



United States Department of Agriculture - National Agricultural Statistics Service
 Cooperating with Wisconsin Department of Agriculture, Trade and Consumer Protection
 2811 Agriculture Dr., Madison, WI 53718 1-800-789-9277



WISCONSIN

WINE INDUSTRY SURVEY

Survey Methodology

In 2015, members of the Wisconsin Winery Association were asked to provide information about their winery production and practices during 2014. This was a follow-up to a previous survey conducted in 2011. In the 2011 survey, however, all wineries were surveyed, not just Association members.

Sixty-nine wineries were sent an initial survey in February 2015. A second mailing to non-respondents in order to boost response was sent in March 2015. A good response was received from 31 wineries, reflecting a 45 percent response rate. No attempt was made to expand the results for non-respondents. The averages and percentages below are based only on the 31 wineries that responded.

Winery Characteristics

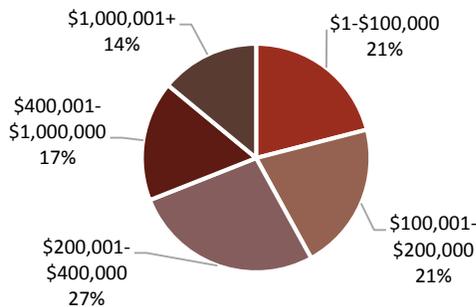
Wisconsin wineries vary greatly in their size and wine producing capacity. The smallest wineries reported average tankage capacity of just under 600 gallons, while the largest wineries had capacity over 100 times greater. Respondents reported fermenting an average of just under 16,000 gallons per winery in 2014. The average revenue from wine sales was \$687,288 per winery and 14 percent reported revenue over \$1 million.

Almost two-thirds of wine sales occurred through tasting room or face-to-face sales. The larger the winery, the more likely it was to sell through a distributor or coop or via the mail or internet.

Wine Sales Channels, Wisconsin, 2014

| Winery Fermentation Tank Capacity (gallons) | Average capacity (gallons) | Average gallons fermented |
|---|----------------------------|---------------------------|
| Up to 1,000 | 583 | 2,334 |
| 1,001-5,000 | 3,076 | 4,350 |
| 5,001-20,000 | 8,731 | 6,485 |
| 20,001+ | 68,730 | 57,023 |
| Overall | 19,221 | 15,959 |

Revenue from Wine Sales, Wisconsin, 2014



Wine Sales Channels, Wisconsin, 2014

| Winery Fermentation Tank Capacity (gallons) | Tasting Room Sales/ Face-to-Face | Distributor or Coop | Mail or Internet Sales |
|---|----------------------------------|---------------------|------------------------|
| | Percent | | |
| Up to 1,000 | 95 | 5 | 0 |
| 1,001-5,000 | 92 | 7 | 1 |
| 5,001-20,000 | 77 | 22 | 1 |
| 20,001+ | 51 | 45 | 4 |
| Overall | 62 | 35 | 3 |

Respondents were asked to report the source of the fruit/product used to produce their wine. Almost one-third of the product used in wine-making came from out-of-state juice (or other form of unfermented grapes), while 14 % came from the wineries' own vineyards.

Source of Grapes or Fruit for Wine Making, Wisconsin 2014

| Source | Winery capacity (gallons) | | | | Total |
|-------------------------------|---------------------------|-------------|--------------|------------|------------|
| | 1-1,000 | 1,001-5,000 | 5,001-20,000 | 20,000+ | |
| Percent | | | | | |
| Grapes | | | | | |
| Own vineyard | 5 | 13 | 25 | 4 | 14 |
| Other WI vineyard | 1 | 5 | 14 | 3 | 7 |
| Other state(s) ¹ | 12 | 13 | 4 | 19 | 12 |
| Bulk wine | | | | | |
| WI | 0 | 1 | 0 | <1 | <1 |
| Other state(s) ² | 0 | 1 | 11 | 10 | 6 |
| Juice | | | | | |
| WI | 0 | 1 | 1 | 3 | 1 |
| Other state(s) ³ | 69 | 20 | 25 | 26 | 29 |
| Apples | | | | | |
| Own orchard | 1 | 12 | 4 | 1 | 5 |
| Other WI vineyard | 0 | 5 | 8 | 3 | 5 |
| Other state(s) ⁴ | 0 | 7 | 0 | 0 | 2 |
| Berries | | | | | |
| Own farm | 10 | 3 | 1 | 0 | 3 |
| Other WI vineyard | 1 | 5 | 2 | 9 | 4 |
| Other state(s) ⁵ | 0 | 7 | <1 | 3 | 3 |
| Other | | | | | |
| Own farm ⁶ | 1 | 2 | 1 | 8 | 3 |
| Other WI farm ⁷ | <1 | 2 | 3 | 7 | 4 |
| Other state(s) ^{8,9} | 0 | 3 | 0 | 3 | 2 |
| Total | 100 | 100 | 100 | 100 | 100 |

¹CA, IL, MI, NY, OR, WA. ²CA, MI, WA. ³CA, MI, NY, WA, OR, Australia, Chile, Germany. ⁴MI ⁵MI, NY, OR, WA ⁶Beet, cherry, currant, dandelion, honey, pear, rhubarb. ⁷Cherry, pear ⁸Peach, plum ⁹CA, ID

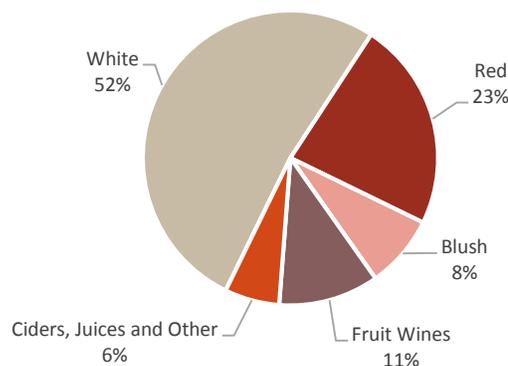
White wine accounted for over half of the wine produced by respondents, while red wine comprised just under one-quarter of production.

Wine and Similar Products Produced, by Wine Capacity, Wisconsin, 2014

| Winery Fermentation Tank Capacity (gallons) | Red Wine | White Wine | Blush Wine | Fruit Wine | Fresh Cider | Hard Cider | Juice | Other ¹ |
|---|-----------|------------|------------|------------|-------------|------------|----------|--------------------|
| Percent | | | | | | | | |
| Up to 5,000 | 5 | 8 | 2 | 2 | <1 | 0 | 0 | 0 |
| 5,001 – 20,000 | 3 | 5 | <1 | 1 | 0 | 2 | 0 | <1 |
| 20,001+ | 15 | 39 | 5 | 8 | 1 | 0 | 2 | <1 |
| Overall | 23 | 52 | 8 | 11 | 1 | 2 | 2 | <1 |

¹Beet, dandelion, dessert wines, mead/honey wine, port.

Types of Wine Produced, Wisconsin, 2014



At just under one-quarter of total expenses, purchases of raw materials such as bulk wine, grapes, grape juice and unfermented processed grapes constituted the greatest percent of expenses for Wisconsin wineries. Bottling supplies, labor, and management/administrative costs each constituted about one-sixth of total expenses. On average, respondents reported employing just over 6 fulltime equivalent (FTE) employees and spending half of their expenses at Wisconsin businesses.

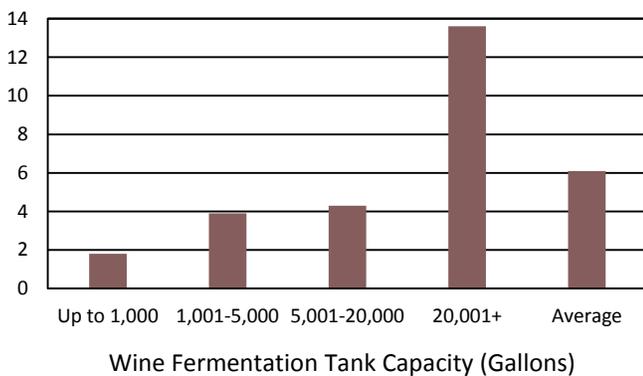
Winery Expenses, by Wine Capacity, Wisconsin, 2014

| Winery Fermentation Tank Capacity (gallons) | Raw Material | Bottling supplies | Equipment | Wine additives and yeast | Labor | Marketing | Non grape fruit or juice purchased |
|---|--------------|-------------------|-----------|--------------------------|-------|-----------|------------------------------------|
| | Percent | | | | | | |
| Up to 1,000 | 27 | 13 | 3 | 1 | 19 | 6 | 0 |
| 1,001 – 5,000 | 43 | 15 | 1 | 1 | 5 | 9 | 2 |
| 5,001 – 20,000 | 13 | 15 | 4 | 1 | 29 | 8 | 3 |
| 20,001+ | 19 | 18 | 7 | <1 | 17 | 8 | 1 |
| Overall | 23 | 17 | 5 | 1 | 17 | 8 | 1 |

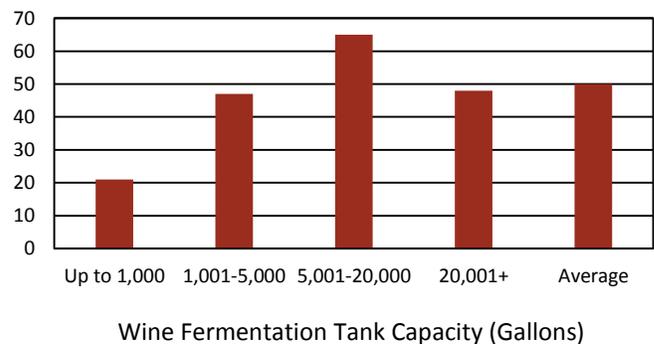
Winery Expenses, by Wine Capacity, Wisconsin, 2014, continued

| Winery Fermentation Tank Capacity (gallons) | Office Expenses | Management/ Administrative | Property Insurance | Property Taxes | Utilities | Total Expenses |
|---|-----------------|----------------------------|--------------------|----------------|-----------|----------------|
| | Percent | | | | | |
| Up to 1,000 | 2 | 9 | 3 | 6 | 11 | 100 |
| 1,001 – 5,000 | 3 | 14 | 2 | 2 | 3 | 100 |
| 5,001 – 20,000 | 5 | 10 | 3 | 4 | 5 | 100 |
| 20,001+ | 8 | 18 | 2 | 1 | 1 | 100 |
| Overall | 6 | 16 | 2 | 2 | 2 | 100 |

Average Number of FTE's, Wisconsin 2014



Percent of Winery Expenses Spent at Wisconsin Businesses, Wisconsin 2014



The average reported values of winery assets, including land, buildings, vehicles, equipment, inventory, and production inputs was \$1.6 million. The smallest wineries averaged assets totaling just over \$200,000, while the largest operations averaged almost \$4 million.

Average Asset Value, by Wine Capacity, Wisconsin, 2014

| Winery Fermentation Tank Capacity (gallons) | Average Asset Value |
|---|---------------------|
| | Dollars |
| Up to 1,000 | 216,667 |
| 1,001 – 5,000 | 887,778 |
| 5,001 – 20,000 | 1,000,409 |
| 20,001+ | 3,945,755 |
| Overall | 1,616,570 |

Respondents reported having, on average, over 40,000 visitors to their wineries in 2014. Almost two-thirds of these visitors came from Wisconsin, while one-third came from other states. Only two percent came from other countries.

Winery Visitors, by Wine Capacity, Wisconsin, 2014

| Winery Fermentation Tank Capacity (gallons) | Average number of visitors | From Wisconsin | From other states | From other countries |
|---|----------------------------|----------------|-------------------|----------------------|
| | Number | Percent | | |
| Up to 1,000 | 6,367 | 68 | 28 | 4 |
| 1,001-5,000 | 39,456 | 69 | 30 | 1 |
| 5,001-20,000 | 12,657 | 53 | 45 | 2 |
| 20,001+ | 99,667 | 57 | 40 | 3 |
| Overall | 41,360 | 61 | 37 | 2 |

Seventy-four percent of respondents indicated they planned on increasing wine production capacity in the next five years. For those wineries planning to expand, the capacity increase over the next five years is expected to average 14,000 gallons. Reasons for not expanding included selling/closing/retiring, a limited market for their product, financial limitations, legislative concerns, pesticide damage concerns, limited space, and wholesale constraints.

Planned Winery Expansion, by Wine Capacity, Wisconsin, 2014

| Winery Fermentation Tank Capacity (gallons) | Average Planned Capacity Expansion Over Next 5 Years |
|---|--|
| | Gallons |
| Up to 1,000 | 4,925 |
| 1,001 – 5,000 | 5,680 |
| 5,001 – 20,000 | 13,238 |
| 20,001+ | 27,200 |
| Overall | 14,007 |

Thank you to all the wine makers who answered this survey.

Your input is vital to show policy makers and industry leaders the current state of Wisconsin's wine industry.