Baseline Survey Results

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Today’s Talk

- History of baseline study
- Economic impact, preliminary results
- Conclusions from baseline study
Northern Grapes Project

BASELINE STUDY HISTORY
Baseline Study

• Developed 2 questionnaires
  – Vineyards
  – Wineries

• Email invites to all lists provided

• Northern Grapes webinars open link

• Based on lists, had an overall response rate of 21%.

• Sent in early spring (March-April)
Baseline Study Reports

• Extrapolated results

• Reports for:
  – Illinois
  – Iowa
  – Michigan
  – Minnesota
  – Nebraska
  – New York
  -Dakota’s
  -Wisconsin
  -New England
Northern Grapes Project

ECONOMIC IMPACT
### Economic Impact – Wine Vineyards

<table>
<thead>
<tr>
<th></th>
<th>Output</th>
<th>Employment</th>
<th>Labor Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct – All Grapes</td>
<td>$45,500,000</td>
<td>4,000</td>
<td>$12,400,000</td>
</tr>
<tr>
<td>Total – All Grapes</td>
<td>$81,000,000</td>
<td>6,800</td>
<td>$24,500,000</td>
</tr>
<tr>
<td>Total – Cold Hardy Grapes</td>
<td>$34,800,000</td>
<td>4,000</td>
<td>$10,100,000</td>
</tr>
</tbody>
</table>
## Economic Impact - Wineries

<table>
<thead>
<tr>
<th></th>
<th>Output</th>
<th>Employment</th>
<th>Labor Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct – All Grapes</td>
<td>$243,800,000</td>
<td>5,800</td>
<td>$56,000,000</td>
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<tr>
<td>Total – All Grapes</td>
<td>$421,400,000</td>
<td>9,900</td>
<td>$145,700,000</td>
</tr>
<tr>
<td>Total – Cold Hardy Grapes</td>
<td>$194,500,000</td>
<td>4,960</td>
<td>$68,400,000</td>
</tr>
</tbody>
</table>
## Economic Impact – Winery Visitors

<table>
<thead>
<tr>
<th></th>
<th>Output</th>
<th>Employment</th>
<th>Labor Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct – All Grapes</td>
<td>$106,000,000</td>
<td>1,700</td>
<td>$39,600,000</td>
</tr>
<tr>
<td>Total – All Grapes</td>
<td>$219,900,000</td>
<td>2,500</td>
<td>$68,000,000</td>
</tr>
<tr>
<td>Total – Cold Hardy Grapes</td>
<td>$113,300,000</td>
<td>1,300</td>
<td>$35,300,000</td>
</tr>
</tbody>
</table>
CONCLUSIONS FROM BASELINE SURVEY
Conclusion 1: Indications Rapid Growth of Vineyards is Diminishing
Year of Vineyard Establishment

n=342

- Prior to 2002: 20%
- 2002-2007: 44%
- After 2007: 36%
Conclusion 2: Growth in Winery Numbers is Strong
Year of Winery Establishment
n=191

- Prior to 2002: 20%
- 2002 to 2007: 37%
- After 2007: 43%
Conclusion 3: Wineries Integrate with Vineyards, but Vineyards Are Likely to Stand Alone
Are You Associated With?

n = 442

- Vineyard Only: 56%
- Winery Only: 9%
- Vineyard and Winery: 35%
Conclusion 4: Rapid Growth in Grapes on Market Will Continue
Number of Reported Planted Vines

**Red Cultivars**
- Older than 10 Years: 10%
- 4 to 10 Years: 45%
- 4 Years and Younger: 45%

**White Cultivars**
- Older than 10 Years: 7%
- 4 to 10 Years: 47%
- 4 Years and Younger: 46%
Conclusion 5: Wineries and Vineyards
Increasing Sophistication in Interactions
Marketing Arrangements
n=241

- Sold via contract with a winery: 39%
- Sold through own winery: 25%
- Other: 20%
- Sold via networking: 11%
- Sold via a broker: 3%
If Sold Via Contract, Was Winery Active in Management Decisions?
n=129

- Yes: 71%
- No: 29%
Conclusion 6: Marquette Grape is Wildly Popular
Total Reported Planted Vines, Red Varieties

- Frontenac: 26%
- Marechal Foch: 11%
- Marquette: 39%
- St. Croix: 7%
- GR-7: 2%
- King of the North: 4%
- Petite Pearl: 2%
- Leon Millot: 2%
- Sabrevois: 2%
- Other: 5%

Total Reported Planted Vines, Red Varieties
Conclusion 7: No Clear Favorite in the White Varietals
Total Reported Planted Vines, White Varieties

- **St. Pepin**: 8%
- **Brianna**: 13%
- **Edelweiss**: 12%
- **Frontenac blanc**: 3%
- **Frontenac gris**: 19%
- **La Crescent**: 23%
- **La Crosse**: 10%
- **Louise Swenson**: 2%
- **Petite Amie**: 2%
- **Prairie Star**: 6%
- **Other**: 2%

**Total Reported Planted Vines, White Varieties**
Conclusion 8: Vineyard Management Issues Worry Grape Growers
The Following is a Challenge to the Growth and Development of my Vineyard  n=300  
(1=Strongly Disagree, 5 = Strongly Agree)

- Disease
- Pests/Insects
- Cost of Labor
- Government policy/regulation
- Availability of skilled labor
- Access to capital
- Sales
- Availability of unskilled labor
Conclusion 9: Untapped Market Potential Exists for Wineries
Winery Sales by Category

- Wine: 73%
- Non-wine: 10%
- Food and beverage: 9%
- Events: 5%
- Other: 3%

Additional logos: USDA, NIFA
Percent of Wine Sales
n=130

- Tasting room/winery visitors: 52%
- Liquor stores: 18%
- Distributors: 14%
- Farmer's Markets: 5%
- Other: 8%
- Restaurants: 1%
- Households: 2%
- Restaurants: 1%
- Households: 2%
- Tasting room/winery visitors: 52%
Extent of Collaboration
(1=None, 5 = Great Deal)
n=134

Other Wineries
Tourism Destination Marketing
Local, Non-Restaurant
Lodging Industry
Restaurants
Tourism Attractions/Recreation
Tour Operators
Local, Non-Wine Beverage

Average Score
Conclusion 10: Own Wine Branding is Considered Key
Importance in Overall Marketing Strategy
(1 = Unimportant, 5 = Very Important):
n=135

- Own Wine Branding
- Special Events
- State Winery
- Regional Partnership
- Wine Trails
- Winery Collaboration
- Local Partnership
- Regional Branding
- Vineyard Tours
- Wine Club

![Bar Chart showing the importance of various marketing strategies](chart_image)
Conclusion 11: Wineries Worry About Government Policies and Sales
The Following is a Challenge to the Growth and Development of My Winery

(1=Strongly Disagree, 5= Strongly Agree)

n=134
Thank You!

Questions?