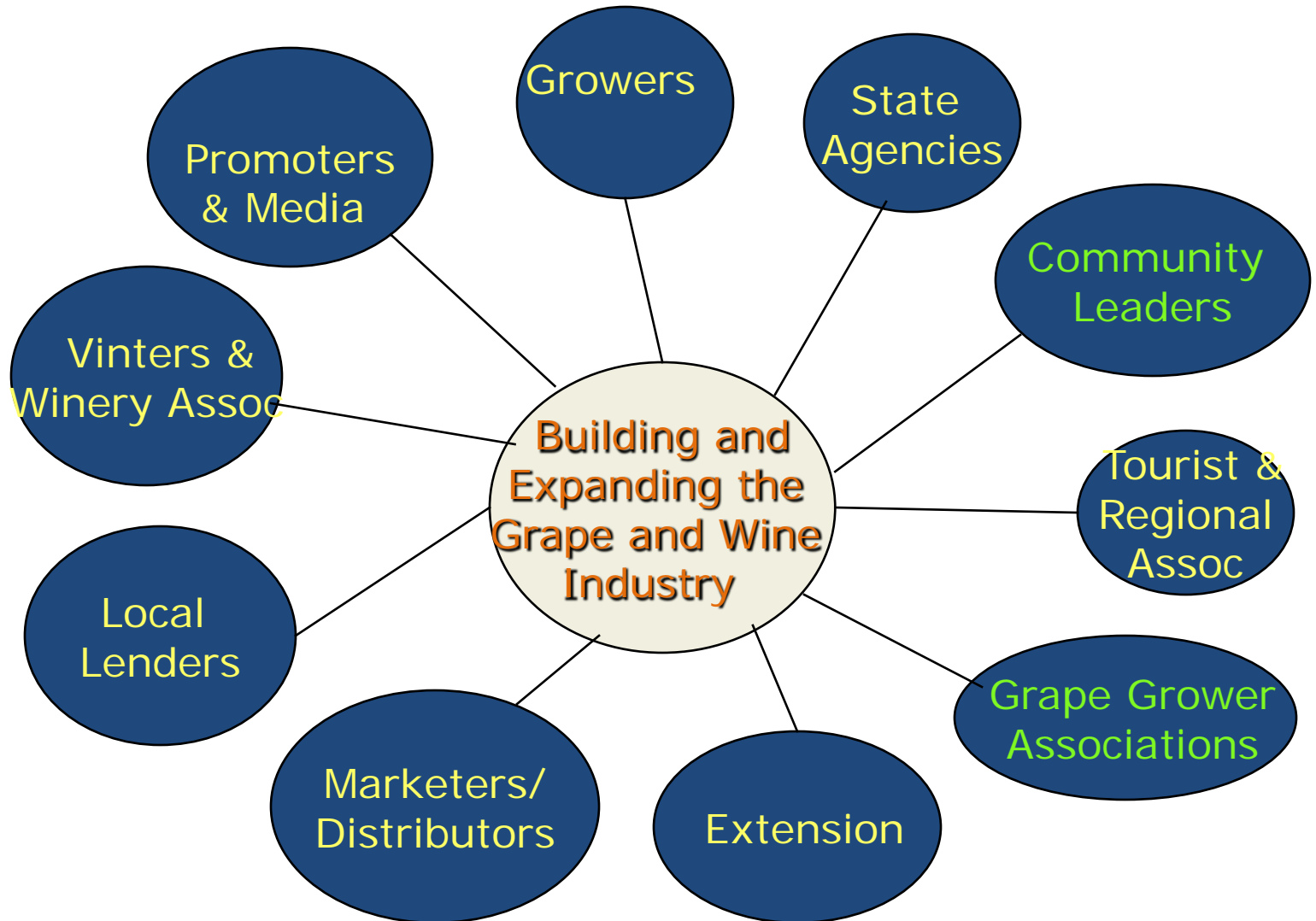
Expansion or growing the wine industry is bigger than an individual level of decision making, and requires **group action** or developing a social system.

The challenge is how to get producers to work together

How to build stronger ties between producers, processors and marketers.



Who are (or could be) Stakeholders



The presence of organized groups is necessary but not sufficient

- Must be some agreement on the need
- Commitment to working together
- Collaboration doesn't just happen
- There must be leadership as well as “followership”



How to get these groups together

- How to build a cohesive network among the various stakeholders
 - Strategies to achieve collaboration and cooperation
 - Building networks



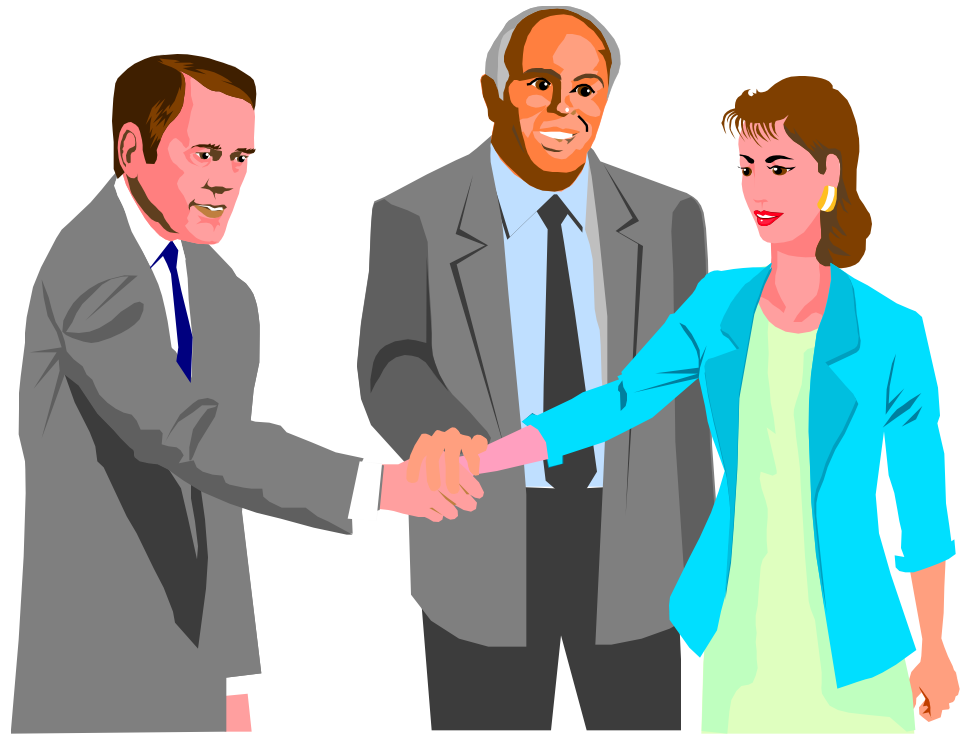
Social Capital

- Community involvement of people and organizations; participation in community events and projects; membership in local organizations; diversity of leaders; cooperation among organizations, etc
- How people relate to each other:
 - Do they know each other, listen to each other, share ideas, and mentor each other
 - Are they bound together as a group or do they view each other as competitors

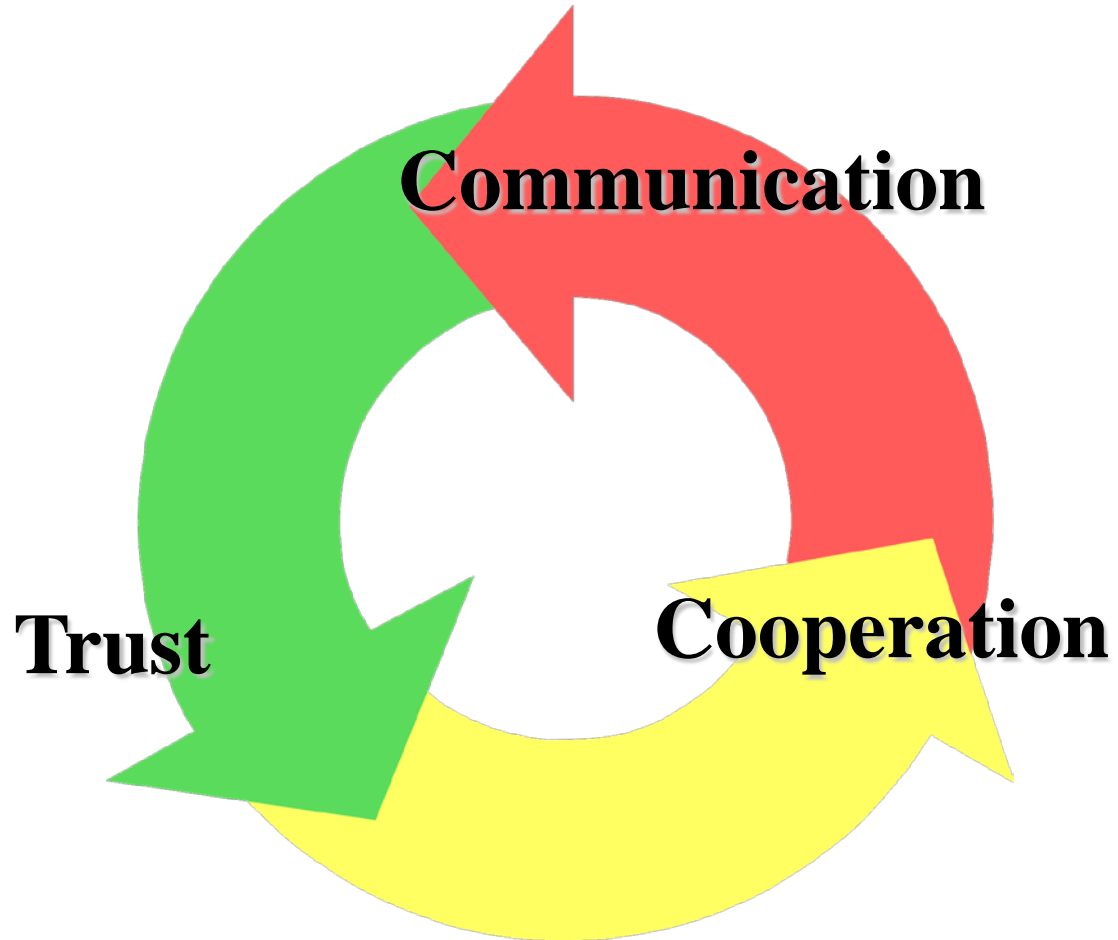


Building Social Capital

1. Communication
2. Trust
3. Cooperation



Towards Building Social Capital



Barriers to group action

- Lack of trust among members or failure to include partners up the value chain
- Viewing each other as competitors rather than partners
- Lack of leadership or competing leaders
- Disagreement over little things and not paying attention to the big picture
- Failure to understand or appreciate the benefits of cooperation



In the past community development was about building things...roads, schools, churches, industrial parks, etc..

Now it appears the future of community development is about building or strengthening social capital

Likewise in the past agricultural development was often about individual initiative, taking risks, making personal investments

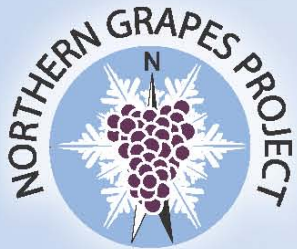
Now it appears the future of agriculture development is about building strengthening effective networks, relationships and cooperation. Need for a industry or system perspective.

It's about connections and cooperation.



Farming in the 21st Century

- Quality, quality, quality
- Traceability
- Country of origin labels (COOL)
- Connections between producers and consumers
- Environmental friendly





Vineyards and Wineries as a broader piece of rural economic development

- Introduction of a new crop as part of ag diversification
- Bringing new set of values and opportunities
 - Winery and vineyard tours
 - Tourism, bed and breakfast, hotels
 - Cheese, orchards, u-pick operations
 - Boutiques, arts and craft
 - Local celebrations
- All of these contribute to local development
 - Tourism, recreation and out-door activities
 - Motels and restaurant businesses
 - Entertainment B&B and event centers

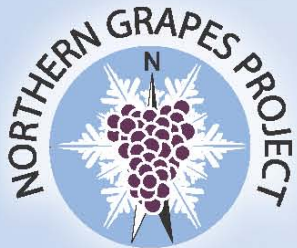
The Role of Education

- Too often we choose to ignore market signals and continue to produce things that the market is trying to discourage and likewise ignore opportunities where demand is growing.
- Why do we ignore market signals?
 - Creatures of habit, tradition bound
 - Change is difficult, it is uncertain, produces anxiety, uncomfortable



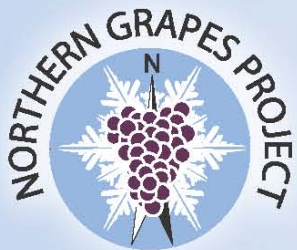
Business Success is Dependent upon:

- Understanding the large scale social and economic forces
- Positioning oneself to take advantage of the opportunities that lie ahead and avoid potential pitfalls
- Learning to read the market
- Willingness and ability to change



A major challenge of the future

- Ability and willingness to change to new opportunities
- Accepting change is not easy
- Thus we often ignore market information and miss opportunities
- Hard work is not sufficient--failure to respond to market signals

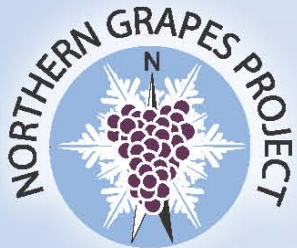


In this changing marketplace and culture, it is important that we better communicate and connect with consumers, explain what we do, and equally important answering the question, Why?



Identifying Opportunities

- Get an education
 - Farming is about acquiring and applying knowledge
 - Analytical and reasoning skills
 - Creative and critical thinking
 - “Farming in an information age”

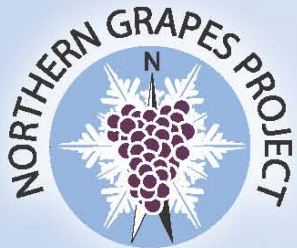


To be successful...you need to:

Figure out how you you can become the low cost producer against everyone who is producing the same products as you.

OR

Figure out a niche where there is limited or no competition...where you offer a superior, highly differentiated product.



THANK YOU.

