

# GRAPES AND WINERIES OF THE NORTH



## Purpose

The emergence of cold hardy, *Vitis riparia*-based wine grape cultivars in the 1990s created a new and rapidly expanding industry of small vineyard and winery enterprises (over 300 wineries, 3,300 acres of grapes, 1300 growers) in more than 12 states in New England, northern New York, and the Upper Midwest, boosting rural economies in those regions. While the North American ancestry of these cultivars confers exceptional climatic adaptation (surviving as low as  $-40^{\circ}\text{C}$ ) and disease resistance, other challenges to production, processing, and marketing slow their successful commercialization in regional and national markets. Because their growth habit and fruit composition differ from traditional, cold-tender *V. vinifera*-based hybrids, new viticultural and enological practices are needed. Marketing tools are also required to educate consumers unfamiliar with the grapes and the wine styles they produce. Consequently, the long-term viability of these new businesses depends on coordinated research and extension to optimize viticultural, enological (winemaking), business management, and marketing practices.



## University of Minnesota's Role

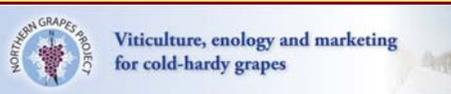
University of Minnesota is one of twelve Extension organizations participating in the Northern Grapes Project. Since University of Minnesota breeding programs produced many of the cold-hardy varieties in production today, the University is playing a critical role in addressing goals related to viticulture. The early adoption of cold-hardy grapes in Minnesota further translated into explosive growth in the winery industry in Minnesota. Therefore, University enologists are integrally involved in the project. Finally, University of Minnesota Extension faculty and staff have experience in marketing and economic impact analysis and are applying their knowledge.

## Department of Applied Economic's Role

Faculty, staff, and students from the Department of Applied Economics, in cooperation with Extension's Center for Community Vitality are leading the marketing research and economic impact analysis. In early 2012, the project team surveyed grape growers and winery owners in the 12 participating states. Over 600 growers and wineries responded to the survey. The survey was designed to collect background information on the industry and on operations. This information will be used to establish a baseline for 2012. In 2017, a follow-up survey will be conducted to measure change during the period. The survey also collected information that will be used to calculate the economic impact of the industry. While economic impact studies have been completed in many of the states, this study will provide a consistency and rigor to the analysis.

## Findings

Growth in the winery and grape growing industry continues. In Minnesota, 1 in 5 vineyards existed more than 10 years ago. Meanwhile, only 1 in 10 wineries were in operation. Growth trends in Minnesota reflect those across all participating states. As a general rule, wineries tend to own their own vineyard, but vineyards tend to stand alone. Established vineyards are also planning for growth. Indications show grape production could double in the next three to five years.



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