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Development of a rural wine culture in Iowa

Abstract

The project documents the process of creating a geographically-based identity for grapes and wine production in eastern Iowa.

Keywords

Agritourism and place-based food, Grapes, wine and viticulture

Disciplines

Agribusiness | Viticulture and Oenology



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Abstract: The project documents the process of creating a geographically-based identity for grapes and wine production in eastern Iowa.

Question & Answer

Q: Will the establishment of an American Viticulture Area (AVA) as part of a regional wine identity benefit someone interested in producing grapes for local wineries?

A: An AVA designation will put Iowa on the map as a distinct grape growing region and will enable producers to focus on some specific varieties of grapes that are adapted to the region and will produce high-quality wine. If 85 percent of the grapes used in the production of a varietal wine are produced within an approved AVA, the AVA name can be used as the Appellation of Origin on the wine label. Typically, wines that include an appellation of origin on the label bring \$1 to \$2 more per bottle at the winery. Wineries produce about 150 gallons of wine per ton of grapes. At five bottles of wine per gallon, the AVA designation would add \$750 to \$1500 of value per ton of grapes produced within the designated region. (150 gallons X 5 bottles = 750 bottles @ \$1-\$2 increase each)

Background

The concept of regionally-based food often is associated with grape and wine production. Wine may be distinguished by an Appellation, which refers to the official name for the area of the wine's origin. An American Viticultural Area (AVA) is the term used in the United States for designating specific growing areas. AVAs are

defined as grape-growing regions distinguished by unique geographical features with defined boundaries. AVAs are established through an intensive application process and must address the following issues:

1. Evidence that the area is known locally and nationally by the proposed name.
2. Historical or current evidence that the boundaries are specified correctly in the application.
3. Evidence that the geographical features (including soil, climate, elevation, physical features, etc.) distinguish the area from surrounding areas.
4. Specific boundaries of the viticulture area can be found on U.S. Geographical Service maps.

If 85 percent of the grapes used in the production of a varietal wine are grown within an approved AVA, the AVA name can be used as the Appellation of Origin on the wine label. This designation will add value both to the wine and the grapes used to produce the wine. Over the past decade the numbers of eastern Iowa grape growers and wineries have reached levels sufficient to encourage them to work together to foster their unique regional wine culture. Cultivation of a regional wine culture in Iowa would provide a great assist to the re-establishment of the once active grape and wine industry in the state.

This project was designed to research and create a geographically-based identity for grape and wine production in eastern Iowa. Project investigators worked in cooperation with grape growers and wineries in eastern Iowa to submit a nomination for the first American Viticultural Area (AVA) in the state, and to document the economic impacts of the wine industry in the region.

Principal Investigator:

Jon E. Bell

Co-investigator:

Warren Johnson
Limestone Bluffs RC&D
Maquoketa

Budget:

\$10,367 for year one
\$4,583 for year two

Four objectives were chosen for the project:

- 1: Conduct a workshop to provide information to grape growers and wine makers on the concept, criteria, and benefits of a regional wine culture.
- 2: Research and document a distinct geographical area in eastern Iowa that would qualify the area as an American Viticulture Area and submit an application for an AVA that includes this region.
- 3: Establish a Wine Trail of participating wineries to market the unique characteristics of the defined region. The marketing efforts will include a brochure, web site, and cooperative promotional events.
- 4: Complete a report on the economic benefits resulting from the creation of the regional wine culture in eastern Iowa.

Approach and methods

An informational workshop for area winery owners and grape growers was held in March 2005 near Maquoketa with 30 attendees from four states. Speakers included an international food law scholar who spoke about the AVA designation process and a Missouri Department of Agriculture official who has previously assisted in the designation of four AVAs in the state.

A part-time staff person was hired at Limestone Bluffs RC&D to gather information and complete an application for an AVA including eastern Iowa. Supporting information for the application came from a variety of regional, state, and federal resource agencies. The petition to establish the Upper Mississippi River Valley Viticulture Area (covering 29,914 square miles in four states) was submitted in November 2006 to the U.S. Alcohol and Tobacco Tax and Trade Bureau.

A wine trail committee was formed, consisting of Iowa Department of Economic Development staff, wineries in the region, and associated partner businesses. The committee established guidelines for participation in the trail, developed a promotional brochure and a web site (www.iowawinetrail.com), and held cooperative promotional events to publicize the trail.

The committee contracted with the University of Northern Iowa's Sustainable Tourism and Environment Program

(STEP) to conduct a study and issue a report on the economic impact of a regional wine culture on eastern Iowa communities. Among its charges, the study analyzed travel motivations of existing visitors to winery activities, estimated economic benefits, and recommended promotional priorities.

Results and discussion

The March 2005 workshop on the AVA process informed stakeholders about the process, criteria and potential benefits of receiving this designation. A committee was formed to assist the RC&D staff member in developing the application.

The petition to establish the Upper Mississippi River Valley Viticulture Area has passed a preliminary scrutiny by the U.S. Alcohol and Tobacco Tax and Trade Bureau. Their formal review of the application began in early 2007 and is expected to take one to two years to complete.

The Iowa Wine Trail began to operate as the marketing and promotional component for the proposed wine region. In 2006 the participating wineries formally organized their own nonprofit corporation to conduct the business of the trail. Seven wineries were involved at the beginning of 2007. A new tourism business, begun in 2006, offers organized tours to the area. Iowa Wine Tours, located in Dubuque, has options for 12 to 56 passengers and plans to create specialty and corporate package tours.

STEP completed its report on the economic benefits of the wine trail. The group found that 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 provided.

Conclusions

The project resulted in a defined geographic area of eastern Iowa being part of a nomination for the Upper Mississippi Valley AVA. Including areas from other states in the AVA slowed the application process somewhat, but was deemed necessary because the AVA designation relies on common soils and climate, topographic and historical information about the proposed area.

The Iowa Wine Trail has proved to be a successful method to capitalize on the critical mass of wineries within the region. The annual promotional events have been increasingly successful in terms of tickets sold, visitor responses, and wine sales. According to the STEP study, 52 percent of the visitors to the wineries were repeat customers. This indicates the wineries are offering different activities that encouraged people to return. Marketing the trail is an ongoing challenge and the partners are seeking additional opportunities to further capitalize on the growth of the regional wine culture.

Impact of results

The development of a regional wine culture in Iowa is an important step in revitalizing the grape and wine industry in the state. The industry has deep roots in Iowa—the state ranked sixth nationally in grape production in the 1920 Census of Agriculture. In the past seven years, interest in grape growing and wine production has increased markedly with new vineyards and wineries being established across the state.

Some significant project impacts:

- The project generated Iowa's first AVA petition submitted to federal agencies to formally recognize a distinct grape-growing region.
- The Iowa Wine Trail has become a regional visitor destination that attracts people from a larger geographic area. The primary purpose for a majority of trips to the area is to follow the wine trail or to visit a winery.
- The Iowa Wine Trail serves as a successful model that has resulted in other wine trails being formed in Iowa and the surrounding region. These include the Western Iowa Wine Trail and the Amana Wine Trail, with additional trails being developed.
- The wine trail has proven to be a viable marketing strategy for wineries, as shown by the growth from five to seven participating wineries with others expressing interest.
- The regional wine culture has sparked the establishment of supporting business ventures such as Iowa

Wine Tours that offer package tours and transportation with the wine trail as the central visitor interest feature.

- The wine trail brings new and repeat customers to a wide variety of businesses and service providers, such as bed and breakfast inns, motels, restaurants, gas stations, and many other visitor destinations.
- The wine trail wineries are being sought as a primary attraction at festivals and other special events.

Education and outreach

Presentations about the regional wine culture project were made at a Northeast Iowa Communities Conference in Decorah, the Maquoketa Rotary Club, and the Iowa Wine Growers Association. Copies of the STEP report were provided to the Iowa Wine Trail Wineries Association.

An Iowa Wine Trail brochure was published, which includes a directory of participating wineries and a list of partner sites such as gift shops, restaurants, and bed and breakfast establishments. Five news releases and two newsletters were published about the Iowa Wine Trail events, workshops and activities.

A presentation on the project can be viewed at http://www.leopold.iastate.edu/research/marketing_files/workshop06/index.htm

Leveraged funds

The project leveraged an additional \$59,454 of other funds and in-kind contributions. These included cash contributions from Iowans for a Better Future, USDA Rural Development-Rural Business Opportunity Grant, the Iowa Wine and Beer Promotion Board, Silos and Smokestacks National Heritage Area, and funds generated through wine trail events. In-kind contributions involved USDA-NRCS staff time through the RC&D Program, time and travel from regional AVA Committee and time and travel of the Iowa Wine Trail wineries.

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